



WANHAO

寧波萬豪控股股份有限公司

Ningbo WanHao Holdings Company Limited*

(於中華人民共和國註冊成立之股份有限公司)

(a joint stock limited company incorporated in the People's Republic of China)

股份代號 Stock code: 8249

Annual Report 2012 年報

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This report, for which the directors (the “Directors”) of Ningbo WanHao Holdings Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市之市場。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富的投資者。

鑑於創業板上市的公司屬於新興性質，在創業板買賣的證券可能會較在聯交所主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告包括之資料乃遵照聯交所創業板證券上市規則(「創業板上市規則」)的規定而提供有關寧波萬豪控股股份有限公司(「本公司」)的資料，本公司各董事(「董事」)願就本報告共同及個別承擔全部責任。董事經作出一切合理查詢後確認，就彼等所深知及確信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；(2)本報告並無遺漏任何其他事實，致使本報告所載任何陳述產生誤導；及(3)本報告所表達的一切意見乃經審慎周詳考慮後作出，並建基於公平和合理的基準及假設。

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Zhu Guo An (*Chairman*)
Mr. Qi Yong Qiang
Mr. Zhu Chun Rong

NON-EXECUTIVE DIRECTORS

Mr. Jiang Guo Ping
Mr. Zheng Xin
Mr. Zhu Guo Dan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lu Xuan
Mr. Lu Xian Tai
Mr. Kwok Kim Hung Eddie

SUPERVISORS

Mrs. Mao Lihong
Mrs. Shi Weina
Mrs. Ma Ying

MEMBERS OF THE AUDIT COMMITTEE

Mr. Kwok Kim Hung Eddie (*Chairman*)
Mr. Lu Xuan
Mr. Lu Xian Tai

MEMBERS OF THE REMUNERATION COMMITTEE

Mr. Lu Xuan (*Chairman*)
Mr. Lu Xian Tai
Mr. Kwok Kim Hung Eddie

MEMBERS OF THE NOMINATION COMMITTEE

Mr. Lu Xian Tai (*Chairman*)
Mr. Lu Xuan
Mr. Kwok Kim Hung Eddie

執行董事

諸國安先生(主席)
齊勇強先生
朱春榮先生

非執行董事

姜國平先生
鄭新先生
諸國淡先生

獨立非執行董事

盧緒安先生
陸祥泰先生
郭劍雄先生

監事

毛利紅女士
史維娜女士
馬瑛女士

審核委員會成員

郭劍雄先生(主席)
盧緒安先生
陸祥泰先生

薪酬委員會成員

盧緒安先生(主席)
陸祥泰先生
郭劍雄先生

提名委員會成員

陸祥泰先生(主席)
盧緒安先生
郭劍雄先生

Corporate Information

公司資料

COMPLIANCE OFFICER

Mr. Zhu Guo An

COMPANY SECRETARY

Mr. Tsao Hoi Ho

AUTHORIZED REPRESENTATIVES

Mr. Zhu Guo An
Mr. Tsao Hoi Ho

AUDITORS

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HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited

PRINCIPAL BANKER

Bank of China

GEM STOCK CODE

8249

監察主任

諸國安先生

公司秘書

曹海豪先生

授權代表

諸國安先生
曹海豪先生

核數師

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卓佳雅柏勤有限公司

主要往來銀行

中國銀行

創業板股份代號

8249

Chairman's Statement

主席報告

I would like to take this opportunity to report last year's operating condition of the Company to our shareholders on behalf of the Board of Directors.

In 2012, the Group completed the changes in major shareholders. After the convention of its general meeting on 9 October 2012, the Company changed its name to 寧波萬豪控股股份有限公司 (Ningbo WanHao Holdings Company Limited).

In the year 2012, the Group continued to focus on manufacturing the special mobile phones designed for elderly care purposes ("HT-120" and "HT-999"), which belong to a telecommunication market segment, under its self-owned brands and our OEM business for electronic control products. Meanwhile, we developed and manufactured mobile phones tailored for children, namely the "HT-D9", and tapped domestic markets of Zhejiang, Shandong, Beijing, Heilongjiang and Guizhou through cooperation with China Telecom and China Unicom, which will certainly energise and vitalise the Company.

Finally, I give my sincerest thanks to my fellow directors and our colleagues for their unwavering dedications and significant contributions rendered to the Group. I am confident that their endeavors will continue to contribute to the satisfactory results of the Group in the year ahead. On behalf of the Board, I would also like to take this opportunity to extend our heartfelt gratitude to our shareholders, customers, bankers and business associates for their continuous support to the Group.

Zhu Guo An
Chairman
Ningbo, PRC
22 March 2013

本人謹代表董事會，在此向各位股東匯報本公司過去一年的經營情況。

二零一二年，本集團完成主要股東變更。二零一二年十月九日股東大會後，企業更名為寧波萬豪控股股份有限公司。

本集團在二零一二年度仍以自有品牌產品專注電信細分市場（中老年急救專用手機(HT-120、HT-999)的生產及電控產品的代加工業務為主，同時還推出了HT-D9(兒童機)的研發生產，已通過與中國電信、中國聯通合作投入浙江、山東、北京、黑龍江及貴州等國內市場，必將使企業充滿生機和活力。

最後，本人謹此向集團各董事及員工就彼等堅定不移為本集團作出最大努力及貢獻，致以衷心謝意。本人深信，彼等的努力將於來年繼續為本集團帶來理想業績。同時，本人謹代表董事會全人感謝股東、客戶、往來銀行及業務夥伴一直以來對本集團的鼎力支持。

主席
諸國安
中國寧波
二零一三年三月二十二日

Management's Discussion And Analysis

管理層討論及分析

BUSINESS AND OPERATIONS REVIEW

Turnover

For the year ended 31 December 2012, the Group recorded revenue of approximately RMB9,180,000 (2011: RMB8,689,000), representing an increase of approximately 5.7% over the previous year. The increase in the Group's revenue is due to our marketing efforts during the year.

The Group's activities are divided into 2 reportable segments — namely (i) sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances, and (ii) sales of controller systems for mobile phones and income from sales and assembly of mobile phones. Accordingly, analysis by reportable segments is provided in note 11.

The Group's activities are primarily operated in the PRC. All of the Group's revenue is attributable to customers in the PRC as explained in note 11.

Gross profit margin is -61.5% (2011: -129.3%). Revenue increases slightly by RMB491,000. The decrease in cost of sales by RMB5,104,000 is mainly due to the decrease in impairment of inventories by RMB5,614,000 (2012: RMBNil; 2011: RMB5,614,000). The Group will continue to procure cost control to mitigate the impact of price competition caused by intense competition in the mobile phone industry.

Other revenues recorded a decrease by RMB5,265,000 are mainly due to the decrease in the sales of scrap materials (2012: RMB830,000; 2011: RMB2,172,000) and the decrease in waiver of amounts due to directors (2012: RMB416,000; 2011: RMB4,133,000). Selling and distribution expenses recorded a decrease by RMB353,000 as a result of tighter cost control, while administrative expenses recorded a decrease by RMB11,982,000 over the previous year. The decrease in administrative expenses are mainly due to the decrease in the impairment loss recognised in respect of property, plant and equipment by RMB502,000 (2012: RMB1,255,000; 2011: RMB1,757,000); the decrease in the impairment loss recognised in respect of other receivables by RMB8,255,000 (2012: RMBNil; 2011: RMB8,255,000). For the year ended 31 December 2012, finance costs amounted to approximately RMB1,365,000 (2011: RMB1,802,000), which represented a decrease of RMB437,000 over the previous year. This is mainly due to reduction in borrowings during the year.

業務及營運回顧

營業額

截至二零一二年十二月三十一日止年度，本集團錄得收益約人民幣9,180,000元(二零一一年：人民幣8,689,000元)，較去年增加約5.7%。本集團收益有所增加乃由於年內進行市場推廣所致。

本集團之經營活動分為兩個可呈報分部，分別為(i)消費電器及電子用品控制器系統之銷售及來自銷售小型電器的收入，以及(ii)流動電話控制器系統之銷售及來自流動電話控制器系統的銷售與裝嵌之收入。可呈報分部之相關分析載於附註11。

本集團的業務主要在中國經營。本集團之收益全數來自中國的客戶(誠如附註11所述)。

毛利率為-61.5%(二零一一年：-129.3%)。收益小幅增加人民幣491,000元。銷售成本減少人民幣5,104,000元主要由於存貨減值減少人民幣5,614,000元(二零一二年：人民幣零元；二零一一年：人民幣5,614,000元)。本集團仍將繼續控制採購成本，藉以減輕價格競爭的影響，作為針對流動電話行業激烈競爭的措施。

其他收益減少人民幣5,265,000元乃主要由於廢料的銷售額減少(二零一二年：人民幣830,000元；二零一一年：人民幣2,172,000元)以及豁免應付董事款項減少(二零一二年：人民幣416,000元；二零一一年：人民幣4,133,000元)。由於實施更嚴格的成本控制，銷售及分銷費用較去年減少人民幣353,000元，而行政費用則較去年減少人民幣11,982,000元。行政費用減少主要由於就物業、廠房及設備確認的減值虧損減少人民幣502,000元(二零一二年：人民幣1,255,000元；二零一一年：人民幣1,757,000元)；就其他應收款項確認的減值虧損減少人民幣8,255,000元(二零一二年：人民幣零元；二零一一年：人民幣8,255,000元)。截至二零一二年十二月三十一日止年度，融資成本約為人民幣1,365,000元(二零一一年：人民幣1,802,000元)，較去年減少人民幣437,000元。融資成本減少主要由於年內借貸減少。

Management's Discussion And Analysis

管理層討論及分析

For the year ended 31 December 2012, loss attributable to owners of the Company amounted to RMB7,322,000 (2011: RMB29,491,000).

截至二零一二年十二月三十一日止年度，本公司擁有人應佔虧損為人民幣7,322,000元（二零一一年：人民幣29,491,000元）。

SIGNIFICANT INVESTMENT HELD AND ACQUISITION

Save as disclosed in this report, the Group did not have any significant investment and acquisition during the year ended 31 December 2012.

所持有重大投資及收購

於截至二零一二年十二月三十一日止年度，除於本報告所披露者外，本集團並無任何重大投資及收購。

CHANGES IN THE GROUP STRUCTURE

Please refer note 41 for our group structure.

本集團架構變動

有關本集團架構請參閱附註41。

FINANCIAL REVIEW

Current assets and liabilities

As at 31 December 2012, the Group had current assets of approximately RMB18,900,000 (2011: RMB20,918,000), representing a decrease of RMB2,018,000 compared with last year. The decrease was mainly attributable to the settlement in prepayments, deposits and other receivables of RMB10,003,000 (2012: RMB1,010,000; 2011: RMB11,013,000) during the year and the increase in balance and cash by RMB4,399,000.

流動資產及負債

於二零一二年十二月三十一日，本集團的流動資產約為人民幣18,900,000元（二零一一年：人民幣20,918,000元），較去年減少人民幣2,018,000元。流動資產減少的主要原因為於年內結算預付款項、按金及其他應收款項人民幣10,003,000元（二零一二年：人民幣1,010,000元；二零一一年：人民幣11,013,000元）以及結餘及現金增加人民幣4,399,000元。

As at 31 December 2012, the Group had current liabilities of approximately RMB147,490,000 (2011: RMB394,437,000), which represented a decrease of RMB246,947,000. The decrease is mainly due to the waiver of the amount due to a former corporate shareholder of RMB256,623,000 (please refer to note 28 and 39(d) for details), and amounts due to related companies (please refer to note 25), settlement in bank borrowings, other borrowings.

於二零一二年十二月三十一日，本集團的流動負債約為人民幣147,490,000元（二零一一年：人民幣394,437,000元），較去年減少人民幣246,947,000元。流動負債減少主要由於豁免應付一名前法人股東款項人民幣256,623,000元（詳情請參閱附註28及39(d)）以及應付關連公司款項（請參閱附註25）、償還銀行借貸及其他借貸。

Finance and banking facilities

As at 31 December 2012, the Group had bank balances and cash of approximately RMB6,604,000 (2011: RMB2,205,000), short-term bank borrowings of approximately RMBNil (2011: RMB20,000,000). The Group has repaid all the bank borrowings during the year.

融資及銀行信貸

於二零一二年十二月三十一日，本集團有銀行結餘及現金約為人民幣6,604,000元（二零一一年：人民幣2,205,000元）、短期銀行借貸約為人民幣零元（二零一一年：人民幣20,000,000元）。本集團已於年內償還所有銀行借貸。

Management's Discussion And Analysis

管理層討論及分析

Gearing ratio

The Group's gearing ratio as at 31 December 2012 was Nil% (2011: 61.4%), which is expressed as a percentage of the total bank borrowings over the total assets.

Contingent liabilities

Contingent liabilities of the Group during the year are set out in note 37 to the consolidated financial statements.

Capital structure and financial resources

As at 31 December 2012, the Group had net liabilities of approximately RMB118,167,000 (2011: RMB361,889,000). The Group's operations and investments are financed principally by its internal resources, other borrowing and shareholders' equity.

Foreign exchange risk

The Group's income and expenses were mainly denominated in RMB. Since the existing bank borrowings are repayable in RMB, there was no material foreign exchange risk. The Group will review and monitor foreign exchange risk from time to time and may enter into forward swap contracts to hedge such risks where appropriate.

EMPLOYEES AND REMUNERATION POLICIES

An analysis of employees of the Group by their duties for each of the three years ended 31 December 2010, 2011 and 2012 is set out below:

Functions

| | |
|--|------------|
| Sales and marketing | 銷售及市場推廣 |
| Research & Development | 研發 |
| Production (including quality control) | 生產(包括質量控制) |
| Finance and administration | 財務及行政 |
| Procurement | 採購 |

資本負債比率

本集團於二零一二年十二月三十一日的資本負債比率為零(二零一一年: 61.4%)，此乃以銀行借貸總額除以資產總值的百分比列示。

或然負債

本集團年內的或然負債詳情載於綜合財務報表附註37。

資本結構及財務資源

於二零一二年十二月三十一日，本集團的淨負債約為人民幣118,167,000元(二零一一年: 人民幣361,889,000元)。本集團的營運及投資主要由其內部資源、其他借貸及股東權益撥付。

外匯風險

本集團的收入及支出主要以人民幣計值。由於現有銀行借貸均以人民幣為償還貨幣，因此並不存在重大外匯風險。本集團將不時檢討及監察外匯風險，於適當時訂立遠期掉期合約，以對沖有關風險。

僱員及酬金政策

於截至二零一零年、二零一一年及二零一二年十二月三十一日止三個年度各年，按職能分析，本集團僱員如下：

職能

Headcount for the year ended 31 December 截至十二月三十一日止年度的人數

| | 2010 二零一零年 | 2011 二零一一年 | 2012 二零一二年 |
|--|---------------|---------------|---------------|
| Sales and marketing | 22 | 6 | 5 |
| Research & Development | 7 | 8 | 3 |
| Production (including quality control) | 101 | 108 | 40 |
| Finance and administration | 33 | 31 | 25 |
| Procurement | 2 | 4 | 1 |
| | 165 | 157 | 74 |

Management's Discussion And Analysis

管理層討論及分析

As at 31 December 2012, the Group had 74 employees (2011: 157 employees). Remuneration is determined by reference to market terms and the performance, qualifications and experience of individual employee. Bonuses based on individual performance will be paid to employees in recognition and reward of their contribution. Other benefits include contributions to retirement scheme.

STAFF QUARTERS

Workers and staff of the Group are provided with accommodation at Yuyao City. The Directors confirm that, apart from the above accommodation, there was no other housing benefit provided by the Group to its staff.

RELATIONSHIP WITH EMPLOYEES

The Group has not experienced any significant labour disputes or strikes which have led to the disruption of its normal business operations. The Directors consider that the Group maintains good relationship with its employees.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical Details of Directors, Supervisors and Senior Management are set out on page 22 to page 24.

EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, Supervisors and the five highest paid individuals in the Company are set out in note 16 to the consolidated financial statements.

PROSPECTS

The Group is waiting for emergence of profitable opportunities before expanding current operation. Active sourcings are done to fit our production advantages to current market situation.

於二零一二年十二月三十一日，本集團有74名僱員（二零一一年：157名僱員）。酬金是經參考市場條款及個別僱員的表現、資格及經驗而釐定。按個別表現釐定的花紅將付予僱員，作為對其貢獻的肯定及獎勵。其他福利包括向退休計劃供款。

員工宿舍

本集團的工人及員工獲住宿安排，宿舍位於余姚市。董事確認，除上述宿舍外，本集團並無向其員工提供其他房屋福利。

與僱員的關係

本集團概無經歷任何重大勞資糾紛或罷工，導致其日常業務運作受干擾。董事認為，本集團與其僱員的關係良好。

董事、監事及高級管理人員履歷

董事、監事及高級管理人員履歷載於第22頁至第24頁。

董事、監事及五名最高薪人士的酬金

董事、監事及本公司五名最高薪人士的酬金詳情載於綜合財務報表附註16。

前景

本集團正等待有利可圖之機會出現，以便即時擴大現時之業務規模，並籌劃運用我們之生產優勢，以配合及適應最新市況。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

During the year ended 31 December 2012, the Company had complied with the Code on Corporate Governance Practices (effective until 31 March 2012) contained in Appendix 15 of the GEM Listing Rules (the "Code") in all material aspects except that no remuneration committee had been set up as required by rule B1.1 of the Code. On 22 March 2012, the Company set up both the Remuneration Committee and the Nomination Committee.

The Company has also complied with the code provisions set out in the Code on Corporate Governance Code (effective from 1 April 2012) as stated in Appendix 15 of the GEM Listing Rules except the following deviations (Code Provisions A.2.1 and E.1.2):

Mr. Zhu Guo An is the Chairman of the board of directors. The Company has no such title as the chief executive officer and the daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting the operations of the Company.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in this annual report.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rules 5.05A and 5.06 of the GEM Listing Rules, the Company has appointed 3 independent non-executive directors. The Company confirms that it has received from each of the independent non-executive directors a confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company still considers all the existing independent non-executive directors to be independent.

企業管治

於截至二零一二年十二月三十一日止年度，除並無按創業板上市規則附錄15所載的企業管治常規守則（「守則」）（於二零一二年三月三十一日前有效）第B1.1條的規定設立薪酬委員會外，本公司在各重大方面一直遵守守則的規定。於二零一二年三月二十二日，本公司設立薪酬委員會及提名委員會。

本公司亦遵守創業板上市規則附錄15所載之企業管治守則（於二零一二年四月一日起生效）之守則條文，惟以下偏離（守則條文第A.2.1條及第E.1.2條）除外：

諸國安先生為董事會主席。本公司並無設立行政總裁職銜，而本公司之日常營運及管理由執行董事及高級管理層實行監控。董事會認為，雖然本公司並無行政總裁，但透過由具備豐富經驗之人士組成之董事會運作並不時開會討論影響本公司營運之事宜，足以確保維持權責平衡。

有關本公司企業管治常規之進一步資料載列於本年報企業管治報告內。

獨立非執行董事

根據創業板上市規則第5.05(A)條及5.06條，本公司已委任3名獨立非執行董事。本公司確認，本公司已接獲各獨立非執行董事之確認書，確認其具有創業板上市規則第5.09條所指之獨立性，而本公司認為，所有現任獨立非執行董事均仍具備獨立性。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board of directors of the Company (the “Board”) and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group’s goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders’ value.

The Board has adopted the Code on Corporate Governance Practices (the “CG Code”) and the revised version of it which takes effect from April 2012 (the “New CG Code”) as set out in Appendix 15 to the Rules Governing the GEM Listing Rules. Continuous efforts are made to review and enhance the Group’s internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is pleased to report compliance with the code provisions of the CG Code for the period from 1 January 2012 up to 31 March 2012 and the code provisions of the New CG Code for the period from 1 April 2012 to 31 December 2012, except where otherwise stated.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted a code of dealing in securities by Directors of the Group as set out in Rule 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year.

企業管治常規

本公司董事會（「董事會」）及本公司管理層致力訂立良好之企業管治常規及程序。本集團一直以維持高水準之商業道德及企業管治常規為其目標之一。本公司相信，良好之企業管治能為有效管理、成功之業務增長及健康之企業文化訂立框架，從而提升股東價值。

董事會已採納載於創業板證券上市規則附錄 15 之企業管治常規守則（「企業管治守則」）及其經修訂本（「新企業管治守則」，於二零一二年四月生效）。本集團一直致力就條例之變更及最佳常規之發展檢討及提升其內部監控及程序。對我們而言，維持高水準之企業管治常規不僅為符合條文，而是實現條文之精神，提升企業表現及加強問責性。

董事會欣然報告，除另有說明者外，於二零一二年一月一日至二零一二年三月三十一日期間符合企業管治守則之守則條文，及於二零一二年四月一日至二零一二年十二月三十一日期間符合新企業管治守則之守則條文。

董事之證券交易

本集團已採納載於創業板上市規則第 5.48 條至 5.67 條之集團之董事進行證券交易之守則作為其本身有關董事進行證券交易之行為守則。經向全體董事作出特定查詢後，董事均確認彼等於整個年度已遵守標準守則所載之規定標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board comprises:

| | | |
|-------------------------------------|---|--|
| Executive Directors | : | Mr. Zhu Guo An (<i>Chairman</i>) Mr. Qi Yong Qiang Mr. Zhu Chun Rong |
| Non-Executive Directors | : | Mr. Jiang Guo Ping Mr. Zheng Xin Mr. Zhu Guo Dan |
| Independent Non-Executive Directors | : | Mr. Lu Xuan Mr. Lu Xian Tai Mr. Kwok Kim Hung Eddie |

Each independent non-executive director has given an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

As at 31 December 2012, the Board comprises nine members, including three executive directors, three non-executive directors and three independent non-executive directors (the "INEDs"). Each of the members possesses sufficient experience and qualification which enable them to discharge their duties properly.

The chairman is responsible for the formulation and review of the Group's overall development strategies. The daily operation is delegated to the executive directors and senior management. None of the INEDs is interested in the business of the Group and their independence has to be confirmed upon appointment or reappointment. Currently, there is no financial, business, family or other relevant material relationship among the existing directors.

According to the articles of association of the Company, all the directors shall be elected at the general meeting of the shareholders and the term of office shall be one year, renewable upon reappointment or re-election.

Board meetings are conducted on a periodic basis and with reference to the operation needs. During the year, the board held 6 meetings and the attendance of the directors is set out on page 12.

董事會

董事會成員包括：

| | | |
|---------|---|-----------------------------|
| 執行董事 | : | 諸國安先生(主席) 亓勇強先生 朱春榮先生 |
| 非執行董事 | : | 姜國平先生 鄭新先生 諸國淡先生 |
| 獨立非執行董事 | : | 盧緒安先生 陸祥泰先生 郭劍雄先生 |

各位獨立非執行董事已就其獨立性向本公司發出年度確認，而根據創業板上市規則第5.09條之規定，本公司認為彼等均為獨立人士。

於二零一二年十二月三十一日，董事會由九名成員組成，包括三名執行董事、三名非執行董事及三名獨立非執行董事（「獨立非執行董事」）。董事會各成員均具有足夠經驗及資歷以妥善履行其職責。

主席負責製訂及檢討本集團的整體發展策略，日常營運則由執行董事及高級管理人員負責。各獨立非執行董事概無於本集團業務中擁有任何權益，並於出任及留聘有關任命時確認其獨立地位。目前，現任董事間並無財務、業務、家族或其他相關重大關係。

根據本公司的公司章程細則規定，所有董事須於股東大會上選舉產生，任期一年，於任期屆滿時重選連任。

董事會定期及按業務所需舉行會議。年內，董事會舉行了6次會議，各董事出席記錄載於第12頁。

Corporate Governance Report

企業管治報告

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2012, a total of 6 Board meetings, 1 annual general meeting (“2011 AGM”) and 2 extraordinary general meeting (“EGM”) were held and the attendance of each director is set out as follows:

會議出席記錄

於截至二零一二年十二月三十一日止財政年度內，本公司合共舉行6次董事會會議、1次股東週年大會（「二零一一年股東週年大會」）及2次股東特別大會（「股東特別大會」），各位董事之出席情況載列如下：

Number of meetings attended in the year ended 31 December 2012

於截至二零一二年十二月三十一日
止年度內出席會議次數

| Name of director | 董事姓名 | Regular Board meetings | 2011 AGM | EGM |
|---|------------------------------|------------------------|-------------|--------|
| | | 定期董事會會議 | 二零一一年股東週年大會 | 股東特別大會 |
| Mr. Zhu Guo An (Chairman, appointed on 20 June 2012) | 諸國安先生(主席， 於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Qi Yong Qiang (appointed on 20 June 2012) | 元勇強先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Zhu Chun Rong (appointed on 20 June 2012) | 朱春榮先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Jiang Guo Ping (appointed on 20 June 2012) | 姜國平先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Zheng Xin (appointed on 20 June 2012) | 鄭新先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Zhu Guo Dan (appointed on 20 June 2012) | 諸國淡先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Lu Xuan (appointed on 20 June 2012) | 盧緒安先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Lu Xian Tai (appointed on 20 June 2012) | 陸祥泰先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Mr. Kwok Kim Hung Eddie (appointed on 20 June 2012) | 郭劍雄先生 (於二零一二年六月二十日獲委任) | 4/4 | 0/0 | 1/1 |
| Directors resigned during the year | | 於年內辭任之董事 | | |
| Mr. Liu Xiao Chun (ex-chairman, resigned on 20 June 2012) | 劉曉春先生(前主席，於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Mr. Gong Zheng Jun (resigned on 20 June 2012) | 宮正軍先生(於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Mr. Chen Zheng Tu (resigned on 20 June 2012) | 陳正土先生(於二零一二年六月二十日辭任) | 0/2 | 0/1 | 1/1 |
| Mr. Zheng Yi Song (resigned on 20 June 2012) | 鄭毅松先生(於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Mr. Liu Feng (resigned on 20 June 2012) | 劉豐先生(於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Mr. Wang Wei Shi (resigned on 20 June 2012) | 王偉時先生(於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Mr. Pang Jun (resigned on 20 June 2012) | 龐軍先生(於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Mr. Law Hon Hing Henry (resigned on 20 June 2012) | 羅漢興先生(於二零一二年六月二十日辭任) | 2/2 | 1/1 | 1/1 |
| Professor Fang Min (resigned on 17 August 2012) | 方敏教授(於二零一二年八月十七日辭任) | 4/4 | 1/1 | 1/1 |

Corporate Governance Report

企業管治報告

The ex-chairman attended 2011 AGM to answer questions and collect views of shareholders. Though some directors were unable to attend 2011 AGM due to other business engagements, the company secretary and the auditors had attended the meeting to answer questions at the meeting.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Board held meetings from time to time whenever necessary. At least 7 days notice of regular Board meetings is given to all directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the directors to review the documents.

Minutes of every Board meeting are circulated to all directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

前主席已出席二零一一年股東週年大會以回答股東問題及搜集其意見。儘管部分執行董事因其他業務未能出席二零一一年股東週年大會，公司秘書及核數師已出席大會並於會上回答問題。

董事會責任

董事會負責領導及控制本集團並透過指導及監督本集團之業務共同負責令本集團達成成功。董事會專注於制定本集團之整體策略、批准發展計劃及預算、監察財務及營運表現、檢討內部監控系統之成效、監督及管理本集團管理層之表現及釐定本集團之價值觀及標準。董事會委任管理層負責本集團之日常管理、行政及營運工作。董事會定期檢討所授出之職能，以確保其符合本集團之需要。

企業管治職能

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供培訓及持續專業發展及確保本公司之政策及常規符合法律及監管規定等。

董事會不時在有需要時舉行會議。本公司會向全體董事發出至少7天的有關召開定期董事會會議之通知，彼等可將彼等認為適合之討論事項納入會議議程。會議議程連同董事會文件會於每次董事會會議舉行當日前至少3天送交全體董事，以便董事有充足時間審議有關文件。

每次董事會會議之會議記錄給所有董事傳閱，以讓彼等確認會議記錄前細讀及作註解。董事會亦會確保會議記錄將於合適時間，以適當形式及內容提供必須資料，已讓所有董事可履行彼等之職責。

每位董事會成員均可全面取得公司秘書之意見及服務，旨在確保董事會程序以及所有適用規則及規例均獲遵守，而彼等亦有權全面獲取董事會文件及相關資料，以便彼等能作出知情決定及履行彼等之職責及責任。

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Zhu Guo An (“Mr. Zhu”) is the Chairman of the Company. Mr. Zhu is responsible for the overall strategic planning and policy making of the Group.

The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company is monitored by the executive directors as well as the senior management.

The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All independent non-executive directors are appointed for a specific term which may be extended as each and the Company may agree.

The current articles of association of the Company provide that subject to the manner of retirement by rotation of directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every 3 years.

PROFESSIONAL DEVELOPMENT

To assist directors' continuing professional development, the Company recommends directors to attend relevant seminars to develop and refresh their knowledge and skills. All directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective directors are kept and updated by the company secretary of the Company.

主席及行政總裁

諸國安先生(「諸先生」)為本公司主席。諸先生負責本集團之整體策略規劃及政策制定。

本公司並無設立行政總裁職銜，因此，本公司之日常營運及管理由執行董事及高級管理層實行監控。

董事會認為，雖然本公司並無行政總裁，但透過由具備豐富經驗之人士組成之董事會運作並不時開會討論影響本公司營運之事宜，足以確保維持權責平衡。

委任及重選董事

所有獨立非執行董事均獲委任特定任期，並可在各獨立非執行董事及本公司同意下延長任期。

本公司現時之組織章程細則訂明在創業板上市規則不時規定之董事輪值告退方式所規限下，於每屆股東週年大會上，當時之三分之一董事須輪值告退，且每位董事須至少每3年輪值告退1次。

專業發展

為協助董事之持續專業發展，本公司建議董事出席相關之座談會以發展及更新彼等之知識及技能。全體董事亦有出席持續專業發展計劃，如由合資格專業人士所舉辦之外部座談會，就彼等對董事會之貢獻發展及更新彼等之知識及技能。各董事所接受之培訓記錄由本公司公司秘書保管及更新。

Corporate Governance Report

企業管治報告

The individual training record of each director received for the year ended 31 December 2012 is summarized below:

截至二零一二年十二月三十一日止年度，各董事所接受培訓之個別記錄概述如下：

| | | Attending seminar(s)/ programme(s)/conference(s) relevant to the business or directors' duties | 出席有關業務或 董事職責之座談會/ 計劃/會議之情況 |
|------------------------------------|-----------|---|---|
| Mr. Zhu Guo An (<i>Chairman</i>) | 諸國安先生(主席) | | ✓ |
| Mr. Qi Yong Qiang | 亓勇強先生 | | ✓ |
| Mr. Zhu Chun Rong | 朱春榮先生 | | ✓ |
| Mr. Jiang Guo Ping | 姜國平先生 | | ✓ |
| Mr. Zheng Xin | 鄭新先生 | | ✓ |
| Mr. Zhu Guo Dan | 諸國淡先生 | | ✓ |
| Mr. Lu Xuan | 盧緒安先生 | | ✓ |
| Mr. Lu Xian Tai | 陸祥泰先生 | | ✓ |
| Mr. Kwok Kim Hung Eddie | 郭劍雄先生 | | ✓ |

All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

全體董事均了解到持續專業發展之重要性，承諾參與任何合適之培訓，以發展及更新彼等之知識及技能。

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises 3 independent non-executive directors, who have reviewed the financial statements for the year ended 31 December 2012. All of them have appropriate professional qualifications and/or accounting and/or related financial management expertise. Mr. Kwok Kim Hung, Eddie, is the chairman of the Audit Committee. No member of the Audit Committee is a member of the former or existing auditor of the Company. The terms of reference of the Audit Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

審核委員會

本公司之審核委員會(「審核委員會」)由3位獨立非執行董事組成，彼等已審閱截至二零一二年十二月三十一日止年度之財務報表。彼等均擁有適合專業資格及/或會計及/或相關財務管理專長。郭劍雄先生為審核委員會主席。審核委員會之成員當中並無本公司之前任或現任核數師。審核委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

Our Audit Committee has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the auditors relating to the annual and interim accounts, and monitoring the accounting and internal control system in use throughout the Group.

我們之審核委員會主要負責監察內部監控之質素及確保本公司之財務表現得以準確地計量及申報、接收及審核管理層及核數師有關年度及中期賬目之報告及監察本集團使用之會計及內部監控系統。

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According to the current terms of reference, meetings of the Audit Committee shall be held at least 4 times a year. 5 meetings were held for the year ended 31 December 2012. The attendance of each member is set out as follows:

根據現有職權範圍，審核委員會每年須至少舉行4次會議。截至二零一二年十二月三十一日止年度，審核委員會已舉行了5次會議。各位成員之出席情況載列如下：

| Name of members of Audit Committee | 審核委員會成員姓名 | Number of meetings attended in the financial year ended 31 December 2012 | 於截至二零一二年十二月三十一日止財政年度內出席會議次數 |
|--|---------------------------|--|-----------------------------|
| Mr. Kwok Kim Hung Eddie (appointed on 20 June 2012) | 郭劍雄先生 (於二零一二年六月二十日獲委任) | | 3/3 |
| Mr. Lu Xuan (appointed on 20 June 2012) | 盧緒安先生 (於二零一二年六月二十日獲委任) | | 3/3 |
| Mr. Lu Xian Tai (appointed on 20 June 2012) | 陸祥泰先生 (於二零一二年六月二十日獲委任) | | 3/3 |
| Directors resigned during the year | 於年內辭任之董事 | | |
| Mr. Pang Jun (resigned on 20 June 2012) | 龐軍先生 (於二零一二年六月二十日辭任) | | 2/2 |
| Mr. Law Hon Hing Henry (resigned on 20 June 2012) | 羅漢興先生 (於二零一二年六月二十日辭任) | | 2/2 |
| Professor Fang Min (resigned on 17 August 2012) | 方敏教授 (於二零一二年八月十七日辭任) | | 2/2 |

At the meetings held during the year, in performing its duties in accordance with its terms of reference, the work performed by the Audit Committee included:

於年內舉行之會議上，在根據其職權範圍履行其職責方面，審核委員會所履行之工作包括：

- | | |
|--|---------------------------------------|
| (a) review and supervise the financial reporting process and internal control system of the Company and its subsidiaries; | (a) 檢討及監督本公司及其附屬公司之財務申報程序及內部監控系統； |
| (b) recommendation to the Board, for the approval by shareholders, of the re-appointment of the external Auditor and approval of their remuneration; | (b) 向董事會建議重新委任外部核數師並批准彼等之酬金，惟須獲得股東批准； |
| (c) determination of the nature and scope of the audit; and | (c) 釐定審核之性質及範圍；及 |
| (d) review the financial statements for the relevant periods. | (d) 審核有關期間之財務報表。 |

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REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established on 22 March 2012 comprising the 3 independent non-executive directors. Mr. Lu Xuan is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company’s website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Remuneration Committee include consulting the chairman of the Board about their remuneration proposals for other executive directors, making recommendation to the Board on the Company’s remuneration policy and structure for all directors’ and senior management and the Remuneration Committee has adopted the approach under B.1.2(c)(ii) of the code provisions to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

Meeting of the Remuneration Committee shall be held at least once a year. 1 meeting was held during the year ended 31 December 2012. During the meeting, remuneration of the directors have been discussed and no change has been proposed to the remuneration policy and the directors’ remuneration.

The attendance of each member is set out as follows:

| Name of members of Remuneration Committee | 薪酬委員會成員姓名 | Number of meetings attended in the financial year ended 31 December 2012 | 於截至二零一二年十二月三十一日止財政年度內出席會議次數 |
|---|-----------|--|-----------------------------|
| Mr. Lu Xuan (Chairman) | 盧緒安先生(主席) | | 1/1 |
| Mr. Lu Xian Tai | 陸祥泰先生 | | 1/1 |
| Mr. Kwok Kim Hung Eddie | 郭劍雄先生 | | 1/1 |

薪酬委員會

本公司於二零一二年三月二十二日成立由3位獨立非執行董事組成之薪酬委員會(「薪酬委員會」)。盧緒安先生為薪酬委員會主席。薪酬委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

薪酬委員會之角色及職能包括向董事會主席諮詢彼等就其他執行董事之薪酬建議及就本公司全體董事及高級管理層之薪酬政策及架構向董事會作出建議。薪酬委員會已採納守則條文B.1.2(c)(ii)條項下之方式就個別執行董事及高級管理層薪酬組合向董事會作出建議。

薪酬委員會每年須至少舉行一次會議。薪酬委員會已於截至二零一二年十二月三十一日止年度內舉行1次會議。於會議期間，董事薪酬已獲商議，且並無建議對薪酬政策及董事薪酬作出任何變更。

各位成員之出席情況載列如下：

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NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 22 March 2012 comprising the 3 independent non-executive directors. Mr. Lu Xian Tai is currently the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the board at least once a year, making recommendations on any proposed changes to the board to complement the Company's corporate strategies, identifying individuals suitably qualified to become board members (select or make recommendations to the board on the selection of individuals nominated for directorships), assessing the independence of independent non-executive directors, making recommendations to the board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the Chairman and the Chief Executive Officer; and reporting to the board on its decisions or recommendations, unless there are legal or regulatory restrictions.

Meeting of the Nomination Committee shall be held at least once a year. 1 meeting was held during the year ended 31 December 2012. Issues concerning the structure, size and composition of the board of directors were discussed and no change has been proposed to the structure, size and composition.

The attendance of each member is set out as follows:

提名委員會

本公司於二零一二年三月二十二日成立由3位獨立非執行董事組成之提名委員會(「提名委員會」)。陸祥泰先生現為提名委員會主席。提名委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

提名委員會之角色及職能包括至少每年一次檢討董事會的架構、人數及組成(包括技能、知識及經驗方面),就任何為推行公司戰略擬作出的變動向董事會提出建議、物色具備合適資格可擔任董事的人士(挑選、提名有關人士出任董事或就此向董事會提供意見)、評核獨立非執行董事的獨立性、就董事委任或重新委任以及董事(尤其是董事會主席及行政總裁)繼任計劃的有關事宜向董事會提出建議及向董事會匯報其決定或建議,除非受法律或監管限制所限而不能作出匯報。

提名委員會每年須至少舉行1次會議。提名委員會已於截至二零一二年十二月三十一日止年度內舉行1次會議。會上討論了有關董事會之架構、規模及組成情況,且並無建議對架構、規模及組成作出任何變更。

各位成員之出席情況載列如下:

| Name of members of Nomination Committee | 提名委員會成員姓名 | Number of meetings attended in the financial year ended 31 December 2012 | 於截至二零一二年 十二月三十一日止 財政年度內 出席會議次數 |
|--|-----------|---|---|
| Mr. Lu Xian Tai (<i>Chairman</i>) | 陸祥泰先生(主席) | | 1/1 |
| Mr. Lu Xuan | 盧緒安先生 | | 1/1 |
| Mr. Kwok Kim Hung Eddie | 郭劍雄先生 | | 1/1 |

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ACCOUNTABILITY AND AUDIT

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the Company's internal control system and risk management procedures and for reviewing the effectiveness of the Company's internal control. The Board has conducted a review of, and is satisfied with the effectiveness of the system of internal controls of the Group.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective. The system includes a defined management structure with segregation of duties and a cash management system such as monthly reconciliation of bank accounts.

The Board reviews the effectiveness of the Group's material internal controls and is of the opinion that the resources for and qualifications of staff of the Company's accounting and financial reporting function are adequate and sufficient. Based on information furnished to it and on its own observations, the Board is satisfied with present internal controls of the Group.

問責及審核

財務申報

管理層須就本公司之財政狀況及業務發展前景向董事會提供有關解釋及資料，並定期向董事會匯報，以便董事會能夠於其批准前就所提交之財務及其他資料作出知情評估。

誠如獨立核數師報告書所載，董事確認負責編製真實及公平地反映本集團財務狀況之本集團財務報表。外聘核數師乃根據彼等之審核結果，對董事會所編製之該等綜合財務報表作出獨立意見，並向本公司股東匯報彼等之意見。核數師作出之申報責任聲明載於獨立核數師報告書內。

內部監控及風險管理

董事會負責制定本公司之內部監控系統及風險管理程序，以及負責檢討本公司內部監控之效力。董事會已對本集團內部監控系統之效力進行了檢討，並對此感到滿意。

本集團致力於識別、監察及管理與其業務活動有關之風險。本集團之內部監控系統旨在合理保證無重大失實陳述或損失，並管理及消除營運系統失效之風險及達成業務目標。該系統包括清晰劃分職責之界定管理架構及現金管理系統（如銀行賬戶之每月對賬）。

董事會檢討本集團重要內部監控之效力，並認為本公司會計及財務申報部門之人員資格及可用資源充分足夠。根據董事會獲提供之資料及其本身進行之監察，董事會對本集團目前的內部監控感到滿意。

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EXTERNAL AUDITORS

Lo and Kwong C.P.A. Company Limited resigned as auditor of the Company with effect from 2012 and KTC Partners CPA Limited were appointed as auditors of the Company on 2012 to fill the casual vacancy so arising. There have been no other change of auditor in the past three years.

During the financial year ended 31 December 2012, the fees paid to the Company's auditors is set out as follows:

外聘核數師

盧鄭會計師事務所有限公司已辭任本公司核數師，自二零一二年起生效，而本公司亦於二零一二年委任和信會計師事務所有限公司出任核數師，以填補該臨時空缺。於過往三年期間，並無其他核數師變動。

於截至二零一二年十二月三十一日止財政年度，支付予本公司核數師之費用載列如下：

Fees paid/payable
已支付／應付費用
RMB'000
人民幣千元

Services rendered

提供服務

Audit services

審核服務

447

COMPANY SECRETARY

Mr. Tsao Hoi Ho ("Mr. Tsao") was appointed as the company secretary of the Company on 24 November 2008. The biographical details of Mr. Tsao are set out under the section headed "Directors, Supervisors and Senior Management".

According to the newly introduced Rule 5.15 of the GEM Listing Rules, Mr. Tsao has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2012.

公司秘書

曹海豪先生(「曹先生」)於二零零八年十一月二十四日獲委任為本公司公司秘書。曹先生之履歷詳情載於「董事、監事及高級管理人員」一節。

根據創業板上市規則新頒佈之5.15條，曹先生於截至二零一二年十二月三十一日止財政年度已接受不少於15小時之相關專業培訓。

INVESTORS' RELATIONS

The Company places great emphasis on its relationship and communication with investors. The Company has numerous communication channels, such as press conference and seminars, to communicate with the media, analysts and fund managers. Designated senior management staff holds dialogue with analysts, fund managers and investors, who are also arranged to visit the Company and investment projects from time to time, so as to keep them abreast of the Group's business and latest developments. In addition, investors can also visit the Company's website at www.wanhaoholdings.com for the most updated information and the status of the business development of the Group.

The Company has made some changes in constitutional documents during the year ended 31 December 2012. Investors can obtain the latest constitutional documents of the Company from the Company's website.

投資者關係

本公司十分注重與投資者之關係及溝通。本公司設有多種溝通渠道，如召開新聞發佈會、研討會，與媒體、分析員及基金經理聯繫。指定之高級管理人員與分析員、基金經理及投資者對話，並不時安排彼等參觀本公司及投資項目，了解本集團業務及最新發展。此外，投資者亦可於本公司網站 www.wanhaoholdings.com，及時了解本集團的最新信息及業務發展狀況。

於截至二零一二年十二月三十一日止年度，本公司組織章程文件發生若干變動。投資者亦可於本公司網站查閱本公司最新的組織章程文件。

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COMMUNICATION WITH SHAREHOLDERS

The Board and senior management recognise the responsibility of safeguarding the interest of shareholders of the Company and provide highly transparent and real-time information on the Company so as to keep the shareholders and investors abreast of the Company's position and help them to make the best investment decision. The Company believes that maintaining good and effective communication with shareholders can facilitate the shareholders' understanding of the business performance and strategies of the Group. The Board and senior management also recognise the responsibility of safeguarding the interest of shareholders of the Company. In order to safeguard the shareholders' interest, the Company reports its financial and operating performance to shareholders through annual reports, interim reports and quarterly reports. Shareholders of the Company can also obtain information of the Group in time through annual reports, interim reports, quarterly reports, announcements, circulars, press releases and the Company's website www.wanhaoholdings.com.

The annual general meetings are an appropriate forum for direct communication between the Board and shareholders. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group at annual general meetings.

與股東之溝通

董事會及高層管理人員確認彼等須保障本公司股東利益的責任，提供高透明度及實時的公司數據，讓股東及投資者及時了解公司狀況並作出最佳投資決策。本公司深信，與股東保持良好有效之溝通，有助於促進股東對本集團業務表現及策略的了解。董事會及高級管理人員亦確認彼等須保障本公司股東利益的責任。為保障股東利益，本公司透過年報、中期報告及季度報告向股東匯報其財務及經營表現。本公司股東亦可透過本公司發出的年報、中期報告、季度報告、公告、通函、新聞稿，以及本公司的網站 www.wanhaoholdings.com，及時取得本集團的資料。

本公司的股東週年大會提供合適場合讓董事會與股東進行直接溝通，股東可就本集團的表現及未來發展方向於股東週年大會向董事會直接提出問題。

Directors, Supervisors And Senior Management

董事、監事及高級管理人員

DIRECTORS

The Board currently consists of 9 Directors including 3 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors.

Executive Directors

Mr. Zhu Guo An (諸國安), aged 56, was appointed as the chairman of the Board, an executive director, compliance officer and authorized representative of the Company on 20 June 2012. Mr. Zhu has been the executive director of Wanli since April 2011. Mr. Zhu was the chairman of Wanli (formerly known as 浙江萬里控股有限公司 (Zhejiang Wanli Holding Group Inc*) and 余姚市萬里建設有限公司 (Yuyao Wanli Construction Company Limited*) from January 1996 to April 2011. He has over 39 years of experience in management, operation and project development in large property development companies in the PRC. Mr. Zhu is responsible for the implementation of the objectives, policies and strategies as well as day-to-day management and operations of Wanli and its subsidiaries. He obtained a bachelor degree of civil engineering from 中國地質大學 (China University of Geoscience) in 2008 and has become a senior economist in 2008. He is a brother of Mr. Zhu Guo Dan.

Mr. Qi Yong Qiang (齊勇強), aged 51, was appointed as an executive director of the Company on 20 June 2012. Mr. Qi has been the general manager of 余姚市商業對外貿易有限公司 (Yuyao Commercial Group Company Limited* ("Yuyao") since June 1996. Yuyao is beneficially owned as to 90% by Mr. Qi and as to 10% by Madam Ma Xia Jun (馬霞軍) (wife of Mr. Qi), and is principally engaged in import and export trading.

Mr. Zhu Chun Rong (朱春榮), aged 44, was appointed as an executive director of the Company on 20 June 2012. Mr. Zhu has been appointed as the finance manager of Wanli (formerly known as 浙江萬里控股有限公司 (Zhejiang Wanli Holding Group Inc*) and 余姚市萬里建設有限公司 (Yuyao Wanli Construction Company Limited*)) since January 2007. He obtained his bachelor degree in applied mathematics from Sichuan University (四川大學) in 1991.

Non-executive Directors

Mr. Jiang Guo Ping (姜國平), aged 54, was appointed as a non-executive director of the Company on 20 June 2012. Mr. Jiang has been appointed as the deputy general manager of Wanli (formerly known as 浙江萬里控股有限公司 (Zhejiang Wanli Holding Group Inc*) and 余姚市萬里建設有限公司 (Yuyao Wanli Construction Company Limited*)) since February 2000. He obtained a bachelor degree of civil engineering from 中國地質大學 (China University of Geoscience) in 2008.

董事

董事會現由九名董事組成，包括三名執行董事、三名非執行董事及三名獨立非執行董事。

執行董事

諸國安先生，56歲，於二零一二年六月二十日獲委任為本公司董事會主席、執行董事、監察主任及授權代表。諸先生自二零一一年四月起擔任萬里的執行董事。自一九九六年一月至二零一一年四月，諸先生曾擔任萬里（前稱為浙江萬里控股有限公司）及余姚市萬里建設有限公司的董事長。彼於中國大型物業開發公司的管理、營運及項目開發方面擁有逾39年的經驗。諸先生負責推行萬里及其附屬公司的目標、政策與策略以及日常管理及營運工作。彼於二零零八年取得中國地質大學土木工程學士學位並於二零零八年成為高級經濟師。彼為諸國淡先生的哥哥。

齊勇強先生，51歲，於二零一二年六月二十日獲委任為本公司執行董事。齊先生自一九九六年六月起擔任余姚市商業對外貿易有限公司（「余姚」）的總經理。余姚由齊先生實益擁有90%的權益及由馬霞軍女士（齊先生的妻子）實益擁有10%的權益，該公司主要從事進出口貿易。

朱春榮先生，44歲，於二零一二年六月二十日獲委任為本公司執行董事。朱先生自二零零七年一月起獲委任為萬里（前稱浙江萬里控股有限公司）及余姚市萬里建設有限公司之財務經理。彼於一九九一年取得四川大學應用數學學士學位。

非執行董事

姜國平先生，54歲，於二零一二年六月二十日獲委任為本公司非執行董事。姜先生自二零零零年二月起獲委任為萬里（前稱浙江萬里控股有限公司）及余姚市萬里建設有限公司之副總經理。彼於二零零八年取得中國地質大學土木工程學士學位。

Directors, Supervisors And Senior Management 董事、監事及高級管理人員

Mr. Zheng Xin (鄭新), aged 35, was appointed as a non-executive director of the Company on 20 June 2012. Mr. Zheng has been appointed as a director of Wanli (formerly known as 浙江萬里控股有限公司 (Zhejiang Wanli Holding Group Inc*) and 余姚市萬里建設有限公司 (Yuyao Wanli Construction Company Limited*)) since January 2007. Between December 2000 to January 2007, he was an operating general manager of Wanli. He obtained a bachelor degree of civil engineering from 中國地質大學 (China University of Geoscience) in 2010.

Mr. Zhu Guo Dan (諸國淡), aged 49, was appointed as a non-executive director of the Company on 20 June 2012. Mr. Zhu has been appointed as a general manager of Wanli (formerly known as 浙江萬里控股有限公司 (Zhejiang Wanli Holding Group Inc*) and 余姚市萬里建設有限公司 (Yuyao Wanli Construction Company Limited*)) since January 2007. Between November 1999 to January 2007, he was a supervisor of Wanli. He has over 30 years of experience in civil work in construction companies in the PRC. He obtained a bachelor degree of civil engineering from 中國地質大學 (China University of Geoscience) in 2008. He is a brother of Mr. Zhu Guo An.

Independent non-executive Directors

Mr. Lu Xuan (盧緒安), aged 57, was appointed as an independent non-executive director of the Company on 20 June 2012. Mr. Lu has been appointed as the director of 寧波陽明股份有限公司 (Ningbo Yang Ming Company Limited*) and 余姚市商業集團 (Yuyao Commercial Bureau*) since May 1997. He graduated from 哈爾濱農墾大學 (Harbin Agricultural University) majoring in agricultural machinery in 1979.

Mr. Lu Xian Tai (陸祥泰), aged 55, was appointed as an independent non-executive director of the Company on 20 June 2012. Mr. Lu has been working as a deputy general manager and director of finance department of 浙江華聯商廈有限公司 (Zhejiang Hualian Commercial Building Company Limited*) since February 1998. He graduated from 杭州商學院 (Hangzhou College of Commerce) majoring in corporate management in 1997.

Mr. Kwok Kim Hung Eddie (郭劍雄), aged 41, was appointed as an independent non-executive director of the Company on 20 June 2012. Mr. Kwok is currently a financial controller, company secretary and authorised representative of a listed company in Hong Kong. Mr. Kwok is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok is also an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Kwok holds a Master of Professional Accounting Degree from the Hong Kong Polytechnic University, a Master of Corporate Governance Degree from the Open University of Hong Kong and a Honours Diploma in Accounting from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University).

鄭新先生，35歲，於二零一二年六月二十日獲委任為本公司非執行董事。鄭先生自二零零七年一月起獲委任為萬里（前稱浙江萬里控股有限公司）及余姚市萬里建設有限公司之董事。於二零零零年十二月至二零零七年一月期間，彼曾任萬里的營運總經理。彼於二零一零年取得中國地質大學土木工程學士學位。

諸國淡先生，49歲，於二零一二年六月二十日獲委任為本公司非執行董事。諸先生自二零零七年一月起獲委任為萬里（前稱浙江萬里控股有限公司）及余姚市萬里建設有限公司的總經理。於一九九九年十一月至二零零七年一月期間，彼曾為萬里的監事。彼於中國建築公司的土木工程方面擁有逾30年的經驗。彼於二零零八年取得中國地質大學土木工程學士學位。彼為諸國安先生的弟弟。

獨立非執行董事

盧緒安先生，57歲，於二零一二年六月二十日獲委任為本公司獨立非執行董事。盧先生自一九九七年五月起獲委任為寧波陽明股份有限公司及余姚市商業集團之董事。彼於一九七九年畢業於哈爾濱農墾大學農業機械專業。

陸祥泰先生，55歲，於二零一二年六月二十日獲委任為本公司獨立非執行董事。陸先生自一九九八年二月起一直擔任浙江華聯商廈有限公司之副總經理及財務總監。彼於一九九七年畢業於杭州商學院，主修企業管理。

郭劍雄先生，41歲，於二零一二年六月二十日獲委任為本公司獨立非執行董事。郭先生現為香港一家上市公司的財務總監、公司秘書及授權代表。郭先生為香港會計師公會的成員。郭先生亦為香港秘書公會及英國特許秘書與行政人員公會之資深會員。郭先生持有香港理工大學專業會計碩士學位、香港公開大學企業管治碩士學位及香港樹仁學院（現稱為香港樹仁大學）之會計學榮譽文憑。

Directors, Supervisors And Senior Management

董事、監事及高級管理人員

SUPERVISORS

Ms. Mao Lihong, aged 31, is a Supervisor and does not hold any other position in the Group. She graduated from Zhejiang University of Technology in 2006. She holds a bachelor's degree in Management Sciences and also holds the title of Engineer. She is currently the assistant to the chairman of Wan Li Group. She has over 6 years of working experience in management and administration.

Ms. Shi Weina, aged 41, is a Supervisor and does not hold any other position in the Group. She graduated from Tianjin University, and is currently the Deputy General Manager of 萬里控股集團財務公司. She has over 10 years of working experience in Finance.

Ms. Ma Ying, aged 31, is a Supervisor. She graduated from Xi'an FanYi University in 2004. She joined the Group in 2004, and is currently the director of the office. She has over 5 years of working experience in administration.

SENIOR MANAGEMENT

Company Secretary

Mr. Tsao Hoi Ho, aged 48, is the financial controller of the Group. He holds a Master of Business Administration degree from the University of Warwick. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and member of Institute of Chartered Accountants of New Zealand, Institute of Chartered Secretaries and Administrators, Australasian Institute of Banking & Finance plus Bankers' Institute of New Zealand. Prior to joining the Company, Mr. Tsao was the Qualified Accountant for a listed company, whose shares are listed on the Stock Exchange. Mr. Tsao joined the Group in November 2008 and has over 19 years' experience in auditing, finance and company secretary.

監事

毛利紅女士，31歲，監事，並無出任本集團任何其他職位。彼於二零零六年畢業於浙江工業大學，彼持有管理學學士學位，及工程師職稱。現為萬里控股集團董事長助理。彼在管理及行政方面擁有逾六年經驗。

史維娜女士，41歲，監事，並無出任本集團任何其他職位。彼畢業於天津大學，現為萬里控股集團財務公司副總經理。彼在財務方面擁有超過十年經驗。

馬瑛女士，31歲，監事，二零零四年畢業於西安翻譯學院。彼於二零零四年加入本集團，現出任辦公室主任。彼在行政方面有超過五年經驗。

高級管理層

公司秘書

曹海豪先生，48歲，本集團財務總監。彼持有華威大學之工商管理碩士學位。彼為香港會計師公會之會計師，以及新西蘭特許會計師公會、特許秘書及行政人員公會、澳洲銀行公會和新西蘭銀行公會之會員。彼加入本公司前曾於一間股份在聯交所上市之公司擔任合資格會計師。曹先生於二零零八年十一月加入本集團，彼於核數、財務及公司秘書方面擁有逾十九年之經驗。

Report of the Directors

董事會報告書

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are the design, manufacture and sale of intelligent controller systems for various consumer electrical and electronic appliances and the assembly of mobile phones. Details of the principal activities of its subsidiaries are set out in note 41 to the consolidated financial statements.

Analysis of the Group's performance for the year by operating segments is set out in note 11 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated statement of comprehensive income on page 35.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2012.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 35 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 38. The Company has no reserve available for distribution to shareholders as at 31 December 2012.

BANK BORROWINGS

Details of bank borrowings of the Group during the year are set out in note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company and no restriction against such rights under the laws of the People's Republic of China (the "PRC"), which will oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事呈交其截至二零一二年十二月三十一日止年度的年度報告及經審核綜合財務報表。

主要業務及按地域分析的業務

本公司的主要業務為設計、製造及銷售可用於多種消費電器及電子用品的智能控制器系統以及裝嵌流動電話。有關其附屬公司主要業務的詳情載於綜合財務報表附註41。

本集團本年度按經營分類的業績分析載於綜合財務報表附註11。

業績及分派

本集團截至二零一二年十二月三十一日止年度的業績載於第35頁的綜合全面收益表。

董事並不建議就截至二零一二年十二月三十一日止年度派發任何股息。

物業、廠房及設備

本集團的物業、廠房及設備年內變動詳情載於綜合財務報表附註19。

股本

本公司的股本詳情載於綜合財務報表附註35。

儲備

本集團的儲備年內變動詳情載於第38頁的綜合權益變動表。本公司於二零一二年十二月三十一日並無任何可供分派予股東的儲備。

銀行借貸

本集團的銀行借貸年內詳情載於綜合財務報表附註34。

優先購買權

根據本公司的公司章程細則，概無優先購買權的條文，而根據中華人民共和國（「中國」）法律，並無限制該等權利的條文而規定本公司有義務按現有股東的股權比例，提呈發售新股份。

Report of the Directors 董事會報告書

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 123.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SHARE OPTIONS

As at the date of this report, no option has been granted or agreed to be granted by the Company to any of its Directors, Supervisors or employees of the Company or its subsidiaries.

DIRECTORS

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

Executive Directors

Mr. Zhu Guo An (*Chairman, appointed on 20 June 2012*)
Mr. Qi Yong Qiang (*appointed on 20 June 2012*)
Mr. Zhu Chun Rong (*appointed on 20 June 2012*)
Mr. Liu Xiao Chun (*resigned on 20 June 2012*)
Mr. Gong Zheng Jun (*resigned on 20 June 2012*)
Mr. Chen Zheng Tu (*resigned on 20 June 2012*)

Non-executive Directors

Mr. Jiang Guo Ping (*appointed on 20 June 2012*)
Mr. Zheng Xin (*appointed on 20 June 2012*)
Mr. Zhu Guo Dan (*appointed on 20 June 2012*)
Mr. Zheng Yi Song (*resigned on 20 June 2012*)
Mr. Liu Feng (*resigned on 20 June 2012*)
Mr. Wang Wei Shi (*resigned on 20 June 2012*)

Independent non-executive Directors

Mr. Lu Xuan (*appointed on 20 June 2012*)
Mr. Lu Xian Tai (*appointed on 20 June 2012*)
Mr. Kwok Kim Hung Eddie (*appointed on 20 June 2012*)
Mr. Pang Jun (*resigned on 20 June 2012*)
Mr. Law Hon Hing Henry (*resigned on 20 June 2012*)
Professor Fang Min (*resigned on 17 August 2012*)

財務資料概要

本集團最近五個財政年度的業績、資產及負債概要載於第123頁。

購買、出售或贖回上市證券

年內，本公司概無贖回其任何股份。本公司或其任何附屬公司於年內概無購買或出售本公司任何股份。

購股權

於本報告刊發日期，本公司概無向本公司或其附屬公司任何董事、監事或僱員授出或同意授出購股權。

董事

於本年度及截至本報告刊發日期止，本公司在職董事為：

執行董事

諸國安先生(主席，於二零一二年六月二十日獲委任)
元勇強先生(於二零一二年六月二十日獲委任)
朱春榮先生(於二零一二年六月二十日獲委任)
劉曉春先生(於二零一二年六月二十日辭任)
宮正軍先生(於二零一二年六月二十日辭任)
陳正土先生(於二零一二年六月二十日辭任)

非執行董事

姜國平先生(於二零一二年六月二十日獲委任)
鄭新先生(於二零一二年六月二十日獲委任)
諸國淡先生(於二零一二年六月二十日獲委任)
鄭毅松先生(於二零一二年六月二十日辭任)
劉豐先生(於二零一二年六月二十日辭任)
王偉時先生(於二零一二年六月二十日辭任)

獨立非執行董事

盧緒安先生(於二零一二年六月二十日獲委任)
陸祥泰先生(於二零一二年六月二十日獲委任)
郭劍雄先生(於二零一二年六月二十日獲委任)
龐軍先生(於二零一二年六月二十日辭任)
羅漢興先生(於二零一二年六月二十日辭任)
方敏教授(於二零一二年八月十七日辭任)

Report of the Directors

董事會報告書

Supervisors

Mrs. Mao Lihong
Mrs. Shi Weina
Mrs. Ma Ying

Members of the audit committee

Mr. Kwok Kim Hung Eddie (*Chairman*)
Mr. Lu Xuan
Mr. Lu Xian Tai

Members of the remuneration committee

Mr. Lu Xuan (*Chairman*)
Mr. Lu Xian Tai
Mr. Kwok Kim Hung Eddie

Members of the nomination committee

Mr. Lu Xian Tai (*Chairman*)
Mr. Lu Xuan
Mr. Kwok Kim Hung Eddie

In accordance with Articles 89 and 112 of the Company's Articles of Association, the Directors and Supervisors appointed by the Board since last shareholders' annual general meeting shall be elected at the coming shareholders' general meeting for a term of three years. A director or supervisor may serve consecutive terms if re-elected upon the expiration of the terms.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biographical details of Directors, Supervisors and senior management are set out on page 22 to page 24.

監事

毛利紅女士
史維娜女士
馬瑛女士

審核委員會成員

郭劍雄先生(*主席*)
盧緒安先生
陸祥泰先生

薪酬委員會成員

盧緒安先生(*主席*)
陸祥泰先生
郭劍雄先生

提名委員會成員

陸祥泰先生(*主席*)
盧緒安先生
郭劍雄先生

根據本公司的公司章程細則第89及第112條，自上屆股東週年大會以來由董事會委任的董事及監事須於來屆股東大會上接受選舉，任期三年。董事或監事可於任期屆滿時重選連任。

董事、監事及高級管理人員的履歷

董事、監事及高級管理人員的簡歷載於第22頁至第24頁。

Report of the Directors 董事會報告書

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract with the Company for a term of three years from his/her date of appointment as a Director or, as the case may be, as a Supervisor and thereafter subject to termination by either party giving not less than one month's written notice to the other party.

Save as disclosed above, no Directors or Supervisors who are proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

Apart from the Directors' and Supervisors' service contracts disclosed above, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or a Supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS IN THE SHARES OF THE COMPANY

At 31 December 2012, the interests and long positions of each Director, Chief Executive and Supervisor of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rules 5.40 to 5.58 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), were as follows:

董事及監事的服務合約

各董事及監事已分別與本公司訂立服務合約，任期由其各自獲委任為董事或（視情況而定）獲委任為監事之日起計為期三年，其後可由任何一方或另一方發出不少於一個月書面通知終止。

除上述所披露者外，概無擬於應屆股東週年大會重選連任的董事或監事，與本公司訂有任何不可於一年內免付賠償（法定賠償除外）而終止的服務合約。

董事及監事於合約的權益

除上文所披露的董事及監事的服務合約外，於本年度終結或年內任何時間，本公司或其附屬公司概無訂立對本集團業務而言屬重大及本公司董事或監事於當中直接或間接擁有重大權益的合約。

董事、主要行政人員及監事於本公司股份的權益

於二零一二年十二月三十一日，本公司各董事、主要行政人員及監事於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條規定須存置的登記冊所記錄的權益及好倉，或根據香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）第5.40至5.58條所述董事進行交易的最低標準已知會本公司及聯交所的權益及好倉如下：

Report of the Directors

董事會報告書

Ordinary shares of RMB0.10 each of the Company as at 31 December 2012:

於二零一二年十二月三十一日本公司每股面值人民幣0.10元的普通股：

Long positions in shares

股份的好倉

| Name of Director/ Chief Executive/ Supervisor | Domestic Shares of RMB0.10 each (the "Domestic Shares") held | Nature of interest | Approximate percentage of shareholding held in same class of securities | Approximate percentage of shareholding in the registered capital |
|---|---|---|--|--|
| 董事／主要行政 人員／監事姓名 | 所持每股面值 人民幣0.10元的內資股 (「內資股」)數目 | 權益性質 | 佔同類別 證券概約 持股百分比 | 佔註冊 資本概約 持股百分比 |
| Mr. Zhu Guo An 諸國安先生 | 204,610,230 Domestic Shares (note 2) 204,610,230 股內資股 (附註2) | Interest of controlled corporation (note 1) 受控法團權益 (附註1) | 55.30% | 40.92% |
| Mr. Zhu Guo Dan 諸國淡先生 | 102,289,770 Domestic Shares (note 2) 102,289,770 股內資股 (附註2) | Interest of controlled corporation (note 1) 受控法團權益 (附註1) | 27.65% | 20.46% |
| Mr. Qi Yong Qiang 元勇強先生 | 63,100,000 Domestic Shares (note 2) 63,100,000 股內資股 (附註2) | Beneficial owner 實益擁有人 | 17.05% | 12.62% |

Notes:

附註：

(1) Wan Li Group Company Limited (a joint stock limited company incorporated in the PRC) is beneficially owed as to 66.67% by Mr. Zhu Guo An and as to 33.33% by Mr. Zhu Guo Dan and as such, Mr. Zhu Guo An and Mr. Zhu Guo Dan are deemed to be interested in the 204,610,230 Shares and 102,289,770 Shares respectively.

(1) 萬里控股集團股份有限公司(一間於中國註冊成立的股份有限公司)乃由諸國安先生及諸國淡先生分別實益擁有66.67%及33.33%的權益，因此，諸國安先生及諸國淡先生被視為分別於204,610,230股股份及102,289,770股股份中擁有權益。

(2) Domestic Shares of a nominal value of RMB0.10 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi.

(2) 本公司註冊資本中每股面值人民幣0.10元的內資股乃以人民幣認購或入賬列作繳足。

Save as disclosed above, at no time during the year did the Directors, Chief Executives and Supervisors (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations (within the meaning of SFO).

除上文所披露者外，於本年度的任何時間，概無董事、主要行政人員及監事(包括彼等之配偶及未滿十八歲之子女)於本公司或其相聯法團(定義見證券及期貨條例)的股份擁有任何權益，或已獲授或已行使可認購該等股份的任何權利。

Apart from the above, at no time during the year was the Company or its subsidiaries a party to any arrangement enabling the Directors, Chief Executives and Supervisors of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

除上文所述者外，於本年度的任何時間，本公司或其附屬公司概無訂立任何安排，致使本公司董事、主要行政人員及監事持有本公司或其相聯法團的股份、相關股份或債券任何權益或淡倉。

Report of the Directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES OF THE COMPANY

主要股東於本公司股份的權益

According to the register of substantial shareholders maintained under section 336 of the SFO, as at 31 December 2012, the Company had been notified the following substantial shareholders' were interested in 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors, Chief Executives and Supervisors.

按根據證券及期貨條例第336條規定存置的主要股東登記冊顯示，於二零一二年十二月三十一日，本公司獲知會以下主要股東擁有本公司已發行股本5%或以上權益。這些權益並無計入上文所披露有關董事、主要行政人員及監事的權益內。

| Name of shareholder | Number of shares held | Nature of interest | Approximate percentage of shareholding in same class of securities 佔同類別證券概約 持股百分比 | Approximate percentage of shareholding in the registered capital 佔註冊資本概約 持股百分比 |
|--|---|--|---|--|
| 股東姓名／名稱 | 所持股份數目 | 權益性質 | | |
| Wan Li Group Company Limited 萬里控股集團股份有限公司 | 306,900,000 Domestic Shares (note 2) 306,900,000 股內資股 (附註2) | Beneficial owner 實益擁有人 | 82.95% | 61.38% |
| Zhu Guo An 諸國安 | 204,610,230 Domestic Shares (note 2) 204,610,230 股內資股 (附註2) | Interest of controlled corporation 受控法團權益 | 55.30% | 40.92% |
| Zhu Guo Dan 諸國淡 | 102,289,770 Domestic Shares (note 2) 102,289,770 股內資股 (附註2) | Interest of controlled corporation 受控法團權益 | 27.65% | 20.46% |
| Qi Yong Qiang 元勇強 | 63,100,000 Domestic Shares 63,100,000 股內資股 | Beneficial owner 實益擁有人 | 17.05% | 12.62% |
| Martin Currie China Hedge Fund Limited | 14,245,000 H Shares (note 1) 14,245,000 股H股股份 (附註1) | Investment manager 投資經理 | 10.96% | 2.85% |
| Martin Currie Investment Management Limited | 14,245,000 H shares (note 1) 14,245,000 股H股股份 (附註1) | Investment manager 投資經理 | 10.96% | 2.85% |

Report of the Directors

董事會報告書

Note:

- (1) "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars. Save as disclosed above, as at 31 December 2012, the Directors are not aware of any person, not being a Director, Chief Executive or Supervisor, have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO and are required to be entered in the register maintained by the Company pursuant to section 336 of the SFO.
- (2) Wan Li Group Company Limited (a joint stock limited company incorporated in the PRC) is beneficially owed as to 66.67% by Mr. Zhu Guo An and as to 33.33% by Mr. Zhu Guo Dan and as such, Mr. Zhu Guo An and Mr. Zhu Guo Dan are deemed to be interested in the 204,610,230 Shares and 102,289,770 Shares respectively.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

Sales

| | |
|-----------------------------------|-------|
| — the largest customer | 26.1% |
| — five largest customers combined | 66.9% |

Purchases

| | |
|-----------------------------------|-------|
| — the largest supplier | 23.5% |
| — five largest suppliers combined | 61.8% |

COMPLIANCE WITH THE CODE

The Company has complied with all the code provisions set out in Appendix 15 Code on Corporate Governance Practices of the GEM Listing Rules throughout the financial year ended 31 December 2012.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group, are set out in note 39 to the consolidated financial statements.

附註：

- (1) 「H股」為本公司註冊資本中每股面值人民幣0.10元的海外上市外資股，於創業板上市，並以港元認購及買賣。除上文披露者外，於二零一二年十二月三十一日，董事並不知悉有任何人士（並非董事、主要行政人員或監事）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露，及須記入本公司根據證券及期貨條例第336條存置的登記冊內的任何權益或淡倉。
- (2) 萬里控股集團股份有限公司（一間於中國註冊成立的股份有限公司）乃由諸國安先生及諸國淡先生分別實益擁有66.67%及33.33%的權益，因此，諸國安先生及諸國淡先生被視為分別於204,610,230股股份及102,289,770股股份中擁有權益。

管理層合約

年內概無訂立或訂有有關本公司全部或任何主要部分業務的管理及行政合約。

主要客戶及供應商

本年度本集團主要客戶及供應商應佔的銷售及採購百分比如下：

銷售

| | |
|----------|-------|
| — 最大客戶 | 26.1% |
| — 五大客戶合計 | 66.9% |

採購

| | |
|-----------|-------|
| — 最大供應商 | 23.5% |
| — 五大供應商合計 | 61.8% |

遵守守則

於截至二零一二年十二月三十一日止財政年度，本公司一直遵守創業板上市規則附錄15企業管治常規守則所載的守則條文。

關連人士交易

本集團的關連人士交易詳情載於綜合財務報表附註39。

Report of the Directors

董事會報告書

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competes with the business of the Group or has any other conflicts of interest.

AUDITORS

Lo and Kwong C.P.A. Company Limited resigned as auditor of the Company with effect from 2012 and KTC Partners CPA Limited were appointed as auditors of the Company on 2012 to fill the casual vacancy so arising. There have been no other change of auditor in the past three years.

On behalf of the Board

Zhu Guo An
Chairman

Ningbo, The PRC, 22 March 2013

競爭權益

本公司董事、管理層股東及彼等各自的聯繫人士（定義見創業板上市規則）概無於直接或間接與本集團業務構成競爭的任何業務中擁有權益，亦無任何其他利益衝突。

核數師

盧鄭會計師事務所有限公司已辭任本公司核數師，自二零一二年起生效，而本公司亦於二零一二年委任和信會計師事務所有限公司出任核數師，以填補該臨時空缺。於過往三年期間，並無其他核數師變動。

代表董事會

主席
諸國安

中國寧波，二零一三年三月二十二日

Independent Auditor's Report 獨立核數師報告書

KTC Partners CPA Limited

Certified Public Accountants (Practising)

和信會計師事務所有限公司

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香港九龍尖沙咀東部麼地道61號冠華中心五樓501, 502及508室

TO THE SHAREHOLDERS OF NINGBO WANHAO HOLDINGS COMPANY LIMITED

(formerly known as Ningbo Yidong Electronic Company Limited)
(incorporated in the People's Republic of China with limited liability)

We were engaged to audit the consolidated financial statements of Ningbo WanHao Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 122, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

Except as described in the basis for disclaimer of opinion paragraph, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

致寧波萬豪控股股份有限公司(前稱寧波屹東電子股份有限公司)列位股東

(於中華人民共和國註冊成立的股份有限公司)

本核數師獲委聘審核列載於第35至122頁寧波萬豪控股股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一二年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他說明資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則和香港公司條例的披露規定，編製表達真實且公允意見的綜合財務報表，以及維持董事認為必要的內部監控，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

本核數師的責任是根據審核工作的結果，對此等綜合財務報表發表意見，作為一個團體僅向閣下呈報本核數師的意見，除此之外不作其他用途。本核數師概不就本報告的內容對任何其他人士負責或承擔責任。

除不表示意見的基準一段所述者外，本核數師已按照香港會計師公會頒佈的香港審核準則進行審核工作。該等準則規定本核數師須遵守道德操守規範，並規劃及進行審核，以合理地確定綜合財務報表是否不存在重大錯誤陳述。然而，由於不表示意見的基準一段所述的事項，本核數師未能取得足夠適當的審核憑證，以作為審核意見的基礎。

Independent Auditor's Report

獨立核數師報告書

BASIS FOR DISCLAIMER OF OPINION

Material fundamental uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2 to the consolidated financial statements concerning the adoption of the going concern basis, being the basis on which the consolidated financial statements have been prepared.

As explained in Note 2 to the consolidated financial statements, which indicates that the Group incurred a consolidated loss attributable for the owners of the Company of approximately RMB7,322,000 for the year ended 31 December 2012, and had consolidated net current liabilities and net liabilities of approximately RMB128,590,000 and RMB118,167,000 respectively as at 31 December 2012. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome of the positive cash flows expected to be generated from the Group's future operations and successfully obtain new working capital, and to raise funds by way of issuing additional equity or debt securities and to negotiate with certain bankers to obtain additional banking facilities in order to meet the Group's future working capital and financial requirements.

We consider that appropriate disclosures have been made in such consolidated financial statements concerning the relevant material uncertainty, but the inherent uncertainties surrounding the circumstances, under which the Group might successfully continue to adopt the going concern basis are so extreme, we have disclaimed our opinion on material uncertainty relating to the going concern basis.

The consolidated financial statements do not include any adjustment that would be necessary if the Group failed to operate as a going concern. Had the going concern basis not been used, adjustments would have to be made to reduce the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets as current assets.

DISCLAIMER OF OPINION: DISCLAIMER OF VIEW GIVEN BY CONSOLIDATED FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KTC Partners CPA Limited
Certified Public Accountants (Practising)
Chow Yiu Wah Joseph
Practising Certificate Number: P04686

Hong Kong
22 March 2013

不表示意見的基準

有關持續經營基準的重大基本不明朗因素

在作出意見時，本核數師已考慮到就採納持續經營基準（亦即綜合財務報表的編製基準），在綜合財務報表附註2內所作的披露是否足夠。

誠如綜合財務報表附註2所述，該附註表明 貴集團截至二零一二年十二月三十一日止年度錄得本公司擁有人應佔綜合虧損約人民幣7,322,000元，且於二零一二年十二月三十一日的 貴集團綜合流動負債淨額約人民幣128,590,000元及負債淨額約人民幣118,167,000元。綜合財務報表乃以持續經營基準而編製，其是否有效乃取決於能否成功自 貴集團未來經營業務中產生所預期的正現金流量，及能否成功取得新的營運資金，及透過發行額外股票或債務證券籌集資金，並與若干往來銀行商討以獲取額外銀行融資，以滿足 貴集團日後的營運資金及財務需要。

本核數師認為該等綜合財務報表已適當地披露有關的重大不明朗因素，但 貴集團可能成功繼續採用持續經營基準的情況存在不肯定的內在因素，本核數師基於與持續經營基準相關的重大不明朗因素而不會表示意見。

綜合財務報表並無包括任何因 貴集團未能持續經營而可能須作出的任何調整。倘未能以持續經營基準編製綜合財務報表，則須作出調整以減低 貴集團資產的價值至其可收回價值，為任何可能出現的未來負債撥備，以及將非流動資產重新分類為流動資產。

不表示意見：對綜合財務報表不表示意見

由於不表示意見的基準一段所述事項的重要性，故本核數師不對綜合財務報表是否已根據香港財務報告準則真實而公平地呈列 貴集團於二零一二年十二月三十一日的事務狀況及 貴集團截至該日止年度的虧損及現金流量發表意見。本核數師認為，綜合財務報表已於所有其他方面根據香港公司條例的披露規定妥為編製。

和信會計師事務所有限公司
香港執業會計師
周耀華
執業證書編號：P04686

香港
二零一三年三月二十二日

Consolidated Statement of Comprehensive Income

綜合全面收益表

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

| | | Notes 附註 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|------------------------|-------------|-----------------------------------|-----------------------------------|
| Revenue | 收益 | 10 | 9,180 | 8,689 |
| Cost of sales | 銷售成本 | | (14,823) | (19,927) |
| Gross loss | 毛虧 | | (5,643) | (11,238) |
| Other income | 其他收入 | 10 | 2,778 | 8,043 |
| Selling and distribution expenses | 銷售及分銷費用 | | (584) | (937) |
| Administrative expenses | 行政費用 | | (9,691) | (21,673) |
| Finance costs | 融資成本 | 12 | (1,365) | (1,802) |
| Loss on disposal of property, plant and equipment and prepaid lease payment | 出售物業、廠房及設備及預付租賃款項之虧損 | | (8) | (3,430) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 42 | 6,377 | 812 |
| Reversal for claims, net | 撥回索償，淨額 | 32 | 770 | 634 |
| Loss before tax | 除稅前虧損 | | (7,366) | (29,591) |
| Income tax expense | 所得稅開支 | 13 | - | - |
| Loss for the year | 年內虧損 | 14 | (7,366) | (29,591) |
| Other comprehensive income | 其他全面收入 | | | |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生的匯兌差額 | | - | 1,215 |
| Exchange differences reclassified to profit or loss on disposal of a subsidiary | 出售一間附屬公司產生的匯兌差額重新分類至損益 | | (5,535) | - |
| | | | (5,535) | 1,215 |
| Total comprehensive expenses for the year, net of tax | 年內的全面開支總額，扣除稅項 | | (12,901) | (28,376) |
| Loss for the year attributable to: | 以下人士應佔年內虧損： | | | |
| Owners of the Company | 本公司擁有人 | | (7,322) | (29,491) |
| Non-controlling interests | 非控股權益 | | (44) | (100) |
| | | | (7,366) | (29,591) |
| Total comprehensive expenses attributable to: | 以下人士應佔全面開支總額： | | | |
| Owners of the Company | 本公司擁有人 | | (12,857) | (28,276) |
| Non-controlling interests | 非控股權益 | | (44) | (100) |
| | | | (12,901) | (28,376) |
| Loss per share | 每股虧損 | 18 | | |
| Basic (cents per share) | 基本(每股人民幣分) | | (1.46) | (5.90) |
| Diluted (cents per share) | 攤薄(每股人民幣分) | | N/A 不適用 | N/A 不適用 |

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2012

於二零一二年十二月三十一日

| | | Notes 附註 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|----------------|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 19 | 4,672 | 5,579 |
| Investment property | 投資物業 | 20 | 1,152 | 1,210 |
| Prepaid lease payment | 預付租賃款項 | 21 | 4,599 | 4,841 |
| | | | 10,423 | 11,630 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 22 | 4,420 | 3,127 |
| Trade receivables | 應收貿易賬款 | 23 | 3,647 | 2,154 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收賬款 | 24 | 1,010 | 11,013 |
| Paid in advances | 已付預付款項 | | 2,977 | 2,161 |
| Prepaid lease payment | 預付租賃款項 | 21 | 242 | 242 |
| Amounts due from a related company | 應收一間關連公司款項 | 25 | – | 16 |
| Bank balances and cash | 銀行結餘及現金 | 26 | 6,604 | 2,205 |
| | | | 18,900 | 20,918 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 應付貿易賬款 | 27 | 48,856 | 49,596 |
| Other payables and accruals | 其他應付賬款及應計費用 | 27 | 50,400 | 32,815 |
| Receipt in advances | 預收款項 | | 826 | 3,280 |
| Amount due to a former corporate shareholder | 應付一名前法人股東款項 | 28 | – | 202,607 |
| Amounts due to directors | 應付董事款項 | 29 | 427 | 816 |
| Amounts due to related companies | 應付關連公司款項 | 25 | – | 32,779 |
| Amount due to a major shareholder | 應付一名主要股東款項 | 30 | 33,041 | 28,810 |
| Dividends payables | 應付股息 | 31 | 4,440 | 4,440 |
| Provision for claims | 索償撥備 | 32 | – | 4,544 |
| Other borrowing | 其他借貸 | 33 | 9,500 | 14,750 |
| Bank borrowings | 銀行借貸 | 34 | – | 20,000 |
| | | | 147,490 | 394,437 |
| NET CURRENT LIABILITIES | 流動負債淨額 | | (128,590) | (373,519) |
| NET LIABILITIES | 淨負債 | | (118,167) | (361,889) |

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2012

於二零一二年十二月三十一日

| | | Notes 附註 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|-------------------|-------------|-----------------------------------|-----------------------------------|
| CAPITAL AND RESERVES | 資本及儲備 | | | |
| Share capital | 股本 | 35 | 50,000 | 50,000 |
| Reserves | 儲備 | | (168,023) | (411,789) |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | (118,023) | (361,789) |
| Non-controlling interests | 非控股權益 | | (144) | (100) |
| | | | (118,167) | (361,889) |

The consolidated financial statements on pages 35 to 122 were approved and authorised for issue by the board of directors on 22 March 2013 and are signed on its behalf by:

第35頁至第122頁的綜合財務報表乃經董事會於二零一三年三月二十二日批准及授權刊發：

Zhu Guo An

諸國安

Director

董事

Zhu Chun Rong

朱春榮

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | Non-controlling interests | Total |
|--|-------------------------|---|---------------------------|-----------------------------|-------------------------------|---------------------|--------------------|------------------|---------------------------|------------------|
| | | Share capital | Capital reserve | Other reserve | Statutory surplus reserve | Translation reserve | Accumulated losses | Sub-total | | |
| | | 股本 | 資本儲備 | 其他儲備 | 法定盈餘公積金 | 匯兌儲備 | 累計虧損 | 小計 | 非控股權益 | 總計 |
| | | (Note 35) (附註35) | (Note 40(i)) (附註40(i)) | (Note 40(ii)) (附註40(ii)) | (Note 40(iii)) (附註40(iii)) | | | | | |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| | | | (Note a) (附註a) | | (Note b) (附註b) | | | | | |
| 1 January 2011 | 二零一一年一月一日 | 50,000 | 40,449 | - | 24,998 | 4,320 | (453,280) | (333,513) | - | (333,513) |
| Loss for the year | 年內虧損 | - | - | - | - | - | (29,491) | (29,491) | (100) | (29,591) |
| Other comprehensive income for the year | 年內其他全面收入 | - | - | - | - | 1,215 | - | 1,215 | - | 1,215 |
| Total comprehensive income (expenses) for the year | 年內全面收入(開支)總額 | - | - | - | - | 1,215 | (29,491) | (28,276) | (100) | (28,376) |
| At 31 December 2011 and 1 January 2012 | 於二零一一年十二月三十一日及二零一二年一月一日 | 50,000 | 40,449 | - | 24,998 | 5,535 | (482,771) | (361,789) | (100) | (361,889) |
| Loss for the year | 年內虧損 | - | - | - | - | - | (7,322) | (7,322) | (44) | (7,366) |
| Other comprehensive income for the year | 年內其他全面收入 | - | - | - | - | (5,535) | - | (5,535) | - | (5,535) |
| Total comprehensive income (expenses) for the year | 年內全面收入(開支)總額 | - | - | - | - | (5,535) | (7,322) | (12,857) | (44) | (12,901) |
| Waiver of amounts due to a former corporate shareholder upon change of shareholding in the Company | 於本公司股權變動後豁免應付一名前法人股東款項 | - | - | 256,623 | - | - | - | 256,623 | - | 256,623 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 50,000 | 40,449 | 256,623 | 24,998 | - | (490,093) | (118,023) | (144) | (118,167) |

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| OPERATING ACTIVITIES | 經營業務 | | |
| Loss before tax | 除稅前虧損 | (7,366) | (29,591) |
| Adjustments for: | 已就下列項目調整： | | |
| Amortisation of prepaid lease payments | 攤銷預付租賃款項 | 242 | 242 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 1,079 | 2,067 |
| Depreciation of investment properties | 投資物業折舊 | 58 | 58 |
| Finance costs | 融資成本 | 1,365 | 1,802 |
| Impairment loss recognised in respect of property, plant and equipment | 就物業、廠房及設備確認的減值虧損 | 1,225 | 1,757 |
| Impairment loss recognised in respect of inventories | 就存貨確認的減值虧損 | - | 5,614 |
| Impairment loss recognised in respect of trade receivables | 就應收貿易賬款確認的減值虧損 | - | 141 |
| Impairment loss recognised in respect of other receivables | 就其他應收賬款確認的減值虧損 | - | 8,255 |
| Impairment loss recognised in respect of the amount due from a former related company | 就應收一間前關連公司款項確認的減值虧損 | 16 | - |
| Reversal of impairment loss recognised in respect of trade receivables | 撥回就應收貿易賬款確認的減值虧損 | (47) | (190) |
| Reversal of impairment loss recognised in respect of other receivables | 撥回就其他應收賬款確認的減值虧損 | - | (7) |
| Bank interest income | 銀行利息收入 | (3) | (3) |
| (Reversal) provision for claims, net | (撥回)索償撥備，淨額 | (770) | (634) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備 | 8 | 3,430 |
| Gain on disposal of subsidiaries | 出售附屬公司的收益 | (6,377) | (812) |
| Waiver of amounts due to directors | 豁免應付董事款項 | (416) | (4,133) |
| Waiver of trade and other payables | 豁免貿易及其他應付賬款 | (919) | (280) |

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Operating cash flows before movements in working capital | 營運資金變動前的營運現金流量 | (11,905) | (12,284) |
| Increase in inventories | 存貨增加 | (1,293) | (2,414) |
| (Increase) decrease in trade receivables | 應收貿易賬款(增加)減少 | (1,446) | 1,053 |
| (Increase) decrease in prepayments, deposits and other receivables | 預付款項、按金及其他應收賬款(增加)減少 | 10,003 | 52,000 |
| (Increase) decrease in paid in advances | 已付預付款項(增加)減少 | (816) | 1,558 |
| Decrease in amount due from a director | 應收一名董事款項減少 | - | 17 |
| Decrease in trade and bills payables | 應付貿易賬款及票據減少 | (740) | (97) |
| Increase (decrease) in other payables and accruals | 其他應付賬款及應計費用增加(減少) | 19,346 | (1,645) |
| Decrease in receipt in advances | 預收款項減少 | (2,454) | (3,469) |
| Increase (decrease) in amount due to a former corporate shareholder | 應付一名前法人股東款項增加(減少) | 54,016 | (7,573) |
| Increase (decrease) in amounts due to directors | 應付董事款項增加(減少) | 27 | (1,210) |
| (Decrease) increase in amounts due to related companies | 應付關連公司款項(減少)增加 | (32,779) | 860 |
| Increase in amount due to a major shareholder | 應付一名主要股東款項增加 | 4,231 | 28,810 |
| Decrease in provision for claims | 索償撥備減少 | (3,774) | (1,340) |
| CASH GENERATED FROM OPERATIONS | 經營業務所得現金 | 32,416 | 54,266 |
| Income tax expense | 所得稅開支 | - | - |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 經營業務所得現金淨額 | 32,416 | 54,266 |

Consolidated Statement of Cash Flows

綜合現金流量表

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|---------------------------|-----------------------------------|-----------------------------------|
| INVESTING ACTIVITIES | | | |
| | 投資活動 | | |
| Proceeds from disposal of a subsidiary | 出售一間附屬公司所得款項 | - | 1,990 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (1,405) | (3,105) |
| Interest received | 已收利息 | 3 | 3 |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動所用現金淨額 | (1,402) | (1,112) |
| FINANCING ACTIVITIES | | | |
| | 融資活動 | | |
| New bank borrowings raised | 新增銀行借貸 | - | 20,000 |
| New other borrowing raised | 新增其他借貸 | - | 14,750 |
| Repayment of bank borrowings | 償還銀行借貸 | (20,000) | (84,259) |
| Repayment of other borrowing | 償還其他借貸 | (5,250) | - |
| Interest paid | 已付利息 | (1,365) | (1,802) |
| NET CASH USED IN FINANCING ACTIVITIES | 融資活動所用現金淨額 | (26,615) | (51,311) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等值項目增加淨額 | 4,399 | 1,843 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 於一月一日的現金及現金等值項目 | 2,205 | 363 |
| Effect of foreign exchanges rate changes | 匯率變動影響 | - | (1) |
| | | 6,604 | 2,205 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 於十二月三十一日的現金及現金等值項目 | | |
| Represented by: | 即： | | |
| — bank balances and cash | — 銀行結餘及現金 | 6,604 | 2,205 |
| | | 6,604 | 2,205 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

1. GENERAL INFORMATION

Ningbo WanHao Holdings Company Limited (the “Company”) is a joint stock limited liability company incorporated in the People’s Republic of China (the “PRC”) and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the Annual Report.

The consolidated financial statements are presented in Renminbi (“RMB”). Other than the subsidiary incorporated in Hong Kong which functional currency is Hong Kong Dollars (“HKD”), the functional currency of the Company and its subsidiaries (collectively referred to as the “Group”) are RMB.

The principal activities of the Group are design, manufacture and sale of intelligent controller systems for consumer electrical and electronic appliances and the assembly of mobile phones in the PRC.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company (the “Directors”) have given following consideration to the future liquidity of the Group.

The Group incurred a loss attributable to the owners of the Company of approximately RMB7,322,000 for the year ended 31 December 2012 and, as of the date, the Group had net current liabilities and net liabilities of approximately RMB128,590,000 and RMB118,167,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liability in the normal course of business. Nevertheless, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2012 on the basis that:

- (i) the Directors anticipates that the Group will generate positive cash flows from its future operations and successfully obtain new working capital from a major shareholder that will provide continuous financial support of the Group; and

1. 一般資料

寧波萬豪控股股份有限公司(「本公司」)為於中華人民共和國(「中國」)註冊成立的股份有限公司，其股份在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司的註冊辦事處地址及主要營業地點已於年報「公司資料」一節披露。

綜合財務報表以人民幣(「人民幣」)呈列。除在香港註冊成立的附屬公司以港元(「港元」)作為功能貨幣外，本公司及其附屬公司(統稱為「本集團」)的功能貨幣為人民幣。

本集團主要在中國從事設計、製造及銷售可用於多種消費電器及電子用品的智能控制器系統以及裝嵌流動電話的業務。

2. 編製基準

本公司董事(「董事」)於編製綜合財務報表時就本集團日後流動資金作出以下考慮。

截至二零一二年十二月三十一日止年度，本集團產生本公司擁有人應佔虧損約人民幣7,322,000元，於同日，本集團錄得流動負債淨額及負債淨額分別約人民幣128,590,000元及人民幣118,167,000元。該情況顯示經營存在重大不確定性，可能對本集團繼續持續經營的能力產生重大質疑，因此，本集團可能無法在日常營業過程中將其資產變現，亦無法清償其負債。然而，董事認為，本集團將擁有充足營運資金償還自二零一二年十二月三十一日起計未來十二個月到期的金融負債，基於：

- (i) 董事預計本集團將由未來業務中產生正向現金流量並成功從一名主要股東處獲取新營運資金，彼等將向本集團提供持續財務支持；及

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

2. BASIS OF PREPARATION – Continued

- (ii) to raise funds by way of issuing additional equity or debt securities and to negotiate with certain bankers to obtain additional banking facilities, if necessary.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

| | |
|-----------------------|--|
| Amendments to HKAS 12 | Deferred Tax: Recovery of Underlying Asset; |
| Amendments to HKFRS 7 | Financial Instruments: Disclosures – Transfers of Financial Assets; and |
| Amendments to HKAS 1 | As part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in 2012. |

2. 編製基準 – 續

- (ii) 如需要，透過發行額外股票或債務證券籌集資金，並與若干往來銀行商討以獲取額外銀行融資。

因此，董事認為綜合財務報表適合基於持續經營基準編製。倘本集團不能以持續經營基準繼續營業，有必要將綜合財務報表中之資產價值撇減至可收回額、為可能產生之其他負債計提撥備及將所有非流動資產重新分類為流動資產。該等調整之影響並未於綜合財務報表中反映。

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用由香港會計師公會（「香港會計師公會」）頒佈的下列新訂及經修訂的香港財務報告準則（「香港財務報告準則」）。

| | |
|------------------|--|
| 香港會計準則第12號（修訂本） | 遞延稅項：收回相關資產； |
| 香港財務報告準則第7號（修訂本） | 金融工具：披露－轉讓金融資產； |
| 香港會計準則第1號（修訂本） | 及於二零一二年頒發的二零零九年至二零一一年週期之香港財務報告準則之年度改進的部分 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

Amendments to HKFRS 7 Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the adoption of the amendments to HKFRS 7 in the current year has had no material effect on the consolidated financial statements.

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The directors anticipate that the adoption of the amendments to HKAS 12 in the current year has had no material effect on the consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港財務報告準則第7號（修訂本）「披露 — 金融資產轉讓」

香港財務報告準則第7號（修訂本）增加涉及金融資產轉讓之交易之披露規定。該修訂本旨在於金融資產被轉讓而轉讓人保留該資產一定程度之持續風險承擔時，提高風險承擔之透明度。該修訂本亦要求於金融資產之轉讓並非平均分佈於該期間內時作出披露。

董事預期，於本年度採納香港財務報告準則第7號（修訂本）對綜合財務報表並無重大影響。

香港會計準則第12號（修訂本）「遞延稅項 — 收回相關資產」

香港會計準則第12號（修訂本）提供了一個在香港會計準則第12號之一般原則之例外，測量遞延稅項資產和遞延稅項負債應當反映遵循實體預期回收資產之賬面值之稅務結果而計量。具體而言，為了測量遞延稅項，根據修正案，除非在某些情況被推翻之推定，否則根據香港會計準則第40號「投資物業」，採用公平值模式計量之投資物業會被假定為可透過出售收回。

董事預期，於本年度採納香港會計準則第12號（修訂本）對綜合財務報表並無重大影響。

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綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

Amendments to HKAS 1 Presentation of Financial Statements

(as part of the Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs (2009–2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

The adoption of other amendments to HKFRSs in the current year has had no material effect on the consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港會計準則第1號（修訂本）呈列財務報表

（二零零九年至二零一一年週期香港財務報告準則之年度改進的部分（於二零一二年六月頒佈））

於二零一二年六月頒佈之香港財務報告準則的多項修訂，標題命名為週期香港財務報告準則年度改進（二零零九年至二零一一年週期）。該等修訂之生效日期為二零一三年一月一日或其後開始之年度期間。

於本年度內，本集團已提前於生效日期前（即二零一三年一月一日或其後開始之年度期間）首次採用香港會計準則第1號（修訂本）。

香港會計準則第1號規定，實體對會計政策變動作出追溯，或追溯重列或重新分類，須呈列上一期間期初之財務狀況表（第三個財務狀況表）。香港會計準則第1號（修訂本）闡明，只有在追溯採用、重列或重新分類對第三個財務狀況表之資料構成重大影響之情況下，實體才須呈列第三個財務狀況表，而第三個財務狀況表毋須隨附相關附註。

於本年度，採納香港財務報告準則其他修訂對綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

| | |
|------------------------------|---|
| Amendments to HKFRS 7 | Disclosures — Offsetting Financial Assets and Financial Liabilities ¹ Mandatory Effective Date of HKFRS 9 and Transition Disclosures ² |
| HKFRS 9 | Financial Instruments ¹ |
| HKFRS 10 | Consolidated Financial Statements ¹ |
| HKFRS 11 | Joint Arrangements ¹ |
| HKFRS 12 | Disclosure of Interest in Other Entities ¹ |
| HKFRS 13 | Fair Value Measurement ¹ |
| Amendments to HKAS 1 | Presentation of Items of Other Comprehensive Income ⁴ |
| Amendments to HKAS 12 | Deferred Tax: Recovery of Underlying Assets ⁴ |
| HKAS 19 (as revised in 2011) | Employee Benefits ¹ |
| HKAS 27 (as revised in 2011) | Separate Financial Statements ¹ |
| HKAS 28 (as revised in 2011) | Investments in Associates and Joint Ventures ¹ |
| Amendments to HKAS 32 | Presentation — Offsetting Financial Assets and Financial Liabilities ⁵ |
| HK(IFRIC)-Int 20 | Stripping Costs in the Production Phase of a Surface Mine ¹ |

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2015.

³ Effective for annual periods beginning on or after 1 July 2012.

⁴ Effective for annual periods beginning on or after 1 January 2014.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

| | |
|--------------------------|---|
| 香港財務報告準則第7號(修訂本) | 披露 — 金融資產與金融負債互相抵銷 ¹ 香港財務報告準則第9號之強制性生效日期及過渡性披露 ² |
| 香港財務報告準則第9號 | 金融工具 ¹ |
| 香港財務報告準則第10號 | 綜合財務報表 ¹ |
| 香港財務報告準則第11號 | 合營安排 ¹ |
| 香港財務報告準則第12號 | 披露於其他實體之權益 ¹ |
| 香港財務報告準則第13號 | 公平值計量 ¹ |
| 香港會計準則第1號(修訂本) | 其他全面收入項目之呈列 ⁴ |
| 香港會計準則第12號(修訂本) | 遞延稅項：收回相關資產 ⁴ |
| 香港會計準則第19號 (二零一一年經修訂) | 僱員福利 ¹ |
| 香港會計準則第27號 (二零一一年經修訂) | 獨立財務報表 ¹ |
| 香港會計準則第28號 (二零一一年經修訂) | 於聯營公司及合營企業之投資 ¹ |
| 香港會計準則第32號(修訂本) | 呈列 — 金融資產與金融負債互相抵銷 ⁵ |
| 香港(國際財務報告詮釋委員會) — 詮釋第20號 | 露天礦場生產階段之剝採成本 ¹ |

¹ 於二零一三年一月一日或以後開始之年度期間生效。

² 於二零一五年一月一日或以後開始之年度期間生效。

³ 於二零一二年七月一日或以後開始之年度期間生效。

⁴ 於二零一四年一月一日或以後開始之年度期間生效。

香港會計準則第32號(修訂本)「金融資產與金融負債互相抵銷」及香港財務報告準則第7號(修訂本)「披露 — 金融資產與金融負債互相抵銷」

香港會計準則第32號(修訂本)闡明現有與抵銷規定相關之應用事宜。具體而言，該修訂本闡明「現時有抵銷之可依法執行權利」及「同時變現及結算」之涵義。

香港財務報告準則第7號(修訂本)規定實體須披露有關可強制執行淨額結算總協議或類似安排下之金融工具之抵銷權利及相關安排(例如擔保品登入規定)之資料。

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綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Continued

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港會計準則第32號（修訂本）「金融資產與金融負債互相抵銷」及香港財務報告準則第7號（修訂本）「披露—金融資產與金融負債互相抵銷」— 續

該等經修訂之抵銷披露適用於二零一三年一月一日或之後開始之年度期間及該等年度期間內之中期期間。有關之披露亦須追溯提供所有可比期間之資料。然而，香港會計準則第32號（修訂本）於直至二零一四年一月一日或之後開始之年度期間方才生效，並須予以追溯應用。

香港財務報告準則第9號「金融工具」

於二零零九年頒佈的香港財務報告準則第9號引進有關金融資產分類及計量之新要求。於二零一零年修訂的香港財務報告準則第9號包括金融負債分類及計量以及終止確認之要求。

香港財務報告準則第9號之主要規定概述如下：

- 根據香港財務報告準則第9號，所有屬香港會計準則第39號「金融工具：確認及計量」範疇內之已確認金融資產，其後均按攤銷成本或公平值計量。尤其是，按商業模式持有而目的為收取合約現金流之債務投資，以及僅為支付本金額及未償還本金額之利息之合約現金流之債務投資，一般均於其後會計期間末按攤銷成本計量。所有其他債務投資及股本投資均於其後報告期末按公平值計量。此外，根據香港財務報告準則第9號，實體可不可撤回地選擇於其他全面收入中呈列股本投資（並非持作買賣者）之其後公平值變動，僅股息收入一般於損益確認。

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綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 9 Financial Instruments – Continued

Key requirements of HKFRS 9 are described as follows:

– Continued

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities. Regarding the Group’s financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港財務報告準則第9號「金融工具」— 續

香港財務報告準則第9號之主要規定概述如下：— 續

- 就金融負債之分類及計量而言，香港財務報告準則第9號最重大影響乃有關金融負債（指定為按公平值計入損益）信貸風險變動導致該負債公平值變動之呈列。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益之金融負債而言，因金融負債之信貸風險有變而導致其公平值變動之款額，乃於其他全面收入呈列，除非於其他全面收入呈報該負債信貸風險變動之影響，會產生或增加損益之會計錯配，則作別論。因金融負債之信貸風險而導致之公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值計入損益之金融負債之全部公平值變動款額均於損益中呈列。

董事預計，於日後採納香港財務報告準則第9號將可能對本集團金融資產及金融負債之已呈報金額構成重大影響。就本集團之金融資產而言，在完成詳盡審閱前，未能切實提供該影響之合理估計。

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綜合財務報表附註

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation — Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK (SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

與綜合、合營安排、聯營公司及披露有關之新訂及經修訂準則

於二零一一年六月，五項有關綜合、合營安排、聯營公司及披露的準則獲頒佈，包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號（二零一一年經修訂）及香港會計準則第28號（二零一一年經修訂）。

該五項準則之主要規定概述如下。

香港財務報告準則第10號取代處理綜合財務報表的部分香港會計準則第27號「綜合及獨立財務報表」及香港（常務詮釋委員會）— 詮釋第12號「綜合 — 特殊目的實體」。香港財務報告準則第10號載有控制的新定義，包括三項元素：(a) 對被投資方的權力，(b) 來自被投資方可變回報的風險或權利，及(c) 對被投資方使用其權力影響投資者回報金額的能力。香港財務報告準則第10號已增加多項指引以處理複雜情況。

香港財務報告準則第11號取代香港會計準則第31號「於合營企業之權益」及香港（常務詮釋委員會）— 詮釋第13號「共同控制實體 — 合營方作出之非貨幣出資」。香港財務報告準則第11號處理受兩方或多方共同控制之合營安排須如何分類。根據香港財務報告準則第11號，合營安排分為共同經營或合營企業，取決於安排下團體之權利及義務。相對而言，根據香港會計準則第31號，合營安排分為三個類別：共同控制實體、共同控制資產及共同控制業務。

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for the year ended 31 December 2012

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

New and revised Standards on consolidation, joint arrangements, associates and disclosures – Continued

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that the application of these five standards would not have significant impact on amounts reported in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

與綜合、合營安排、聯營公司及披露有關之新訂及經修訂準則 — 續

此外，根據香港財務報告準則第11號，合營企業須採用權益會計法入賬，而根據香港會計準則第31號，共同控制實體可採用權益會計法或比例會計法入賬。

香港財務報告準則第12號為一項披露準則，適用於在附屬公司、合營安排、聯營公司及／或未經綜合的結構實體擁有權益的實體。整體而言，香港財務報告準則第12號所載的披露規定較現行準則所規定者更為全面。

該五項準則於二零一三年一月一日或以後開始之年度期間生效，並可提早應用，惟該五項準則須同時提早應用。

董事預期，應用該五項準則將不會對綜合財務報表內的已報告金額產生重大影響。

香港財務報告準則第13號「公平值計量」

香港財務報告準則第13號設立有關公平值計量及公平值計量之披露的單一指引。該準則界定公平值、設立計量公平值的框架以及有關公平值計量的披露規定。香港財務報告準則第13號的範圍廣泛，其應用於其他香港財務報告準則規定或允許公平值計量及有關公平值計量披露的金融工具項目及非金融工具項目，惟特定情況除外。整體而言，香港財務報告準則第13號所載的披露規定較現行準則所規定者更為全面。例如，現時僅規限香港財務報告準則第7號「金融工具：披露」項下的金融工具的三級公平值等級的量化及質量披露將藉香港財務報告準則第13號加以擴展，以涵蓋該範圍內的所有資產及負債。

香港財務報告準則第13號於二零一三年一月一日或之後開始之年度期間生效，並可提早應用。

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 13 Fair Value Measurement – Continued

The directors anticipate that HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

HKAS 19 (Revised 2011) Employee benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港財務報告準則第13號「公平值計量」— 續

董事預期，香港財務報告準則第13號將於本集團二零一三年一月一日開始的年度期間綜合財務報表中採納，而應用新準則可能影響綜合財務報表內的已報告金額及令到在綜合財務報表中有更廣泛的披露。

香港會計準則第1號（修訂本）「其他全面收入項目之呈列」

香港會計準則第1號（修訂本）保留可於一個單一報表內或於兩個獨立而連續之報表內呈列損益及其他全面收入之選擇權。然而，香港會計準則第1號（修訂本）規定須於其他全面收入部分作出額外披露，將其他全面收入項目分為兩類：(a)其後將不會重新分類至損益之項目；及(b)日後在符合特定條件時可重新分類至損益之項目。其他全面收入項目之所得稅須按相同基準分配。

香港會計準則第1號（修訂本）於二零一二年七月一日或以後開始之年度期間生效。於日後會計期間應用該等修訂時，其他全面收入項目之呈列將作出相應修改。

香港會計準則第19號（二零一一年經修訂）「僱員福利」

香港會計準則第19號（修訂本）本改變定額福利計劃及終止福利之會計處理方式。最重大轉變與定額福利責任及計劃資產變動之會計處理方式有關。該等修訂本規定於定額福利責任及計劃資產公平值出現轉變時予以確認，因此取消香港會計準則第19號過往版本允許之「緩衝區法」。該等修訂本規定所有精算盈虧須即時透過其他全面收入確認，據此，令於綜合財務狀況表確認之退休金資產或負債淨額反映計劃虧絀或盈餘之全面價值。

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKAS 19 (Revised 2011) Employee benefits – Continued

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to HKAS 19 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 July 2013 and that the application of the amendments to HKAS 19 may have impact on amounts reported in respect of the Groups’ defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The Directors anticipate that the application of the other new or revised HKFRSs will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港會計準則第19號（二零一一年經修訂）「僱員福利」— 續

香港會計準則第19號（修訂本）本於二零一三年一月一日或以後開始之年度期間生效，並須追溯應用，惟若干例外情況除外。董事預期將於二零一三年七月一日開始之年度期間於本集團之綜合財務報告中採納香港會計準則第19號（修訂本），而應用香港會計準則第19號（修訂本）本或影響就本集團定額福利計劃呈報之數額。然而，董事仍未就應用該等修訂本之影響進行詳細分析，故未能確定影響程度。

董事預期，應用其他新訂或經修訂香港財務報告準則將不會對綜合財務報表造成重大影響。

4. 重大會計政策

此等綜合財務報表根據香港會計師公會頒佈的香港財務報告準則而編製。此外，綜合財務報表包括聯交所創業板證券上市規則及香港公司條例的適用披露規定。

綜合財務報表已根據歷史成本法編製。歷史成本一般按換取貨品所付出代價之公平值計量。

主要會計政策載列於下文：

綜合基準

綜合財務報表包括本公司及由本公司控制的實體（其附屬公司）的財務報表。倘本公司有能力掌控實體的財務及經營政策以從其業務中獲利，即擁有控制權。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of consolidation – Continued

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance (effective from 1 January 2010 onwards).

Interests in subsidiaries

Interests in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. Results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable during the year.

4. 重大會計政策 – 續

綜合基準 – 續

年內收購或出售的附屬公司的業績由其收購的生效日期起及計至出售的生效日期止（視乎情況而定）計入綜合全面收益表。

如有必要，本集團會調整附屬公司的財務報表，以使與本集團其他成員公司所採納的會計政策一致。

集團內公司間所有交易、結餘及收支均於綜合賬目時完全對銷。

於附屬公司之非控股權益與本集團的股本權益分開呈列。

分配全面收入總額至非控股權益

附屬公司之全面收入及開支總額應分配至本公司之擁有人及非控股權益，即使此舉導致非控股權益出現虧損（自二零一零年一月一日起生效）。

於附屬公司的權益

於附屬公司的權益按成本扣除任何已辨認減值虧損列於本公司財務狀況表內。附屬公司的業績以本公司根據年內已收或應收股息基準計算。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue recognition

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

Revenue from sale of goods and sale of scrap materials are recognised when goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. 重大會計政策 – 續

收益確認

收益按已收或應收代價的公平值計量，指於一般業務過程中就出售貨品與提供服務所應收取的金額，扣除折扣及銷售相關稅項。

貨品銷售及廢料銷售的收益於貨品付運及所有權轉移並於下列所有條件達成時確認入賬：

- 本集團已向買方轉讓貨品擁有權之重大風險及回報；
- 本集團並無保留對售出貨品與擁有權相關之持續管理參與，亦無保留售出貨品之實際控制權；
- 收益之金額能可靠地計量；
- 與交易有關之經濟利益很有可能流入本集團；及
- 就交易所產生或將產生之成本能可靠地計量。

服務收入於提供服務時確認。

金融資產的利息收入乃於經濟利益可能將流入本集團及收入金額能可靠地計量時確認。金融資產的利息收入按時間基準根據未償還本金額及適用實際利率（即將金融資產預期可使用年期的估計日後現金收入準確貼現至初步確認時的資產賬面淨值的比率）計算。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write-off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

4. 重大會計政策 – 續

物業、廠房及設備

物業、廠房及設備(包括用於生產或提供商品或服務，或為了行政管理目的而持有的樓宇(在建工程除外))按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

折舊乃透過於物業、廠房及設備(在建物業除外)的估計可使用年期內以直線法撇銷項目成本減殘值後確認。估計可使用年期、殘值及折舊法於各報告期末檢討，任何估計變動的影響往後入賬。

任何物業、廠房及設備項目於出售或預期日後持續使用該資產不會取得經濟利益時終止確認。出售或撤銷物業、廠房及設備項目所產生的收益或虧損根據出售資產的所得款項與資產的賬面值的差額釐定，並於損益確認。

有形資產減值虧損

於報告期末，本集團檢討其有形資產的賬面值，以釐定該等資產有否任何減值虧損跡象。倘有任何減值跡象，則會估計資產的可收回數額以釐定減值虧損(如有)程度。倘無法估計個別資產之可收回數額，則本集團對該資產所屬之現金產生單位之可收回數額進行估計。在合理、一貫之分配基準可被確定之情況下，公司資產亦分配至個別現金產生單位，否則將分配至合理、一貫之分配基準可被確定之最小現金產生單位。

可收回數額指公平值減銷售成本後之價值與其使用價值之間之較高者。在評估使用價值時，使用稅前折現率將估計未來現金流量折現至其現值，該折現率反映目前市場對貨幣時間價值之評估及該項資產因其未來現金流量估計未獲調整之特有風險。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Impairment losses on tangible assets – Continued

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year in which the item is derecognised.

4. 重大會計政策 – 續

有形資產減值虧損 – 續

倘估計資產(或現金產生單位)的可收回數額降至低於其賬面值,則該資產(或現金產生單位)的賬面值將調低至其可收回數額的水平。減值虧損會即時於損益確認。

倘減值虧損其後撥回,則有關資產的賬面值將調升至其經修訂的估計可收回數額,惟調升後的賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定的賬面值。除非有關資產根據另一項會計準則而按重估值入賬,在此情況下,減值虧損撥回根據其他會計準則視作重估增值,否則減值虧損的撥回將即時確認為收入。

投資物業

投資物業乃為用於賺取租金及/或增資而持有的物業。計入持作未確定的未來用途的投資物業被視作持作資本增值之用。

於初步確認時,投資物業按成本計量,包括任何直接應佔開支。於初步確認後,投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊乃按投資物業之估計可使用年期並計及其估計殘值後以直線法撇銷其成本確認。

投資物業於出售時或當永久停用及預期出售不會帶來日後經濟利益時終止確認。終止確認資產產生之任何收益或虧損(按該資產之出售所得款項淨額與賬面值之間的差額計算)於該項目終止確認之年度計入損益。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. 重大會計政策 – 續

租賃

根據相關條款將擁有權的絕大部分風險及回報轉移予承租人的租約，均列作融資租約。所有其他租約則列作經營租約。

本集團作為出租人

經營租賃的租金收入按有關租約的期限以直線法於損益確認。

本集團作為承租人

經營租賃付款於有關租約年期以直線法確認為開支。除非有另一個系統的方法能體現租賃資產的經濟利益被消耗的時間方式。經營租賃下的或有租金在當期發生時直接確認為當期費用。

倘就訂立經營租賃獲得租約優惠，有關優惠確認為負債。優惠利益總額以直線法確認為租賃開支之扣減。除非有另一個系統的方法能體現租賃資產的經濟利益被消耗的時間方式。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

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

4. 重大會計政策 – 續

租賃土地及樓宇

倘一項租賃同時包括土地及樓宇部分，則本集團會分別依照各部分擁有權隨附的絕大部分風險及回報是否已轉移至本集團，評估各部分分類應被界定為融資或是經營租賃，除非兩個部分被清楚確定為經營租約外，於此情況下，整份租約分類為經營租約。具體而言，最低租賃款項是(包括任何一筆過支付的預付款項)會按訂立租賃時租賃土地部分與樓宇部分租賃權益之相關公平值，按比例於土地與樓宇部分之間分配。

倘能可靠地分配租賃款項，則入賬列為經營租賃的租賃土地權益將於綜合財務狀況表內列作「預付租賃款項」，並於租賃期內以直線法攤銷入賬。倘未能可靠地於土地及樓宇部分之間分配租賃款項，則整項租賃一般會分類為融資租賃，並入賬列作物業、廠房及設備。

外幣

於編製個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)計值的交易按交易當日的匯率以功能貨幣(即該實體經營所處主要經濟體系的貨幣)入賬。於各報告期末，以外幣計值的貨幣項目均按當日的匯率重新換算。按公平值入賬並以外幣計值的非貨幣項目按釐定公平值當日的匯率重新換算。按歷史成本以外幣計值的非貨幣項目不予重新換算。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Foreign currencies – Continued

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income in the consolidated financial statements and will be reclassified from equity to profit or loss on disposal of foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

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

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

4. 重大會計政策 – 續

外幣 – 續

結算貨幣項目及換算貨幣項目時產生的匯兌差額均於產生期間在損益確認，惟因屬於本公司海外業務投資淨額的貨幣項目而產生的匯兌差額則除外，該等匯兌差額均在綜合財務報表內的其他全面收入確認入賬，並將於出售海外經營業務時由權益重新分類為損益。因重新換算按公平值入賬的非貨幣項目而產生的匯兌差額均計入期間的損益。

於呈列綜合財務報表時，本集團海外業務的資產與負債按報告期末的匯率換算為本集團的呈報貨幣（即人民幣），而其收支項目則按年內的平均匯率換算，惟期內匯率大幅波動則除外，而在此情況下，則採用交易當日的匯率。匯兌差額（如有）均在其他全面收入確認及累計入在匯兌儲備項下的權益。

於出售海外業務時，所有於有關本公司擁有人應佔業務的權益累計的匯兌差額重新分類至損益。此外，就出售一家附屬公司部分權益（即並無導致本集團失去該附屬公司之控制權）而言，按比例應佔累計匯兌額乃重新計入非控股權益，而不會在於損益確認。所有其他部分出售，按比例應佔累計匯兌額乃重新分類至損益。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Borrowing costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the additions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income/a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

4. 重大會計政策 – 續

借貸成本

所有借貸成本於產生期間在損益表確認。

政府補助

政府補助不予確認，直至有合理保證本集團將遵守補助附帶的條件及將取得補助。

就擬作補償用途的補助金的相關成本而言，政府補助於本集團確認開支期間系統地於損益內確認。特別是，政府補助的主要條件為本集團應購買、興建或以其他方式收購非流動資產並於綜合財務狀況表確認為遞延收入／有關資產賬面值之減少，並於有關資產的可用年期內轉撥至損益。

日後並無有關成本的應收政府補助（作為已產生的開支或虧損的補助金，或為了向本集團提供即時財政資助的補償金）於其可以收取時於損益內確認。

按低於市場利率所取得的政府貸款被視為政府補助，計量為已收所得款項與根據現行市場利率計算之貸款公平值間之差額。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Taxation

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

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

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

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

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

4. 重大會計政策 – 續

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度的應課稅收入或可扣稅開支項目，亦不包括毋須課稅或不可扣稅的項目，故此有別於綜合全面收益表所列溢利。本集團的即期稅項負債按報告期末已頒佈或實際頒佈的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相關稅基的差額確認。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產一般於所有應扣稅暫時差額有可能用以抵銷應課稅溢利時予以確認。倘暫時差額因商譽或初次確認(業務合併除外)交易的其他資產及負債而並不影響應課稅溢利及會計溢利，則有關資產及負債不予確認。

投資附屬公司及聯營公司相關的應課稅暫時差額須確認為遞延稅項負債，惟本集團可控制撥回暫時差額的撥回及有可能在可見將來不會撥回暫時差額則除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末作出檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產的情況下作出調減。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Taxation – Continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in to profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

4. 重大會計政策 – 續

稅項 – 續

遞延稅項資產及負債乃按預期適用於清償負債或變現資產期間之稅率，並根據報告期末已實施或大致上已實施之稅率（及稅法）計量。

遞延稅項負債及資產的計量反映出按本集團預期於報告期末將收回或結清其資產與負債的賬面值所產生的稅項後果。

即期及遞延稅項乃於損益內確認，除非其關乎於其他全面收入或直接於權益確認之項目，在該情況下，即期及遞延稅項亦於其他全面收入或直接於權益中分別確認。

研究及開發開支

研究活動的開支於產生期間確認為開支。

由發展活動（或內部項目的發展階段）所產生的內部形成無形資產，只會在顯示以下各項的情況下方予以確認：

- 完成無形資產使其可供使用或出售具技術可行性；
- 有意完成無形資產並將其使用或出售；
- 有使用或出售無形資產的能力；
- 無形資產如何產生可能的未來經濟利益；
- 有足夠技術、財務及其他資源可完成發展項目並使用或出售無形資產；及

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Research and development expenditure – Continued

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. 重大會計政策 – 續

研究及開發開支 – 續

- 有能力可靠地計量無形資產在其發展期間所應佔的費用。

內部產生無形資產初步確認之金額為該等無形資產首次符合上述確認標準當日起產生之開支總額。倘未有確認內部產生無形資產，則開發開支於產生期間自損益扣除。

於初次確認後，內部產生無形資產以與個別購入之無形資產相同之基準按成本減累計攤銷及累計減值虧損計量。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均法計算。可變現淨值指估計存貨售價減所有估計完成成本及作出銷售所需之成本。

金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時在綜合財務狀況表確認入賬。

金融資產及金融負債初步按公平值計量。直接因收購或發行金融資產及金融負債（不包括按公平值計入損益的金融資產或金融負債）而產生的交易成本於初步確認時在金融資產或金融負債的公平值入賬或扣除（視乎情況而定）。直接因收購按公平值計入損益的金融資產或金融負債而產生的交易成本，立即於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated useful cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

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

4. 重大會計政策 – 續

金融工具 – 續

金融資產

本集團的金融資產分類為貸款與應收賬款。有關分類乃取決於金融資產之性質及目的，並於初步確認時釐定。所有以正常方式買賣的金融資產按交易日基準確認及終止確認。以正常方式買賣指需要於按市場規則或慣例制訂的時限內交付資產的金融資產買賣。

實際利率法

實際利率法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃在金融資產之預期使用年期，或較短期間（倘合適）將估計可使用現金收入（包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用）精確貼現至初步確認時的賬面淨值之利率。

就債務工具而言，利息收入乃按實際利率基準確認。

貸款及應收賬款

貸款及應收賬款指在活躍市場無報價的固定或可釐定付款金額的非衍生金融資產。於初步確認後，貸款及應收賬款（包括應收貿易賬款、按金及其他應收賬款、應收一名董事／一間關連公司款項及銀行結餘及現金）均採用實際利率法按攤銷成本減任何已識別減值虧損入賬（見下文金融資產減值虧損的會計政策）。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

4. 重大會計政策 – 續

金融工具 – 續

金融資產減值

在各報告期末會評估金融資產是否有任何減值跡象。倘若有客觀證據表明，由於一個或多個於首次確認金融資產後發生的事項，金融資產的估計未來現金流量受到影響，則金融資產會被視為減值。

就所有其他金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對方出現重大財務困難；或
- 違約，如拖欠支付或無力償還利息或本金；或
- 借款人可能破產或進行財務重組；或
- 因財政困難而導致金融資產的活躍市場消失。

此外，貿易應收賬款及其他應收賬款等被評估為非個別減值之若干金融資產類別，按整體基準進行減值評估。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾90天的平均信貸期之次數增加，以及與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，已確認減值虧損金額按該資產之賬面值與按原先實際利率折現之估計未來現金流量之現值間之差額計量。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Impairment of financial assets – Continued

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade receivables and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. The Group's financial liabilities comprise other financial liabilities.

4. 重大會計政策 – 續

金融工具 – 續

金融資產減值 – 續

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與同類金融資產按現行市場回報率折現之估計未來現金流量現值間之差額計量。該項減值虧損不會於往後期間撥回。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟貿易應收賬款及其他應收賬款除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益賬內確認。倘貿易應收賬款及其他應收賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入損益賬內。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

金融負債及股本工具

集團實體發行的金融負債及股本工具均按所訂立合約安排的內容及金融負債與股本工具的釋義分類為金融負債或股本。

股本工具

股本工具指任何可證明扣減所有負債後的本集團資產剩餘權益的合約。本集團發行的股本工具按已收所得款項(扣除直接發行成本)確認。本集團的金融負債包括其他金融負債。

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截至二零一二年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Financial liabilities and equity instruments – Continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Transactions with owners

The Group applies a policy of treating loans from shareholders as transactions between owners in their capacity as owners. No gain or loss is recognised in profit or loss from the waiver of loans. Any deemed contribution from the shareholder arising from the waiver is recognised directly in the consolidated statement of changes in equity.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

4. 重大會計政策 – 續

金融工具 – 續

金融負債及股本工具 – 續

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃在金融負債之預期使用年期，或較短期間（倘合適）將估計日後現金款項（包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用及代價）精確折現至於初步確認時之賬面淨值之利率。

利息開支按實際利率基準確認。

與擁有人之交易

本集團應用一項政策，將股東之貸款視作與擁有人（以彼等作為擁有人之身份）之交易。概無因豁免貸款而於損益確認收益或虧損。任何來自豁免之視作股東注資直接於綜合權益變動表內確認。

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃在金融負債之預期使用年期，或較短期間（倘合適）將估計日後現金款項（包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用及代價）精確折現至於初步確認時之賬面淨值之利率。

利息開支按實際利率基準確認。

Notes to the Consolidated Financial Statements

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Financial liabilities and equity instruments – Continued

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, amounts due to a former corporate shareholder/directors/related companies/major shareholder, dividends payables, other borrowing and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4. 重大會計政策 – 續

金融工具 – 續

金融負債及股本工具 – 續

其他金融負債

其他金融負債包括應付貿易賬款、其他應付賬款及應計費用、應付一名前法人股東／董事／關連公司／主要股東款項、應付股息、其他借貸及銀行借貸，其後以實際利率法按攤銷成本計量。

終止確認

僅當自資產收取現金流量的合約權利屆滿，或倘轉讓金融資產及該資產擁有權的絕大部分風險及回報轉移予其他實體，本集團會終止確認該項金融資產。倘本集團既無轉讓亦無保留所轉讓資產擁有權的絕大部分風險及回報並繼續控制已轉讓資產，本集團繼續確認按其持續參與之程度確認資產並確認相關負債。倘本集團保留所轉讓金融資產擁有權的絕大部分風險及回報，本集團會繼續確認該項金融資產，亦會確認所收取所得款項之有抵押借貸。

完全取消確認金融資產時，資產賬面值與已收取及應收代價以及已於其他全面收入確認及於權益累計的累積收益或虧損總額間的差額乃於損益確認。

除全面取消確認外，於取消確認金融資產時，本集團會將金融資產的過往賬面值，根據於其繼續確認的部分及不再確認的部分於轉讓日期的相對公平值在兩者間作出分配，而不再確認部分獲分配的賬面值與不再確認部分所收取代價及已於其他全面收入中確認的獲分配的任何累積收益或虧損的總和間的差額，乃於損益內確認。已於其他全面收入確認的累積收益或虧損，將按繼續確認之部分及不再確認的部分的相對公平值在兩者間作出分配。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – Continued

Derecognition – Continued

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (where the effect is material).

Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme ("MPF") and state-managed retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

4. 重大會計政策 – 續

金融工具 – 續

終止確認 – 續

當並且僅在本集團的承擔被解除，取消或到期時，本集團會終止確認金融負債。取消確認的金融負債賬面值與已付及應付代價的差額於損益確認。

撥備

倘本集團因過往事件而產生現有承擔，而本集團可能須履行該承擔，而有關承擔金額能可靠估計，則會確認撥備。撥備乃根據於報告期末對履行現有承擔所需代價之最佳估算計值，並計及該承擔之風險及不確定因素。倘撥備乃按履行現有承擔之估計現金流量計值，其賬面值則按有關現金流量之現值計值（倘影響重大）。

或然負債

或然負債指因為過往事件而可能引起的承擔，而其存在只能就本集團控制範圍以外的一宗或多宗不確定的未來事件是否發生而得以確認。或然負債亦可能是因為過往事件引致的現有承擔，但由於可能不需要有經濟資源流出或承擔金額未能可靠衡量而未有確認。或然負債不會確認，但會在綜合財務報表附註內披露。假若資源流出的可能性有所改變導致可能出現資源流出，則或然負債將會確認為撥備。

退休福利成本

對強制性公積金計劃（「強積金」）及國家管理的退休福利計劃的供款均於僱員提供服務而有權獲得供款時，確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person, (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group or of a parent of the Group; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the Group (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vi) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. 重大會計政策 – 續

現金及現金等值項目

綜合財務狀況表中的銀行結餘及現金包括銀行及手頭現金及到期日為三個月或以下的短期存款。

關連方

在下列情況下，有關方將被視為與本集團有關連：

- (a) 有關方為一名人士或該人士的家族近親，而該人士：(i) 控制或共同控制本集團；(ii) 對本集團有重大影響；或(iii) 為本集團或本集團母公司的主要管理人員的其中一名成員；或
- (b) 有關方為實體，且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一間實體為本集團的聯營公司或合營企業（或另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體受(a)項定義的人士控制或共同控制；及
 - (vi) 於(a)(i)項定義的人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層人員。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, 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 may differ from these estimates.

The estimated 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.

Critical judgement in applying the entity's accounting policies

The following is the critical judgement, apart from those involving estimates (see below), that the Directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern consideration

The assessments of the going concern assumptions involve making judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors considers that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in Note 2 to the consolidated financial statements.

Key sources of estimation uncertainty

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

5. 關鍵會計判斷及估計不明朗因素的主要來源

於本集團應用會計政策時(詳情見附註4),董事須在未有其他資料來源的情況下就資產及負債的賬面值作出判斷、估計及假設。該等估計及有關假設乃以歷史經驗及其他被視為有關的因素為基準。實際結果可能與該等估計有所出入。

估計及相關假設會按持續基準被審閱。倘對會計估計的修訂僅會對修訂估計的期間產生影響,則有關修訂會於該期間確認,而倘修訂影響當前及未來期間,則會於修訂期間及未來期間確認。

於應用實體會計政策時的關鍵判斷

除涉及估計的判斷(見下文)以外,以下為董事於應用實體會計政策過程中所作的關鍵判斷,對綜合財務報表中確認的金額產生最重大的影響。

持續經營考慮

評估持續經營假設涉及董事於某個特定時間,就本質上不確定的事項或條件的未來結果,作出的判斷。董事認為本集團有能力持續經營,而個別或共同可能對持續經營假設構成重大疑問的主要事項或條件,已載於綜合財務報表附註2。

估計不明朗因素的主要來源

以下為很有可能會導致下個財政年度的資產及負債的賬面值須作出重大調整的日後主要假設,以及其他於報告期末的估計不明朗因素的主要來源。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY — Continued

Key sources of estimation uncertainty— Continued

Depreciation of property, plant and equipment and investment property

Property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the property, plant and equipment and investment property and if the expectation differs from the original estimate, such difference may impact the depreciation in the year and the estimate will be changed in the future period.

Impairment loss recognised in respect of trade receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customers' current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses. No impairment loss was recognised for the year (2011: RMB141,000).

Impairment loss recognised in respect of other receivables

The policy for recognition of impairment loss of other receivables of the Group is determined by the management based on the evaluation of collectability and management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each receivables. No impairment loss was recognised for the year (2011: RMB8,255,000).

5. 關鍵會計判斷及估計不明朗因素的主要來源 — 續

估計不明朗因素的主要來源 — 續

物業、廠房及設備以及投資物業的折舊

物業、廠房及設備以及投資物業乃根據預計可使用年期並經計及其估計殘值後以直線法折舊。使用年期和殘值的釐定涉及管理層的估計。本集團每年評估物業、廠房及設備以及投資物業的殘值和使用年期，倘預期與原有的估計不同，則該差異可能會影響年內的折舊且於未來期間內可能對估計進行更改。

就應收貿易賬款確認減值虧損

本集團對其客戶進行持續信貸評估，並根據客戶過往的付款記錄及目前的信用度(信用度乃透過對其目前的信用資料進行審核而釐定)對信用額度進行調整。本集團持續監察其客戶的收款及付款，並對過往在本集團預期範圍內的估計信貸虧損維持撥備，且本集團將持續監控其客戶的收款情況並維持適當水平的估計信貸虧損。年內並無確認減值虧損(二零一一年：人民幣141,000元)。

就其他應收賬款確認的減值虧損

本集團其他應收賬款減值虧損的確認政策乃由管理層依據可收回性的評估及管理層的判斷予以釐定。於評估該等應收賬款的最終變現時須作出大量判斷，包括各應收賬款的現時信用度及過往的收款記錄。年內並無確認減值虧損(二零一一年：人民幣8,255,000元)。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY — Continued

Key sources of estimation uncertainty — Continued

Impairment loss recognised in respect of property, plant and equipment

The impairment loss for property, plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. Recoverable amount is the higher of fair value less costs to sell and value in use. The value in use calculations require the use of estimates such as the future revenue and discount rates. An impairment loss of approximately RMB1,225,000 was recognised for the year (2011: RMB1,757,000).

Provision for claims

During the current and prior years, the Group had been involved in certain litigations and claims in respect of overdue payment of construction works, overdue trade payables and refund of trade deposits (Note 32). The Directors determine the provision for claims based on their best estimates according to their understanding of legal advice. Where the final outcome of the claim and negotiation with the respective creditors is different from the estimation made by the Directors, such difference will impact the provision for claims in the year in which such determination is finalised. A reversal for claims of approximately RMB770,000 was made for the year (2011: Reversal of RMB634,000).

Impairment of inventories

The management of the Group reviews an aging analysis at the end of each reporting period, and makes allowance for obsolete and slowing-moving inventory items identified that are no longer suitable for sale. The management estimates the net realisable value for finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and make allowance for obsolesces items. No impairment loss was recognised for the year (2011: RMB5,614,000).

5. 關鍵會計判斷及估計不明朗因素的主要來源 — 續

估計不明朗因素的主要來源 — 續

就物業、廠房及設備確認的減值虧損

根據本集團的會計政策，物業、廠房及設備的減值虧損乃就其賬面值超過其可收回金額的金額而確認。可收回金額指公平值減銷售成本後之價值與其使用價值之間之較高者。使用價值的計算要求使用估計，如未來收益及貼現率。年內確認一項減值虧損約人民幣1,225,000元(二零一一年：人民幣1,757,000元)。

索償撥備

於本年度及過往年度內，本集團涉及數宗有關逾期建築工程付款、過期應付貿易賬款及退還貿易保證金的訴訟及索償(附註32)。根據其對法律意見的理解，董事基於其最佳估計釐定索償撥備。倘索償及與有關債權人進行協商的最後結果與董事所作估計不同，則有關差額將於最終確定有關結果的年度內影響索償撥備。年內撥回索償約人民幣770,000元(二零一一年：撥回人民幣634,000元)。

存貨減值

本集團管理層於各報告期末審核賬齡分析，並對確認為不再適合於銷售的過時及滯銷庫存品作出撥備。管理層主要根據最近期的發票價格及目前的市況對該等製成品的可變現淨值進行估算。本集團於各報告期末對產品進行逐項盤點，並對過時品種作出撥備。年內並無確認減值虧損(二零一一年：人民幣5,614,000元)。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY — Continued

Key sources of estimation uncertainty — Continued

Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amount that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period which such determination is made.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of debt which includes other borrowing and bank borrowings as disclosed in Note 33 and Note 34 respectively, amounts due to a former corporate shareholder/major shareholder as disclosed in Notes 28 and 30 net of bank balances and cash as disclosed in Note 26 and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a regular basis. As a part of this review, the Directors consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The overall strategy of the Group remained unchanged during the two years ended 31 December 2012 and 2011.

5. 關鍵會計判斷及估計不明朗因素的主要來源 — 續

估計不明朗因素的主要來源 — 續

所得稅

本集團須繳納若干司法權區的所得稅。釐定所得稅撥備時需要作出大量估算。於日常營業過程中，許多交易及計算所涉及的最終稅項釐定並不確定。倘該等事件的最終稅務結果與初始記錄的金額不同，則該等差額將影響作出有關釐定期間的所得稅及遞延稅項撥備。

6. 資本風險管理

本集團管理其資本乃為確保本集團旗下的實體能持續經營業務，同時透過優化債務及權益之間的均衡狀態，為股東帶來最大回報。

本集團的資本結構包括債務，當中包括其他借貸及銀行借貸（分別於附註33及34披露）、應付一名前法人股東／主要股東款項（於附註28及30披露）、扣除銀行結餘及現金（於附註26披露）以及本公司擁有人應佔權益（包括已發行股本及儲備）。董事定期檢討資本架構。作為此檢討的一部分，董事會考慮資本成本及相關風險，並採取適當行動以調整本集團的資本架構。於截至二零一二年及二零一一年十二月三十一日止兩個年度內，本集團的整體策略維持不變。

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7. FINANCIAL RISK MANAGEMENT

7. 財務風險管理

Categories of financial instruments

金融工具類別

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|---------------------------|-----------------------------------|-----------------------------------|
| <i>Financial assets</i> | 金融資產 | | |
| Loan and receivables (including cash and cash equivalents): | 貸款及應收賬款 (包括現金及現金等值項目): | | |
| Trade receivables | 應收貿易賬款 | 3,647 | 2,154 |
| Deposits and other receivables | 按金及其他應收賬款 | 1,010 | 10,763 |
| Amount due from a related company | 應收一間關連公司款項 | - | 16 |
| Bank balances and cash | 銀行結餘及現金 | 6,604 | 2,205 |
| | | 11,261 | 15,138 |
| <i>Financial liabilities</i> | 金融負債 | | |
| Other financial liabilities measured at amortised cost: | 按攤銷成本計量的 其他金融負債: | | |
| Trade payables | 應付貿易賬款 | 48,856 | 49,596 |
| Other payables and accruals | 其他應付賬款及應計費用 | 50,400 | 32,815 |
| Amount due to a former corporate shareholder | 應付一名前法人股東款項 | - | 202,607 |
| Amounts due to directors | 應付董事款項 | 427 | 816 |
| Amounts due to related companies | 應付關連公司款項 | - | 32,779 |
| Amount due to a major shareholder | 應付一名主要股東款項 | 33,041 | 28,810 |
| Dividend payables | 應付股息 | 4,440 | 4,440 |
| Provision for claims | 索償撥備 | - | 4,544 |
| Other borrowing | 其他借貸 | 9,500 | 14,750 |
| Bank borrowings | 銀行借貸 | - | 20,000 |
| | | 146,664 | 391,157 |

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8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables, deposits and other receivables, amount due from a related company, bank balances and cash, trade payables, other payables and accruals, amount due to a former corporate shareholder, amounts due to directors, related companies, a major shareholder, dividend payables, provision for claims, other and bank borrowings are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on timely and effective manner.

Market risk

The Group's activities expose them primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Currency risk

The Group operates in the PRC with most of the transactions denominated and settled in RMB. The Group's foreign currencies are mainly HKD. The Group has certain portion of the trade and other receivables, bank balances and cash and trade and other payables are denominated in currencies other than the functional currency to which they relate.

8. 財務風險管理的目標及政策

本集團的主要金融工具包括應收貿易賬款、按金及其他應收賬款、應收一間關連公司款項、銀行結餘及現金、應付貿易賬款、其他應付賬款及應計費用、應付一名前法人股東款項、應付董事、關連公司、一名主要股東款項、應付股息、索償撥備、其他及銀行借貸的詳情於各相關附註中披露。有關該等金融工具的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何降低該等風險的政策載列於下文。管理層會管理並監控該等風險承擔，以確保及時有效地實施適當措施。

市場風險

本集團之經營活動令本集團主要面臨外匯匯率及利率變動之金融風險。

貨幣風險

本集團於中國經營業務，大部分交易以人民幣計值及結算。本集團之外幣主要為港元。本集團若干部分的貿易及其他應收賬款、銀行結餘及現金以及貿易及其他應付賬款以與之相關功能貨幣以外的貨幣計值。

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8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Currency risk – Continued

The following table shows the Group's exposure at the end of reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they related.

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-------------|----|-----------------------------------|-----------------------------------|
| Assets | 資產 | 79 | 36 |
| Liabilities | 負債 | (427) | (2,369) |

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

No sensitivity analysis is presented for currency risk as the Directors considered that the effect is insignificant under the linked exchange rate system between RMB and HKD and the HKD denominated bank balances and other receivables are insignificant.

Interest rate risk

The Group is exposed to a cash flow interest rate risk in relation to fixed-rate bank borrowings (see Note 34 for details).

The Group is also exposed to cash flow interest rate risk related to bank balances carried at prevailing market rate. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

8. 財務風險管理的目標及政策 – 續

貨幣風險 – 續

下表列示本集團於報告期末已確認資產及負債(以與之相關的實體的功能貨幣以外的貨幣計值)所引致的貨幣風險。

本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並將於必要時考慮對沖重大外幣風險。

由於董事認為人民幣與港元掛鈎之匯率制度下之影響不顯著及以港元計值之銀行結餘及其他應收賬款金額不大，故此沒有就貨幣風險呈列任何敏感度分析。

利率風險

本集團面臨與定息銀行借貸有關的現金流量利率風險(詳情請參閱附註34)。

本集團亦面臨與按現行市場利率列賬的銀行結餘有關的現金流量利率風險。然而，由於銀行結餘均屬短期性質，因此該風險對於本集團而言屬微乎其微。

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8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Interest rate risk – Continued

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note.

As of 31 December 2012, it is estimated that a general 50 basis point increase or decrease in interest rates, with all other variables held constant, would increase or decrease the Group's loss for the year and accumulated losses by approximately RMBn11 (2011: RMB58,000).

The above sensitivity analysis has been determined assuming that a change in interest rates had occurred at the end of each reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point increase or decrease represents directors' assessment of a reasonably possible change in interest rates over the period until the next annual reporting period. The analysis was performed on the same basis for the year ended 31 December 2011.

Credit risk

As at 31 December 2012 and 2011, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual trade and other debtor at the end of the reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 77% (2011: 38%) and 86% (2011: 91%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

8. 財務風險管理的目標及政策 – 續

利率風險 – 續

本集團就金融負債所面臨的利率風險詳述於本附註的流動資金風險管理一節。

截至二零一二年十二月三十一日，估計利率每上升或下降50個基點而所有其他變量不變，可能會使本集團的年度虧損及累計虧損增加或減少約人民幣零元(二零一一年：人民幣58,000元)。

上述敏感度分析乃假設利率變動於各報告期末已發生而釐定，並應用於該日存在的金融工具的利率風險。50個基點的上升或下降是指，直至下個年度報告期的期間內，董事對利率的合理可能變動的評估。分析乃按與截至二零一一年十二月三十一日止年度相同的基準進行。

信貸風險

於二零一二年及二零一一年十二月三十一日，本集團就對手方未能履行其責任而面臨的最高信貸風險(將導致本集團的財務虧損)，乃因綜合財務狀況表所述各已確認金融資產的賬面值而引致。

本集團於報告期末檢討各應收貿易賬款及其他應收賬款的可收回款項，以確保對不可收回的款項計提足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大大降低。

本集團存在集中信貸風險，貿易應收賬款總額中的77%(二零一一年：38%)以及86%(二零一一年：91%)分別來自本集團最大客戶以及五大客戶。

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8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Credit risk – Continued

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

The Group is exposed to liquidity risk as at 31 December 2012 as its financial assets due within one year was less than its financial liabilities due within one year. The Group had net current liabilities of approximately RMB128,590,000 as at 31 December 2012. The liquidity of the Group depends upon the positive cash flows expected to be generated from the Group's future operations and successfully obtain new working capital in order to meet the Group's future working capital and financial requirements. Details of which are set out in Note 2.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

8. 財務風險管理的目標及政策 – 續

信貸風險 – 續

由於對手方乃獲國際信貸評級機構授予較高信貸評級的銀行，因此本集團與流動資金有關的信貸風險有限。

流動資金風險

由於本集團於一年內到期的金融資產少於一年內到期的金融負債，因此本集團於二零一二年十二月三十一日面臨流動資金風險。於二零一二年十二月三十一日，本集團的流動負債淨額約為人民幣128,590,000元。本集團之流動資金取決於本集團未來業務預期將產生正數現金流，以及成功取得新營運資金滿足本集團的未來營運資金及財務需求。有關詳情載於附註2。

下表詳述根據協定的還款條款，本集團非衍生金融負債的餘下合約到期時間。該表乃根據本集團可能須支付的最早日期按照金融負債的未貼現現金流量草擬。該表包括利息及本金現金流量。倘利息流量為浮動利率，則未貼現數額乃根據報告期末之利率曲線計算得出。

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8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

8. 財務風險管理的目標及政策 – 續

Liquidity risk – Continued

流動資金風險 – 續

Liquidity tables

流動資金表

| | | Weighted average interest rate % 加權 平均利率 % | Within 1 year or on demand 一年內 或要求時 RMB'000 人民幣千元 | Total undiscounted cash flow 未貼現的 總現金流量 RMB'000 人民幣千元 | Carrying amounts 賬面值 RMB'000 人民幣千元 |
|--|----------------------|---|---|---|--|
| At 31 December 2012 | 於二零一二年十二月三十一日 | | | | |
| Other financial liabilities at amortised cost: | 按攤銷成本列賬之 其他金融負債： | | | | |
| Trade payables | 應付貿易賬款 | – | 48,856 | 48,856 | 48,856 |
| Other payables and accruals | 其他應付賬款及應計費用 | – | 50,400 | 50,400 | 50,400 |
| Amounts due to directors | 應付董事款項 | – | 427 | 427 | 427 |
| Amount due to a major shareholder | 應付一名主要股東款項 | – | 33,041 | 33,041 | 33,041 |
| Dividends payables | 應付股息 | – | 4,440 | 4,440 | 4,440 |
| Other borrowing | 其他借貸 | – | 9,500 | 9,500 | 9,500 |
| | | | 146,664 | 146,664 | 146,664 |
| At 31 December 2011 | 於二零一一年十二月三十一日 | | | | |
| Other financial liabilities at amortised cost: | 按攤銷成本列賬之 其他金融負債： | | | | |
| Trade payables | 應付貿易賬款 | – | 49,596 | 49,596 | 49,596 |
| Other payables and accruals | 其他應付賬款及應計費用 | – | 32,815 | 32,815 | 32,815 |
| Amount due to a former corporate shareholder | 應付一名前法人股東款項 | – | 202,607 | 202,607 | 202,607 |
| Amounts due to directors | 應付董事款項 | – | 816 | 816 | 816 |
| Amounts due to related companies | 應付關連公司款項 | – | 32,779 | 32,779 | 32,779 |
| Amount due to a potential investor/ major shareholder | 應付一名潛在投資者/ 主要股東款項 | – | 28,810 | 28,810 | 28,810 |
| Dividends payables | 應付股息 | – | 4,440 | 4,440 | 4,440 |
| Provision for claims | 索償撥備 | – | 4,544 | 4,544 | 4,544 |
| Other borrowing | 其他借貸 | 2.45 | 14,810 | 14,810 | 14,750 |
| Bank borrowings | 銀行借貸 | 7.87 | 20,651 | 20,651 | 20,000 |
| | | | 391,868 | 391,868 | 391,157 |

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

9. FAIR VALUE

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair value due to their short-term maturities.

10. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

An analysis of the Group's revenue and other income for the year are as follows:

9. 公平值

金融資產及金融負債的公平值根據以貼現現金流量分析為基準的普遍採納的定價模式釐定。

董事認為，綜合財務報表中按經攤銷成本入賬的金融資產及金融負債的賬面值，因到期期間較短而與其公平值相若。

10. 收益及其他收入

收益，亦為本集團的營業額，是指本集團向外界客戶出售貨品的已收及應收賬款扣除折扣及與銷售相關的稅項後的淨額。

本集團的年度收益及其他收入分析如下：

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|-----------------------------|-----------------------------------|-----------------------------------|
| Revenue | 收益 | | |
| Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances | 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入 | 4,037 | 2,685 |
| Sales of controller systems for mobile phones and income from sales and assembly of mobile phones | 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入 | 5,143 | 6,004 |
| | | 9,180 | 8,689 |
| Other income | 其他收入 | | |
| Bank interest income | 銀行利息收入 | 3 | 3 |
| Sales of scrap materials | 廢料的銷售額 | 830 | 2,172 |
| Government grants recognised as income | 確認為收入的政府補助金 | 120 | 140 |
| Reversal of impairment loss recognised in respect of trade receivables | 撥回就應收貿易賬款確認的減值虧損 | 47 | 190 |
| Reversal of impairment loss recognised in respect of other receivables | 撥回就其他應收賬款確認的減值虧損 | - | 7 |
| Waiver of amounts due to directors | 豁免應付董事款項 | 416 | 4,133 |
| Waiver of trade and other payables | 豁免貿易及其他應付賬款 | 919 | 280 |
| Rental income | 租金收入 | 253 | 250 |
| Sundry income | 雜項收入 | 190 | 868 |
| | | 2,778 | 8,043 |

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截至二零一二年十二月三十一日止年度

11. SEGMENT INFORMATION

The chief operating decision maker have been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The executive directors consider the business from a product perspective. Specially, the Group's reportable and operating segments under HKFRS 8 are as follows:

- a. Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances — wholesalers.
- b. Sales of controller systems for mobile phones and income from sales and assembly of mobile phones — wholesalers.

11. 分部資料

首席營運決策者已被識別為本公司的執行董事。執行董事負責檢討本集團的內部申報，藉以評核表現及分配資源。管理層根據該等報告釐定經營分部。執行董事從產品角度考慮業務。尤其是，本集團根據香港財務報告準則第8號之可呈報及經營分部載列如下：

- a. 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入 — 批發商。
- b. 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入 — 批發商。

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11. SEGMENT INFORMATION — Continued

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 December

11. 分部資料 — 續

分部收益及業績

本集團按可呈報及經營分部劃分之收益及業績分析如下：

截至十二月三十一日止年度

| | | Wholesalers — sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances 批發商 — 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入 | | Wholesalers — sales of controller systems for mobile phones and income from sales and assembly of mobile phones 批發商 — 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入 | | Consolidated 綜合 | |
|---|-------------------|---|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
| Revenue | 收益 | | | | | | |
| — External sales | — 對外銷售 | 4,037 | 2,685 | 5,143 | 6,004 | 9,180 | 8,689 |
| Segment results | 分部業績 | (6,673) | (13,010) | (8,565) | (20,468) | (15,238) | (33,478) |
| Bank interest income | 銀行利息收入 | | | | | 3 | 3 |
| Unallocated revenue | 未分配收益 | | | | | 2,775 | 8,021 |
| Unallocated expenses | 未分配開支 | | | | | (680) | (351) |
| Finance costs | 融資成本 | | | | | (1,365) | (1,802) |
| Loss on disposal of property, plant and equipment and prepaid lease payment | 出售物業、廠房及設備及預付租賃虧損 | | | | | (8) | (3,430) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | | | | | 6,377 | 812 |
| Reversal for claims, net | 撥回索償，淨額 | | | | | 770 | 634 |
| | | | | | | (7,366) | (29,591) |

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截至二零一二年十二月三十一日止年度

11. SEGMENT INFORMATION — Continued

Segment revenues and results — Continued

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment results represent losses incurred by each segment without allocation of central administration costs including bank interest income, finance costs, loss on disposal of property, plant and equipment and prepaid lease payment, gain on disposal of subsidiaries and reversal for claims, net. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 December

| | | Wholesalers – sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances 批發商 – 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入 | | Wholesalers – sales of controller systems for mobile phones and income from sales and assembly of mobile phones 批發商 – 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入 | | Consolidated 綜合 | |
|-----------------------------------|---------|---|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
| Segment assets | 分部資產 | 11,795 | 5,783 | 6,784 | 14,893 | 18,579 | 20,676 |
| Unallocated corporate assets | 未分配企業資產 | | | | | 10,744 | 11,872 |
| Total assets | 總資產 | | | | | 29,323 | 32,548 |
| Segment liabilities | 分部負債 | 64,141 | 108,050 | 82,922 | 281,843 | 147,063 | 389,893 |
| Provision for claims | 索償撥備 | | | | | - | 4,544 |
| Unallocated corporate liabilities | 未分配企業負債 | | | | | 427 | - |
| Total liabilities | 總負債 | | | | | 147,490 | 394,437 |

11. 分部資料 — 續

分部收益及業績 — 續

經營分部的會計政策與附註4所述之本集團會計政策相同。分部業績指各分部產生之虧損，並未計及分配中央行政費用（包括銀行利息收入、融資成本、出售物業、廠房及設備及預付租賃款項之虧損）、出售附屬公司之收益及撥回索償淨額。此乃就資源分配及表現評估而向首席營運決策者進行呈報的方法。

分部間銷售乃按現行市場價格計算。

分部資產及負債

以下為按可呈報分部呈列之本集團資產及負債的分析：

於十二月三十一日

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截至二零一二年十二月三十一日止年度

11. SEGMENT INFORMATION — Continued

Segment revenues and results — Continued

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, investment property and prepaid lease payment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to operating segments other than provision for claims. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Other segment information

For the year ended 31 December

11. 分部資料 — 續

分部收益及業績 — 續

為監管分部的表現及在各分部間分配資源：

- 所有資產均分配予經營分部，惟物業、廠房及設備、投資物業及預付租賃款項除外。可呈報分部共同使用的資產按個別可呈報分部所賺取的收益進行分配；及
- 所有負債均分配予經營分部，惟索償撥備除外。可呈報分部共同承擔的負債按分部資產比例進行分配。

其他分部資料

截至十二月三十一日止年度

| | Wholesalers – sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances 批發商 – 銷售消費電器及電子用品的控制器系統及銷售小型電器的收入 | | Wholesalers – sales of controller systems for mobile phones and income from sales and assembly of mobile phones 批發商 – 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入 | | Unallocated 未分配 | | Consolidated 綜合 | |
|---|---|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
| Amounts included in the measure of segment profit or loss or segment assets: | | | | | | | | |
| Capital expenditure (Note) | - | - | - | - | 1,405 | 3,105 | 1,405 | 3,105 |
| Depreciation of property, plant and equipment | - | - | - | - | 1,079 | 2,067 | 1,079 | 2,067 |
| Amortisation of prepaid lease payment | - | - | - | - | 242 | 242 | 242 | 242 |
| Depreciation for investment property | - | - | - | - | 58 | 58 | 58 | 58 |
| Impairment loss recognised in respect of inventories | - | 3,240 | - | 2,374 | - | - | - | 5,614 |
| Impairment loss recognised in respect of trade receivables | - | 66 | - | 75 | - | - | - | 141 |
| Impairment loss recognised in respect of other receivables | - | 2,551 | - | 5,704 | - | - | - | 8,255 |
| Impairment loss recognised in respect of property, plant and equipment | - | - | - | - | 1,255 | 1,757 | 1,255 | 1,757 |
| Reversal of impairment loss recognised in respect of trade receivables | (21) | (59) | (26) | (131) | - | - | (47) | (190) |
| Reversal of impairment loss recognised in respect of other receivables | - | (2) | - | (5) | - | - | - | (7) |
| Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss: | | | | | | | | |
| Bank interest income | (1) | (1) | (2) | (2) | - | - | (3) | (3) |
| Interest expense | 600 | 516 | 765 | 1,286 | - | - | 1,365 | 1,802 |

Note: Capital expenditure includes property, plant and equipment.

附註：資本開支包括物業、廠房及設備。

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11. SEGMENT INFORMATION — Continued

Turnover from customers of the corresponding years contributing over 10% of the total turnover of the Group are as follows:

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-------------------------|-------------------|-----------------------------------|-----------------------------------|
| Customer A ¹ | 客戶 A ¹ | 2,393 | N/A 不適用 ³ |
| Customer B ¹ | 客戶 B ¹ | 1,055 | 2,047 |
| Customer C ² | 客戶 C ² | N/A 不適用 ³ | 1,465 |
| Customer D ² | 客戶 D ² | 1,530 | 1,043 |

¹ Turnover from mobile phones.

² Turnover from electronic appliances.

³ The corresponding revenue does not contribute over 10% of the total sale of the Group in the respective year.

Geographical information

The Group's business is primarily operated in the PRC. All of the Group's revenue is attributable to customers in the PRC.

An analysis of the carrying amount of segment assets by geographical area in which the assets are located has not been presented as they are substantially located in the PRC.

12. FINANCE COSTS

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Interests on: | 以下款項的利息： | | |
| — Bank borrowings wholly repayable within one year | — 須於一年內悉數償還之銀行借貸 | 1,365 | 1,346 |
| — Other borrowing wholly repayable within one year | — 須於一年內悉數償還的其他借貸 | — | 456 |
| | | 1,365 | 1,802 |

11. 分部資料 — 續

於相關年度，來自對本集團總營業額貢獻超過 10% 的客戶之營業額載列如下：

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|--|-----------------------------------|-----------------------------------|
| | | 2,393 | N/A 不適用 ³ |
| | | 1,055 | 2,047 |
| | | N/A 不適用 ³ | 1,465 |
| | | 1,530 | 1,043 |

¹ 來自流動電話之營業額。

² 來自電子用品之營業額。

³ 相應收益為本集團有關年度之銷售總額貢獻不超過 10%。

地區資料

本集團的業務主要在中國經營。本集團之收益全數來自中國的客戶。

由於大部分分部資產位於中國，故此並無按資產所在地區呈列有關賬面值的分析。

12. 融資成本

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13. INCOME TAX EXPENSE

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% from 1 January 2008 onwards. No PRC Enterprise Income Tax has been provided for the year ended 31 December 2012 as the Group did not generate any assessable profits arising in the PRC for the year (2011: Nil).

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong profits tax has been provided for the year ended 31 December 2012 as the Group did not generate any assessable profits arising in Hong Kong for the year (2011: Nil).

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

13. 所得稅開支

根據中華人民共和國(「中國」)企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，本公司及中國附屬公司的稅率為25%。由於本集團於年內並未在中國產生任何應課稅溢利，故並無於截至二零一二年十二月三十一日止年度就中國企業所得稅計提撥備(二零一一年：無)。

香港利得稅按兩年的估計應課稅溢利的16.5%計算。由於本集團於年內並未在香港產生任何應課稅溢利，故並無於截至二零一二年十二月三十一日止年度就香港利得稅計提撥備(二零一一年：無)。

年內所得稅開支可與綜合全面收益表所列除稅前虧損對賬如下：

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Loss before tax | 除稅前虧損 | (7,366) | (29,591) |
| Tax at the domestic tax rate | 按國內稅率計算的稅項 | (1,842) | (7,398) |
| Tax effect of expenses not deductible for tax purposes | 就稅務而言不可扣稅開支的稅務影響 | 391 | - |
| Tax effect of income not taxable for tax purposes | 就稅務而言毋須課稅收入的稅務影響 | (1,887) | (357) |
| Tax effect of tax losses not recognised | 並無確認之稅項虧損的稅務影響 | 3,308 | 21,541 |
| Tax effect of deductible temporary differences not recognised | 未確認可扣稅暫時差額的稅務影響 | - | 3,940 |
| Tax effect of utilisation of deductible temporary differences previously not recognised | 使用以前未被確認可扣稅暫時性差異的稅務影響 | - | (17,803) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 在其他司法權區經營的附屬公司的稅率差異的影響 | 30 | 77 |
| Income tax expense for the year | 年內所得稅開支 | - | - |

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14. LOSS FOR THE YEAR

14. 年內虧損

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Loss for the year has been arrived at after charging: | 年內虧損已扣除： | | |
| Staff costs, including directors' emoluments | 員工成本(包括董事酬金) | | |
| — Salaries, wages and other benefits in kind | — 薪金、工資及其他實物福利 | 4,388 | 7,264 |
| — Retirement benefits scheme contributions | — 退休福利計劃供款 | 111 | 340 |
| Total staff costs | 總員工成本 | 4,499 | 7,604 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 1,079 | 2,067 |
| Depreciation of investment property | 投資物業折舊 | 58 | 58 |
| Amortisation of prepaid lease payment | 攤銷預付租賃款項 | 242 | 242 |
| Total depreciation and amortisation | 折舊及攤銷總額 | 1,379 | 2,367 |
| Auditor's remuneration | 核數師酬金 | 447 | 446 |
| Cost of inventories recognised as an expense | 已確認為開支的存貨成本 | 14,823 | 19,927 |
| Impairment loss recognised in respect of property, plant and equipment | 就物業、廠房及設備確認的減值虧損 | 1,225 | 1,757 |
| Impairment loss recognised in respect of inventories included in cost of sales | 就存貨確認的減值虧損，計入銷售成本 | — | 5,614 |
| Impairment loss recognised in respect of trade receivables | 就應收貿易賬款確認的減值虧損 | — | 141 |
| Impairment loss recognised in respect of other receivables | 就其他應收賬款確認的減值虧損 | — | 8,255 |
| Impairment loss recognised in respect of an amount due from a former related company | 就應收一間前關連公司款項確認的減值虧損 | 16 | — |
| Research and development expenditure | 研究及開發開支 | 1,802 | 2,293 |
| Net foreign exchange losses | 外匯虧損淨額 | — | 19 |
| Loss on disposal of property, plant and equipment and prepaid lease payments | 出售物業、廠房及設備及預付租賃款之虧損 | 8 | 3,430 |
| Operating lease rentals for rented premises | 出租物業的經營租賃租金 | 1,100 | 1,000 |

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

15. STAFF COSTS (EXCLUDING DIRECTORS' AND SUPERVISORS' EMOLUMENTS)

15. 員工成本(不包括董事及監事酬金)

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|--------------|-----------------------------------|-----------------------------------|
| Salaries, wages and other benefits in kind | 薪金、工資及其他實物福利 | 4,306 | 6,725 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 109 | 340 |
| | | 4,415 | 7,065 |

Hong Kong

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, each of the Group companies (the "employer") in Hong Kong and its employees makes monthly contribution to the scheme a 5% of the employee's earning as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employer and employees are subject to a cap of HKD1,250 per month.

The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, the Company and those subsidiaries, which operated in the PRC, are required to contribute to a state-sponsored retirement plan for all its employees. The state-sponsored retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-sponsored retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強制性公積金計劃(「強積金計劃」)。強積金計劃屬於界定供款退休計劃，由獨立受託人管理。根據強積金計劃，本集團於香港的各公司(「僱主」)及其僱員每月均按有關僱員的5%收入(定義見強制性公積金法例)作出供款。僱主及僱員的供款以每月1,250港元為限。

中國(香港除外)

按照中國的條例及法規規定，本公司及在中國營運的該等附屬公司須向所有僱員作出國家退休福利計劃供款。國家退休福利計劃負責向所有退休僱員支付全部退休金。根據國家退休福利計劃，本集團除每年供款外毋須對其他實際退休金支出或退休後福利作出任何承擔。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

16. DIRECTORS' AND SUPERVISORS' EMOLUMENTS 16. 董事及監事酬金

Directors' and supervisors' emoluments

The emoluments paid or payable to each of the eighteen (2011: nine) directors and six (2011: three) supervisors were as follows:

Year ended 31 December 2012

董事及監事酬金

已付或應付十八名(二零一一年:九名)董事及六名(二零一一年:三名)監事的酬金如下:

截至二零一二年十二月三十一日止年度

| Name 姓名 | Fees 袍金 RMB'000 人民幣千元 | Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 RMB'000 人民幣千元 | Retirement benefits scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--------------------------------|--|---|---------------------------------|
| | | | | |
| Executive directors 執行董事 | | | | |
| Mr. Zhu Guo An (Note a) | — | — | — | — |
| Mr. Qi Yong Qiang (Note a) | — | — | — | — |
| Mr. Zhu Chun Rong (Note a) | — | — | — | — |
| Mr. Liu Xiao Chun (Note b) | — | — | — | — |
| Mr. Gong Zheng Jun (Note b) | — | — | — | — |
| Mr. Chen Zheng Tu (Note b) | — | — | — | — |
| Non-executive directors 非執行董事 | | | | |
| Mr. Jiang Guo Ping (Note a) | — | — | — | — |
| Mr. Zheng Xin Tai (Note a) | — | — | — | — |
| Mr. Zhu Guo Dan (Note a) | — | — | — | — |
| Mr. Liu Feng (Note b) | — | — | — | — |
| Mr. Zheng Yi Song (Note b) | — | — | — | — |
| Mr. Wang Wei Shi (Note b) | — | — | — | — |
| Independent non-executive directors 獨立非執行董事 | | | | |
| Mr. Lu Xuan (Note a) | — | — | — | — |
| Mr. Lu Xian Tai (Note a) | — | — | — | — |
| Mr. Kwok Kim Hung, Eddie (Note a) | — | 22 | — | 22 |
| Professor Fang Min (Note b) | — | — | — | — |
| Mr. Pang Jun (Note b) | — | — | — | — |
| Mr. Law Hon Hing Henry (Note c) | — | — | — | — |
| Supervisors 監事 | | | | |
| Mrs. Mao Li Hong (Note a) | — | — | — | — |
| Mrs. Ma Ying (Note a) | — | 55 | 2 | 57 |
| Mrs. Shi Wei Na (Note a) | — | — | — | — |
| Mr. Wang Jiagao (Note b) | — | — | — | — |
| Mr. Yang Li (Note b) | — | — | — | — |
| Mr. Wang Yinbin (Note b) | — | — | — | — |
| Total 總計 | — | 77 | 2 | 79 |

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

16. DIRECTORS' AND SUPERVISORS' EMOLUMENTS — Continued

Directors' and supervisors' emoluments — Continued

Year ended 31 December 2011

| Name | Fees | Salaries, allowances and benefits in kind | Retirement benefits scheme contributions | Total |
|---|------------------|---|--|------------------|
| 姓名 | 袍金 | 薪金、津貼及實物福利 | 退休福利計劃供款 | 總計 |
| | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Executive directors 執行董事 | | | | |
| Mr. Liu Xiao Chun | — | 243 | — | 243 |
| Mr. Gong Zheng Jun | — | — | — | — |
| Mr. Chen Zheng Tu | — | — | — | — |
| Non-executive directors 非執行董事 | | | | |
| Mr. Liu Feng | — | — | — | — |
| Mr. Zheng Yi Song | — | — | — | — |
| Mr. Wang Wei Shi | — | 25 | — | 25 |
| Independent non-executive directors 獨立非執行董事 | | | | |
| Professor Fang Min | — | 50 | — | 50 |
| Mr. Pang Jun | — | 60 | — | 60 |
| Mr. Law Hon Hing Henry | — | 41 | — | 41 |
| Supervisors 監事 | | | | |
| Mr. Wang Jiangao | — | 120 | — | 120 |
| Mr. Yang Li | — | — | — | — |
| Mr. Wang Yinbin | — | — | — | — |
| Total | 總計 | 539 | — | 539 |

Notes:

- (a) Appointed on 30 June 2012.
- (b) Resigned on 30 June 2012.
- (c) Resigned on 17 August 2012.

No directors and supervisors waived or agreed to waive any emoluments for the year ended 31 December 2012 and 2011.

董事及監事酬金 — 續

截至二零一一年十二月三十一日止年度

| Name | Fees | Salaries, allowances and benefits in kind | Retirement benefits scheme contributions | Total |
|---|------------------|---|--|------------------|
| 姓名 | 袍金 | 薪金、津貼及實物福利 | 退休福利計劃供款 | 總計 |
| | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Executive directors 執行董事 | | | | |
| Mr. Liu Xiao Chun | — | 243 | — | 243 |
| Mr. Gong Zheng Jun | — | — | — | — |
| Mr. Chen Zheng Tu | — | — | — | — |
| Non-executive directors 非執行董事 | | | | |
| Mr. Liu Feng | — | — | — | — |
| Mr. Zheng Yi Song | — | — | — | — |
| Mr. Wang Wei Shi | — | 25 | — | 25 |
| Independent non-executive directors 獨立非執行董事 | | | | |
| Professor Fang Min | — | 50 | — | 50 |
| Mr. Pang Jun | — | 60 | — | 60 |
| Mr. Law Hon Hing Henry | — | 41 | — | 41 |
| Supervisors 監事 | | | | |
| Mr. Wang Jiangao | — | 120 | — | 120 |
| Mr. Yang Li | — | — | — | — |
| Mr. Wang Yinbin | — | — | — | — |
| Total | 總計 | 539 | — | 539 |

附註：

- (a) 於二零一二年六月三十日獲委任。
- (b) 於二零一二年六月三十日辭任。
- (c) 於二零一二年八月十七日辭任。

截至二零一二年及二零一一年十二月三十一日止年度並無董事及監事放棄或同意放棄任何酬金。

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

16. DIRECTORS' AND SUPERVISORS' EMOLUMENTS — Continued

Senior management's emoluments

Of the five individuals with highest emoluments in the Group, none (2011: two) was director of the Company whose emolument are included in the disclosures above. The emoluments of the remaining five (2011: three) highest paid individuals were as follows:

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|------------|-----------------------------------|-----------------------------------|
| Salaries and other benefits in kind | 薪金、工資及實物福利 | 683 | 463 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 4 | — |
| | | 687 | 463 |

Their emoluments were within the following band:

| | | Number of employees 僱員人數 | |
|--|-----------------------------------|-----------------------------|---------------|
| | | 2012 二零一二年 | 2011 二零一一年 |
| Nil to RMB826,993 (equivalent to HKD1,000,000) | 零至人民幣826,993元 (相等於1,000,000港元) | 5 | 3 |

No emolument have been paid by the Group to the directors and supervisors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the two years ended 31 December 2012 and 2011.

高級管理層酬金

本集團五名最高薪酬人士中，概無(二零一一年：兩名)本公司董事，其薪酬載列於上文的披露資料中。其餘五名(二零一一年：三名)最高薪酬人士的薪酬如下：

彼等之薪酬均介乎以下範圍內：

截至二零一二年及二零一一年十二月三十一日止兩個年度，本集團並無向本公司董事及監事或五位最高薪酬人士支付酬金作為吸引加入或加入本集團時之獎金，或作為離職補償。

17. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

18. LOSS PER SHARE

The calculation of the basic loss per share for the year ended 31 December 2012 attributable to owners of the Company is based on the consolidated loss of approximately RMB7,322,000 (2011: RMB29,491,000) and the weighted average number of 500,000,000 shares (2011: 500,000,000 shares) in issue during the year.

17. 股息

於截至二零一二年十二月三十一日止年度，並無支付或建議派付股息，自報告期末以來亦無建議派付股息(二零一一年：零)。

18. 每股虧損

截至二零一二年十二月三十一日止年度的本公司擁有人應佔每股基本虧損乃根據年內綜合虧損約人民幣7,322,000元(二零一一年：人民幣29,491,000元)及已發行加權平均股數500,000,000股(二零一一年：500,000,000股)而計算。

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

18. LOSS PER SHARE — Continued

No diluted loss per share have been presented for the two years ended 31 December 2012 and 2011 as there was no diluted potential ordinary share outstanding for both years.

18. 每股虧損 — 續

由於截至二零一二年及二零一一年十二月三十一日止兩個年度並無發行可能具有攤薄效應的普通股，因此並無呈列該兩個年度的每股攤薄虧損。

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

| | | Leasehold improvements | Plant and machinery | Computer and office equipment | Motor vehicles | Total |
|--------------------------------------|----------------------|------------------------|---------------------|-------------------------------|----------------|---------------|
| | | 租賃物業裝修 | 廠房及機器 | 電腦及辦公室設備 | 汽車 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| COST | 成本 | | | | | |
| At 1 January 2011 | 於二零一一年一月一日 | 32 | 106,552 | 9,031 | 2,912 | 118,527 |
| Additions | 添置 | 1,633 | 1,313 | 159 | – | 3,105 |
| Disposals | 出售 | (32) | (89,924) | (5,912) | (2,912) | (98,780) |
| Exchange realignment | 匯兌調整 | – | – | (6) | – | (6) |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 1,633 | 17,941 | 3,272 | – | 22,846 |
| Additions | 添置 | 1,398 | – | 7 | – | 1,405 |
| Disposals | 出售 | – | – | (99) | – | (99) |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 3,031 | 17,941 | 3,180 | – | 24,152 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | | |
| At 1 January 2011 | 於二零一一年一月一日 | 7 | 68,974 | 7,066 | 2,751 | 78,798 |
| Provided for the year | 年內撥備 | 408 | 1,610 | 49 | – | 2,067 |
| Eliminated on disposals | 出售時撇銷 | (7) | (58,445) | (4,147) | (2,751) | (65,350) |
| Exchange realignment | 匯兌調整 | – | – | (5) | – | (5) |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 408 | 12,139 | 2,963 | – | 15,510 |
| Provided for the year | 年內撥備 | 58 | 997 | 24 | – | 1,079 |
| Eliminated on disposals | 出售時撇銷 | – | – | (91) | – | (91) |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 466 | 13,136 | 2,896 | – | 16,498 |
| ACCUMULATED IMPAIRMENT LOSSES | 累計減值虧損 | | | | | |
| At 1 January 2011 | 於二零一一年一月一日 | – | 28,095 | 1,675 | – | 29,770 |
| Provided for the year | 年內撥備 | – | 1,642 | 115 | – | 1,757 |
| Eliminated on disposals | 出售時撇銷 | – | (28,095) | (1,675) | – | (29,770) |
| At 31 December 2011 | 於二零一一年十二月三十一日 | – | 1,642 | 115 | – | 1,757 |
| Provided for the year | 年內撥備 | 1,225 | – | – | – | 1,225 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 1,225 | 1,642 | 115 | – | 2,982 |
| CARRYING VALUES | 賬面值 | | | | | |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 1,340 | 3,163 | 169 | – | 4,672 |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 1,225 | 4,160 | 194 | – | 5,579 |

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT – Continued

Notes:

- (a) The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives less their residual values at the following rates per annum:

| | |
|--|--|
| Medium-term leasehold buildings in the PRC | Over the shorter of the term of the lease or 3.33% |
| Leasehold improvements | Over the shorter of the term of the lease or 20% |
| Plant and machinery | 10%–20% |
| Computer and office equipment | 20% |
| Motor vehicles | 20% |

- (b) During the year ended 31 December 2012, the Directors conducted a review of the Group's leasehold improvements, plant and machinery and computer and office equipment. An impairment loss of approximately RMB1,225,000 was recognised during the year due to relocation of factory premises (2011: RMB1,757,000).

19. 物業、廠房及設備 – 續

附註：

- (a) 上述物業、廠房及設備項目乃於估計可使用年期內減去其殘值並以直線法按下列年率折舊：

| | |
|----------------|-----------------------|
| 於中國的 中期租賃樓宇 | 按租期或3.33% (以較短者為準) |
| 租賃物業裝修 | 按租期或20% (以較短者為準) |
| 廠房及機器 | 10%–20% |
| 電腦及辦公室設備 | 20% |
| 汽車 | 20% |

- (b) 截至二零一二年十二月三十一日止年度，董事對本集團的租賃物業裝修、廠房及機器以及電腦及辦公室設備進行檢討。年內因搬遷廠房確認減值虧損約人民幣1,225,000元(二零一一年：人民幣1,757,000元)。

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

20. INVESTMENT PROPERTY

20. 投資物業

RMB'000
人民幣千元

COST

At 1 January 2011, 31 December 2011
and **31 December 2012**

成本

於二零一一年一月一日、
二零一一年十二月三十一日及
二零一二年十二月三十一日

1,326

ACCUMULATED DEPRECIATION AND IMPAIRMENT

At 1 January 2011
Provided for the year

累計折舊及減值

於二零一一年一月一日
年內撥備

58

58

At 31 December 2011 and 1 January 2012

於二零一一年十二月三十一日及
二零一二年一月一日

116

Provided for the year

年內撥備

58

At 31 December 2012

於二零一二年十二月三十一日

174

CARRYING VALUES

At 31 December 2012

賬面值

於二零一二年十二月三十一日

1,152

At 31 December 2011

於二零一一年十二月三十一日

1,210

Notes:

附註：

- (a) The above investment property is depreciated on a straight-line basis over the period of the shorter of the term of the lease or at 4% per annum.
- (b) The above investment property is situated in the PRC under medium term leases to earn rentals or for capital appreciation purpose and are measured using the cost model.
- (c) The investment property represent the building situated in the PRC. Since the comparable market transactions are infrequent and the alternative reliable estimates of fair value are not available, the Directors consider that the fair value of the investment property is not reliably determinable on a continuing basis.
- (d) The Group's investment property has been pledged for bank borrowings as at 31 December 2012 and 2011. Details are set out in Notes 34 and 43.

- (a) 上述投資物業乃根據直線法按租期或每年4%(以較短期間者為準)折舊。
- (b) 上述投資物業均根據中期租約位於中國，以賺取租金或用作資本升值，並以成本模式計量。
- (c) 投資物業指位於中國的樓宇。由於可資比較之市場交易並不多，且亦無其他公平值的可靠估計，故董事認為，投資物業的公平值並未按持續基礎可靠釐定。
- (d) 於二零一二年及二零一一年十二月三十一日，本集團投資物業已抵押，以取得銀行借貸。詳情載於附註34及43。

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for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

21. PREPAID LEASE PAYMENT

The Group's prepaid lease payment represent leasehold land located in the PRC held under medium-term leases.

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|------------------------------------|------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 5,083 | 5,325 |
| Amortisation provided for the year | 年內計提的攤銷 | (242) | (242) |
| At 31 December | 於十二月三十一日 | 4,841 | 5,083 |
| Analysed for reporting purpose as: | 為呈報而進行的分析： | | |
| Current asset | 流動資產 | 242 | 242 |
| Non-current asset | 非流動資產 | 4,599 | 4,841 |
| | | 4,841 | 5,083 |

(a) Included in prepaid lease payment as at 31 December 2012 was a carrying amount of approximately RMB4,841,000 (2011: RMB5,083,000) representing the leasehold land element of investment property measured using the cost model. Such leasehold land was classified as prepaid lease payment under an operating lease and carried at cost less accumulated amortisation. Such prepaid lease payment was amortised over the lease term on a straight-line basis from the date of change in use of the corresponding buildings to investment properties during the year ended 31 December 2009.

(b) The Group's prepaid lease payment has been pledged for bank borrowings as at 31 December 2012 and 2011. Details are set out in Notes 34 and 43.

21. 預付租賃款

本集團之預付租賃款指根據中期租約所持有的中國租賃土地。

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|------------------------------------|------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 5,083 | 5,325 |
| Amortisation provided for the year | 年內計提的攤銷 | (242) | (242) |
| At 31 December | 於十二月三十一日 | 4,841 | 5,083 |
| Analysed for reporting purpose as: | 為呈報而進行的分析： | | |
| Current asset | 流動資產 | 242 | 242 |
| Non-current asset | 非流動資產 | 4,599 | 4,841 |
| | | 4,841 | 5,083 |

(a) 計入於二零一二年十二月三十一日的預付租賃款的賬面值約為人民幣4,841,000元(二零一一年：人民幣5,083,000元)，即以成本模式計量的投資物業的租賃土地部分。根據經營租賃，該租賃土地被劃分為預付租賃款按成本減累計攤銷列賬。截至二零零九年十二月三十一日止年度，該項預付租賃款項於將相應樓宇的用途改變為投資物業當日起按直線法在租期內攤銷。

(b) 於二零一二年及二零一一年十二月三十一日，本集團的預付租賃款項已就銀行借貸作抵押。詳情載於附註34及43。

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22. INVENTORIES

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|----------------|-----|-----------------------------------|-----------------------------------|
| Raw materials | 原材料 | 3,025 | 2,383 |
| Finished goods | 製成品 | 1,395 | 744 |
| | | 4,420 | 3,127 |

22. 存貨

23. TRADE RECEIVABLES

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-------------------------------------|----------|-----------------------------------|-----------------------------------|
| Trade receivables | 應收貿易賬款 | 3,683 | 34,312 |
| Less: Accumulated impairment losses | 減：累計減值虧損 | (36) | (32,158) |
| | | 3,647 | 2,154 |

23. 應收貿易賬款

Impairment loss on trade receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At the end of each reporting period, the Group's trade receivables were individually determined to impair. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific provision for impairment was recognised. The Group does not hold any collateral over these balances.

應收貿易賬款之減值虧損採用撥備賬記錄，惟本集團確信款項回收希望不大者除外（在此情況下，減值虧損直接於應收貿易賬款撇銷）。

於各報告期末，本集團之個別應收貿易賬款被確認為已發生減值。個別已減值應收賬款乃基於其客戶之信貸記錄，如財務困難或拖欠付款以及現有市場狀況而予以確認。因此，已確定特定減值撥備。本集團並無就該等欠款而持有任何抵押品。

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23. TRADE RECEIVABLES — Continued

The Directors consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

The Group allows an average credit period of 90 days to its trade customers. The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period, net of impairment losses recognised was as follows:

| | |
|--------------|----------|
| 0–90 days | 0至90日 |
| 91–180 days | 91至180日 |
| 181–365 days | 181至365日 |

23. 應收貿易賬款 — 續

董事認為，由於應收貿易賬款只有短期償還期，該等款項之公平值與其賬面值並無重大差異。

本集團給予其貿易客戶的平均信貸期為90日。以下為於報告期末按發票日呈列的應收貿易賬款(已扣除已確認的減值虧損)的賬齡分析：

| | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| | 3,595 | 2,099 |
| | – | – |
| | 52 | 55 |
| | 3,647 | 2,154 |

The movements in accumulated impairment losses of trade receivables were as follows:

應收貿易賬款的累計減值虧損的變動如下：

| | |
|--|-----------|
| At 1 January | 於一月一日 |
| Impairment loss recognised during the year | 年內確認的減值虧損 |
| Reversal during the year | 年內撥回 |
| Written off during the year | 年內撇銷 |
| Exchange realignment | 匯兌調整 |
| At 31 December | 於十二月三十一日 |

| | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| | 32,158 | 32,269 |
| | – | 141 |
| | (47) | (190) |
| | (32,075) | – |
| | – | (62) |
| | 36 | 32,158 |

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23. TRADE RECEIVABLES — Continued

As at 31 December 2012, included in the impairment loss are individually impaired trade receivables in the Group with an aggregate balance of approximately RMB36,000 (2011: RMB32,158,000) which are long outstanding and have been placed in severe financial difficulties and the management assessed that the recovery of the amounts is doubtful. The Group does not hold any collateral over these balances.

The ageing analysis of trade receivables which were past due but not impaired are as follows:

| | |
|-------------------------|-----------|
| Within 90 days past due | 逾期90日內 |
| 91 to 180 days past due | 逾期91至180日 |

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

23. 應收貿易賬款 — 續

於二零一二年十二月三十一日，減值虧損包括結餘合計約人民幣36,000元(二零一一年：人民幣32,158,000元)之長期未償還且已置於嚴重財務困難中的已個別減值的本集團應收貿易賬款，管理層評定追回款項為呆賬。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值的應收貿易賬款的賬齡分析如下：

| 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| — | — |
| 52 | 55 |
| 52 | 55 |

未逾期未減值的應收貿易賬款與近期無拖欠記錄的許多客戶有關。

已逾期但未減值的應收貿易賬款與許多與本集團擁有良好往績記錄的獨立客戶有關。根據過往經驗，管理層認為該等結餘的信貸質素並無重大改變，且仍被視為可全數收回，故毋須作出任何減值備抵。本集團並無就該等結餘持有任何抵押品。

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款項、按金及其他應收賬款

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-------------------------------------|----------|-----------------------------------|-----------------------------------|
| Prepayments | 預付款項 | 119 | 250 |
| Deposits | 按金 | - | 31 |
| Other receivables | 其他應收賬款 | 891 | 69,472 |
| | | 1,010 | 69,753 |
| Less: Accumulated impairment losses | 減：累計減值虧損 | - | (58,740) |
| | | 1,010 | 11,013 |

The movements in accumulated impairment losses of other receivables were as follows:

其他應收賬款的累計減值虧損變動如下：

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|-----------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 58,740 | 51,636 |
| Impairment loss recognised during the year | 年內確認的減值虧損 | - | 8,255 |
| Reversal during the year | 年內撥回 | - | (7) |
| Written off during the year | 年內撇銷 | (58,740) | (1,144) |
| At 31 December | 於十二月三十一日 | - | 58,740 |

At 31 December 2012, included in impairment losses are individually impaired other receivables of the Group with an aggregate balance of approximately RMB Nil (2011: RMB58,740,000) which are long outstanding and have been placed in severe financial difficulties and the management assessed that the recovery of the amounts is doubtful. The Group does not hold any collateral over these balances.

於二零一二年十二月三十一日，減值虧損包括結餘合計約為人民幣零元(二零一一年：人民幣58,740,000元)之長期未償還且已置於嚴重財務困難中的已個別減值的本集團其他應收賬款，管理層評定追回款項為呆賬。本集團並無就該等結餘持有任何抵押品。

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25. AMOUNTS DUE FROM (TO) RELATED COMPANIES

25. 應收(應付)關連公司款項

| | At 1.1.2012 於二零一二年 一月一日 RMB'000 人民幣千元 | At 31.12.2012 於二零一二年 十二月三十一日 RMB'000 人民幣千元 | Maximum amount outstanding during the year 年內未償還 的最高額 RMB'000 人民幣千元 |
|--|---|--|--|
| Amounts due from related companies: | | | |
| 北京屹東利華科技有限責任公司 ("屹東利華") (Note a) | | 16 | 16 |
| 應收關連公司款項： | | | |
| 北京屹東利華科技 有限責任公司 ("屹東利華")(附註a) | | - | - |

The amount due from 屹東利華, a former related company in 2012, has been long outstanding and the directors of the Company consider this amount to be irrecoverable and accordingly an impairment of RMB16,000 was recognised for the year (2011: Nil).

應收屹東利華(於二零一二年為一間前關連公司)的款項屬長期未償還款項及本公司股東認為此款項不可收回,因此,年內確認減值人民幣16,000元(二零一一年:無)。

| | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Amounts due to related companies: | | |
| 深圳漢泰之星通訊科技有限公司 ("漢泰之星") (Note b) | - | 648 |
| 西安瑞聯近代電子材料 有限責任公司 ("西安瑞聯") (Note c) | - | 15,860 |
| 深圳漢泰新科技有限公司 ("深圳漢泰") (Note d) | - | 1,271 |
| 渭南高新區海泰新型電子材料 有限責任公司("渭南高新") (Note e) | - | 15,000 |
| 應付關連公司款項： | | |
| 深圳漢泰之星通訊科技有限公司 ("漢泰之星")(附註b) | - | - |
| 西安瑞聯近代電子材料 有限責任公司("西安瑞聯") (附註c) | - | - |
| 深圳漢泰新科技有限公司 ("深圳漢泰")(附註d) | - | - |
| 渭南高新區海泰新型電子材料 有限責任公司("渭南高新") (附註e) | - | - |
| | - | 32,779 |

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25. AMOUNTS DUE FROM (TO) RELATED COMPANIES – Continued

Notes:

- (a) The Company holds 40% equity interest of 屹東利華 on behalf of Mr. Li Xiao Kai, a former supervisor of a Company's subsidiary. The amount due from 屹東利華 is unsecured, non-interest bearing and repayable on demand.
- (b) Mr. Yang Li, a former shareholder of the Company, is also a director and shareholder of 漢泰之星. The amount due to 漢泰之星 is unsecured, non-interest bearing and repayable on demand.
- (c) During the year ended 31 December 2010, 西安瑞聯 is a subsidiary of a former corporate shareholder of the Company, China Rullian. On 23 December 2011, China Rullian disposed 西安瑞聯 to certain independent third parties. Mr. Liu Xio Chun, the former Chairman of the Company, is also a shareholder and director of 西安瑞聯. The amount due to 西安瑞聯 is unsecured, non-interest bearing and repayable on demand.
- (d) Mr. Gong Zheng Jun, a former director of the Company, is also a shareholder of 深圳漢泰. The Company holds 51% equity interest of 深圳漢泰 on behalf of Mr. Tan Zhan Yuan. The amount due to 深圳漢泰 is unsecured, non-interest bearing and repayable on demand.
- (e) Mr. Liu Xio Chun, the former Chairman of the Company, is also a director of 渭南高新. The amount due to 渭南高新 is unsecured, non-interest bearing and repayable on demand.

Due to the change in shareholders of the Company in 2012, the amounts of approximately RMB648,000, RMB1,271,000 and RMB15,000,000 due to 漢泰之星, 深圳漢泰 and 渭南高新 respectively were included in other payables and accruals as at 31 December 2012.

25. 應收(應付)關連公司款項 — 續

附註:

- (a) 本公司代表本公司附屬公司前監事李曉凱先生持有屹東利華40%的股權。應收屹東利華的款項為無抵押、免息，且須應要求償還。
- (b) 本公司前股東楊立先生亦為漢泰之星董事兼股東。應付漢泰之星的款項為無抵押、免息，且須應要求償還。
- (c) 截至二零一零年十二月三十一日止年度，西安瑞聯乃本公司一名前法人股東中國瑞聯之附屬公司。於二零一一年十二月二十三日，中國瑞聯出售西安瑞聯予若干獨立第三方。本公司前主席劉曉春先生亦為西安瑞聯的股東兼董事。應付西安瑞聯的款項為無抵押、免息，且須應要求償還。
- (d) 本公司前董事宮正軍先生亦為深圳漢泰的股東。本公司代表譚展遠先生持有深圳漢泰51%的股權。應付深圳漢泰的款項為無抵押、免息，且須應要求償還。
- (e) 本公司前主席劉曉春先生亦為渭南高新的董事。應付渭南高新的款項為無抵押、免息，且須應要求償還。

由於本公司之股東於二零一二年發生變更，因此應付漢泰之星、深圳漢泰及渭南高新分別約人民幣648,000元、人民幣1,271,000元及人民幣15,000,000元的款項乃計入於二零一二年十二月三十一日之其他應付賬款及應計費用。

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26. BANK BALANCES AND CASH

Bank balances carry interest at market rates ranged from 0.35% to 0.50% (2011: 0.01% to 0.5%) per annum.

Included in the bank balances and cash are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

HKD 港元

There was approximately RMB6,525,000 are denominated in RMB and deposited with banks in the PRC (2011: RMB2,203,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

27. TRADE PAYABLES / OTHER PAYABLES AND ACCRUALS

Trade payables 應付貿易賬款

Other payables 其他應付賬款
Accruals 應計費用

26. 銀行結餘及現金

銀行結餘按年利率介乎0.35厘至0.50厘之間(二零一一年：介乎0.01厘至0.5厘之間)的市場利率計息。

銀行結餘及現金包括下列款項(以與之相關的實體的功能貨幣以外的貨幣計值)：

| | 2012 二零一二年 '000 千元 | 2011 二零一一年 '000 千元 |
|--------|-----------------------------|-----------------------------|
| HKD 港元 | 79 | 2 |

約人民幣6,525,000元以人民幣計值，並存入中國的銀行(二零一一年：人民幣2,203,000元)。人民幣不得自由兌換為其他貨幣，然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本公司獲准透過授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

27. 應付貿易賬款／其他應付賬款及應計費用

| | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-----------------------|-----------------------------------|-----------------------------------|
| Trade payables 應付貿易賬款 | 48,856 | 49,596 |
| Other payables 其他應付賬款 | 37,143 | 22,502 |
| Accruals 應計費用 | 13,257 | 10,313 |
| | 50,400 | 32,815 |
| | 99,256 | 82,411 |

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27. TRADE PAYABLES / OTHER PAYABLES AND ACCRUALS – Continued

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period was as follows:

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---------------|----------|-----------------------------------|-----------------------------------|
| 0–90 days | 0至90日 | 783 | 738 |
| 91–180 days | 91至180日 | 160 | 340 |
| 181–365 days | 181至365日 | 273 | 821 |
| Over 365 days | 超過365日 | 47,640 | 47,697 |
| | | 48,856 | 49,596 |

The average credit period on purchases of goods is 90 days.

購買商品的平均信貸期為90日。

28. AMOUNT DUE TO A FORMER CORPORATE SHAREHOLDER

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| China Ruilian Holding Corporation ("China Ruilian") | 中國瑞聯實業集團有限公司 ("中國瑞聯") | – | 202,607 |

The amount was waived by China Ruilian during the year ended 31 December 2012.

該款項於截至二零一二年十二月三十一日止年度獲中國瑞聯豁免。

29. AMOUNTS DUE TO DIRECTORS

The amounts were unsecured, non-interest bearing and repayable on demand.

27. 應付貿易賬款／其他應付賬款及應計費用 – 續

於報告期末按發票日呈列的應付貿易賬款的賬齡分析列示如下：

28. 應付一名前法人股東款項

29. 應付董事款項

該等款項為無抵押、免息及須應要求償還。

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30. AMOUNT DUE TO A MAJOR SHAREHOLDER

| | |
|---|------------------------|
| Zhejiang Wanli Group Limited ("Wanli Group") | 浙江萬里集團有限公司 ([萬里集團]) |
|---|------------------------|

Upon completion of the share transfer agreement, Wanli Group, a potential investor in 2011, has become a major shareholder of the Company in 2012.

The amount is unsecured, non-interest bearing and repayable on demand.

31. DIVIDENDS PAYABLES

The dividends payables represent the final dividend declared for Promoter Shares in 2004 and shareholders of the Company in 2005 which amounting to RMB940,000 and RMB3,500,000 respectively.

32. PROVISION FOR CLAIMS

| | | | |
|--|-----------|---------|---------|
| At 1 January | 於一月一日 | 4,544 | 6,518 |
| Reversal for claims during the year, net | 年內撥回索償，淨額 | (770) | (634) |
| Settlement during the year | 年內結算 | (3,774) | (1,340) |
| At 31 December | 於十二月三十一日 | - | 4,544 |

30. 應付一名主要股東款項

| 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| 33,041 | 28,810 |

於股份轉讓協議完成後，萬里集團(於二零一一年為一名潛在投資者)於二零一二年成為本公司的主要股東。

該款項乃無抵押、免息及須應要求償還。

31. 應付股息

應付股息代表於二零零四年就發起人股份宣派的末期股息及於二零零五年向本公司股東宣派的末期股息，分別為人民幣940,000元及人民幣3,500,000元。

32. 索償撥備

| 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| 4,544 | 6,518 |
| (770) | (634) |
| (3,774) | (1,340) |
| - | 4,544 |

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截至二零一二年十二月三十一日止年度

32. PROVISION FOR CLAIMS — Continued

- (a) At 31 December 2011, provision for claims included an amount of approximately RMB1,206,000 in respect of a claim against the Group by Zhejiang Metals And Materials Group Co., Ltd. (“Zhejiang Metals”).

Zhejiang Metals applied to China International Economic and Trade Arbitration Commission Shanghai Commission (中國國際經濟貿易委員會上海分會) for arbitration on 22 October 2008 for default payment for goods. Zhejiang Metals requesting Shenzhen Tianchuang Communication Company Limited (深圳天創通信有限公司) (“Shenzhen Tianchuang”) to pay the payment for goods of RMB4,672,000 and the interest of RMB553,000. The Company was required to be listed as the second respondent and to assume the joint liability. On 22 October 2008, the arbitration commission issued the arbitral award which judged that Shenzhen Tianchuang shall pay the payment for goods of RMB4,672,000 and the interest of RMB541,000 and the Company as the second respondent shall assume the joint liability. The Company made an appeal to Shanghai No. 2 Intermediate People’s Court against the judgement.

On 18 February 2009, a judgement was made by the relevant court on the litigation in favour of Zhejiang Metals. The Company entered into an agreement with Shenzhen Tianchuang agreed that the aggregate principal and interests in the amount of approximately RMB2,606,000 would be paid by the Company by monthly repayment of RMB100,000, among which RMB800,000 and RMB600,000 has been settled by the Company during the years ended 31 December 2009 and 2010 respectively. The Company further recognised RMB770,000 in the consolidated statement of comprehensive income for the year ended 31 December 2012 and paid RMB2,000,000 as full settlement of the claim during the year ended 31 December 2012.

32. 索償撥備 — 續

- (a) 於二零一一年十二月三十一日，索償撥備包括浙江物產金屬集團有限公司（「浙江金屬」）針對本集團的索償約人民幣1,206,000元。

浙江金屬就拖欠貨款而於二零零八年十月二十二日向中國國際經濟貿易委員會上海分會申請仲裁。浙江金屬要求深圳天創通信有限公司（「深圳天創」）支付貨款人民幣4,672,000元及利息人民幣553,000元。本公司被要求列為第二被告，承擔連帶責任。仲裁委員會於二零零八年十月二十二日下達仲裁協定書，該協定書裁定：深圳天創須支付貨款人民幣4,672,000元及利息人民幣541,000元，第二被告本公司須承擔連帶責任。本公司針對該裁定向上海市第二中級人民法院提起上訴。

於二零零九年二月十八日，有關法院就該訴訟判浙江金屬勝訴。本公司與深圳天創訂立協議，雙方同意本公司採取每月償還人民幣100,000元的方式償還本金及利息共計約人民幣2,606,000元，其中本公司於截至二零零九年及二零一零年十二月三十一日止年度內已分別支付人民幣800,000元及人民幣600,000元。截至二零一二年十二月三十一日止年度，本公司進一步於綜合全面收益表中確認人民幣770,000元，以及截至二零一二年十二月三十一日止年度支付人民幣2,000,000元以悉數清償索償款項。

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截至二零一二年十二月三十一日止年度

32. PROVISION FOR CLAIMS — Continued

- (b) At 31 December 2011, provision for claims included an amount of approximately RMB932,000 in respect of a claim against the Group by Shenzhen Haishi Communication Co., Ltd. (“Shenzhen Haishi”).

Shenzhen Haishi took a legal action with the People’s Court of Shibei District in Qingdao City against the Company for compensation for loss on inventory, transportation and maintenance and loss of goodwill for an aggregate amount of approximately RMB1,990,000. A judgement was made by the People’s Court of Shibei District in Qingdao City on 3 April 2008 required the Company to compensate an aggregate amount of approximately RMB1,012,000 to Shenzhen Haishi for the said losses. The Company made an appeal to the Intermediate People’s Court of Qingdao City on 28 April 2008. On 20 October 2008, a judgement was made by the relevant court on the litigation in favour of Shenzhen Haishi. Accordingly, an amount of RMB1,012,000 had been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2008 and included in the consolidated statement of financial position as liabilities at 31 December 2008, 2009 and 2010. The Group settled RMB432,000 and RMB80,000 during the years ended 31 December 2012 and 2011 respectively and the remaining balance of approximately RMB500,000 had been taken up by the former major shareholder, China Ruilian during the year ended 31 December 2012.

32. 索償撥備 — 續

- (b) 於二零一一年十二月三十一日，索償撥備包括深圳海世通信有限責任公司（「深圳海世」）針對本集團的索償約人民幣932,000元。

深圳海世向青島市市北區人民法院起訴本公司，要求賠償庫存、運輸及維修損失以及商譽損失共計約人民幣1,990,000元。青島市市北區人民法院於二零零八年四月三日作出判決，要求本公司向深圳海世賠償上述損失共計約人民幣1,012,000元。本公司於二零零八年四月二十八日向青島市中級人民法院提起上訴。於二零零八年十月二十日，有關法院就該訴訟判深圳海世勝訴。因此，為數人民幣1,012,000元之款項已在截至二零零八年十二月三十一日止年度的綜合全面收益表內確認，並計入於二零零八年、二零零九年及二零一零年十二月三十一日的綜合財務狀況表內的負債。截至二零一二年及二零一一年十二月三十一日止年度，本集團已分別結付人民幣432,000元及人民幣80,000元，餘額約人民幣500,000元已於截至二零一二年十二月三十一日止年度由前主要股東中國瑞聯接管。

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截至二零一二年十二月三十一日止年度

32. PROVISION FOR CLAIMS — Continued

- (c) At 31 December 2011, provision for claims included an amount of approximately RMB533,000 in respect of a claim against the Group by a contractor.

The Group was sued by a contractor for default payment of approximately RMB781,000 during the year ended 31 December 2009 in relation to construction work carried out by the contractor. On 6 September 2009, both parties reached a mediation agreement in the court pursuant to which the contractor agreed to accept RMB881,000 as full and final settlement of the claims of which approximately RMB100,000 has been paid by the Group during the year ended 31 December 2009. Accordingly, an amount of RMB180,000 have been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2009 as provision for claims and an amount of approximately RMB601,000 previously recognised as other payables has been reclassified to provision for claims during the year ended 31 December 2009. During the year ended 31 December 2010, the Group was made a settlement approximately RMB248,000 and the remaining balance of the claim of approximately RMB533,000 included in the consolidated statement of financial position as liabilities at 31 December 2011, has been taken by the former major shareholder, China Ruilian during the year ended 31 December 2012.

32. 索償撥備 — 續

- (c) 於二零一一年十二月三十一日，索償撥備包括一名承包商針對本集團的索償約人民幣533,000元。

於截至二零零九年十二月三十一日止年度內，一名承包商就本集團拖欠其施工款約人民幣781,000元而起訴本集團。於二零零九年九月六日，雙方在法院達成協調協議，據此，承包商同意將人民幣881,000元作為索償的全部及最終結算款，其中本集團已於截至二零零九年十二月三十一日止年度內償還人民幣約100,000元。因此，為數人民幣180,000元之款項已於截至二零零九年十二月三十一日止年度的綜合全面收益表內認為索償撥備，而先前確認為其他應付款項的約人民幣601,000元已於截至二零零九年十二月三十一日止年度重新分類為索償撥備。截至二零一零年十二月三十一日止年度，本集團已結付約人民幣248,000元，而索償的餘額約為人民幣533,000元已在於二零一一年十二月三十一日的綜合財務狀況表內記作負債，且於截至二零一二年十二月三十一日止年度由前主要股東中國瑞聯接管。

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32. PROVISION FOR CLAIMS — Continued

- (d) At 31 December 2011, provision for claims included an amount of approximately RMB600,000 in respect of a number of claims against the Group by the Group's suppliers in respect of default payments for goods.

During the year ended 31 December 2008, an amount of approximately RMB2,594,000 and RMB142,000 previously recognised in accounts payables and other payables respectively have been transferred to provision for claims. Agreements have been reached between the Group and these suppliers for the settlement of the claims, pursuant to which the Group agreed to settle an aggregate amount of approximately RMB2,736,000, of which approximately RMB1,897,000 had been settled by the Group during the years ended 31 December 2009, the remaining balance of claims amounted to approximately RMB132,000 has been waived by the suppliers and recognised as other income as reversal of provision for claims in the consolidated statement of comprehensive income for the year ended 31 December 2009. During the year ended 31 December 2010, the Group was made a settlement of claims approximately RMB107,000 and the remaining balance is approximately RMB600,000 has been included in the consolidated statement of financial position as liabilities at 31 December 2010 and 2011. There was no further claim by the suppliers or settlement had been made by the Company during the past two years. Based on the Company's legal advisor, the provision of approximately RMB600,000 was reversed during the year ended 31 December 2012.

- (e) At 31 December 2011, provision for claims included an amount of approximately RMB742,000 in respect of a claim against the Group on 16 November 2007 by a third party for default payment for purchase of office equipments together with interest on outstanding amount due.

On 17 March 2008, a judgement has been made by the People's Court of Zhejiang Province, which required the Group to settle the outstanding balances within 3 months. Accordingly, an amount of RMB742,000 had been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2008 as provision for claims. No settlement has been made by the Group during the five years ended 31 December 2008 to 2012. The provision for claims of RMB742,000 was taken up by the former major shareholder, China Ruilian during the year ended 31 December 2012.

32. 索償撥備 — 續

- (d) 於二零一一年十二月三十一日，計入索償撥備的金額約為人民幣600,000元，該款項乃有關本集團供應商就拖欠貨款向本集團提出的多項索償。

截至二零零八年十二月三十一日止年度，先前分別確認為應付賬款及其他應付款項的約人民幣2,594,000元及人民幣142,000元已轉為索償撥備。本集團與該等供應商就索償結算訂立協議，據此本集團同意支付共計約人民幣2,736,000元，其中本集團於截至二零零九年十二月三十一日止年度已結清約人民幣1,897,000元，餘下的索償餘款約人民幣132,000元已獲供應商豁免，並於截至二零零九年十二月三十一日止年度的綜合全面收益表中確認為撥回索償撥備的其他收入。截至二零一零年十二月三十一日止年度，本集團已結付約人民幣107,000元的索償，餘額約人民幣600,000元已在於二零一零年及二零一一年十二月三十一日的綜合財務狀況表內記作負債。過往兩年，該等供應商並無再提出索償及本公司尚未結清餘款。據本公司法律顧問告知，約人民幣600,000元的撥備於截至二零一二年十二月三十一日止年度撥回。

- (e) 於二零一一年十二月三十一日，計入索償撥備的款項約為人民幣742,000元，該款項乃有關第三方於二零零七年十一月十六日就辦公設備購置款連同利息的拖欠付款向本集團提出索償。

浙江省人民法院於二零零八年三月十七日作出判決，要求本集團於三個月內結清未償還餘款。因此，為數人民幣742,000元之款項已在截至二零零八年十二月三十一日止年度的綜合全面收益表內確認為索償撥備。於截至二零零八年十二月三十一日止五個年度內，本集團尚未結清餘款。於截至二零一二年十二月三十一日止年度，人民幣742,000元的索償撥備由前主要股東中國瑞聯接管。

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32. PROVISION FOR CLAIMS — Continued

- (f) At 31 December 2011, provision for claims included an amount of approximately RMB208,000 in respect of a claim against the Group on 5 September 2011 by a customer for the guarantee deposits paid together with interest on outstanding amount due.

On 23 November 2011, a judgement has been made by the Court, pursuant to which the Group is required to refund the guarantee deposits together with interest accrued since 22 April 2011. Accordingly, an amount of RMB208,000 had been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2011 as provision for claims. The case was closed in 2012, and based on the legal advisor of the Company, the provision of RMB208,000 was reversed during the year ended 31 December 2012.

- (g) At 31 December 2011, provision for claims included an amount of approximately RMB323,000 in respect of a claim against the Group by a customer for the trade deposit paid during the year ended 31 December 2010.

On 21 May 2010, there was an agreement entered between the Company and a customer regarding the Company will provide 1,800 pieces of mobile phone to the customer. During the year ended 31 December 2010, the customer has paid RMB540,000 as trade deposit and the Company has delivered 700 pieces of mobile phone to the customer. During the year ended 31 December 2011, the customer sued the Company for the refund of the trade deposit paid together with interest on outstanding amount due. However, in the opinion of the directors and the legal advisor of the Company, the claim of refund of the trade deposit of RMB540,000 should deduct the sales of the 700 pieces of mobile phone amounting to RMB217,000 which had been delivered to the customer. Accordingly, an amount of RMB323,000 had been recognised in the consolidated statement of comprehensive income for the year ended 31 December 2011 as provision for claims. The case was closed in 2012, and based on the legal advisor of the Company, the provision of RMB323,000 was reversed during the year ended 31 December 2012.

32. 索償撥備 — 續

- (f) 於二零一一年十二月三十一日，計入索償撥備的款項約為人民幣208,000元，該款項乃有關一名客戶於二零一一年九月五日就已付擔保按金連同到期尚未償還款項的利息向本集團提出索償。

於二零一一年十一月二十三日，法院作出判決，據此要求本集團償還擔保按金連同自二零一一年四月二十二日起的應計利息。因此，為數人民幣208,000元之款項已在截至二零一一年十二月三十一日止年度的綜合全面收益表內確認為索償撥備。案件已於二零一二年結案，以及根據本公司法律顧問，人民幣208,000元的撥備已於截至二零一二年十二月三十一日止年度撥回。

- (g) 於二零一一年十二月三十一日，計入索償撥備的款項約為人民幣323,000元，該款項乃有關一名客戶就於截至二零一零年十二月三十一日止年度的已付貿易保證金向本集團提出索償。

於二零一零年五月二十一日，本公司與一名客戶訂立一項協議，內容有關本公司將向該客戶提供1,800部手機。截至二零一零年十二月三十一日止年度，該客戶已支付貿易保證金人民幣540,000元，而本公司已向該客戶交付700部手機。截至二零一一年十二月三十一日止年度，該客戶就償還已付貿易保證金連同到期尚未償還款項的利息控告本公司。然而，本公司董事及法律顧問認為，索償退還貿易保證金人民幣540,000元應扣除已交付予客戶的700部手機的售價人民幣217,000元。因此，為數人民幣323,000元的款項已在截至二零一一年十二月三十一日止年度的綜合全面收益表內確認為索償撥備。該案件已於二零一二年結案，以及據本公司法律顧問告知，人民幣323,000元的撥備已於截至二零一二年十二月三十一日止年度撥回。

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33. OTHER BORROWINGS

| | |
|-------------|------|
| Wanli Group | 萬里集團 |
|-------------|------|

The borrowing from Wanli Group, a new major shareholder of the Company in 2012, represents a short-term loan bearing no interest (2011: 2.45% per annum). The borrowing is unsecured and repayable within one year.

34. BANK BORROWINGS

| | |
|-------------------------|---------|
| Secured bank borrowings | 已抵押銀行借貸 |
|-------------------------|---------|

At 31 December 2011, the bank borrowings represented a bank revolving loan bear interest at 7.87% per annum and repayable within one year. The bank borrowings with aggregate principal amount of RMB20,000,000 were secured by the Group's investment property and prepaid lease payment with carrying amounts approximately of RMB1,210,000 and RMB5,083,000 respectively. The bank loan was settled during the year ended 31 December 2012, but the assets pledged have still not yet been released up to the date of this report.

33. 其他借貸

| 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| 9,500 | 14,750 |

來自萬里集團(於二零一二年成為本公司主要股東)的借款為短期免息貸款(二零一一年：年利率2.45厘)。該借貸乃無抵押及須於一年內償還。

34. 銀行借貸

| 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| - | 20,000 |

於二零一一年十二月三十一日，銀行借貸乃指銀行循環貸款，按年利率7.87厘計息及須於一年內償還。本金額合共人民幣20,000,000元的銀行借貸已由本集團的投資物業及預付租賃款項所抵押，前述各項的賬面值分別約為人民幣1,210,000元及人民幣5,083,000元。銀行貸款已於截至二零一二年十二月三十一日止年度清算，然而截至本報告日期抵押資產仍未獲解除。

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35. SHARE CAPITAL

35. 股本

| | | Number of shares 股份數目 '000 千股 | Amount 金額 RMB'000 人民幣千元 |
|---|--|---|----------------------------------|
| Authorised, issued and fully paid: | 法定、已發行及繳足： | | |
| At 1 January 2011, 31 December 2011 and 31 December 2012 | 於二零一一年一月一日、 二零一一年十二月三十一日 及二零一二年十二月三十一日 | 500,000 | 50,000 |
| Domestic share (Note a) | 內資股(附註a) | 370,000 | 37,000 |
| H shares (Note b) | H股(附註b) | 130,000 | 13,000 |
| | | 500,000 | 50,000 |

Notes:

- (a) Pursuant to an approval dated 4 June 2003 issued by the China Securities Regulatory Commission, all the shares of the Company, which were issued and fully paid, being 37,000,000 ordinary shares with a par value of RMB1.00 each, were sub-divided into 370,000,000 ordinary shares with a par value of RMB0.10 each.
- (b) On 14 November 2003, the Company commenced the trading of the newly issued 130,000,000 H shares of RMB0.10 each on the GEM of the Stock Exchange, including 117,000,000 H shares to institutional investors by way of placement and 13,000,000 H shares for subscription by members of the public in Hong Kong under the Public Offer at the Offer Price of HKD0.50 (equivalent to approximately RMB69,550,000). Following the issue, the share capital and capital reserve of the Company increased by approximately HKD12,150,000 (equivalent to approximately RMB13,000,000) and HKD52,850,000 (equivalent to approximately RMB56,550,000) respectively.

附註：

- (a) 根據中國證券監督管理委員會於二零零三年六月四日頒佈的批文，已發行及繳足的所有本公司股份，即每股面值為人民幣1.00元的37,000,000股普通股被拆細為每股面值為人民幣0.10元的370,000,000股普通股。
- (b) 於二零零三年十一月十四日，本公司開始於聯交所創業板買賣新發行的130,000,000股每股人民幣0.10元的H股，包括以配售方式配售予機構投資者的117,000,000股H股，以及根據公開發售按發售價0.50港元供香港公眾人士認購的13,000,000股H股(相當於約人民幣69,550,000元)。股份發行後，本公司股本及資本儲備分別增長約12,150,000港元(相當於約人民幣13,000,000元)及52,850,000港元(相當於約人民幣56,550,000元)。

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截至二零一二年十二月三十一日止年度

36. DEFERRED TAXATION

At the end of the reporting period, the Group had unused tax losses of approximately RMB131,591,000 (2011: RMB142,259,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unused tax losses incurred by the Company and PRC subsidiaries can be carried forward for a period of five years. Other tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately RMB39,529,000 (2011: RMB39,529,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

37. CONTINGENT LIABILITIES

During the year ended 31 December 2011, a customer of the Group filed a claim against the Group for the refund of the sales payment made by the customer and the related compensation approximately RMB2,900,000 and RMB5,870,000, respectively, due to the products inferiority.

The Directors are of the opinion that the Group would have strong grounds to defend and therefore, no provision is required to be made in the consolidated financial statements for the year ended 31 December 2011 and 2012. Based on the legal advice, the case could be closed without paying any compensation to the customer.

38. OPERATING LEASES

The Group as lessor

Rental income earned during the year was approximately RMB253,000 (2011: RMB250,000). The investment property is expected to generate rental yields of 4% (2011: 4%) on an ongoing basis. The investment properties held have not committed tenants for the next year (2011: two years).

36. 遞延稅項

於報告期末，本集團有未動用稅項虧損約人民幣131,591,000元(二零一一年：人民幣142,259,000元)，可用於抵銷未來溢利。由於未來溢利來源的不可預測性，故此並無確認任何遞延稅項資產。根據中國有關法律及法規，本公司及中國附屬公司產生的未動用稅項虧損可在五年期內結轉。其他稅項虧損可無限期結轉。

於報告期末，本集團有可扣減暫時稅項差異約人民幣39,529,000元(二零一一年：人民幣39,529,000元)。並無就該等可扣減暫時差異確認遞延稅項資產，因為並無應課稅溢利，可用於抵銷可扣減暫時差異。

37. 或然負債

於截至二零一一年十二月三十一日止年度，本集團之一名客戶因次品向本集團提出索償，要求退還該名客戶支付之銷售款項及有關賠償分別為約人民幣2,900,000元及人民幣5,870,000元。

董事認為本集團有充分理據進行抗辯，因此，截至二零一一年及二零一二年十二月三十一日止年度無須在綜合財務報表中作出撥備。根據法律建議，該案件或無需向該名客戶支付任何賠償金便可結案。

38. 經營租約

本集團作為出租人

年內的租金收入約為人民幣253,000元(二零一一年：人民幣250,000元)。持續經營投資物業租金收益率預期為4%(二零一一年：4%)。持有投資物業的租戶未承諾在下一年(二零一一年：兩年)繼續租賃。

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38. OPERATING LEASES – Continued

The Group as lessor – Continued

At the end of reporting period, the Group had contacted with tenants for the following minimum lease receivables:

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 42 | 250 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | - | 42 |
| | | 42 | 292 |

The Group as lessee

Minimum lease payments paid under operating leases in respect of office premises during the year amounting to approximately RMB1,100,000 (2011: RMB1,000,000).

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for a term of five years and rentals are fixed. None of the leases included contingent rentals and terms of renewal were established in the leases.

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 350 | 1,317 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | - | 1,565 |
| | | 350 | 2,882 |

38. 經營租約 – 續

本集團作為出租人 – 續

於報告期末，本集團按以下應收的最低租金與租戶訂約：

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 42 | 250 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | - | 42 |
| | | 42 | 292 |

本集團作為承租人

年內根據辦公室物業經營租約已付的最低租金約為人民幣1,100,000元(二零一一年：人民幣1,000,000元)。

經營租約租金指本集團就其若干辦公室物業應付的租金。租約的協定期為五年，租金固定。並無或然租賃中的租約及續期年期訂立於租約中。

於報告期末，本集團根據於以下日期到期的不可撤銷經營租約就日後最低租金作出承擔：

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 350 | 1,317 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | - | 1,565 |
| | | 350 | 2,882 |

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39. RELATED PARTY TRANSACTIONS

- (a) The balances with related parties at the end of reporting period are disclosed elsewhere in the consolidated financial statements.
- (b) The key management personnel of the Group comprises all Directors, details of their emoluments are disclosed in Note 16. The remuneration of the Directors is determined by the remuneration committee having regards to the performance of individuals and market.
- (c) During the year ended 31 December 2012, the Director, Mr. Liu Xiao Chun agreed to waive the amount due to him of approximately RMB416,000. During the year ended 31 December 2011, two of the Directors, Mr. Liu Xiao Chun and Mr. Gong Zheng Jun agreed to waive of the amounts due to them of approximately RMB133,000 and RMB4,000,000 respectively.
- (d) Upon the change in shareholding in the Company, the amount of approximately RMB256,623,000 (2011: Nil) due to a former major shareholder, China Ruilian, was waived during the year ended 31 December 2012.

39. 關連人士交易

- (a) 於報告期末與關連人士的結餘披露於綜合財務報表的其他部分中。
- (b) 本集團主要管理人員包括所有董事，其酬金詳情披露於附註16。董事薪酬由薪酬委員會就個人表現及市場狀況而釐定。
- (c) 截至二零一二年十二月三十一日止年度，董事劉曉春先生同意豁免應付彼的款項約人民幣416,000元。於截至二零一一年十二月三十一日止年度，兩名董事劉曉春先生及宮正軍先生同意豁免應付彼等的款項分別約人民幣133,000元及人民幣4,000,000元。
- (d) 於本公司股權變動後，應付前主要股東中國瑞聯約人民幣256,623,000元（二零一一年：無）的款項已於截至二零一二年十二月三十一日止年度獲豁免。

40. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY

40. 本公司的財務狀況表資料

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 4,672 | 5,579 |
| Investment properties | 投資物業 | 1,152 | 1,210 |
| Prepaid lease payments | 預付租賃款項 | 4,598 | 4,841 |
| Interests in subsidiaries (Note a) | 於附屬公司的權益(附註a) | 7,313 | - |
| | | 17,735 | 11,630 |
| Current assets | 流動資產 | | |
| Inventories | 存貨 | 4,419 | 3,127 |
| Trade receivables | 應收貿易賬款 | 3,647 | 2,154 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收賬款 | 882 | 10,861 |
| Paid in advances | 已預付款項 | 2,975 | 2,027 |
| Prepaid lease payments | 預付租賃款項 | 242 | 242 |
| Amount due from a related company | 應收一間關連公司款項 | - | 16 |
| Bank balances and cash | 銀行結餘及現金 | 176 | 128 |
| | | 12,341 | 18,555 |

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40. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY — Continued

40. 本公司的財務狀況表資料 — 續

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Current liabilities | 流動負債 | | |
| Trade payables | 應付貿易賬款 | 47,851 | 48,482 |
| Other payables and accruals | 其他應付賬款及應計費用 | 47,822 | 29,461 |
| Receipt in advances | 預收款項 | 745 | 1,856 |
| Amount due to a former corporate shareholder | 應付一名前法人股東款項 | – | 187,496 |
| Amounts due to directors | 應付董事款項 | – | 416 |
| Amounts due to related companies | 應付關連公司款項 | – | 29,279 |
| Amount due to a major shareholder | 應付一名主要股東款項 | 33,041 | 26,810 |
| Dividends payables | 應付股息 | 4,440 | 4,440 |
| Provision for claims | 索償撥備 | – | 4,544 |
| Other borrowing | 其他借貸 | 9,500 | 14,750 |
| | | 143,399 | 347,534 |
| Net current liabilities | 流動負債淨額 | (131,058) | (328,979) |
| Net liabilities | 淨負債 | (113,323) | (317,349) |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 50,000 | 50,000 |
| Reserves (Note b) | 儲備(附註b) | (163,323) | (367,349) |
| Capital deficiency | 資本虧絀 | (113,323) | (317,349) |

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40. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY — Continued

40. 本公司的財務狀況表資料 — 續

Note (a)

附註(a)

Interests in subsidiaries

於附屬公司的權益

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--------------------------------|-----------|-----------------------------------|-----------------------------------|
| Unlisted investment, at cost | 非上市投資，按成本 | 15,211 | 8,850 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 57,509 | 32,757 |
| | | 72,720 | 41,607 |
| Less: Provision for impairment | 減：減值撥備 | (65,407) | (41,607) |
| | | 7,313 | — |

Note (b)

附註(b)

Reserves

儲備

| | | Capital reserve 資本儲備 (Note i) (附註i) RMB'000 人民幣千元 | Other reserve 其他儲備 (Note ii) (附註ii) RMB'000 人民幣千元 | Statutory surplus reserve 法定盈餘公積金 (Note iii) (附註iii) RMB'000 人民幣千元 | Accumulated losses 累計虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|------------------------|---|---|---|---|---------------------------------|
| At 1 January 2011 | 於二零一一年一月一日 | 40,449 | — | 23,701 | (429,696) | (365,546) |
| Loss for the year, representing total comprehensive expense for the year | 年內虧損，即年內全面開支總額 | — | — | — | (1,803) | (1,803) |
| At 31 December 2011 | 於二零一一年十二月三十一日 | 40,449 | — | 23,701 | (431,499) | (367,349) |
| Loss for the year, representing total comprehensive expense for the year | 年內虧損，即年內全面開支總額 | — | — | — | (37,484) | (37,484) |
| Waiver of the amount due to a former major shareholder upon change in shareholding in the Company | 於本公司股權變動後豁免應付一名前主要股東款項 | — | 241,510 | — | — | 241,510 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 40,449 | 241,510 | 23,701 | (468,983) | (163,323) |

Notes:

附註：

(i) Capital reserve

(i) 資本儲備

Capital reserve includes the share premium arising from the issuance of H shares after deduction of the respective share issuance costs of the Company.

資本儲備包括本公司發行H股產生的股份溢價(已扣除相關股份發行成本)。

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40. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY — Continued

(ii) Other reserve

Other reserve represents the waiver of the amounts due to a former major shareholder upon change in shareholding in the Company.

(iii) Statutory surplus reserve

The Articles of Association of the Company and its subsidiaries established in the People's Republic of China (the "PRC") require the appropriation of 10% of their profit after income tax determined under the PRC accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provision of the Company's Articles of Association, under normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

40. 本公司的財務狀況表資料 — 續

(ii) 其他儲備

其他儲備指於本公司股權變動後豁免應付一名前主要股東款項。

(iii) 法定盈餘公積金

本公司及其在中華人民共和國(「中國」)成立的附屬公司的公司章程細則規定，每年須將根據中國會計準則計算的除所得稅後溢利其中10%撥入法定盈餘公積金，直至法定盈餘公積金結餘達到註冊股本的50%為止。根據本公司的公司章程細則規定，在一般情況下，法定盈餘公積金僅可用作抵銷虧損、撥充股本及擴展本公司的生產及營運。就將法定盈餘公積金撥充股本而言，法定盈餘公積金的餘額不得少於註冊股本的25%。

41. PRINCIPAL SUBSIDIARIES

41. 附屬公司詳情

| Name of subsidiary 附屬公司名稱 | Class of shares held 所持股份類別 | Place of incorporation/ registration and operation/ establishment 註冊成立/ 註冊及營運/ 成立地點 | Nominal value of paid up issued/ registered/ ordinary capital 已繳足已發行/ 已註冊/ 普通股面值 | Attributable equity interest held by the Company | | Principal activities 主要業務 |
|---|--------------------------------|---|--|--|------------------|--|
| | | | | Directly 直接 | Indirectly 間接 | |
| Ningbo Yitai Electronic Company Limited ("Ningbo Yitai") 寧波屹泰電子有限公司 ("寧波屹泰") | Contributed capital 實繳股本 | PRC 中國 | RMB15,000,000 人民幣15,000,000元 | 51% | — | Research and development and production of controller systems for display devices 顯示設備控制器系統研究與開發及生產 |
| Ningbo Yidong Digital Technology Co. Ltd. ("Yidong Digital") (Note) | Contributed capital 實繳股本 | PRC 中國 | RMB5,000,000 (paid up RMB1,500,000) | 99% | — | Research and development of external equipments of electronic calculators, electronic components, integrated circuits, household electrical appliances, telecommunication and terminal equipments 電子計算器外部設備、電子組件、集成電路、家用電器、移動通信及終端設備的研發 |
| 寧波屹東數碼科技有限公司 ("屹東數碼")(附註) | 實繳股本 | 中國 | 人民幣5,000,000元(繳足 人民幣1,500,000元) | 99% | — | 電子計算器外部設備、電子組件、集成電路、家用電器、移動通信及終端設備的研發 |

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41. PRINCIPAL SUBSIDIARIES — Continued

41. 附屬公司詳情 — 續

| Name of subsidiary | Class of shares held | Place of incorporation/ registration and operation/ establishment | Nominal value of paid up issued/ registered/ ordinary capital | Attributable equity interest held by the Company | | Principal activities |
|---|----------------------|---|---|--|------------|----------------------------|
| | | | | Directly | Indirectly | |
| 附屬公司名稱 | 所持股份類別 | 成立地點 | 普通股面值 | 直接 | 間接 | 主要業務 |
| Hong Kong Wan Li Enterprise Company Limited | Ordinary | Hong Kong | HKD10,000 (paid up HKD1,000) | 100% | – | Dormant |
| 香港萬豪企業有限公司 | 普通股 | 香港 | 10,000 港元 (繳足 1,000 港元) | 100% | – | 靜止 |
| Yuyao City WanHao Technology Industrial Company Limited | Contributed capital | PRC | RMB3,180,000 | 100% | – | Not yet commenced business |
| 余姚市萬豪科技實業有限公司 | 實繳股本 | 中國 | 人民幣 3,180,000 元 | 100% | – | 尚未營業 |
| Shenzhen Shi WanHao Wu Lian Technology Limited | | PRC | RMB3,180,000 | 100% | – | Not yet commenced business |
| 深圳市萬豪物聯科技有限公司 | 實繳股本 | 中國 | 人民幣 3,180,000 元 | 100% | – | 尚未營業 |

Note: During the year ended 31 December 2011, Yidong Digital without submission of annual register and had been invalidated by Administration for Industry and Commerce on 18 November 2011. The Directors are of their opinion, with the advice from a legal advisor, that no litigation liability should be borne by the Company after the invalidation.

附註：於截至二零一一年十二月三十一日止年度，屹東數碼無提交年度登記且已被工商行政管理局於二零一一年十一月十八日吊銷。董事認為根據法律顧問的建議，吊銷後本公司並無任何應當承擔的訴訟責任。

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

於年末或年內任何時間，概無附屬公司有任何尚未償還的債務證券。

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42. DISPOSAL OF A SUBSIDIARY

On 4 October 2012, the Group disposed entire equity interest of A-Tech Technology (H.K) Limited (“A-Tech”) at a consideration of RMB2. The net liabilities of A-Tech at the date of disposal were as follows:

42. 出售附屬公司

於二零一二年十月四日，本集團出售於屹科科技(香港)有限公司(「屹科科技」)的全部權益，涉及代價人民幣2元。於出售日期，屹科科技的淨負債如下：

| | | 2012 二零一二年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|
| Net liabilities disposed of: | 已出售之淨負債： | |
| Other payables and accruals | 其他應付賬款及應計費用 | (842) |
| | | (842) |
| Release of foreign currency translation reserve | 撥出外幣匯兌儲備 | (5,535) |
| Gain on disposal of a subsidiary | 出售附屬公司收益 | (6,377) |
| Total consideration | 總代價 | - |
| Satisfied by: | 支付方式： | |
| Cash | 現金 | - |
| Net cash inflow arising on disposal: | 來自出售的淨現金流入： | |
| Cash consideration | 現金代價 | - |
| | | - |

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綜合財務報表附註

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

42. DISPOSAL OF A SUBSIDIARY — Continued

42. 出售附屬公司 — 續

On 21 January 2011, the Group disposed entire equity interest of 西安金諾 at a consideration of RMB2,100,000. The net assets of 西安金諾 at the date of disposal were as follows:

於二零一一年一月二十一日，本集團出售於西安金諾的全部權益，涉及代價人民幣2,100,000元。於出售日期，西安金諾的淨資產如下：

| | | 2011 二零一一年 RMB'000 人民幣千元 |
|--|----------------|-----------------------------------|
| Net assets disposed of: | 已出售之淨資產： | |
| Property, plant and equipment | 物業、廠房及設備 | 370 |
| Inventories | 存貨 | 173 |
| Trade receivables | 應收貿易賬款 | 122 |
| Prepayment, deposits and other receivables | 預付款項、按金及其他應收賬款 | 387 |
| Paid in advances | 已預付款項 | 126 |
| Bank balances and cash | 銀行結餘及現金 | 110 |
| | | 1,288 |
| Gain on disposal of a subsidiary | 出售附屬公司收益 | 812 |
| Total consideration | 總代價 | 2,100 |
| Satisfied by: | 支付方式： | |
| Cash | 現金 | 2,100 |
| Net cash inflow arising on disposal: | 來自出售的淨現金流入： | |
| Cash consideration | 現金代價 | 2,100 |
| Bank balances and cash disposed of | 已出售的銀行結餘及現金 | (110) |
| | | 1,990 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

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43. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure bank borrowings granted to the Group as follows:

| | | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|------------------------|--------|-----------------------------------|-----------------------------------|
| Investment properties | 投資物業 | 1,152 | 1,210 |
| Prepaid lease payments | 預付租賃款項 | 4,841 | 5,083 |

44. MAJOR NON-CASH TRANSACTION

During the year, the Group received an amount of approximately RMB256,623,000 as deemed capital contribution following the waiver of an amount due to a former major shareholder.

45. COMMITMENT

Commitments for the acquisition of property, plant and equipment
— contracted for but not provided

收購物業、廠房及設備
之資本承擔
— 已訂約但未撥備

| | 2012 二零一二年 RMB'000 人民幣千元 | 2011 二零一一年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| | 838 | — |

43. 資產抵押

於報告期末，本集團若干資產已被抵押，作為本集團獲取之銀行借貸之保證，列示如下：

44. 主要非現金交易

年內，本集團收到一筆約人民幣256,623,000元的款項，視為繼豁免應付一名前主要股東款項後的注資。

45. 承擔

Summary of Financial Information

財務資料摘要

for the year ended 31 December 2012

截至二零一二年十二月三十一日止年度

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

| | | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|----------------------|----------|----------|-----------|----------|-----------|
| | | 二零一二年 | 二零一一年 | 二零一零年 | 二零零九年 | 二零零八年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Revenue | 收益 | 9,180 | 8,689 | 14,422 | 25,618 | 94,522 |
| Cost of sales | 銷售成本 | (14,823) | (19,927) | (17,299) | (66,786) | (98,951) |
| Gross (loss) profit | (毛虧)毛利 | (5,643) | (11,238) | (2,877) | (41,168) | (4,429) |
| Other income | 其他收入 | 2,778 | 8,043 | 10,175 | 10,309 | 58,092 |
| Selling and distribution expenses | 銷售及分銷費用 | (584) | (937) | (1,381) | (682) | (1,024) |
| Administrative expenses | 行政費用 | (9,691) | (21,673) | (38,889) | (34,257) | (150,068) |
| Finance costs | 融資成本 | (1,365) | (1,802) | (9,091) | (10,076) | (30,957) |
| Loss on disposal of property, plant and equipment and prepaid lease payments | 出售物業、廠房及設備及預付租賃款項之虧損 | (8) | (3,430) | (78,064) | - | - |
| Gain on change of status from subsidiaries to available-for-sale investments | 附屬公司轉為可供出售投資之身份變動之收益 | - | - | - | - | 6,729 |
| Gain on disposal of associates | 出售聯營公司收益 | - | - | - | - | 1,080 |
| Gain on disposal of subsidiaries | 出售附屬公司收益 | 6,377 | 812 | 703 | - | - |
| Gain (loss) on invalidation of subsidiaries | 吊銷附屬公司收益(虧損) | - | - | - | 8,115 | (7,408) |
| Reversal (provision) for claims, net | 索償撥回(撥備)淨額 | 770 | 634 | (4,192) | (3,800) | (8,945) |
| Loss before tax | 除稅前虧損 | (7,366) | (29,591) | (123,616) | (71,559) | (136,930) |
| Income tax credit (expenses) | 所得稅抵免(開支) | - | - | (4) | 430 | (125) |
| Loss for the year | 年內虧損 | (7,366) | (29,591) | (123,620) | (71,129) | (137,055) |
| Attributable to: | 應佔: | | | | | |
| Owners of the Company | 本公司擁有人 | (7,322) | (29,491) | (123,610) | (70,525) | (135,447) |
| Non-controlling interests | 非控股權益 | (44) | (100) | (10) | (604) | (1,608) |
| Loss for the year | 年內虧損 | (7,366) | (29,591) | (123,620) | (71,129) | (137,055) |

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

At 31 December

於十二月三十一日

| | | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|------------|-----------|-----------|-----------|-----------|-----------|
| | | 二零一二年 | 二零一一年 | 二零一零年 | 二零零九年 | 二零零八年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Total assets | 資產總額 | 29,323 | 32,548 | 102,600 | 290,870 | 335,519 |
| Total liabilities | 負債總額 | (147,490) | (394,437) | (436,113) | (501,085) | (475,088) |
| | | (118,167) | (361,889) | (333,513) | (210,215) | (139,569) |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | (118,023) | (361,789) | (333,513) | (210,225) | (140,183) |
| Non-controlling interests | 非控股權益 | (144) | (100) | - | 10 | 614 |
| | | (118,167) | (361,889) | (333,513) | (210,215) | (139,569) |

Particulars of Investment Property 投資物業詳情

| Location 位置 | Type 類型 | Lease Term 租期 |
|---|------------------|---------------------------|
| No.9 Zhenxing Road, Fupin Economic Zone, Yuyao City Chengqu, Hangzhou City, Zhejiang Province, The PRC 中國浙江省 杭州市 余姚市城區 扶貧經濟開發區 振興路9號 | Industrial 工業 | Medium-lease term 中期租期 |

