

GREATWALL®
长城葡萄酒



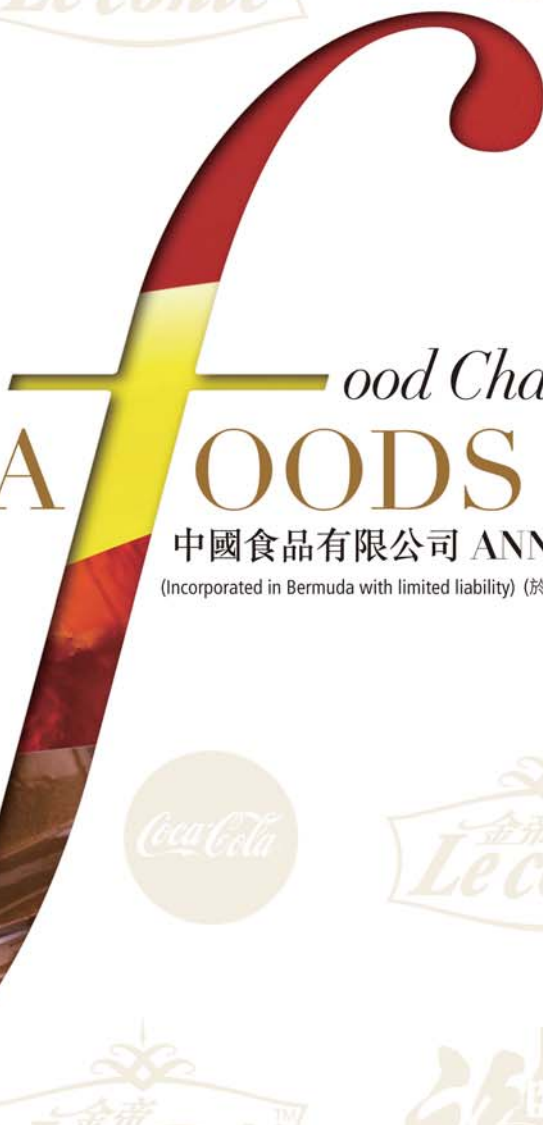
中糧
COFCO
自然之源 重塑你我



GREATWALL®
长城葡萄酒



Excellent
CHINA



產業鏈、好產品

ood Chain, Quality Products
FOODS LIMITED

中國食品有限公司 ANNUAL REPORT 2009 年度報告
(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司) Stock Code 股份代號: 00506

GREATWALL®
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Contents 目錄

1	Corporate Profile	57	公司概況
2	Business Structure	58	業務架構
3	Financial Highlights	59	財務摘要
4	Milestone 2009	60	2009年大事回顧
7	Chairman's Statement	63	主席報告
9	Management Discussion & Analysis	65	管理層討論及分析
19	Directors and Senior Management Profile	75	董事及高級人員簡介
23	Social Responsibility Report	79	社會責任報告
29	Corporate Governance Report	85	企業管治報告
41	Report of the Directors	97	董事會報告
113	Independent Auditors' Report	113	獨立核數師報告
115	Consolidated Income Statement	115	綜合收入報表
116	Consolidated Statement of Comprehensive Income	116	綜合全面收入報表
117	Consolidated Statement of Financial Position	117	綜合財務狀況表
119	Consolidated Statement of Changes in Equity	119	綜合股本變動報表
121	Consolidated Statement of Cash Flows	121	綜合現金流量表
125	Statement of Financial Position	125	財務狀況表
126	Notes to the Financial Statements	126	財務報告附註
225	Five Year Financial Summary	225	五年財務摘要
226	Corporate Information	226	公司資料
228	Financial Calendar	228	財務日誌

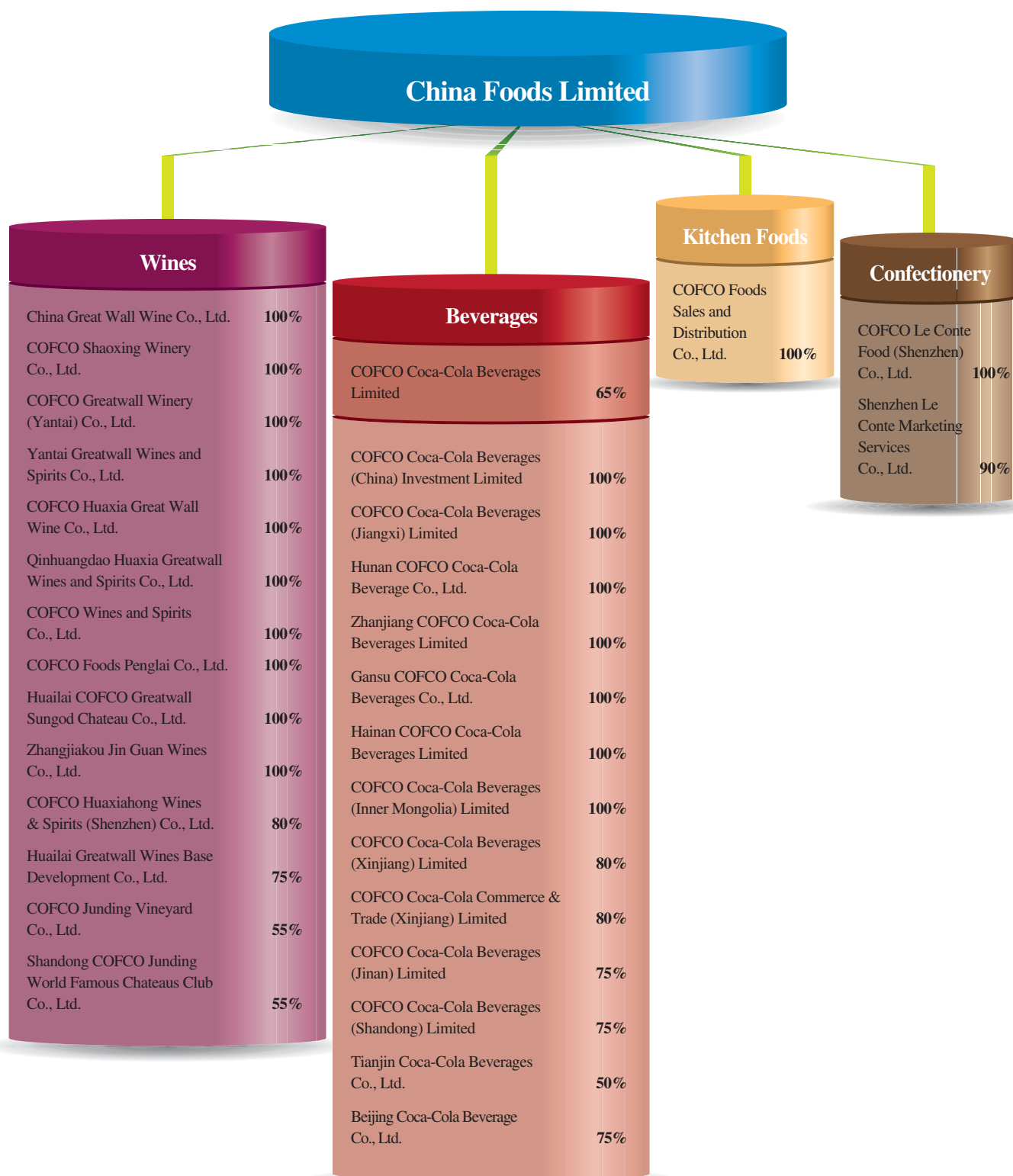




Corporate Profile

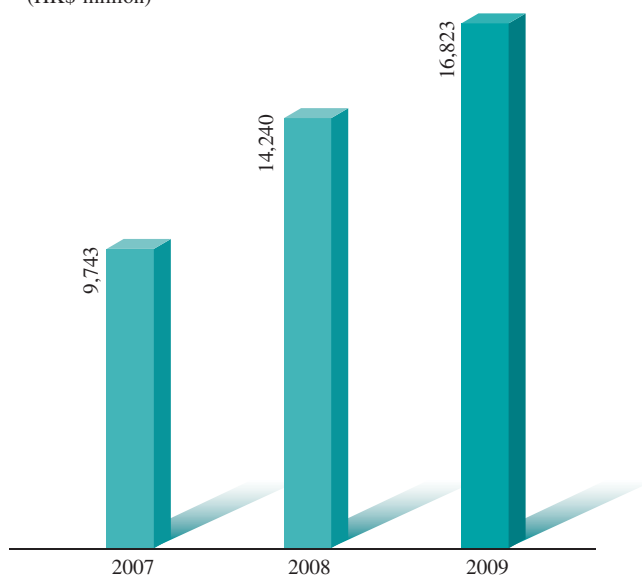
China Foods Limited (the "Company") is a subsidiary of COFCO Corporation and listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 00506). The primary business of the Company includes wines, beverages, kitchen foods and confectionery. The Company is committed to providing consumers with nutritious, healthy, delicious and quality food. Currently the Company's product portfolio include a number of well-known brands, such as "Greatwall" wine, "福臨門" consumer-pack edible oil, "Le Conte" chocolate and "黃中皇" Shaoxing rice wine. As a strategic partner of The Coca-Cola Company in China, the Company also bottles and distributes Coca-Cola beverages.

BUSINESS Structure

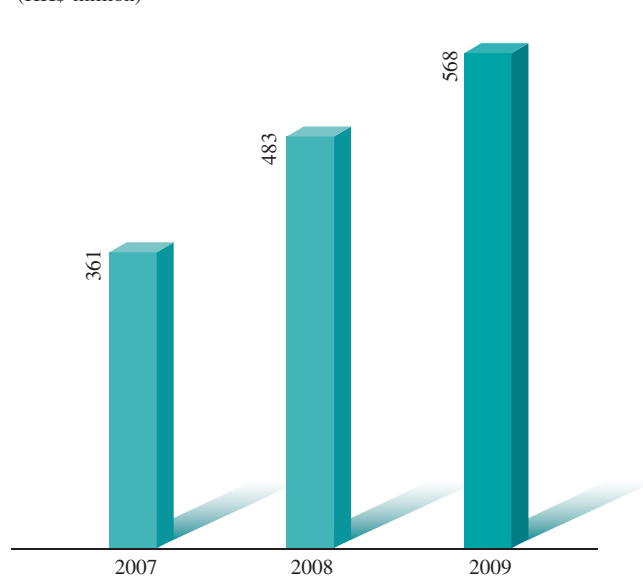


FINANCIAL Highlights

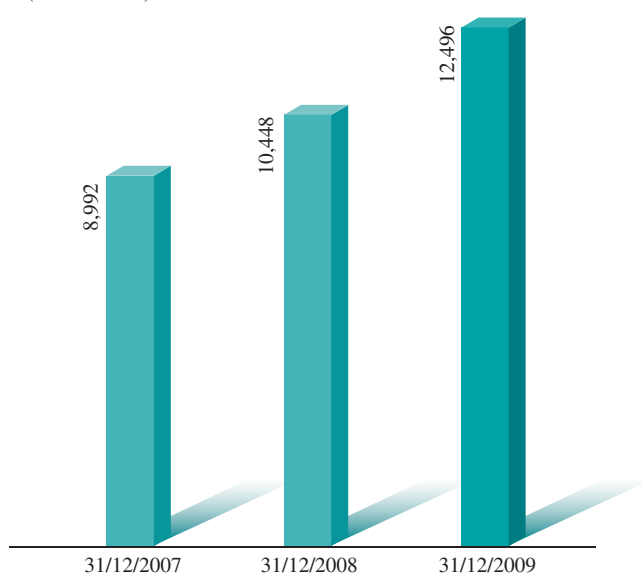
Revenues[#]
(HK\$'million)



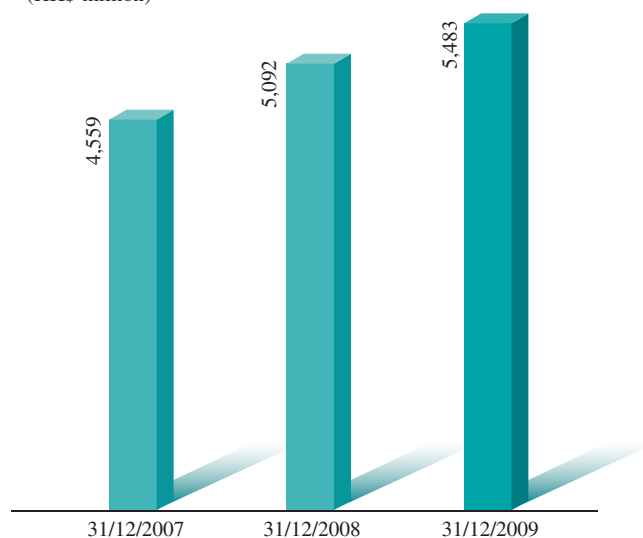
Earnings^{*}
(HK\$'million)



Total Assets
(HK\$'million)



**Equity Attributable to
Owners of the Company**
(HK\$'million)



2007 balance represent revenue of the Pro Forma Group.

* 2007 balance represent the Core Earnings of the Pro Forma Group.

The Pro Forma Group and Core Earnings are defined in the Management Discussion and Analysis of the 2008 annual report.

MILESTONES 2009

1st Quarter

1. The acquisition of 40% interest of Beijing Coca-Cola Beverage Co., Ltd. was completed.
2. New products under the "Minute Maid" brand, namely "Minute Maid Tropical Pulpy" and "Minute Maid Refreshing Pulpy Grape", were introduced into the market.
3. "福臨門" 2009 Chinese New Year public interest commercials were launched. Through "High Quality Food, by Us and for You", we conveyed the "福臨門" brand's philosophy, that is, "Healthy for the Whole Family".



2nd Quarter

1. "Greatwall" Huaxia Vineyard Cru V Reserve in Changli was awarded a silver medal in the "Concours Mondial Bruxelles 2009".
2. "Greatwall" wine was designated as the "Official Wine of Expo 2010 Shanghai China".
3. A New product under the "Minute Maid" brand, namely "Minute Maid C Bits Lemon" was introduced into the market.
4. COFCO Coca-Cola Beverages (Jiangxi) Limited and COFCO Coca-Cola Beverages (Xinjiang) Limited commenced business.
5. The Coca-Cola bottling plant in Inner Mongolia commenced construction.
6. "福臨門" products were designated as the "Official Grain & Oil Products of Expo 2010 Shanghai China".
7. The 2008 Annual Report of the Company won a silver award in the "2009 International Annual Report Competition" in the food & consumer packaged goods category.



3rd Quarter

1. "Minute Maid Pulpy Super Milky" was introduced into the market.
2. COFCO Foods Sales and Distribution Co., Ltd. entered into a strategic agreement with Xi'an Oils & Fats Research & Design Institute.
3. "福臨門" sterol-rich corn oil was introduced into the market.
4. "金帝" and "Le Conte" chocolate with new package and new flavors was introduced into the market.
5. The "金帝" and "Le Conte" Chocolate National Experiential Marketing Tour was conducted in 16 cities.



4th Quarter

1. Coca-Cola "Glacéau Vitamin Water" was introduced into the market in Beijing.
2. "福臨門" high-end soybean oil "AE Soybean Oil" was introduced into the market in the Northeastern China.
3. The Company was awarded a "Certificate of Excellence" by IR Magazine.



CHAIRMAN'S Statement

*Offer nutritious, healthy, delicious
and quality food and realize
maximum value for shareholders,
customers and employees*

I hereby present the annual results of China Foods Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009.

RESULTS

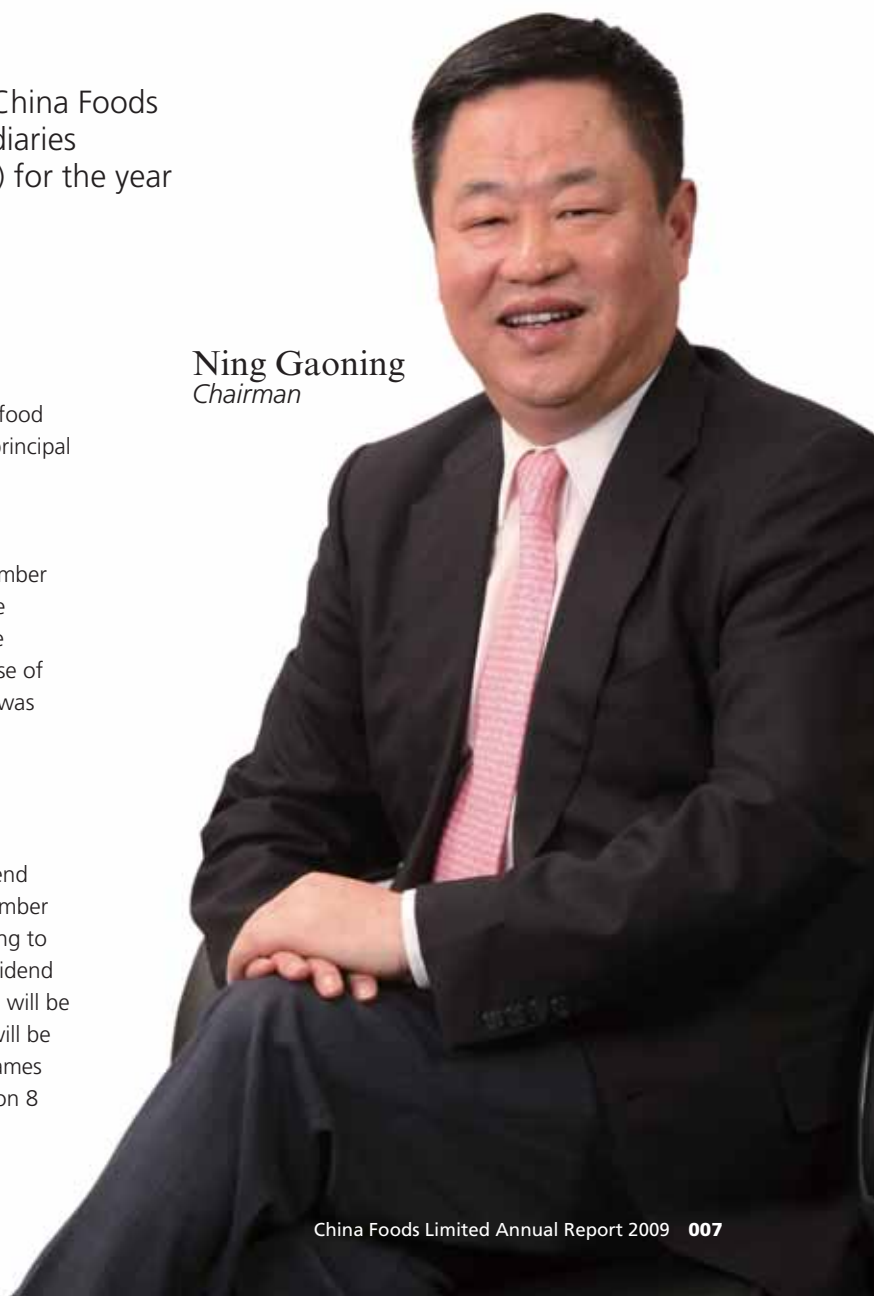
The Group focuses its activities on branded consumer food and beverage businesses and currently operates four principal businesses being wines, beverages, kitchen foods and confectionery.

The revenue of the Group for the year ended 31 December 2009 was HK\$16,823 million, representing an increase of 18% over 2008. Profit attributable to owners of the Company was HK\$568 million, representing an increase of 18% over 2008. Basic earnings per share for the year was HK20.35 cents.

DIVIDEND

The board recommended the payment of a final dividend of HK3.45 cents per share for the year ended 31 December 2009, subject to approval at the annual general meeting to be held on 8 June 2010. Together with the interim dividend of HK3.88 cents per share, the total dividend for 2009 will be HK7.33 cents per share. The proposed final dividend will be distributed on 18 June 2010 to shareholders whose names appear on the shareholders' register of the Company on 8 June 2010.

Ning Gaoning
Chairman



BUSINESS REVIEW AND PROSPECTS

The Group focuses its activities on branded consumer products business and our goal is to realize maximum value for our shareholders, customers and employees through offering nutritious, healthy, delicious and quality food to consumers. During the year, notwithstanding impact of the financial crisis, we maintained steady overall business growth. Sales of our wines business increased by 14.6% in 2009 compared with 2008. Although net profit slightly decreased due to consumers' trading down in wine purchases, we believe that this situation will improve in the future. Following the acquisition of the bottling plants in Qingdao, Jinan and Beijing and the opening of the new bottling plants in Xinjiang and Jiangxi in the last two years, with our effective sales coverage expansion and sales infrastructure development, our sales scale, volume share and incremental volume contribution have increased significantly in the Coca-Cola bottling system, and what is more important, our market share in sparkling beverages and juices has continued to grow. Attributable to the increase in retail coverage and the improved reputation of "福臨門" brand, sales volume of the kitchen foods business increased by 20% in 2009 compared with 2008. Although the confectionery business still incurred losses, many improvements were made, and turnover increased by 42.5% in 2009 compared with 2008.

The PRC consumer market is growing rapidly with enormous growth potential for branded food business. As a food and beverage producer, we always place great emphasis on the quality and safety of our products. We clearly understand that food safety is a systematic risk which cannot be resolved by simply addressing a single element in isolation, e.g. quality inspection, but rather it needs to be fundamentally resolved through a business model, which enables controls to be exercised over the whole value chain. This way, we will not only be able to better manage the costs, but will also be able to exercise more stringent controls over the quality and traceability of our products in each and every step. The COFCO group is implementing a strategic business model which encompasses controls over the whole value chain from origination to consumption with focuses on consumers, with the goal of continuously improving our food safety risk management system and providing safe, reliable and healthy food to consumers. We believe this strategy presents an unparalleled advantage in consumer confidence and trust in our branded consumer food business.

The branded consumer food market is highly competitive. We will continue to develop new products and bring new and exciting experiences to the consumers. We will establish our brands as popular Chinese household names through effective advertising strategies. We will continue to develop an integrated sales platform as one of our core competitive advantages. Through these efforts, we expect that the market share of each of our businesses will continue to increase, and our earnings will continue their growth trend, and our brand value continue to increase. We believe that with the strong support of the upstream supply chain of COFCO Corporation, and through our focus on sales channels, brands and product innovation, we will further enhance the value of the Company and deliver rewarding returns to our shareholders.

Last but not least, on behalf of the board, I would like to express my sincere gratitude to our shareholders for their support to and trust in our management team. My gratitude also extends to our staff for fulfilling their duties and their unremitting efforts in the development of the business of the Group.

Ning Gaoning

Chairman

Beijing, 29 March 2010

MANAGEMENT

Discussion & Analysis



- *The revenue of the Group for the year was HK\$16,823 million, representing an increase of 18% over the last year.*
- *Profit attributable to owners of the Company for the year amounted to HK\$568 million, 18% more than that for the last year.*
- *Basic earnings per share for the year were HK20.35 cents.*
- *The board recommended the payment of a final dividend of HK3.45 cents per share for the year to shareholders whose names appear on the register of members on Tuesday, 8 June 2010.*

Qu Zhe
Managing Director



Wines *Business*



The Group's wines business is principally engaged in the production, marketing and sale of wines under the “長城” and “Greatwall” brands and sale and distribution of imported alcohol products in China, as well as the brewing and processing, brand management and sale of yellow rice wine on a smaller scale. The business is vertically integrated, ranging from the management of vineyards, wine-making, marketing and sales to brand management and development. The Group currently owns three wineries and two chateaus in Yantai, Shacheng and Changli.



2009 was a year full of challenges, and the growth of turnover was slower in the first half of the year due to the financial crisis. With the recovery of economy in the second half of the year, the sales of wine grew more rapidly. Overall sales volume of wines for the year rose by 13.2% over the previous year to 118,535 tonnes. Sales turnover of the business amounted to HK\$3,197 million representing an increase of 14.6% over the previous year. The gross profit margin improved to 58.0% compared with the corresponding figure of last year of 57.3%.

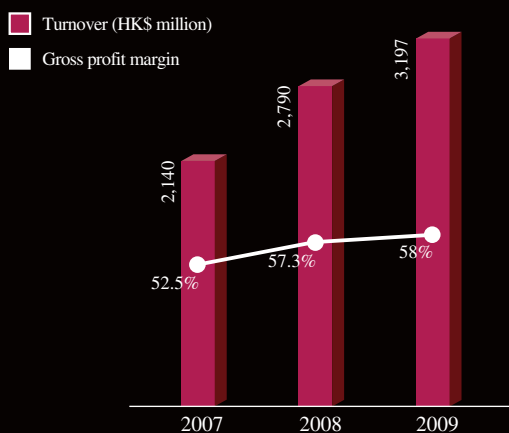
During the year, with respect to brand strategy, we focused on the marketing of middle to high end products, such as “Greatwall” Chateau Sungod and “Greatwall” Small Cru Vineyard, aiming at enhancing “Greatwall” brand and driving the sales of the entire series of “Greatwall” products. In 2009, the sales turnover of the elite range of wine, such as “Greatwall” Chateau Sungod and Chateau Junding, reached HK\$83 million, which was approximately 2.5 times of the last year. By leveraging on the position of COFCO Corporation as a senior sponsor for the Expo 2010 Shanghai China, “Greatwall” wine becomes the “Official Wine of Expo 2010 Shanghai China”. “Greatwall” Chateau Sungod was proudly served in the state banquet, which is a recognition of the excellent quality and premium brand image of “Greatwall” wine.

In 2009, we seized the market opportunity that customers in coastal cities had an increasing interest in dry white wine, and developed two high-end dry white wines, Chardonnay and Riesling. The sales turnover of "Greatwall" dry white wine in 2009 reached HK\$261 million, representing an increase of 43.8% over the last year.

In accordance with our strategy, we expanded self-owned vineyards in Yantai and Changli by 1,200 mu* and 1,000 mu* respectively, and the size of our self-owned vineyards and cooperative vineyards reached 83,000 mu*. We entered into a cooperative agreement with the Xinjiang Production and Construction Corps to jointly construct a vineyard with 30,000 mu*, and we also completed the site selection and planning for a 15,000 mu* base in Ningxia in December 2009. Meanwhile, we are also actively making plans on overseas vineyard locations.



Continuous Stable Growth Trend in Turnover and Gross Profit Margin



We commenced an imported wines agency business in the second half of 2008. We imported wines from various renowned regions around the world including France, Chile and Italy. Wines from different regions with different flavor profiles complement our existing product mix. In 2009, the sales turnover of the imported wines agency business reached HK\$33 million, and we expect that imported wines will become another source of our future growth.

In 2010, we will promote the elite range wine represented by "Greatwall" Chateau Sungod and continue to improve product mix. Meanwhile, we will introduce new middle to high end products to increase the market share of middle to high end wine; with respect to the sales channels, we will mainly focus on expanding to the second and third-tier cities; in respect of products quality control, we have established a test laboratory with China National Wine Quality Supervision and Inspection Center, to optimize our product tracking system.

* 1 mu equals to approximately 667 square metres.



Beverages Business

The Group's Coca-Cola beverages bottling group is one of the three principal Coca-Cola beverages bottling groups in the PRC. We currently operate a total of eleven bottling plants and hold minority interests in another nine bottling plants. The eleven bottling plants are engaged in the bottling production and sale and distribution of Coca-Cola sparkling beverages, as well as the sale and distribution of Coca-Cola still beverages, such as juices, tea and water, in sixteen provinces, cities and autonomous regions in the PRC under franchise agreements with The Coca-Cola Company. Details of the scope of Coca-Cola beverages sale and distribution territories of the Group are set out below.



Franchised Sale and Distribution Territories of the Group



During the year, the sales turnover of the business was HK\$7,098 million, representing an increase of 55.2% over the last year. This strong growth was attributable to the consolidation of the bottling plant in Beijing into the Group's beverage business and our continuous efforts in business development.

Our growth in the sparkling beverages category maintained its strong pace. On the basis that the bottling plant in Beijing had been accounted for in 2008, our sparkling beverages sales volume in our territories would have increased by 14.2% on a year-on-year basis, significantly outperforming the average volume growth rate for Coca-Cola sparkling beverages as well as that for all sparkling beverages in the PRC. In the still beverages category, we launched various new products or new flavors under the "Minute Maid" brand, such as "Minute Maid Pulpy Super Milky", "Minute Maid Tropical Pulpy", "Minute Maid Refreshing Pulpy Grape" and "Minute Maid C Bits Lemon", which were well received in the market, and we recorded a significant volume increase of 44.3% in our

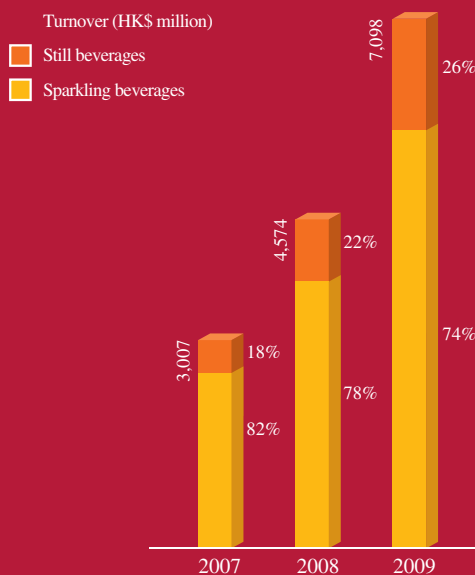
"Minute Maid" juices sales in our territories. According to market research conducted by ACNielsen, in 2009, the "Minute Maid" brand secured a market share of more than 24% in juice beverages category in the PRC, ranking No.1.

Our bottling plants in Jiangxi and Xinjiang were put into full operation during the year, and the bottling plant in Inner Mongolia commenced construction in June 2009. These new bottling plants will enable us to enjoy a stronger competitive edge by directly satisfying customers' needs and providing efficient product delivery and services at more reasonable costs in their respective regions.

In the future, we will continue to launch and promote new products to the market, especially in the still beverages category. At the same time, we will continue to develop our sales infrastructure including cold-drink equipment, increase the coverage of points of sales, strengthen the merchandising execution at points of sales and enhance customer satisfaction.



Turnover of Sparkling and Still Beverages



Kitchen Foods BUSINESS

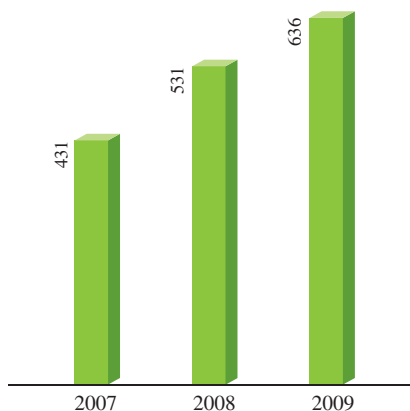
The kitchen foods business is mainly engaged in the sale and distribution of consumer-pack edible oil and seasoning sauces in the PRC under the “福臨門” and “Fortune” brands. During the year, the sales turnover of our kitchen foods business amounted to HK\$6,008 million. The sales volume of the consumer-pack edible oil was 636,362 tonnes, with an annual growth rate of 20%, and its gross profit margin was 9.7%.

During the year, we actively pursued product innovation, among which was the successful launch of a new generation of corn oil rich in sterol. Attributable to the increasing customer demand for high-end healthy oil, the premium oil products with an average gross profit margin of 17%, such as peanut oil, corn oil and sunflower oil, grew at a faster pace, and the sales turnover reached HK\$2,497 million, representing 41.5% of the overall sales. Due to the introduction of new products and the improvement of the retail coverage, the sales of seasoning sauces under the “福臨門” and “Fortune” brands, reached HK\$45.51 million, representing an increase of 81% over the previous year.

In 2009, we continue to put more efforts on extension and penetration of our sales channels. We cover the supermarkets and the hypermarkets in the first and second-tier cities mainly by way of direct sales, and cover the sales channels in the third and fourth-tier cities through distributors. The number of retail points of sales reached 167,000 at the end of 2009.

In 2010, we will put more effort to promote “福臨門” brand with main focus on middle to high end products, such as seasoning oil and corn oil by leveraging the opportunity of the Expo 2010 Shanghai China. We will continue to enhance the development of retail points of sales and create an open sales platform. It is expected that more kitchen foods will be covered under the “福臨門” brand, and more categories of products will be included in the current channels.

Sales Volume of “福臨門”
Consumer-pack Edible
Oil (‘000 tonnes)





Confectionery BUSINESS

The Group is engaged in the production and distribution of chocolates and confectionery products in the PRC under the “金帝” and “Le Conte” brands. During the year, the performance improved considerably compared with the last year as the new management team has made significant efforts in a number of areas to improve its management structure, operational efficiency, product range and flavor, as well as distributors’ management. It recorded a sales turnover of HK\$520 million, representing an increase of 42.5% over the previous year. The gross profit margin rose from 38% in the previous year to 48.9% in 2009. This was mainly due to lower raw material costs and increased product prices.

Our brand rebuilding project was launched during the year. We have collaborated with an internationally renowned advertising agency to reposition our “金帝” and “Le Conte” brand series. Meanwhile, we have reformulated the recipes of our four major products including milk chocolate, dark chocolate, nuts chocolate egg and “Just Me” series, and the ratings of these reformulated products in the customer flavor tests were improved. In addition, we have also redesigned the packaging for our whole product range, which contributed to the results of 2009.

In 2010, we will fully implement our brand strategy to promote “金帝”, “Le Conte” and “Just Me” brands. With respect to products, we will continue to introduce new products, such as jelly and toffee. With respect to sales channels, we intend to raise the coverage for medium and small sized supermarkets and convenience stores, with a focus on the campus channel, and improve the execution standard for the retail points of sales.

FINANCIAL REVIEW

Supplemental information to segment results of the Group for the year ended 31 December 2009 with comparative figures, are set out below:

	For the year ended 31 December	
	2009 (Audited) (%)	2008 (Audited) (%)
Growth of revenue by segment:		
– Wines	14.6	30.4
– Beverages	55.2	52.1
– Kitchen Foods	-7.7	56.6
– Confectionery	42.5	-16.6
Contribution of revenue by segment:		
– Wines	19.0	19.6
– Beverages	42.2	32.1
– Kitchen Foods	35.7	45.7
– Confectionery	3.1	2.6
Gross profit margin by segment (excluding Beverages):		
– Wines	58.0	57.3
– Kitchen Foods	9.7	7.9
– Confectionery	48.9	38.0
Selling and distribution costs to revenue ratio by segment (excluding Beverages):		
– Wines	35.5	33.9
– Kitchen Foods	8.5	7.4
– Confectionery	54.1	66.2
Segment result to revenue ratio:		
– Wines	18.3	20.4
– Beverages	5.5	5.0
– Kitchen Foods	0.3	0.1
– Confectionery	-11.5	-33.2
Effective tax rate of the Group (Note 1)	25.8	21.6

Note:

- The calculation of effective tax rate of the Group is based on tax divided by adjusted profit before tax after excluding the contributions by share of profits of associates.

REVENUE

The Group's total revenue for the year grew by 18% over the last year. The key contributors to the growth include (i) 55.2% strong growth in revenue of the beverages segment driven by the acquisition of controlling interest in the Beijing bottling plant, (ii) 14.6% recovering growth in revenue of the wines segment from the financial crisis during the first half of 2009, (iii) 42.5% exciting growth in revenue of the confectionery segment under the effort of its management team. The aggregate effect of the above mentioned segments offset the impact of 7.7% slight drop in revenue of the kitchen foods segment, with promising growth in sales volume but faced with moderate normalization of market price of edible oil products in 2009 when price level in raw material costs were adjusted from the short-term peak in 2008.

GROSS PROFIT

Overall gross profit amount increased by 34.4%, with overall gross profit margin improved from 24.6% to 27.9%. The encouraging improvement of overall gross profit margin was attributable to the adjustment of price level in raw material costs of the kitchen foods segment from the short-term peak in 2008 and the commitment to a development strategy of continuous enhancement of product mix.

SELLING AND DISTRIBUTION COSTS

Selling and distribution costs to revenue ratio of all segments of the Group rose for the year except for the confectionery segment, which was driven by promotional related expenditures. The promotional related expenditures were mainly spent on the brands and the products, in an effective and efficient way under the closed supervision of management team, which was in line with the Group's commitment to its long-term, committed brand building strategy.

ADMINISTRATIVE EXPENSES

Overall administrative expenses increased by 38.2% over the last year which were driven by the increase in the number of administrative headcounts and office expenditures, together with the effect of consolidation of the Beijing bottling plant during the year.

FINANCE COSTS

Finance costs increased by 71.8% over the last year, which were driven by the addition of interest-bearing bank and other borrowings and the related cost of forward sale agreements of wines under Chateau Junding. The new borrowings were used to fund certain capital expenditures in the Mainland China and certain acquisition completed offshore. An adequate but not excessive financial resources buffer was maintained to support the Group's on-going business development strategy.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates dropped by 52% from the last year, which were due to the non-recurrence of an income that represented an excess of fair value of net assets acquired over cost of approximately HK\$41 million, in relation to an acquisition of an associate in the previous year, together with the fluctuation in profit contributions by certain associates.

INCOME TAX

Effective tax rate of the Group increased from 21.6% to 25.8%, which was due to the non-recurrence of investment tax credits, the completion of tax holiday enjoyed by certain subsidiaries, the provision of deferred taxation related to certain revalued assets and liabilities as well as the provision of withholding tax for distribution of earnings generated by certain subsidiaries and associates pursuant to the new corporate income tax law in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's treasury function sets financial risk management procedures, which are also subject to periodic review by the senior management of the Company. This treasury function operates as a centralized service for managing financial risks, including interest rate and foreign exchange rate risks, centralization of surplus financial resources, procuring cost-efficient funding and targeting yield enhancement opportunities. The treasury function regularly and closely monitors its overall cash and debt positions, reviews its funding costs and maturity profiles to facilitate refinancing, if appropriate.

As at 31 December 2009, the Group's equity attributable to owners of the Company stood at HK\$5,483 million, representing an increase of 7.7% compared with that as at 31 December 2008. As at 31 December 2009, the Group's unpledged cash and cash equivalents totalled approximately HK\$1,943 million (31 December 2008: approximately HK\$1,547 million), and the Group's net current assets were approximately HK\$1,662 million (31 December 2008: approximately HK\$1,556 million).

Having considered the unpledged cash and bank deposits and current bank and other borrowings and banking facilities available to the Group, the management believes that the Group's financial resources are sufficient to fund its debt payments, day-to-day operations, capital expenditures and business development projects.

Held-to-maturity investments represented corporate bonds with expected redemption dates falling within the coming two years or three years. The Company has no exposure in mortgage-backed securities, collateralized debt obligations or similar asset classes.

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi, Hong Kong dollars and United States dollars. The management is of the view that the exchange rate risk exposure of the Group is limited.

The Company cautiously uses derivatives principally in the form of interest rate swaps as appropriate for financial risk management purpose only, in hedging future cash flows against the exposure caused by interest rate volatility. Entering into derivative transactions for speculative purposes and investing liquidity resources in financial products with significant underlying leverage or derivative exposure are absolutely prohibited.

CAPITAL STRUCTURE

During the year, the total number of issued shares of the Company increased by 128,720 shares as a result of certain employees of the Group exercising their share options granted in 2007. As at 31 December 2009, the total number of issued shares of the Company was 2,791,512,076.

As at 31 December 2009, the Group had borrowings including certain interest-bearing bank and other borrowings and minority shareholders of subsidiaries totalling HK\$937 million (31 December 2008: HK\$321 million). HK\$500 million of the bank loans drawn down during the year bore an annual interest rate of HIBOR plus 0.85%, other borrowings of HK\$114 million drawn down during the year bore an annual interest rate of 2.78%. All other borrowings carried annual interest rates ranging between 1.71% and 4.86% (31 December 2008: between 4.54% and 6.48%).

As at 31 December 2009, net assets attributable to owners of the Company were HK\$5,483 million (31 December 2008: HK\$5,092 million) and net cash of the Group (unpledged cash and cash equivalents less interest-bearing bank and other borrowings and minority shareholders of subsidiaries) was HK\$1,006 million (31 December 2008: HK\$1,226 million).

CONTINGENT LIABILITIES AND ASSETS PLEDGED

As at 31 December 2009, the Group had no material contingent liabilities.

As at 31 December 2009, certain bank loans of the Group were secured by charges over certain investment properties, property, plant, equipment, prepaid land premiums and time deposits of the Group with net book value of approximately HK\$109 million (31 December 2008: HK\$88 million).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2009, the Group employed approximately 13,160 staff in mainland China and Hong Kong (31 December 2008: 11,500). Employees are paid according to their positions, performance, experience and prevailing market practices, and are provided with management and professional training. Employees in Hong Kong are provided with retirement benefits, either under a Mandatory Provident Fund exempted ORSO scheme or under the Mandatory Provident Fund scheme, as well as life insurance and medical insurance. Employees in mainland China are provided with basic social insurance and housing fund in compliance with the requirements of the laws of China. Details of these benefit schemes will be set out in note 2.4 "Employee benefits" under "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" to the financial statements in this annual report.

The Company adopted a share option scheme on 21 November 2006 (the "Option Scheme") for a term of ten years and the purpose of the Option Scheme is to reward eligible employees of the Group (including executive directors and non-executive directors of the Company) based on individual merits.

As at 31 December 2008, a total of 18,708,000 options of the Company remained outstanding. During the year, no options were granted pursuant to the terms of the Option Scheme, while a total of 524,500 options were cancelled, a total of 128,720 shares were issued and allotted by the Company upon the exercise of share options by certain employees. Accordingly, as at 31 December 2009, the total number of outstanding options of the Company was 18,054,780. Share options granted under the Option Scheme are valid for seven years, exercisable in five years after 24 months from the date on which they are granted subject to the satisfaction of certain requirements under the Option Scheme.

CHANGE IN THE STRUCTURE OF THE GROUP

During the year, COFCO Coca-Cola Beverages (China) Investment Limited, a subsidiary of the Company, set up a wholly-owned subsidiary in Inner Mongolia named COFCO Coca Cola Beverages (Inner Mongolia) Limited which is engaged in beverages bottling production, sale and distribution.

During the year, China Great Wall Wine Co., Ltd., a wholly-owned subsidiary of the Company set up a wholly-owned subsidiary in Hebei named Huailai COFCO Greatwall Sungod Chateau Co., Ltd. which is engaged in research and development, production, sale and distribution of wines and spirits.

CORPORATE GOVERNANCE

The board is of the view that the Company complied with the principles and code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year, except for the deviation from code provision E.1.2 of the Code as explained in the Company's interim report for the six months ended 30 June 2009.

Details regarding the Company's work in corporate governance during the year are disclosed in the corporate governance report on pages 29 to 40 of this annual report.

DIRECTORS AND Senior Management Profile

DIRECTORS

Mr. Ning Gaoning



NING GAONING

Mr. Ning, 51, was appointed as an executive director of the Company and chairman of the board in January 2005. Mr. Ning is also the chairman of COFCO Corporation (formerly known as COFCO Limited) ("COFCO"), the chairman of COFCO (Hong Kong) Limited ("COFCO (HK)"), as well as a director of certain subsidiaries of COFCO. Currently, Mr. Ning is a non-executive director and chairman of China Agri-Industries Holdings Limited, a company listed in Hong Kong, a non-executive director of CPMC Holdings Limited, a company listed in Hong Kong, and a non-executive director and vice-chairman of China Mengniu Dairy Company Limited, a company listed in Hong Kong.

Mr. Ning is also an independent director of Hua Yuan Property Co. Ltd, a company listed in Shanghai, a director of Smithfield Foods, Inc., a company listed in New York and a director of BOC International Holdings Limited. Mr. Ning was a non-executive director of Lippo China Resources Limited, a company listed in Hong Kong, during the period from December 1998 to August 2009. Mr. Ning has over 20 years of experience in corporate management, investment and corporate finance, business restructurings and governmental relations.

Mr. Ning graduated from Shandong University in China with a Bachelor of Arts degree in economics and from the University of Pittsburgh in the United States with a Master of Business Administration degree in finance.

Mr. Qu Zhe



QU ZHE

Mr. Qu, 47, was appointed as an executive director of the Company in August 2000 and was re-designated as the managing director in January 2006. Mr. Qu is also a member of the remuneration committee of the board. Mr. Qu is a director of certain members of the Group. Mr. Qu joined COFCO in 1986 and is currently an assistant president of COFCO. Mr. Qu has more than 20 years of experience in foreign trade, business management and investment and worked in North America for years.

Mr. Qu graduated from Shanghai Institute of Foreign Trade and from Sino-European International Management Institute with a degree of Executive Master of Business Administration.

Mr. Mak Chi Wing,
Willam



MAK CHI WING, WILLIAM

Mr. Mak, 48, was appointed as an executive director and a deputy general manager of the Company in October 2006. Mr. Mak is also the chief financial officer of COFCO (HK). Mr. Mak is a member of each of the Institute of Management Accountants, Institute of Internal Auditors, Association of Certified Fraud Examiners, Information Systems Audit and Control Association and an international affiliate of the Hong Kong Institute of Certified Public Accountants. Prior to joining COFCO (HK) in May 2006, Mr. Mak had worked with Philips Electronics for over 15 years. Mr. Mak has extensive corporate governance experience.

Mr. Mak graduated from the University of British Columbia in Canada with a Bachelor of Commerce degree in finance.

Mr. Zhang Zhentao



ZHANG ZHENTAO

Mr. Zhang, 47, was appointed as an executive director of the Company in March 2007. Mr. Zhang is currently the general manager of the strategy department and in charge of the sales development department of the Company. Prior to joining the strategy department of the Company, Mr. Zhang was the general manager of COFCO Foods Sales and Distribution Co., Ltd., a wholly-owned subsidiary of the Company. Mr. Zhang joined COFCO in 1984 and has more than 20 years of experience in oil trade and management.

Mr. Zhang graduated from Zhongnan University of Economics and Law with a Bachelor of Arts degree in economics and from Peking University with a Master of Business Administration degree.

Ms. Luan Xiuju



LUAN XIUJU

Ms. Luan, 45, was appointed as an executive director of the Company in March 2007. Ms. Luan has been the chief executive officer of COFCO Coca-Cola Beverages Limited, a 65% subsidiary of the Company, since 2003. She is a director of certain members of the Group. Ms. Luan joined COFCO in 1989 and has extensive experience in beverage production, trade and management.

Ms. Luan graduated from Renmin University of China with a Bachelor of Arts degree and a Master of Arts degree in economics.

DIRECTORS (CONTINUED)

Mr. Ma Jianping



MA JIANPING

Mr. Ma, 46, was appointed as an executive director of the Company in March 2007 and was re-designated as a non-executive director of the Company on 1 March 2008. Mr. Ma was a deputy general manager of the Company from June 2003 to February 2008 and was a director of certain members of the Group. Mr. Ma joined COFCO in 1986 and is currently the director of the strategy department of COFCO, a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen, and a non-executive director of China Mengniu Dairy Company Limited, a company listed in Hong Kong. Mr. Ma has extensive experience in corporate finance, investment, strategic planning and management and worked in Japan for over 5 years.

Mr. Ma graduated from University of International Business and Economics in Beijing with a degree of Executive Master of Business Administration.

WU WENTING

Ms. Wu, 46, was appointed as a non-executive director of the Company in March 2007. Ms. Wu joined COFCO in 1992 and is currently the director of the internal audit department of COFCO. Ms. Wu has extensive experience in auditing and financial management.

Ms. Wu graduated from Beijing Technology and Business University with a Bachelor of Arts degree in economics and from Central University of Finance and Economics with a Master of Arts degree in professional accounting.

Ms. Wu Wenting



STEPHEN EDWARD CLARK

Mr. Clark, 60, was appointed as an independent non-executive director of the Company in January 2005 and is currently the chairman of the audit committee and a member of the remuneration committee of the board. Mr. Clark is a joint managing director of The Anglo Chinese Investment Company, Limited, a chairman of the Takeovers and Mergers Panel and a member of the Takeovers Appeal Committee of the Securities and Futures Commission, a former director of the Hong Kong Securities Institute and has served as an alternate member of the Listing Committee of The Stock Exchange of Hong Kong Limited. Mr. Clark has extensive experience in corporate finance.

Mr. Clark holds a joint honors degree of Bachelor in History and History of Art from the University of Nottingham in England and a degree of Master in Business Administration from the University of Witwatersrand, Johannesburg, South Africa.

Mr. Stephen Edward Clark



LI HUNG KWAN, ALFRED

Mr. Li, 57, was appointed as an independent non-executive director of the Company in November 2008 and is currently a member of the audit committee of the board. Mr. Li is currently the vice chairman of My Top Home (China) Holdings Limited. Mr. Li was a member of each of the Takeovers and Mergers Panel of the Securities and Futures Commission and the Listing Committee of The Stock Exchange of Hong Kong Limited and an expert member of the Finance Committee of the Kowloon Canton Railway Corporation and the chief finance officer and an executive director of Hang Lung Development Company Limited, a company listed in Hong Kong. Mr. Li has more than 30 years of experience in finance and accounting.

Mr. Li holds a Bachelor of Social Sciences degree in economics and sociology from The University of Hong Kong, and is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Institute of Chartered Accountants of Scotland.

Mr. Li Hung Kwan, Alfred



YUEN TIN FAN, FRANCIS

Mr. Yuen, 57, has been an independent non-executive director of the Company since 1993 and is currently the chairman of the remuneration committee and a member of the audit committee of the board. Mr. Yuen is currently a non-executive director of Kee Shing (Holdings) Limited, a company listed in Hong Kong, a deputy chairman of Pacific Century Regional Development Limited, a company listed in Singapore, and an independent director of China Pacific Insurance (Group) Co., Ltd., a company listed in Shanghai and Hong Kong. Mr. Yuen was a former chief executive of The Stock Exchange of Hong Kong Limited from 1988 to 1991. He has extensive experience in investment banking and business.

Mr. Yuen holds a Bachelor of Arts degree in economics from the University of Chicago and is currently a member of the university's board of trustees. Mr. Yuen is also the chairman of the board of trustees of Hong Kong Centre for Economic Research, a member of Shanghai People's Political Consultative Conference and a member of the board of trustees of Fudan University in Shanghai.

Mr. Yuen Tin Fan, Francis



SENIOR MANAGEMENT WANG ZHIYING



Mr. Wang Zhiying

Mr. Wang, 39, has been the deputy general manager of the Company since September 2009 and is responsible for strategy management, food safety, production safety and innovation, research and development in the Company. Mr. Wang joined COFCO in September 2009. Prior to joining the Group, Mr. Wang had worked in training and education, human resources development, project management and general management in China Agricultural University and a government department and had been involved in various human resources development and talent development projects and in charge of the planning, design and management of various education institutions. Mr. Wang has extensive experience in organization development, talent development, strategy planning, project management and general management. Mr. Wang graduated from Peking University with a Bachelor of Arts degree in sociology, and is currently studying at Sino-European International Management Institute for a degree of Executive Master of Business Administration.

WU FEI

Mr. Wu Fei



Mr. Wu, 39, has been the general manager of the wines business unit of the Company since February 2007. Mr. Wu joined COFCO in 1992 and has held various management positions in the wines business unit of the Company since 2000. Mr. Wu has over 18 years of experience in corporate management and wines business. Mr. Wu graduated from University of International Business and Economics in Beijing with a Bachelor of Business Administration degree and is currently studying at Cheung Kong Graduate School of Business for a degree of Executive Master of Business Administration.

CHEN GANG

Mr. Chen Gang



Mr. Chen, 39, has been the general manager of kitchen foods business unit of the Company since April 2008. Mr. Chen joined COFCO in 1994 and prior to joining the Group, he was a deputy general manager of the oilseeds processing unit of China Agri-Industries Holdings Limited, a company listed in Hong Kong, and was the general manager of the confectionery business unit of the Company from April to November 2008. Mr. Chen has over 16 years of experience in oilseeds processing, oil trade and management and currently he is a deputy head of the oils division of the Chinese Cereals and Oils Association and a member of the National Cereals and Oils Standardisation Technology Committee. Mr. Chen graduated from Peking University with a Bachelor of Arts degree in law, and from Tsinghua University with a Master of Business Administration degree.

TANG HONG

Mr. Tang Hong



Mr. Tang, 42, has been the general manager of the confectionery business unit of the Company since November 2008. Mr. Tang joined COFCO in August 1990. Prior to joining the Group, Mr. Tang was a deputy general manager of COFCO Tunhe Co., Ltd., a company listed in Shanghai. Mr. Tang has extensive experience in corporate management and sale and distribution of foods. Mr. Tang graduated from University of International Business and Economics in Beijing with a Bachelor of Arts degree in economics and from Leeds University with a degree of Executive Master of Business Administration.

CHEN DEBIAO

Mr. Chen Debiao



Mr. Chen, 38, has been the general manager of the finance department of the Company since October 2006. Mr. Chen joined COFCO in 1993 and has over 16 years of experience in accounting and financial management. Mr. Chen is a PRC certified public accountant. Mr. Chen graduated from University of International Business and Economics in Beijing with a Bachelor of Arts degree in economics and also holds a Master of Arts degree in finance from the University of New South Wales in Australia.

SENIOR MANAGEMENT HE HUI

(CONTINUED)

Mr. He Hui



Mr. He, 38, has been the general manager of the human resources department of the Company since March 2007. Mr. He joined COFCO Coca-Cola Beverages (China) Investment Limited, a subsidiary of the Company, as the director of its human resources and administration department in May 2005. Mr. He has nearly 15 years of experience in human resources management with over ten years in Fortune 500 companies. Prior to joining the Group, Mr. He was the general manager of the human resources and administration in Vanda Group (China), a subsidiary of Hutchison Whampoa. Mr. He has extensive experience in corporate strategic human resources management, organization development, talent development and performance review. Mr. He graduated from Beijing Institute of Machinery (now known as Beijing Information Science & Technology University) with a Bachelor of Sciences degree in management information system and studied graduate-level courses in human resources management in Peking University.

Mr. Man Kwok Leung



MAN KWOK LEUNG

Mr. Man, 34, has been the financial controller of the Company since May 2004. Mr. Man possesses extensive experience in auditing and financial management across a broad spectrum of industries. Mr. Man is a member of each of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Chartered Secretaries, and has also been awarded the Financial Risk Manager (FRM) designation by the Global Association of Risk Professionals. Mr. Man holds a Bachelor of Arts degree in professional accountancy from the Chinese University of Hong Kong.

Ms. Luo Qizhi



LUO QIZHI

Ms. Luo, 42, has been the head of the legal department of the Company since January 2005. Ms. Luo is qualified in the State of New York and the PRC, and holds a Bachelor of Arts in law from the Law School of Xiamen University in China and a master's degree in law from each of Stanford Law School in the United States and the Law School of Xiamen University in China.

Mr. Cao Jie



CAO JIE

Mr. Cao, 38, has been the deputy general manager of internal audit department of the Company since May 2009. Mr. Cao joined COFCO Coca-Cola Beverages (China) Investment Limited, a subsidiary of the Company, as the director of its internal audit department in January 2003. Prior to joining the Group, Mr. Cao had worked with Deloitte Touche Tohmatsu and Swire Beverages Limited, and he has more than 13 years of experience in audit, internal control, risk management and financial management. He is a certified internal auditor and a member of each of the Institute of International Auditors and China Institute of Internal Audit. Mr. Cao graduated from Peking Union University and received a Master of Science degree in international consultancy and accounting from University of Reading in the United Kingdom.

Mr. Zhang Yongpeng



ZHANG YONGPENG

Mr. Zhang, 43, has been the director of brand management department of the Company since June 2009. Prior to joining the Group, Mr. Zhang had worked for the marketing department of Heinz-UFE Limited and the marketing department and sales department of Nestle (China) Limited. Mr. Zhang has nearly 20 years of experience in marketing and sales management. Mr. Zhang graduated from West China University of Medical Sciences with a bachelor's degree in public health and a master's degree in nutrition sciences.

SOCIAL Responsibility Report

“Offer nutritious, healthy, delicious and quality food and realize maximum value for shareholders, customers, and employees” is the corporate mission to which China Foods Limited (the “Company”) has always adhered.

This social responsibility report aims to help stakeholders understand the principles and practices of the Company in the areas of food safety, employee development, environmental protection and public welfare.

Establishing food safety system throughout the whole value chain

In order to ensure food safety, the Company has issued the Food Safety Management Measures of China Foods Limited, which emphasize on source and whole value chain controls.

We work with external professionals to optimize critical control points of the value chain, analyze possible hazards and establish corresponding control measures. On this basis, we have built a food safety management model and targets and formulated 127 indices for the measurement of performance by our factories in food safety and environment protection. In 2009, the Company evaluated the effectiveness of food safety control measures in 11 subsidiaries through spot inspection.

In a food safety law knowledge competition held by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China, one of our subsidiaries COFCO Le Conte Food (Shenzhen) Co., Ltd. had an outstanding performance in food safety awareness and implementation, and won a recognition of “National Advanced Enterprise in Popularizing Food Safety Law”. Another subsidiary COFCO Foods Sales and Distribution Co.,

Ltd. was named at the China Food Safety Annual Conference, the leading authority in food safety in China, as the “2009 Model Unit in Food Safety”. Mr Chen Gang, the general manager of the kitchen foods business unit, was at the same time named as “2009 Advanced Individual in Food Safety Management”.

The Company takes customers’ feedbacks and opinions seriously. The volume of customer complaints has been within our target range and continuing to decline. Each business unit has set up a specific function department, which is responsible for statistics, investigation, follow-up and improvement work in connection with complaints from regular consumers.



COFCO Foods Sales and Distribution Co., Ltd. was named as the “2009 Model Units for Food Safety”

Employee development

1. Setting up codes of ethics

The Company has taken a proactive approach to encourage its staff to strictly adhere to codes of ethics, laws and regulations through concrete guidance and actions. The Company formulated the Code of Business Conducts and Staff Behavior Principles to ensure the Company is legally operated and every staff's conducts are coherent to the Company's principles of value and standards of ethics with a view to reinforcing its core values of "integrity, enthusiasm, professionalism, teamwork, tolerance and innovation".

2. Human resources planning and development

The Company cares about staff growth and development and is committed to enhancing staff's ability, satisfaction and sense of belongings. The staff development program of the Company is built on a systematic evaluation and training system, the purpose of which is to help staff plan their careers.

The Company formulated a competence model which is applicable to different levels of staff and built a concrete standard of behavior based on attitude, leadership and competence, and formulated an effective evaluation system. The Company has established a range of training systems covering frontline workers to senior management for the development of their technical skills as well as leadership skills. In 2009, staff of the Company participated in various leadership training, professional training and corporate culture training programs and the total accumulated training time per annum reached 349,085 hours while the average training time per staff was 29.9 hours.

3. Staff interest and staff caring

The Company and its subsidiaries strictly adhere to relevant employment laws, regulations and rules. We offer housing provident fund, endowment insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance to our staff in accordance with the government requirements. In addition, annual health check benefits and a wide range of recreation activities are provided for our staff. We have also strived to mitigate any possible occupational and health damages through various measures, including training, certification and occupation protection.



A leadership development program for the managers of the Group



Environment protection

The Company is committed to proactive environment protection through reducing the emission of pollutants, introducing advanced international and domestic environmental management system, implementing a long-term management system for environment protection, with a goal to have a standardized and scientific environment management system. Our three wineries, confectionery factory in Shenzhen and bottling plant in Beijing have obtained the ISO14001 environment management system certificates. The Company targets to obtain ISO14001 environment management system certificates for all our operating subsidiaries in three years.

1. Water utilization

All our subsidiaries have established the measurement and supervision system for water utilization. Water consumption per ton of wine in our wine business unit is lower than the industrial average; our beverage business unit enjoys significant competitive edges in its industry in terms of water utilization, while the water usage in our confectionery business unit in 2009 dropped 9.3% compared with 2008.

2. Enhancing the efficiency of energy utilization

In order to save energy and boost the efficiency of energy utilization, subsidiaries of the Company have initiated technology innovation and processes upgrading, abandoned high consumption processes and applied new technology and facilities to enhance the energy efficiency. Making use of wasted heat and energy is an important measure to enhance our efficiency of energy utilization. We make use of steam, marsh gas produced from sewage treatment, wasted heat from turbine and production lines. In 2009, the Company's comprehensive energy consumption per RMB10,000 added value decreased by 44.6% compared with 2005.

Our subsidiaries publize energy saving information through training, corporate publications, competitions as well as bulletin boards, and have formulated energy saving measures which are suitable for the practical needs of our factories.



A conference on assessment of clean production by our confectionery business unit



3. Reducing the emission of pollutants and wastes

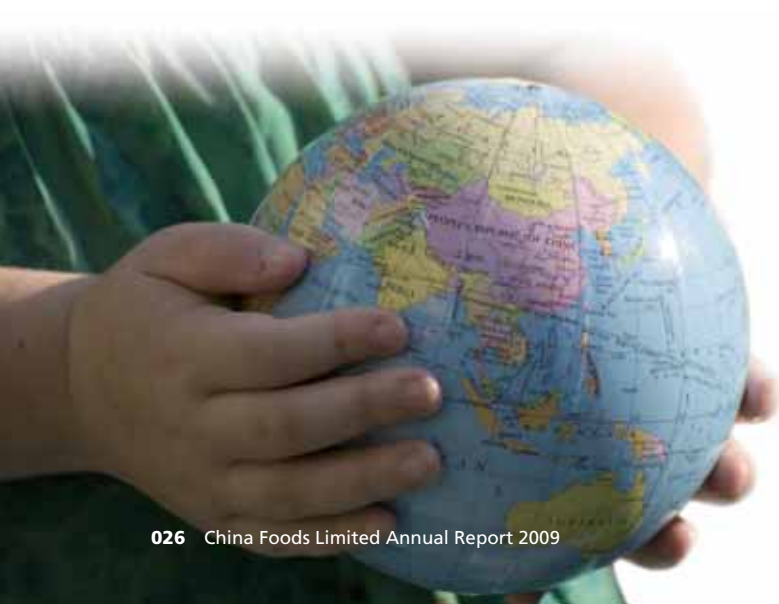
The Company has implemented stringent measures to supervise and inspect the emission of pollutants and wastes of its subsidiaries. We neither violated or breached any laws of environment protection nor encountered any contingent incidents in this area throughout the year. As compared with 2005, our emission level of COD dropped by 58%, while the emission level of SO_2 dropped by 74%. All our factories have installed sewage treatment facilities and our sewage emission meets required standards. We have installed desulphurization devices in our coal combustion turbines and carried out periodic SO_2 concentration tests.

4. Reducing the use of packaging materials

To avoid extravagant or excessive packaging is one of the key measures in environment protection and resource conservation for food enterprises. The Company strictly supervises its subsidiaries to reduce packaging materials, to minimize harm to the environment and reduce the production costs.



Evaluated the effectiveness of food safety controlling measures through spot inspection



Activities in public welfare

1. Caring for the disadvantaged

The Company cares for the disadvantaged and promotes the development of local community. In 2009, the Company continued to provide free vitamin-A enriched edible oil to schools for farmers' and workers' children. During the National Day holiday, we visited Home for the Elderly in Yan'an, Shaanxi and donated food and edible oil. The Company organized charity sales for the orphan protection initiative of China's Children Fund and raised approximately RMB80,000. In addition, the Company held several product charity sales and money raised from the events was donated to special education schools. Our staff also established volunteer groups for offering help to the disabled.

2. Caring for the victims in disaster areas

We organized "Care for the Growth of Children, Focus on the Reconstruction of Disaster Areas" during the first anniversary of the Wenchuan earthquake. We visited some children in Sichuan and Gansu, donated more than RMB40,000, and established "China Foods Library" and "COFCO Fortune Healthy Food Restaurants" for Dong Qi Primary School in Deyang, Sichuan.



Donation was made for children one year after the Wenchuan earthquake



The Group visited Home for Elderly in Yan'an, Shaanxi and donated food and edible oil

3. Supporting education

In 2009, the Company invested a total of RMB500,000 to establish a second Project Hope primary school in Xinjiang, which is the sixteenth of its kind established by the Company in the nation. The Company frequently made donations to these schools to set up recreation rooms and purchase teaching equipment. The management and staff also visited Project Hope primary schools in different areas and donated learning materials.

Apart from contribution to Project Hope primary schools, the Company also set up scholarship funds for several universities to support outstanding students.



COFCO Coca-Cola Beverages Limited was awarded by China Beverage Industry Association as "2009 Social Responsibility Outstanding Achievement Company of China Beverage Industry"



Ground breaking ceremony of a Project Hope primary school in Xinjiang

CORPORATE Governance Report

INTRODUCTION

The board of directors of the Company (the “board”) firmly believes that a good and solid corporate governance framework is essential to the healthy and sustainable growth of the Company and ultimately the enhancement of long-term shareholders’ value. The board strives to adhere to corporate governance principles and adopt sound corporate governance practices in line with legal and commercial standards, focusing on areas such as internal control, accountability to shareholders, open communication and fair disclosure.

CORPORATE GOVERNANCE CODE

The Company adopts as its corporate governance code the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). In the view of the board, the Company complied with the principles and code provisions set out in the Code throughout the year ended 31 December 2009, except for the deviation from code provision E.1.2 of the Code which is explained below in detail.

EVOLUTION OF THE CORPORATE GOVERNANCE PRACTICES

Bearing in mind that sound corporate governance practices provide a solid foundation for sustainable growth, the Company and its subsidiaries (the “Group”) had made continuous efforts in improving the Group’s corporate governance. Key improvements over the past years are summarized below:

- A clear “tone from the top” was set with well-defined mission, vision, core competence, corporate values and ethical direction, including emphasis on and commitment to food safety throughout the value chain of the Group;
- A clear strategic direction was set and deployed to operation via key management performance targets, and strategy execution was monitored by the executive directors and senior management;
- A corporate governance improvement roadmap was developed based on industry best practices, which serves as a blueprint for continuous improvement. Management was actively involved in the formulation and deployment of corporate governance improvement actions through interactive training programs and regular meetings;
- Organization was further strengthened in 2009 to help realize our strategic objectives through leadership development program, competence model, talent development plan, continuing development plan for newly appointed management and best practice sharing platform;
- A code of business conducts was developed and deployed throughout the Group. Ethical business conducts are reinforced by continuous emphasis on core corporate values and culture;
- Internal control structure was strengthened by the establishment of internal audit, compliance and risk management and control functions, and the adoption of the internal control integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (the “COSO”);
- In December 2009, a professional risk management consultant was engaged to advise the Group on improvement in the risk management processes based on the COSO framework. Key objectives of the project are to provide reasonable assurance to the achievement of our strategic objectives and to more structurally integrate risk management activities into our business strategy and key business processes;
- Significant investment was made in SAP system to improve overall accuracy, timeliness and transparency of management information to enable fact-based decision making;
- The Group continued to improve its internal controls. Among other initiatives, considerable efforts were made in setting a solid foundation for the food safety management system; and
- The Group continues to actively undertake its social responsibilities in various areas. Details of the Group’s activities in social responsibilities are set out in the social responsibility report included in this annual report.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR

Key corporate governance practices of the Company during the year are summarised below. For easy reference, the summary adopts the paragraph references in the Code.

Code ref. Corporate governance practices of the Company

A. DIRECTORS

A.1 The board

A.1.1 The Company adopts the practice of holding regular board meetings at least four times a year. The information on the number of full board meetings attended by each director during the year is set out below. Figures in brackets indicate the maximum number of meetings held during the year when an individual was a board member.

	Attendance
Executive directors	
Ning Gaoning (<i>chairman</i>)	1/(4)
Qu Zhe (<i>managing director</i>)	4/(4)
Mak Chi Wing, William	4/(4)
Zhang Zhentao	2/(4)
Luan Xiuju	3/(4)
Non-executive directors	
Ma Jianping	3/(4)
Wu Wenting	3/(4)
Independent non-executive directors	
Stephen Edward Clark	3/(4)
Li Hung Kwan, Alfred	4/(4)
Yuen Tin Fan, Francis	3/(4)

A.1.2 In each of the notices for regular board meetings or board committee meetings, directors are advised that they may request inclusion of matters in the agenda for such meetings.

A.1.3 Notices for regular board meetings or board committee meetings are sent to directors at least fourteen days prior to such meetings. For ad hoc meetings, reasonable notices are given.

A.1.4 All board members have access to the advice and services of the company secretary to ensure that board procedures and all applicable rules and regulations are followed.

A.1.5 Minutes of board meetings and board committee meetings are kept by the company secretary and are open for inspection during office hours on reasonable notice by any director.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

A. DIRECTORS (continued)

A.1 *The board (continued)*

A.1.6 Minutes of board meetings and board committee meetings have recorded in sufficient detail matters considered by the board and board committees, decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of board meetings and/or board committee meetings (as the case may be) are sent to directors for their comment and records respectively, in both cases within a reasonable time after the meetings.

A.1.7 The Company's handbook for directors provides that, in connection with discharging their duties to the Company, all directors have access to independent professional advice at the Company's expense where necessary, and upon reasonable request, the board may resolve to obtain for individual directors separate independent professional advice at the Company's expense to assist them to discharge their duties to the Company.

A.1.8 Important matters reserved for the board for its decision are usually dealt with by way of written resolutions with supporting explanatory materials so that all directors including independent non-executive directors can note and comment on or enquire about, as appropriate, the matters before approval.

A director must declare his/her interest in matters or transactions to be considered and approved by the board, where applicable.

If a substantial shareholder or a director has a conflict of interest in a matter or transaction which the board has determined to be material, independent non-executive directors who, and whose associates, have no material interest in the matter or transaction shall take an active role and make independent judgement on issues relating to such matter or transaction. When warranted, additional board meetings are held.

A.1.9 During the year, the Company arranged appropriate insurance for directors and officers of the Group.

A.2 *Chairman and chief executive officer*

A.2.1 The chairman's and the managing director's roles are clearly defined to ensure their independence.

The chairman takes lead in formulating overall strategies and policies of the Company, and ensures effective performance by the board of its functions, including compliance with good corporate governance practices.

The managing director, supported by other board members and senior management, is responsible for managing the day-to-day business of the Company. He is accountable to the board for the implementation of the Company's overall strategies as well as coordination of overall business operations.

A.2.2 With the support of executive directors and management, the chairman ensures that all directors are properly briefed on issues arising at board meetings. This objective is achieved through the adherence to proper procedures and comprehensive agenda and papers in English and Chinese. Directors are encouraged to discuss issues and make enquiries at board meetings in their working languages, and bilingual interpretation is provided to ensure that all directors are properly informed on the issues and enquiries. The chairman encourages and facilitates active contribution of directors in board activities and constructive relations between executive and non-executive directors.

A.2.3 With the support of executive directors and management, the chairman ensures that board papers including supporting documents with complete and reliable information are sent to directors at least three days before board meetings or board committee meetings.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

A. DIRECTORS (continued)

A.3 Board composition

A.3.1 Composition of the board, by category of directors (currently including five executive directors, two non-executive directors and three independent non-executive directors), is disclosed in all corporate communications of the Company. The Company maintains on its website an updated list of directors identifying their categories and role together with a detailed profile for each director.

Throughout the year, the Company complied with the requirement under Rule 3.10 of the Listing Rules, and the board currently includes three independent non-executive directors, namely, Messrs. Stephen Edward Clark, Li Hung Kwan, Alfred and Yuen Tin Fan, Francis.

The Company has received annual confirmation of independence from the three independent non-executive directors in accordance with Rule 3.13 of the Listing Rules. The board has assessed their independence and concluded that all the independent non-executive directors are independent according to the guidelines set out in Rule 3.13 of the Listing Rules.

A.4 Appointments, re-election and removal

A.4.1 Formal appointment letters are signed by non-executive directors and independent non-executive directors of the Company. According to the appointment letters, non-executive directors and independent non-executive directors are appointed for a period of three years from the date of his/her appointment, subject to re-election.

A.4.2 The Company does not have a nomination committee. The board as a whole is responsible for the procedures of nominating appropriate persons and appointing its members either to fill a casual vacancy or as an additional to the board.

The executive directors of the Company were appointed based on their qualifications and experience in relation to the Group's business. The non-executive directors (including independent non-executive directors) were appointed based on their qualifications and experience and the requirements of the Company.

Each director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after his/her appointment in accordance with the Code. During the year, no director was appointed to fill a casual vacancy.

Pursuant to the Company's bye-laws, each director (including those appointed for specific terms) shall be subject to retirement by rotation at least once every three years, i.e., the term of appointment of each director is effectively three years.

Pursuant to bye-law 111(A) of the Company's bye-laws, Mr. Qu Zhe, Mr. Zhang Zhentao, Ms. Luan Xiuju, Mr. Ma Jianping and Ms. Wu Wenting having been in office for three years since their last re-election, shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "2010 AGM"). The circular for the 2010 AGM contains detailed information on the re-election of directors including biographies of all directors subject to re-election to ensure that shareholders make informed decisions.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

A. DIRECTORS (continued)

A.5 *Responsibilities of directors*

A.5.1 The Company ensures that every newly appointed director has a proper understanding of the operations and business of the Group and that he or she is fully aware of his or her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. A newly appointed director receives from the chairman, executive directors and senior management of the Company briefings on the operations and business of the Group before his/her appointment and/or a package containing information on directors' responsibilities and duties and other requirements upon his/her appointment.

The Company ensures that directors are apprised of legislative, regulatory and corporate governance developments relating to the Group and take these into consideration when making decisions for the Group. From time to time, the company secretary disseminates relevant materials to the directors for their reference, and the Company organizes seminars on specific topics of significance or interest for executive directors and management staff. The Company also sponsors directors to attend professional development seminars or programs where necessary.

A.5.2 The board currently comprises three independent non-executive directors who bring strong independent judgment, knowledge and experience to the board's deliberations.

The independent non-executive directors take an active role in board meetings and make independent judgment on issues relating to matters or transactions of a material nature. They will take lead where potential conflicts of interest arise. They are also members of board committees and devote sufficient amount of time and attention to the affairs of the Group including attending general meetings of the Company.

The board also comprises two non-executive directors with one of them bringing corporate finance and strategy development and management experience and the other bringing accounting and internal audit knowledge and experience to the board.

A.5.3 Each director is committed that he/she can give sufficient time and attention to the affairs of the Company. Details of each director's attendance at board meetings and board committee meetings during the year are set out in A.1.1 above and B.1.1 and C.3.1 below.

A.5.4 The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Upon specific enquiries of all directors, each of them confirmed that he/she complied with the required standards set out in the Model Code throughout the year.

The Company has also adopted a code for securities transactions by relevant employees (the "Employees Trading Code") based on the Model Code concerning dealings by relevant employees in the securities of the Company. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are required to comply with the Employees Trading Code in respect of their dealings in the securities of the Company. The terms of the Employees Trading Code are no less than exacting than the required standards set out in the Model Code. No non-compliance reports were received from any such employees during the year.

A.6 *Supply of and access to information*

A.6.1 Board papers including supporting documents were sent to the directors at least three days before board meetings or board committee meetings during the year.

A.6.2 The company secretary, the financial controller and other senior management of the Group attend all board meetings and board committee meetings, as appropriate, to report on corporate governance, statutory compliance, and accounting and financial matters. Queries raised and clarifications sought by the directors during the meetings are dealt with in a timely manner, and further information is provided, if necessary.

A.6.3 All directors have access to board papers and related materials. Details are set out in A.2.3 and A.6.2 above.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

B.1 The level and make-up of remuneration and disclosure

B.1.1 The Company established a remuneration committee in April 2005 with specific written terms of reference which set out its authority and duties. The role of the remuneration committee is to review and make recommendations to the board on the Company's policy and structure for remuneration of directors and senior management.

The remuneration committee is currently composed of two independent non-executive directors, namely, Mr. Stephen Edward Clark and Mr. Yuen Tin Fan, Francis and one executive director, namely, Mr. Qu Zhe. Mr. Yuen acts as chairman of the remuneration committee.

The information on the remuneration committee meetings attended by its members during the year is set out below. Figures in brackets indicate the maximum number of remuneration committee meetings held during the year when an individual was a remuneration committee member.

Remuneration	committee members Attendance
Yuen Tin Fan, Francis (<i>chairman</i>)	1/(1)
Stephen Edward Clark	1/(1)
Qu Zhe	0/(1)

B.1.2 The remuneration committee may consult with the chairman and/or managing director of the Company regarding proposals for the remuneration of other executive directors. Where necessary, the remuneration committee may have access to external professional services at the Company's expenses.

During the year, the remuneration committee reviewed the following matters:

- the remuneration policy and structure of the Company's executive directors and senior management;
- the remuneration packages of all executive directors and senior management for the year 2009; and
- the status of the options granted under the Company's share option scheme.

B.1.3 The terms of reference of the remuneration committee closely follow the requirements of the Code.

B.1.4 The terms of reference of the remuneration committee are published on the Company's website www.chinafoodsltd.com. For shareholders who do not have access to the internet, hard copies of the terms of reference of the remuneration committee are available free of charge upon request to the company secretary.

B.1.5 The human resources department of the Company, with the support of the company secretary, provides administrative support to the remuneration committee, and implements the approved remuneration packages and other human resources related decisions. The Company will pay for all professional advice and other services as required by the remuneration committee.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. **Corporate governance practices of the Company (continued)**

C. ACCOUNTABILITY AND AUDIT

C.1 Financial reporting

C.1.1 Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis.

C.1.2 The directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2009. The directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the board and the management with an appropriate consideration to materiality. As at 31 December 2009, the directors, having made appropriate enquiries, were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going concern basis.

During the year, the Company announced its annual and interim results within four months and three months respectively after the dates on which relevant financial periods ended as required under Rules 13.49(1) and (6) of the Listing Rules.

A statement by the external auditors about their reporting responsibilities is included in its report on pages 113 to 114 of this annual report.

C.1.3 The board is committed to presenting a balanced, clear and understandable assessment of the Company's affairs to its shareholders and the public pursuant to all statutory requirements.

C.2 Internal controls

C.2.1 By reference to the framework recommended by COSO, the Company conducts regular review of the Group's internal control system. Management is primarily responsible for the design, implementation, and maintenance of internal controls, with the board and the audit committee overseeing the actions of management and monitoring the effectiveness of the internal controls that have been put in place. Monitoring of the effectiveness of the Group's internal controls is supported by three interrelated functions, namely, internal audit, compliance and risk management and control.

The internal audit function, reporting directly to the audit committee and the managing director, expresses an independent and objective opinion on the effectiveness of the internal control system of the Group. This function conducts risk-based audits on the business operations of the Group in accordance with the annual audit plan approved by the audit committee. Results of internal audit activities are reported to the audit committee semi-annually. Management has responded positively to the recommendations set out in the audit reports for further and continuous improvement in the Group's internal control system.

The compliance function manages legal risks and litigation, monitors and analyzes emerging legal and regulatory trends that may impact the Group, and works closely with management of the Group on compliance with relevant legal and regulatory requirements, as well as implementation of corporate values and ethical standards throughout the Group.

The risk management and control function works closely with management of the Group to develop a systematic risk management process, and to refine policies and procedures to continuously improve the Group's internal control system.

In respect of the year, the board considered the internal controls of the Group were in place and functioned effectively.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

C. ACCOUNTABILITY AND AUDIT (continued)

C.2 Internal controls (continued)

C.2.2 The audit committee was tasked by the board to review and consider the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget. Details are set out in C.3.1 below.

C.3 Audit committee

C.3.1 The role of the audit committee is to assist the board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, internal control, risk management and external audit functions.

The audit committee currently consists of three independent non-executive directors, namely, Messrs. Stephen Edward Clark, Li Hung Kwan, Alfred and Yuen Tin Fan, Francis. All of them have extensive experience in the accounting, financial and commercial sectors. Mr. Clark acts as chairman of the audit committee.

Minutes of the audit committee meetings have been recorded by the company secretary in sufficient detail on the matters considered by the audit committee, decisions reached, including any concerns raised by its members or dissenting views expressed. Draft and final versions of minutes of the audit committee meetings are sent to its members for their comment and records respectively, in both cases within a reasonable time after the meetings.

The information on the audit committee meetings attended by its members during the year is set out below. Figures in brackets indicate the maximum number of audit committee meetings held during the year when an individual was an audit committee member.

Audit committee members	Attendance
Stephen Edward Clark (<i>chairman</i>)	4/(4)
Li Hung Kwan, Alfred	4/(4)
Yuen Tin Fan, Francis	4/(4)

The work performed by the audit committee during the year is summarized below:

- met with the external auditors to discuss the general scope of their audit work for the year 2008;
- reviewed external auditors' management letter and management's response;
- reviewed its terms of reference;
- reviewed the financial statements for the year ended 31 December 2008 and the annual results announcement, with a recommendation to the board for approval;
- reviewed continuing connected transactions;
- recommended to the board a proposal to the shareholders to re-appoint Ernst & Young as the Company's external auditors for the year 2009;
- reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- discussed with management on the effectiveness of the Group's internal control and risk management systems;

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

C. ACCOUNTABILITY AND AUDIT (continued)

C.3 Audit committee (continued)

- reviewed and approved the internal audit plan for the year 2009;
- reviewed the internal audit results and discussed areas for further improvement in the Group's internal control system;
- reviewed and assessed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget, and made its reports and recommendations to the board on 9 April 2009;
- reviewed the interim financial statement for the six month ended 30 June 2009 and the interim results announcement, with a recommendation to the board for approval;
- reviewed and discussed with the management in respect of the modifications to the existing reporting and controlling policies for continuing connected transactions;
- met with the external auditors to discuss the general scope of their audit work for the year 2009; and
- reviewed and recommended to the board for approval of the audit fee proposal for the Group for the year 2009.

C.3.2 No member of the audit committee is a former partner of the existing auditing firm of the Company.

C.3.3 The terms of reference of the audit committee closely follow the requirements of the Code.

C.3.4 The terms of reference of the audit committee are published on the Company's website www.chinafoodsltd.com. For shareholders who do not have access to the internet, hard copies of the terms of reference of the audit committee are available free of charge upon request to the company secretary.

C.3.5 The audit committee was satisfied with the audit and non-audit service fees, process and effectiveness, independence and objectivity of the Company's auditors Ernst & Young. The board agreed to the audit committee's proposal for the re-appointment of Ernst & Young as the Company's auditors for the year 2010. The recommendation will be put forward for the approval of shareholders at the 2010 AGM.

During the year, the major remuneration paid or to be payable to Ernst & Young includes the following:

Services rendered	Fees paid/payable HK\$
Audit services	2,900,000
Non-audit services*	3,450,590
Total	6,350,590

* Such services included financial due diligence, interim review and compliance review relating to continuing connected transactions.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. Corporate governance practices of the Company (continued)

C. ACCOUNTABILITY AND AUDIT (continued)

C.3 Audit committee (continued)

C.3.6 The audit committee has unrestricted access to personnel, records, external auditors and senior management, as appropriate, in the discharge of its functions.

The audit committee is authorized by the board to investigate any activity within its terms of reference, and is tasked with recommending to the board appropriate actions based on its investigations.

The senior management of the Group is required to provide adequate and timely support to the audit committee to discharge its duties. The Company will pay for all professional advice and other services as required by the audit committee.

D. DELEGATION BY THE BOARD

D.1 Management functions

D.1.1 The board, led by the chairman, is responsible for the leadership and control of the Company, formulation of overall strategies and policies, evaluation of the performance of the Group and management, and approval of matters or transactions of a material nature or those requiring disclosure under the Listing Rules.

Management, under the leadership of the managing director, is responsible for the business and day-to-day operations of the Group and implementation of the strategies and policies set by the board. Each of the executive directors is delegated with individual responsibility for overseeing and monitoring the operations of specific business units or functional divisions in accordance with their respective areas of expertise.

D.1.2 The major responsibilities of the board include:

- reviewing and approving operational strategies and plans of the Group;
- setting and monitoring key business and financial objectives of the Group;
- monitoring the performance of the management;
- reviewing and approving policies for major activities, such as major acquisitions, investments, divestments, disposal of assets or any significant capital expenditure of the Group;
- ensuring a sound and effective internal control system; and
- reviewing and approving corporate governance policies, including setting an ethical tone for the Group.

The board has delegated certain authority and responsibilities to the audit committee and the remuneration committee, which are clearly set out in the terms of reference of these committees.

The board has delegated to the management the authority and responsibilities to manage the business and day-to-day operations of the Group.

D.2 Board committees

D.2.1 Two board committees, namely, remuneration committee and audit committee, have been established with specific terms of reference as mentioned in B.1.1, B.1.3, C.3.1 and C.3.3 above.

D.2.2 Board committees report to the board their decisions and recommendations at board meetings or such other occasions as appropriate.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE YEAR (CONTINUED)

Code ref. **Corporate governance practices of the Company (continued)**

E. COMMUNICATION WITH SHAREHOLDERS

E.1 Effective communication

E.1.1 Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual directors.

E.1.2 The chairman of the board was unable to attend the annual general meeting of the Company in 2009 as he had other engagement. The directors present at the meeting elected Mr. Qu Zhe, the managing director of the Company, to chair the meeting in accordance with bye-law 73 of the Company's bye-laws.

During the year, chairmen and/or members of the audit committee and remuneration committee attended the annual general meeting of the Company in 2009. No other general meetings were held in 2009 to approve a connected transaction or any other transaction that is subject to independent shareholders' approval.

E.1.3 During the year, the notice for the annual general meeting was sent to shareholders at least 20 clear business days before the meeting.

E.2 Voting by poll

E.2.1 During the year, the chairman of the annual general meeting of the Company explained detailed procedures for conducting a poll and encouraged shareholders to ask questions regarding voting by poll. Tricor Progressive Limited, the branch share registrar of the Company, was engaged as scrutineers to monitor and count the poll votes. Poll results were posted on the websites of the Company and the Stock Exchange on the same day following the annual general meeting.

INVESTOR RELATIONS

The Company endeavors to build a long-term mutual trust with its shareholders and investors through open and timely communications. Our policy is to make timely, accurate, fair and consistent disclosures.

The Company has established an investor relations department to communicate with investors through various channels, including ordinary meetings and teleconferences with fund managers, management roadshows, the investor relations website www.chinafoodsltd.com/ir and results briefings for analysts.

Our continuous improvement in investor relations was recognized by various professional bodies. During the year, the Company was awarded a "Certificate of Excellence" by IR Magazine and our 2008 annual report won a silver award in the food and consumer packaged goods category at the 2009 International Annual Report Competition.

INVESTOR RELATIONS (CONTINUED)

During the year, our key activities in investor relations include:

- We participated in six investor conferences and corporate days, which were organized by JP Morgan Chase, UBS, China Merchants Securities (HK) Co., Ltd., Citibank, CLSA and Morgan Stanley respectively;
- In November 2009, we invited fund managers to visit our Coca-Cola beverages bottler in Hainan; and
- We held briefing seminars with more than two hundred worldwide investors to enhance mutual understanding.

GOING FORWARD

It is recognized that improvement in corporate governance is a continuous effort. Looking ahead, the main tasks in this area for the coming year include:

- Governance structure – the Company will further refine its governance and control structure to ensure roles, responsibilities and authorities are clear and appropriate for the effective execution of its strategies;
- Risk management – having commenced a risk management process improvement project in 2009, the Company will adopt a more effective and systematic approach to the achievement of our strategic objectives;
- Processes, policies and procedures – the Company will continue to review and refine key operational, financial and compliance processes, policies and procedures to ensure adequate checks and balances are in place; and
- Deployment – the Company will continue to deploy and to reinforce its corporate values and ethical direction as a foundation for good corporate governance.

REPORT of the Directors

The directors are pleased to present their report and the audited financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Currently, the Company through its subsidiaries and associated companies operates four principal businesses involving wines, beverages, consumer-pack edible oil and other consumer food products and confectionery.

RESULTS AND DIVIDENDS

The Group’s profit for the year ended 31 December 2009 and the state of affairs of the Company and the Group as of that date are set out in the financial statements on pages 115 to 224.

The board recommended a final dividend of HK3.45 cents (2008: HK3.84 cents) per share in respect of the year. An interim dividend of HK3.88 cents per share was paid on 29 October 2009 (2008: HK2.4 cents). Subject to shareholders’ approval at the annual general meeting to be held on Tuesday, 8 June 2010, the total dividend in cash for the year would be HK7.33 cents (2008: HK 6.24 cents) per share, and the recommended final dividend will be payable on Friday, 18 June 2010, to shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 8 June 2010 (the “Record Date”).

According to the Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management dated 22 April 2009 issued by the State Administration of Taxation of the People’s Republic of China, the Enterprise Income Tax Law of the People’s Republic of China (the “Enterprise Income Tax Law”) and the Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China, all implemented from 1 January 2008, since the Company is an offshore incorporated company and is, among others, controlled by a Chinese enterprise, the Company is likely to be regarded as a Chinese resident enterprise and, if so, it could be required to withhold a 10% enterprise income tax when it distributes the final dividend to its enterprise shareholders other than those enterprises which are duly incorporated in the PRC or under the laws of foreign countries (or regions) but with PRC-based de facto management bodies (such enterprises are defined as resident enterprises in the Enterprise Income Tax Law). The withholding and payment obligation lies with the Company.

In respect of all shareholders whose names appear on the Company’s register of members on the Record Date and who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as enterprise shareholders), the Company will distribute the final dividend after deducting the enterprise income tax of 10%. The Company will not withhold and pay income tax in respect of the final dividend payable to any natural person shareholders whose names appear on the Company’s register of members on the Record Date.

If any enterprise shareholder listed on the Company’s register of members considers itself to be a resident enterprise and does not wish the Company to withhold the 10% enterprise income tax, it shall lodge with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, documents from its governing tax authority confirming that the Company is not required to withhold and pay the enterprise income tax in respect of the dividend to which it is entitled no later than 4:00 p.m. on Thursday, 3 June 2010.

If anyone would like to change the identity of the shareholders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government authorities and adhere strictly to the information set out in the Company’s register of members on the Record Date.

RESULTS AND DIVIDENDS (CONTINUED)

In the event that the Company is not regarded as a Chinese resident enterprise and hence no enterprise income tax should have been withheld, to the extent that such tax remains in the custody of the Company and so far as it is legally able to do so, the Company will procure such tax to be refunded to the relevant enterprise shareholders in respect of whom enterprise income tax had been withheld pursuant to the arrangements set out above. The Company would make a further announcement in such event.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 225. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Company and the Group during the year are set out in notes 15 and 16 to the financial statements, respectively.

SHARE CAPITAL

Details of movements in the Company's share capital during the year, together with the reasons therefore, are set out in note 32 to the financial statements.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 21 November 2006 (the "Scheme"). The following are the principal terms of the Scheme:

1. Purpose of the Scheme

To attract, retain and motivate senior management personnel and key employees of the Company, and provide eligible participants with an opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

2. Participants of the Scheme

Participants of the Scheme include (i) any executive or non-executive directors of any members of the Group; (ii) any senior executives, key technical staff, professional staff, managers, employees of any members of the Group; or (iii) any other individuals as may be proposed by the board. For the avoidance of doubts, participants do not include independent non-executive directors.

3. Total number of shares available for issue under the Scheme

The total number of shares which may be issued upon the exercise of all options granted under the Scheme and all other share option schemes of the Company must not exceed 10% of the number of shares in issue from time to time. As at 31 December 2009, a total of 18,054,780 shares (representing approximately 0.65% of the issued share capital of the Company) may be issued by the Company if all options which were granted under the Scheme have been exercised.

SHARE OPTION SCHEME (CONTINUED)

4. Maximum entitlement of each participant under the Scheme

The total number of shares issued and to be issued upon exercise of the options granted to any grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares of the Company in issue (the "Individual Limited") at the relevant time. Any further grant of options in excess of the Individual Limited shall be subject to shareholders' approval with such grantee and his associates abstaining from voting.

5. Period within which the shares must be taken up under an option

The directors may in their absolute discretion determine the period during which an option may be exercised, save that in any event such period of time shall not exceed a period of seven years commencing on the date of acceptance of the option and expiring on the last date of such seven-year period, subject to early termination thereof as provided in the Scheme.

6. Minimum period for which an option must be held before it can be exercised

An option must be held for a minimum period of two years from the date of grant before it can be exercised. In addition, an option shall be subject to the following vesting schedule:

Periods	Percentage of an option which may be exercised
– Upon and after the second anniversary of the grant but no later than the third anniversary of the grant	33%
– Upon and after the third anniversary of the grant but no later than the fourth anniversary of the grant	67%
– Upon and after the fourth anniversary of the grant	100%

7. Time of acceptance and the amount payable on acceptance of the option

The offer of an option made pursuant to the Scheme may be accepted within 28 days from the date of the offer and the amount payable on acceptance of the option is HK\$1.

8. Basis for determining the exercise price

The exercise price shall be determined by the board and shall be the higher of (a) the closing price of the shares as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer; (b) the average closing prices of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer; or (c) the nominal value of a share.

9. Duration of the Scheme

The Scheme is valid until 20 November 2016.

SHARE OPTION SCHEME (CONTINUED)

10. Movement of share options

Details of the movements in the share options during the year ended 31 December 2009 are as follows:

Name or Category of Participant	Number of share options					Date of grant of share options	Exercise period of share options	Price of Company's share ¹		
	At 1 January 2009	Granted during 2009	Exercised during 2009	Cancelled during 2009	At 31 December 2009			Exercise price of share options HK\$	At grant date of options HK\$	At exercise date of options HK\$
Directors										
Mr. Ning Gaoning	880,000	-	-	-	880,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Mr. Qu Zhe	880,000	-	-	-	880,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Mr. Mak Chi Wing, William	800,000	-	-	-	800,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Mr. Ma Jianping	800,000	-	-	-	800,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Mr. Zhang Zhentao	700,000	-	-	-	700,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Ms. Luan Xiuju	700,000	-	-	-	700,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Ms. Wu Wenting	700,000	-	-	-	700,000	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	-
Other employees										
In aggregate	13,248,000	-	(128,720)	(524,500)	12,595,780	27.09.2007	27.09.2009 – 26.09.2014	4.952	4.952	6.92
	18,708,000	-	(128,720)	(524,500)	18,054,780					

Note:

- The price of the Company's share as at the date of exercise of the share options is the weighted average of the Stock Exchange closing prices on the dates when the relevant options were exercised.

PRE-EMPTIVE RIGHTS

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 (b) to the financial statements and in the consolidated summary statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2009, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda, amounted approximately to HK\$5,504,146,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group sold less than 30% of its goods to its five largest customers. The five largest suppliers of the Group accounted for approximately 69% of the Group's total purchases for the year, with the largest supplier accounting for approximately 44%.

Apart from the Company's ultimate holding company, COFCO Corporation (formerly known as COFCO Limited) ("COFCO"), which is one of the Group's five largest suppliers, none of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the other four largest suppliers or the five largest customers of the Group.

DIRECTORS

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

Executive directors:

Mr. Ning Gaoning
Mr. Qu Zhe
Mr. Mak Chi Wing, William
Mr. Zhang Zhentao
Ms. Luan Xiuju

Non-executive directors:

Mr. Ma Jianping
Ms. Wu Wenting

Independent non-executive directors:

Mr. Stephen Edward Clark
Mr. Li Hung Kwan, Alfred
Mr. Yuen Tin Fan, Francis

The non-executive directors and independent non-executive directors are appointed with specific terms. All directors are subject to retirement by rotation every three years as required by bye-law 111(A) of the Company's bye-laws. In accordance with bye-law 111(A) of the Company's bye-laws, Mr. Qu Zhe, Mr. Zhang Zhentao, Ms. Luan Xiuju, Mr. Ma Jianping, and Ms. Wu Wenting will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and senior management of the Group are set out on pages 19 to 22 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTACTS

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

DIRECTORS' REMUNERATION

The board of directors is authorized by the shareholders to fix the directors' remuneration at general meetings. The directors' emoluments are determined by the board of directors based on the recommendations of the remuneration committee of the board with reference to market conditions, directors' duties, responsibilities and performance and the results of the Group pursuant to the bye-laws of the Company.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2009, the interests and short positions of the directors and their associates in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register of members of the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (together, "Discloseable Interests") were as follows:

(a) Discloseable Interests in the shares and underlying shares of the Company

Name of director	Nature of interest	Number of shares held	Total number of shares	Approximate percentage of issued share capital (Note 3)
Mr. Ning Gaoning	Beneficial Owner	880,000 (Note 2)	880,000	0.03%
Mr. Qu Zhe	Beneficial Owner	670,000 (Note 1)	1,550,000	0.06%
	Beneficial Owner	880,000 (Note 2)		
Mr. Mak Chi Wing, William	Beneficial Owner	800,000 (Note 2)	800,000	0.03%
Mr. Ma Jianping	Beneficial Owner	800,000 (Note 2)	800,000	0.03%
Mr. Zhang Zhentao	Beneficial Owner	700,000 (Note 2)	700,000	0.03%
Ms. Luan Xiuju	Beneficial Owner	700,000 (Note 2)	700,000	0.03%
Ms. Wu Wenting	Beneficial Owner	700,000 (Note 2)	700,000	0.03%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

(a) Discloseable Interests in the shares and underlying shares of the Company (continued)

Notes:

1. Long positions in the shares of the Company, other than pursuant to equity derivatives such as share options, warrants or convertible bonds.
2. Long positions in the underlying shares of the Company under share options granted to directors pursuant to a share option scheme of the Company.
3. The percentages are calculated based on the total number of shares of the Company in issue as at 31 December 2009, i.e., 2,791,512,076 shares.

(b) Discloseable Interests in the shares and underlying shares of an associated corporation, China Agri-Industries Holdings Limited ("CAIH")

Name of director	Nature of interest	Number of shares held	Total number of shares	Approximate percentage of issued share capital (Note 2)
Mr. Ning Gaoning	Beneficial owner	700,000	700,000 (Note 1)	0.02%

Notes:

1. Long positions in the underlying shares of CAIH under share options granted to Mr. Ning Gaoning pursuant to a share option scheme of CAIH.
2. The percentage is calculated based on the total number of shares of CAIH in issue as at 31 December 2009, i.e., 3,858,584,839 shares.

Save as disclosed herein, as at 31 December 2009, none of the directors or their associates had any other Discloseable Interests.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The interests and short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of the Company as at 31 December 2009, as recorded in the register of interests required to be kept under Section 336 of the SFO, were as follows:

(a) Aggregate long positions in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares and underlying shares as at 31 December 2009:

Substantial shareholders	Notes	Capacity and nature of interest	Number of shares held	Approximate percentage of aggregate interests in issued share capital*
Wide Smart Holdings Limited ("Wide Smart")	(1)	Directly beneficially owned	1,922,550,331	68.87%
COFCO (BVI) No. 108 Limited ("COFCO BVI")	(1)	Directly beneficially owned	140,000,000	5.02%
COFCO (Hong Kong) Limited ("COFCO (HK)")	(1) (1) & (2)	Directly beneficially owned Through controlled corporations	10,138,000 2,062,550,331	0.36% 73.89%
COFCO Corporation ("COFCO")	(1) & (3)	Through controlled corporations	2,072,688,331	74.25%

Notes:

- (1) Long positions in the shares of the Company.
 - (2) COFCO (HK) is deemed to be interested in 2,062,550,331 shares in aggregate held by Wide Smart and COFCO BVI since COFCO (HK) is entitled to control the exercise of or exercise one-third or more of the voting power at general meetings of Wide Smart and COFCO BVI.
 - (3) COFCO is deemed to be interested in 2,072,688,331 shares in aggregate held by Wide Smart, COFCO BVI and COFCO (HK) since COFCO is entitled to control the exercise of or exercise one-third or more of the voting power at general meetings of Wide Smart, COFCO BVI and COFCO (HK).
- * The percentages are calculated based on the total number of shares of the Company in issue as at 31 December 2009, i.e., 2,791,512,076 shares.

Mr. Ning Gaoning, being an executive director and the chairman of the board, is also the chairman of COFCO, a director of Wide Smart and the chairman of COFCO (HK). Mr. Qu Zhe, being the managing director, is also an assistant president of COFCO. Mr. Mak Chi Wing, William, being an executive director, is also the chief financial officer of COFCO (HK). Mr. Ma Jianping, being a non-executive director, is also the director of the strategy department of COFCO. Ms. Wu Wenting, being a non-executive director, is also the director of the internal audit department of COFCO.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

(b) Aggregate short positions in the shares and underlying shares of the Company

As at 31 December 2009, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Save as disclosed herein, as at 31 December 2009, the Company had not been notified of any persons other than the substantial shareholders above who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register of interests required to be kept under Section 336 of the SFO.

Save as disclosed herein, as at 31 December 2009, the directors are not aware of any director being a director or employee of the entities which had interests or short positions in shares or underlying shares of the Company as disclosed above.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Group, in the ordinary and usual course of business, conducted various transactions with certain connected persons of the Company including COFCO, the ultimate controlling shareholder of the Company, and its associates (collectively referred to as the "COFCO Group"). These transactions constitute connected transactions or continuing connected transactions which need to be disclosed in this annual report pursuant to the requirements under the Listing Rules.

CONNECTED TRANSACTIONS

1. On 13 May 2009, the Company notified COFCO and Grand Silver Holdings Limited ("Grand Silver Holdings"), both connected persons of the Company, to terminate the Company's option to (1) acquire any or all of the trade marks related to "Greatwall", "長城", "CHINA CLUB" and "華夏俱樂部" (the "Wine Trade Marks") as set out in the master licence agreement entered into between the Company and COFCO on 16 May 2001 and as supplemented and amended by an agreement between the parties on 15 May 2006 and another agreement between the parties on 16 May 2008; and (2) acquire from Grand Silver Holdings its beneficial interest in 6,000 shares of Grand Silver Services Limited (the "Option Shares") pursuant to an option agreement entered into between the Company and Grand Silver Holdings on 16 May 2001 and subsequently modified by a deed entered into between the parties on 1 November 2001 and as supplemented and amended by an agreement entered into between the parties on 15 May 2006 and further supplemented and amended by another agreement entered into between the parties on 16 May 2008. Details of the master licence agreement and the option agreement and the amendments thereto were disclosed in an announcement of the Company dated 16 May 2008.

Details in relation to the termination of the above mentioned options were disclosed in an announcement of the Company dated 13 May 2009.

CONNECTED TRANSACTIONS (CONTINUED)

2. On 20 May 2009, COFCO Foods Management Co., Ltd. ("COFCO Foods Management"), a wholly-owned subsidiary of the Company, entered into an extension agreement (the "Extension Agreement") with a commercial bank in the PRC (the "Bank") and COFCO Junding Vineyard Co., Ltd. ("COFCO Junding"), a connected person of the Company. Pursuant to the Extension Agreement, COFCO Foods Management agreed to extend the maturity date for an entrusted loan of RMB110,000,000 (the "Entrusted Loan") granted to COFCO Junding through the Bank pursuant to an entrusted loan agreement dated 19 November 2008. The maturity date for the Entrusted Loan was extended from 25 May 2009, the original maturity date, to 25 November 2009 (the "Extension Period"), and the interest rates on the Entrusted Loan during the Extension Period shall be the same as the prevailing market lending rates offered by commercial banks in the PRC.

Details of the Extension Agreement were disclosed in an announcement of the Company dated 20 May 2009.

3. On 12 August 2009, COFCO Greatwall Winery (Yantai) Co., Ltd. ("COFCO Winery Yantai"), a wholly-owned subsidiary of the Company, and China Resources SZITIC Trust Co., Ltd. ("China Resources Trust") entered into a guarantee agreement (the "Guarantee Agreement"), pursuant to which COFCO Winery Yantai conditionally agreed to provide a guarantee in favour of China Resources Trust in relation to (1) the redemption and other obligations of COFCO Junding under twelve transfer and redemption agreements entered into between COFCO Junding and China Resources Trust on 12 August 2009 in relation to the wine products related investment schemes to be launched by China Resources Trust (the "Redemption Agreements"); and (2) the management and other obligations of COFCO Junding under twelve management agreements entered into between COFCO Junding and China Resources Trust on 12 August 2009 (the "Management Agreements"). The aggregate maximum amount of liabilities (including any damages and expenses) of COFCO Winery Yantai under the Guarantee Agreement would not exceed RMB170,000,000.

Subsequently COFCO and China Resources Trust entered into a guarantee agreement (the "COFCO Guarantee Agreement"), pursuant to which COFCO agreed to provide a guarantee in favour of China Resources Trust in relation to (1) the redemption and other obligations of COFCO Junding under the Redemption Agreements; and (2) the management and other obligations of COFCO Junding under the Management Agreements. The aggregate maximum amount of liabilities of COFCO (including any damages and expenses) under the COFCO Guarantee Agreement will not exceed RMB170,000,000. On 21 October 2009, COFCO Winery Yantai, China Resources Trust and COFCO Junding entered into supplemental agreements to the Redemption Agreements (the "Supplemental Agreements"), whereby the parties agreed to replace the Guarantee Agreement by the COFCO Guarantee Agreement and agreed that the Guarantee Agreement would cease to have any further force and effect.

Details of the Guarantee Agreement and Supplemental Agreements were disclosed in announcements of the Company dated 13 August 2009 and 21 October 2009.

CONTINUING CONNECTED TRANSACTIONS

1. Junding Wine Products Purchase Agreement

On 21 November 2008, COFCO Wines & Spirits Holdings Limited, a wholly-owned subsidiary of the Company, and COFCO Junding entered into an agreement in relation to the purchase of wine products from COFCO Junding by COFCO Wines & Spirits Holdings Limited and its subsidiaries (collectively referred to as the "COFCO Wines & Spirits Group") for a term from 21 November 2008 to 31 December 2009 (the "Junding Wine Products Purchase Agreement"). The expected annual transaction value in respect of the purchase of wine products for the year ended 31 December 2009 would not exceed RMB60,000,000. Details of the Junding Wine Products Purchase Agreement were disclosed in an announcement of the Company dated 21 November 2008.

For the year ended 31 December 2009, the total amount paid by the COFCO Wines & Spirits Group to COFCO Junding for the purchase of wine products was approximately RMB35,870,000.

2. China Agri Purchase Agreement

On 21 November 2008, the Company and China Agri-Industries Holdings Limited ("China Agri"), a connected person of the Company, entered into a purchase agreement for a term of three years commencing from 1 January 2009 and expiring on 31 December 2011 (the "China Agri Purchase Agreement"). Pursuant to the China Agri Purchase Agreement, China Agri and its associates (the "China Agri Group") shall supply bulk edible oil and other raw materials and products and provide logistics and other related services to the Group. The expected annual transaction value in respect of the purchase of edible oil and other raw materials and products and procurement of related services for the year ended 31 December 2009 would not exceed approximately RMB12,786,000,000. Details of the China Agri Purchase Agreement were disclosed in an announcement of the Company dated 21 November 2008 and a circular of the Company dated 12 December 2008 (the "December Circular").

For the year ended 31 December 2009, the total amount paid by the Group to the China Agri Group for the purchase of edible oil and other raw materials and products and procurement of related services was approximately RMB4,638,400,000.

3. CPMC Purchase Agreement

On 28 November 2008, the Company and CPMC Holdings Limited ("CPMC"), a connected person of the Company, entered into a packaging materials purchase agreement for a term of three years commencing from 1 January 2009 and expiring on 31 December 2011 (the "CPMC Purchase Agreement"). Pursuant to the CPMC Purchase Agreement, CPMC and its subsidiaries (the "CPMC Group") shall supply packaging materials (including miscellaneous cans and crown caps) and related parts to the Group for the production of confectionery products and the bottling production of beverage products. The expected annual transaction value in respect of the purchase of packaging materials (including miscellaneous cans and crown caps) for the year ended 31 December 2009 would not exceed approximately RMB21,900,000. Details of the CPMC Purchase Agreement were disclosed in an announcement of the Company dated 1 December 2008 (the "December Announcement") and the December Circular.

For the year ended 31 December 2009, the total amount paid by the Group to the CPMC Group for the purchase of packaging materials (including miscellaneous cans and crown caps) was approximately RMB5,440,000.

4. Sugar Purchase Agreement

On 28 November 2008, the Company and COFCO entered into a sugar purchase agreement for a term of three years commencing from 1 January 2009 and expiring on 31 December 2011 (the "Sugar Purchase Agreement"). Pursuant to the Sugar Purchase Agreement, the Group shall purchase sugar from certain members of the COFCO Group for the bottling production of beverage products. The expected annual transaction value in respect of the purchase of sugar for the year ended 31 December 2009 would not exceed approximately RMB161,000,000. Details of the Sugar Purchase Agreement were disclosed in the December Announcement and the December Circular.

For the year ended 31 December 2009, the total amount paid by the Group to the COFCO Group for the purchase of sugar was approximately RMB38,450,000.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

5. Wine Products Sale Agreement

On 28 November 2008, the Company and COFCO entered into a wine products sale agreement for a term of one year commencing from 1 January 2009 and expiring 31 December 2009 (the "Wine Products Sale Agreement"). Pursuant to the Wine Products Sale Agreement, certain members of the Group shall supply wine products to the COFCO Group. The expected annual transaction value in respect of the sale of wine products for the year ended 31 December 2009 was subsequently revised from approximately RMB20,000,000 to RMB30,000,000. Details of the Wine Products Sale Agreement and the revision of the transaction cap were disclosed in the December Announcement and an announcement of the Company dated 25 November 2009.

For the year ended 31 December 2009, the total amount received by the Group from the COFCO Group for the sale of wine products was approximately RMB1,750,000.

6. 2009 Seasoning Products Purchase Agreement

On 28 November 2008, COFCO Foods Sales & Distribution Co., Ltd. ("COFCO Foods"), a wholly-owned subsidiary of the Company, and COFCO Innovative Foods (Beijing) Co., Ltd. ("COFCO Innovative"), a connected person of the Company, entered into a seasoning products purchase agreement for a term of one year commencing from 1 January 2009 and expiring on 31 December 2009 (the "2009 Seasoning Products Purchase Agreement"). Pursuant to the 2009 Seasoning Products Purchase Agreement, COFCO Foods shall purchase seasoning products from COFCO Innovative for sale and distribution, and COFCO Innovative shall be responsible for certain costs incurred in relation to the sale and distribution of such seasoning products (the "Costs"). Such Costs shall be first paid by COFCO Foods and then reimbursed by COFCO Innovative. The expected annual transaction value and annual amount of the Costs in respect of the purchase of seasoning products for the year ended 31 December 2009 would not exceed approximately RMB14,000,000 and RMB40,000,000, respectively. Details of the 2009 Seasoning Products Purchase Agreement were disclosed in the December Announcement.

For the year ended 31 December 2009, the total amount paid by COFCO Foods to COFCO Innovative for the purchase of seasoning products and the total amount of the Costs incurred were approximately RMB47,866,500 and RMB13,444,500, respectively.

7. COFCO Plaza Tenancy Agreement

On 28 November 2008, the Company and COFCO Plaza Development Co., Ltd. ("COFCO Plaza Company"), a connected person of the Company, entered into a tenancy agreement for a term of one year commencing from 1 January 2009 to 31 December 2009 (the "COFCO Plaza Tenancy Agreement"). Pursuant to the COFCO Plaza Tenancy Agreement, certain members of the Group shall continue to rent certain premises in COFCO Plaza in Beijing for office use, and enter into separate tenancy agreements with COFCO Plaza Company in accordance with the principles, terms and conditions of the COFCO Plaza Tenancy Agreement, all for a term of one year commencing from 1 January 2009 and expiring on 31 December 2009. The expected aggregate amount of the rentals and management fees, excluding public utilities charges, for the year ended 31 December 2009 would not exceed approximately RMB10,000,000. Details of the COFCO Plaza Tenancy Agreement were disclosed in the December Announcement.

For the year ended 31 December 2009, the total amount paid by the Group to COFCO Plaza Company for the rent of office premises was approximately RMB8,255,200.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

8. 2009 Beverage Base Purchase Agreement

On 28 November 2008, the Company and Tianjin Jin Mei Beverage Company Limited (“Jinmei”), a connected person of the Company, entered into a beverage base purchase agreement for a term of three years commencing from 1 January 2009 and expiring on 31 December 2011 (the “2009 Beverage Base Purchase Agreement”). Pursuant to the 2009 Beverage Base Purchase Agreement, bottlers of the Group shall purchase beverage base from Jinmei at prices determined by Coca-Cola Beverages (Shanghai) Company Limited (“Coca-Cola (Shanghai)”). The expected annual transaction value in respect of the purchase of beverage base for the year ended 31 December 2009 would not exceed approximately RMB127,000,000. Details of the 2009 Beverage Base Purchase Agreement were disclosed in the December Announcement and the December Circular.

For the year ended 31 December 2009, the total amount paid by the Group to Jinmei for the purchase of beverage base was approximately RMB58,580,000.

9. 2009 Concentrate Purchase Agreement

On 28 November 2008, the Company and Coca-Cola (Shanghai), a connected person of the Company, entered into a concentrate purchase agreement for a term of three years commencing from 1 January 2009 and expiring on 31 December 2011 (the “2009 Concentrate Purchase Agreement”). Pursuant to the 2009 Concentrate Purchase Agreement, bottlers of the Group shall purchase concentrate from Coca-Cola (Shanghai) at prices determined by Coca-Cola (Shanghai). The expected annual transaction value in respect of the purchase of concentrate for the year ended 31 December 2009 would not exceed approximately RMB1,500,000,000. Details of the 2009 Concentrate Purchase Agreement were disclosed in the December Announcement and the December Circular.

For the year ended 31 December 2009, the total amount paid by the Group to Coca-Cola (Shanghai) for the purchase of concentrate was approximately RMB906,000,000.

10. 2009 Still Beverages Purchase Agreement

On 28 November 2008, the Company and Coca-Cola Bottlers Manufacturing (Dongguan) Co. Ltd. (“Coca-Cola (Dongguan)”), a connected person of the Company, entered into a still beverages purchase agreement for a term of three years commencing from 1 January 2009 and expiring on 31 December 2011 (the “2009 Still Beverages Purchase Agreement”). Pursuant to the 2009 Still Beverages Purchase Agreement, Coca-Cola (Dongguan) and its associates (the “Coca-Cola (Dongguan) Group”) shall supply still beverages to bottlers of the Group for distribution and resale within designated areas in the PRC. The expected annual transaction value in respect of the purchase of still beverages for the year ended 31 December 2009 would not exceed approximately RMB1,900,000,000. Details of the 2009 Still Beverages Purchase Agreement were disclosed in the December Announcement and the December Circular.

For the year ended 31 December 2009, the total amount paid by the Group to the Coca-Cola (Dongguan) Group for the purchase of still beverages was approximately RMB1,107,500,000.

11. 2009 Zijiang Packaging Materials Purchase Agreement

On 25 November 2008, Tianjin Coca-Cola Beverages Co., Ltd. (the “Tianjin Bottler”), a deemed subsidiary of the Company, and Tianjin Shifa Zijiang Packaging Co., Ltd. (“Zijiang”), a connected person of the Company, renewed the term of a packaging materials purchase agreement entered into between the parties in August 2001 for a term of two years and ten months commencing from 1 January 2009 and expiring on 31 October 2011 (the “2009 Zijiang Packaging Materials Purchase Agreement”). Pursuant to the 2009 Zijiang Packaging Materials Purchase Agreement, Zijiang shall supply packaging materials and provide conversion services to the Tianjin Bottler. The expected annual transaction value in respect of the purchase of packaging materials for the year ended 31 December 2009 would not exceed approximately RMB170,000,000. Details of the Zijiang Packaging Materials Purchase Agreement were disclosed in the December Announcement and the December Circular.

For the year ended 31 December 2009, the total amount paid by the Tianjin Bottler to Zijiang for the purchase of packaging materials was approximately RMB77,000,000.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

12. Cocoa Butter Purchase Agreement

On 24 February 2009, COFCO Le Conte Food (Shenzhen) Co., Ltd. ("COFCO Le Conte"), a wholly-owned subsidiary of the Company, and Shanghai Tiangong Coca Food Co., Ltd. ("Shanghai Tiangong"), a connected person of the Company, entered into a cocoa butter purchase agreement for a term commencing from 24 February 2009 and expiring on 31 December 2011 (the "Cocoa Butter Purchase Agreement"). Pursuant to the Cocoa Butter Purchase Agreement, COFCO Le Conte shall purchase cocoa butter for the production of confectionery products from Shanghai Tiangong. The expected annual transaction value in respect of the purchase of cocoa butter for year ended 31 December 2009 would not exceed approximately RMB30,000,000. Details of the Cocoa Butter Purchase Agreement were disclosed in an announcement of the Company dated 24 February 2009.

For the year ended 31 December 2009, the total amount paid by COFCO Le Conte to Shanghai Tiangong for the purchase of cocoa butter was approximately RMB6,685,000.

13. Honey Products Purchase Agreement

On 11 March 2009, COFCO Foods and COFCO Innovative entered into a honey products purchase agreement for a term from 11 March 2009 to 31 December 2009 (the "Honey Products Purchase Agreement"). Pursuant to the Honey Products Purchase Agreement, COFCO Foods shall purchase honey products from COFCO Innovative for sale and distribution, and COFCO Innovative shall be responsible for certain costs incurred in relation to the sale and distribution of such honey products. The expected annual transaction value in respect of the purchase of honey products for the year ended 31 December 2009 would not exceed RMB10,000,000. Details of the Honey Products Purchase Agreement were disclosed in an announcement of the Company dated 11 March 2009.

For the year ended 31 December 2009, no transaction was conducted under the Honey Products Purchase Agreement.

14. Property Leasing and Property Management Services Agreement

On 2 November 2009, the Company and COFCO entered into a property leasing and property management services agreement (the "Property Leasing and Property Management Services Agreement"), which shall expire on 31 December 2011. Pursuant to the Property Leasing and Property Management Services Agreement, certain members of the Group shall lease from the COFCO Group various premises for their own use as offices and warehouses in Hong Kong and the PRC, as applicable. The COFCO Group will also provide property management services, property management related food and beverage services and other related services to members of the Group. The expected annual rentals and management fees for the year ended 31 December 2009 would not exceed RMB40,000,000. Details of the Property Leasing and Property Management Services Agreement were disclosed in an announcement of the Company dated 2 November 2009.

For the year ended 31 December 2009, the total amount of rentals and management fees paid by the Group to the COFCO Group was approximately RMB12,600,000.

15. COFCO Products Purchase Agreement

On 25 November 2009, the Company and COFCO entered into a products purchase agreement (the "COFCO Products Purchase Agreement"), which expired on 31 December 2009. Pursuant to the COFCO Products Purchase Agreement, the Group shall purchase tomato juice, tea leaves and other products from the COFCO Group for sale and distribution. The expected annual transaction value in respect of the purchase of relevant products for the year ended 31 December 2009 would not exceed RMB50,000,000. Details of the COFCO Products Purchase Agreement were disclosed in an announcement of the Company dated 25 November 2009.

For the year ended 31 December 2009, the total amount paid for by the Group to the COFCO Group for the purchase of relevant products was approximately RMB20,780,000.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

16. Distribution Agreements

On 18 January 2010, COFCO Le Conte and COFCO Innovative entered into a distribution agreement and its supplemental agreement (the "Distribution Agreements"), which shall expire on 31 December 2010. Pursuant to the Distribution Agreements, COFCO Le Conte shall purchase cheese products under the trademark "tenone騰歡" from COFCO Innovative for sale and distribution in the Beijing region and COFCO Innovative shall be responsible for certain promotion expenses incurred under promotion plans approved by it in relation to the promotion of the cheese products (the "Promotion Expenses"). Such Promotion Expenses shall first be paid by COFCO Le Conte and then reimbursed by COFCO Innovative. The expected annual transaction value and annual amount of the Promotion Expenses in respect of the purchase of cheese products for the year ending 31 December 2010 will not exceed RMB40,000,000 and RMB20,000,000, respectively. Details of the Distribution Agreements were disclosed in an announcement of the Company dated 18 January 2010.

17. Products Distribution Agreement

On 9 March 2010, COFCO Foods and COFCO Tunhe (Beijing) Sales & Distribution Co., Ltd. ("Tunhe (Beijing)"), a connected person of the Company, entered into a products distribution agreement (the "Products Distribution Agreement"), which shall expire on 31 December 2010. Pursuant to the Products Distribution Agreement, COFCO Foods shall purchase of consumer-pack sugar products from Tunhe (Beijing) for sale and distribution in supermarkets throughout the PRC. Tunhe (Beijing) shall be responsible for certain costs in relation to the promotion and distribution of such consumer-pack sugar products (the "Promotion and Distribution Costs"). The expected annual transaction value in respect of the purchase of consumer-pack sugar products and the annual amount of the Promotion and Distribution Costs for the year ending 31 December 2010 will not exceed RMB50,000,000 and RMB10,000,000, respectively. Details of the Products Distribution Agreement were disclosed in an announcement of the Company dated 9 March 2010.

18. COFCO Junding Supply Agreement

On 19 March 2010, COFCO Wines & Spirits and COFCO Junding entered into a framework agreement for a term of one year commencing from the execution date of the agreement (the "COFCO Junding Supply Agreement"). Pursuant to the COFCO Junding Supply Agreement, COFCO Junding shall supply wine products to the COFCO Wines & Spirits Group. The expected annual transaction value in respect of the supply of wine products for the year ending 31 December 2010 will not exceed RMB100,000,000. Details of the COFCO Junding Supply Agreement were disclosed in an announcement of the Company dated 19 March 2010.

19. COFCO Wines & Spirits Supply Agreement

On 19 March 2010, COFCO Wines & Spirits and Shandong COFCO Junding World Famous Chateaus Club Co., Ltd. ("Shandong Junding"), a connected person of the Company, entered into a framework agreement for a term of one year commencing from the execution date of the agreement (the "COFCO Wines & Spirits Supply Agreement"). Pursuant to the COFCO Wines & Spirits Supply Agreement, the COFCO Wines & Spirits Group shall supply imported alcohol products to Shandong Junding. The expected annual transaction value in respect of the supply of imported alcohol products for the year ending 31 December 2010 will not exceed RMB10,000,000. Details of the COFCO Wines & Spirits Supply Agreement were disclosed in an announcement of the Company dated 19 March 2010.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

The independent non-executive directors have reviewed the above continuing connected transactions numbered 1 to 15 for the year ended 31 December 2009 and confirmed that these continuing connected transactions were:

1. entered into in the ordinary and usual course of business of the Company;
2. either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
3. in accordance with the terms of respective agreements governing the transactions and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

In accordance with Rule 14A.38 of the Listing Rules, the Company engaged the auditors of the Company to perform certain agreed upon procedures on the continuing connected transactions in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have reported to the board of directors of the Company that the transactions:

1. have been approved by the board of directors of the Company;
2. have been entered into in accordance with the relevant agreements governing such transactions; and
3. have not exceeded the caps disclosed in the relevant announcements.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No directors of the Company are considered to have interests in any business which is likely to compete directly or indirectly with that of the Group.

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

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

AUDITORS

Ernst & Young will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Qu Zhe

Managing Director

Hong Kong

29 March 2010

INDEPENDENT Auditors' Report

獨立核數師報告



To the shareholders of China Foods Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements of China Foods Limited set out on pages 115 to 224, which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 as to whether the financial statements are free from material misstatement.

致中國食品有限公司全體股東
(於百慕達註冊成立的有限公司)

本核數師已審核中國食品有限公司列載於第115頁至第224頁的財務報告，當中包括於2009年12月31日的綜合及公司財務狀況表以及截至該日止年度的綜合收入報表、綜合全面收入報表、綜合股本變動報表及綜合現金流量表，以及主要會計政策之概要及其他說明附註。

董事就財務報告所承擔的責任

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以及香港公司條例的披露規定，編製及真實公平地呈列該等財務報告。此項責任包括設計、實施及維護相關的內部監控，以編製及真實公平地呈列財務報告以使財務報告不存在不論因欺詐或錯誤而導致的重大錯誤陳述、選擇和應用適當的會計政策及按情況作出合理的會計估計。

核數師的責任

本核數師的責任乃根據吾等的審核，對該等財務報告發表意見。本核數師的報告僅按照1981年百慕達公司法第90條向閣下整體作出，且並無其他目的。本核數師不會就本報告內容向任何其他人士負上或承擔責任。

本核數師按照香港會計師公會頒佈的香港核數準則進行審核。該等準則規定本核數師須遵守操守規範，並規劃及執行審核，以合理保證該等財務報告不存在重大錯誤陳述。

AUDITORS' RESPONSIBILITY (CONTINUED)

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

18th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

29 March 2010

核數師的責任(續)

審核涉及執行情序以獲取有關財務報告所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估財務報告不論因欺詐或錯誤而導致存在重大錯誤陳述的風險。在作出該等風險評估時，核數師考慮與該公司編製及真實公平地呈列財務報告相關的內部監控，以設計適合於有關情況使用的審核程序，但並非為對公司的內部監控效能發表意見。審核亦包括評價所採用的會計政策是否合適，及董事作出的會計估計是否合理，以及評價財務報告的整體呈列方式。

本核數師相信吾等獲取的審核憑證為充足及適當，為本核數師的審核意見提供基礎。

意見

本核數師認為該等財務報告真實公平地顯示貴公司及貴集團於2009年12月31日之財務狀況及貴集團截至該日止年度之溢利及現金流量，並已按照香港財務報告準則及香港公司條例之披露規定而妥為編製。

安永會計師事務所

執業會計師

香港
中環
金融街8號
國際金融中心
2期18樓

2010年3月29日

CONSOLIDATED Income Statement

綜合收入報表

Year ended 31 December 2009

截至2009年12月31日止年度

		Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
REVENUE	收入	5	16,823,475	14,240,283
Cost of sales	銷售成本	6	(12,122,493)	(10,741,784)
Gross profit	毛利		4,700,982	3,498,499
Other income and gains	其他收入及收益	5	176,954	177,934
Selling and distribution costs	銷售費用及分銷成本		(3,301,814)	(2,543,377)
Administrative expenses	行政支出		(623,670)	(451,247)
Other expenses	其他支出	6	(9,262)	(19,093)
Finance costs	融資成本	7	(53,927)	(31,382)
Share of profits of associates	應佔聯營公司溢利		60,438	124,996
PROFIT BEFORE TAX	除稅前溢利	6	949,701	756,330
Income tax expense	所得稅開支	10	(229,396)	(136,251)
PROFIT FOR THE YEAR	年度溢利		720,305	620,079
Attributable to:	應佔方：			
Owners of the Company	本公司擁有人	11	568,081	483,427
Minority interests	少數股東權益		152,224	136,652
			720,305	620,079
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔 每股盈利	14		
Basic and diluted:	基本及攤薄：			
– For profit for the year	– 年度溢利		HK20.35 cents 港仙	HK17.32 cents 港仙

Details of the dividends payable and proposed for the year are disclosed in note 13 to the financial statements.

年內應付及擬派股息詳情於財務報告附註13披露。

CONSOLIDATED Statement of Comprehensive Income

綜合全面收入報表

Year ended 31 December 2009

截至2009年12月31日止年度

		Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
PROFIT FOR THE YEAR	年度溢利		720,305	620,079
OTHER COMPREHENSIVE INCOME	其他全面收入			
Exchange differences on translation of foreign operations	換算海外業務時之 匯兌差額		30,140	285,234
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年度其他全面收入 (已扣除稅項)		30,140	285,234
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收入總額		750,445	905,313
Attributable to:	應佔方：			
Owners of the Company	本公司擁有人	11	596,725	716,119
Minority interests	少數股東權益		153,720	189,194
			750,445	905,313

CONSOLIDATED Statement of Financial Position

綜合財務狀況表

31 December 2009

2009年12月31日

	Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
NON-CURRENT ASSETS			
Property, plant and equipment	15	3,100,717	2,434,472
Investment properties	16	20,103	69,884
Prepaid land premiums	17	213,551	156,502
Deposits for purchase of items of property, plant and equipment		14,239	33,157
Goodwill	18	1,641,854	1,409,342
Other intangible assets	19	43,257	36,639
Interests in associates	21	446,952	411,951
Available-for-sale investments and related advances	22	206,596	211,355
Held-to-maturity investments	23	98,252	–
Deferred tax assets	31	26,811	31,365
Biological assets	24	92,242	86,643
Total non-current assets		5,904,574	4,881,310
CURRENT ASSETS			
Inventories	25	2,846,497	2,628,857
Accounts and bills receivables	26	1,080,537	884,499
Prepayments, deposits and other receivables		646,955	479,338
Due from fellow subsidiaries	38	4,417	230
Due from the ultimate holding company	38	5,314	5,994
Due from the immediate holding company	38	355	160
Due from associates	21	993	2,771
Tax recoverable		17,022	5,790
Investments at fair value through profit or loss	27	16,728	9,228
Pledged time deposits	28	29,345	3,002
Cash and cash equivalents	28	1,943,103	1,546,684
Total current assets		6,591,266	5,566,553
CURRENT LIABILITIES			
Accounts and bills payables	29	916,302	860,851
Other payables and accruals		2,288,087	1,983,809
Due to fellow subsidiaries	38	794,141	440,993
Due to the ultimate holding company	38	34,352	13,731
Due to related companies	38	455,766	365,898
Due to minority shareholders of subsidiaries	38	5,679	–
Due to associates	21	102,291	71,273
Interest-bearing bank and other borrowings	30	303,092	247,955
Tax payable		29,330	26,397
Total current liabilities		4,929,040	4,010,907
NET CURRENT ASSETS		1,662,226	1,555,646
TOTAL ASSETS LESS CURRENT LIABILITIES		7,566,800	6,436,956

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

綜合財務狀況表(續)

31 December 2009

2009年12月31日

	Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	7,566,800	6,436,956
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行貸款 30	500,000	—
Due to minority shareholders of subsidiaries	欠附屬公司少數股東款項 38	128,508	73,136
Due to the ultimate holding company	欠最終控股公司款項 38	22,715	22,679
Deferred income	遞延收入	13,334	8,686
Deferred tax liabilities	遞延稅項負債 31	17,104	7,481
Total non-current liabilities	非流動負債總值	681,661	111,982
Net assets	資產淨值	6,885,139	6,324,974
EQUITY	股本		
Equity attributable to owners of the Company	本公司擁有人 應佔股本		
Issued capital	已發行股本 32	279,151	279,138
Reserves	儲備 34(a)	5,107,408	4,705,973
Proposed final dividend	擬派末期股息 13	96,340	107,189
		5,482,899	5,092,300
Minority interests	少數股東權益	1,402,240	1,232,674
Total equity	股本總值	6,885,139	6,324,974

Qu Zhe

曲喆

Director

董事

Mak Chi Wing, William

麥志榮

Director

董事

CONSOLIDATED Statement of Changes in Equity

綜合股本變動報表

Year ended 31 December 2009

截至2009年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Issued capital 已發行股本 Notes 附註	Share premium account 股份溢價賬	Employee share-based compensation reserve 僱員 薪酬儲備	Capital reserve Capital reserve 資本儲備	Reserve funds 儲備金	Exchange fluctuation reserve 匯兌波動 儲備	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Minority interests 少數股東 權益	Total equity 股本 總值	
												HK\$'000 千港元
At 1 January 2008	於2008年1月1日	279,138	3,660,432	3,060	(419,907)	126,085	237,093	547,138	125,612	4,558,651	1,074,850	5,633,501
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	-	232,692	483,427	-	716,119	189,194	905,313
Contributions from minority shareholders	少數股東出資	-	-	-	-	-	-	-	-	-	4,950	4,950
Transfer from retained profits	自保留溢利轉撥	-	-	-	-	55,667	-	(55,667)	-	-	-	-
Equity-settled share option arrangements	股本結算購股權安排	33	-	10,135	-	-	-	-	-	10,135	-	10,135
Cancellation of share premium	股份溢價注銷	-	(3,660,432)	-	3,660,432	-	-	-	-	-	-	-
Final 2007 dividend paid	已派2007年末期股息	-	-	-	-	-	-	-	(125,612)	(125,612)	-	(125,612)
Interim 2008 dividend paid	已派2008年中期股息	13	-	-	-	-	-	(66,993)	-	(66,993)	-	(66,993)
Proposed 2008 final dividend	擬派2008年末期股息	13	-	-	-	-	-	(107,189)	107,189	-	-	-
Dividends paid to minority shareholders	向少數股東支付股息	-	-	-	-	-	-	-	-	-	(36,320)	(36,320)
At 31 December 2008	於2008年12月31日	279,138	-*	13,195*	3,240,525*	181,752*	469,785*	800,716*	107,189	5,092,300	1,232,674	6,324,974

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

綜合股本變動報表(續)

Year ended 31 December 2009

截至2009年12月31日止年度

		Attributable to owners of the Company										
		本公司擁有人應佔										
		Employee share-based compensation			Exchange fluctuation			Proposed final dividend		Minority interests		Total equity
		Issued capital	Share premium account	Employee reserve	Capital reserve	Reserve funds	Exchange reserve	Retained profits	Proposed dividend	Total	Minority interests	Total equity
		已發行股本	股份溢價賬	僱員薪酬儲備	資本儲備	儲備金	匯兌波動儲備	保留溢利	末期股息	總計	少數股東權益	股本總值
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於2009年1月1日	279,138	-	13,195	3,240,525	181,752	469,785	800,716	107,189	5,092,300	1,232,674	6,324,974
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	-	28,644	568,081	-	596,725	153,720	750,445
Contributions from minority shareholders	少數股東出資	-	-	-	-	-	-	-	-	-	4,665	4,665
Transfer from retained profits	自保留溢利轉撥	-	-	-	-	11,720	-	(11,743)	-	(23)	-	(23)
Equity-settled share option arrangements	股本結算購股權安排	33	-	8,753	-	-	-	-	-	8,753	-	8,753
Exercise of share options	行使購股權	33	13	(201)	-	-	-	-	-	638	-	638
Acquisition of a subsidiary	收購一間附屬公司	12	-	-	-	-	-	-	-	-	50,900	50,900
Final 2008 dividend paid	已派2008年末期股息	13	-	-	-	-	-	-	(107,189)	(107,189)	-	(107,189)
Interim 2009 dividend paid	已派2009年中期股息	13	-	-	-	-	-	(108,305)	-	(108,305)	-	(108,305)
Proposed 2009 final dividend	擬派2009年末期股息	13	-	-	-	-	-	(96,340)	96,340	-	-	-
Dividends paid to minority shareholders	向少數股東支付股息	-	-	-	-	-	-	-	-	-	(39,719)	(39,719)
At 31 December 2009	於2009年12月31日	279,151	826*	21,747*	3,240,525*	193,472*	498,429*	1,152,409*	96,340	5,482,899	1,402,240	6,885,139

* These reserve accounts comprise the consolidated reserves of HK\$5,107,408,000 (2008: HK\$4,705,973,000) in the consolidated statement of financial position.

* 該等儲備賬目構成綜合財務狀況表中的綜合儲備5,107,408,000港元(2008年: 4,705,973,000港元)。

CONSOLIDATED Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2009

截至2009年12月31日止年度

	Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Profit before tax	除稅前溢利	949,701	756,330
Adjustments for:	就下列項目作出調整：		
Finance costs	融資成本	53,927	31,382
Share of profits of associates	應佔聯營公司溢利	(60,438)	(124,996)
Interest income	利息收入	(21,117)	(16,578)
Dividend income from available-for-sale investments	可供出售投資之股息收入	(31,736)	(41,850)
Dividend income from investments at fair value through profit or loss	按公平值列入損益之投資之股息收入	(581)	(92)
Fair value (gain)/loss on investments at fair value through profit or loss	按公平值列入損益之投資之公平值(收益)/虧損	(1,734)	10,158
Net gain arising from changes in fair value of biological assets	生物資產公平值變動產生的淨收益	(5,491)	(12,369)
Impairment of receivables	應收款項減值	1,501	4,657
Equity-settled share option expense	股本結算購股權開支	8,753	10,135
Amortisation of other intangible assets	其他無形資產攤銷	4,369	3,312
Depreciation	折舊	291,369	208,698
Fair value gain on investment properties	投資物業之公平值收益	(3,711)	(4,656)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	2,328	4,278
Impairment of items of property, plant and equipment	物業、廠房及設備項目之減值	1,510	-
Recognition of prepaid land premiums	確認預付土地金	5,477	4,654
Provision against inventories	存貨撥備	51,932	48,618
Government grants	政府補助	(33,049)	(28,904)
		1,213,010	852,777

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表(續)

Year ended 31 December 2009

截至2009年12月31日止年度

		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
		1,213,010	852,777
Increase in inventories	存貨增加	(144,233)	(571,362)
(Increase)/decrease in accounts and bills receivables	應收賬款及票據 (增加) / 減少	(83,569)	167,070
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項 (增加) / 減少	(84,859)	33,293
(Increase)/decrease in amounts due from fellow subsidiaries	同系附屬公司欠款 (增加) / 減少	(4,183)	16,588
Decrease/(increase) in amounts due from the ultimate holding company	最終控股公司欠款 減少 / (增加)	681	(1,391)
Increase in amounts due from the immediate holding company	直接控股公司欠款 增加	(195)	-
Decrease in amounts due from associates	聯營公司欠款減少	1,781	3,449
Decrease in accounts and bills payables	應付賬款及票據減少	(48,905)	(4,714)
(Decrease)/increase in other payables and accruals	其他應付款項及應計負債 (減少) / 增加	(13,456)	368,872
Increase in amounts due to fellow subsidiaries	欠同系附屬公司款項增加	352,158	70,794
Increase in amounts due to related companies	欠關連公司款項增加	89,210	67,509
Increase in amounts due to the ultimate holding company	欠最終控股公司 款項增加	20,581	918
Increase in amounts due to associates	欠聯營公司款項增加	30,879	68,192
Decrease in amounts due to minority shareholders of subsidiaries	欠附屬公司少數股東 款項減少	(5,668)	-
Cash generated from operations	經營業務所得之現金	1,323,232	1,071,995
Interest received	已收利息	21,117	16,578
Interest paid	已付利息	(53,952)	(44,871)
Hong Kong profits tax paid	已付香港利得稅	-	(9)
Mainland China tax paid	已付中國內地稅項	(230,173)	(168,061)
Net cash flows from operating activities	經營業務產生之現金流淨額	1,060,224	875,632

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表(續)

Year ended 31 December 2009

截至2009年12月31日止年度

	Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Net cash flows from operating activities	經營業務產生之現金流淨額	1,060,224	875,632
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
(Increase)/decrease in pledged time deposits	抵押定期存款(增加)/減少	(26,317)	669
(Advances to)/repayments from available-for-sale investments	可供出售投資(墊款)/還款	(31)	2,912
Dividends from associates	聯營公司股息	42,844	55,073
Dividends received from available-for-sale investments	已收可供出售投資 之股息	31,736	41,850
Dividends received from investments at fair value through profit or loss	已收按公平值列入損益之 投資之股息	581	92
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目 所得款項	22,064	18,397
Purchases of investments at fair value through profit or loss	購入按公平值列入損益之 投資	(2,639)	(2,561)
Purchases of held-to-maturity investments	購入持有至到期投資	(98,252)	-
Acquisition of subsidiaries	收購附屬公司	(176,951)	-
Acquisition of an associate	收購一間聯營公司	-	(161,057)
Additional investment in an associate	於一間聯營公司之額外投資	(74,389)	(29,775)
Purchase of investment properties	購入投資物業	-	(3,394)
Purchases of items of property, plant and equipment	購置物業、廠房及 設備項目	(516,650)	(438,752)
Additions to other intangible assets	增置其他無形資產	(10,203)	(21,159)
Additions to prepaid land premiums	預付土地金增加	(20,050)	(24,776)
Decrease/(increase) in deposits for purchase of items of property, plant and equipment	購置物業、廠房及設備項目 之按金減少/(增加)	18,918	(20,504)
Additions to biological assets	生物資產增加	(108)	(2,204)
Government grants received	已收政府補助	37,747	27,870
Net cash flows used in investing activities	投資活動所用之現金流淨額	(771,700)	(557,319)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表(續)

Year ended 31 December 2009

截至2009年12月31日止年度

	Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
New bank loans	新增銀行貸款	1,199,786	577,652
New other loans	新增其他貸款	120,292	454,361
Repayments of bank loans	償還銀行貸款	(867,047)	(732,936)
Repayments of other loans	償還其他貸款	(251,932)	(471,129)
Contributions from minority shareholders	少數股東出資	4,665	4,950
Dividends paid	已付股息	(193,945)	(192,605)
Dividends paid to minority shareholders of subsidiaries	已付附屬公司少數股東股息	(39,719)	(37,466)
Increase in payables	應付款增加	192,694	164,722
Decrease in amounts due to minority shareholders of subsidiaries	欠附屬公司少數股東款項 減少	(58,821)	(6,354)
Exercise of equity-settled share options	行使股本結算購股權	638	–
Net cash flows from/(used in) financing activities	融資活動產生/(所用)之現金流淨額	106,611	(238,805)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加 淨額	395,135	79,508
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	1,546,684	1,396,563
Effect of foreign exchange rate changes, net	匯率變動影響淨額	1,284	70,613
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值項目	1,943,103	1,546,684
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	1,864,691	1,523,927
Non-pledged time deposits with original maturity of less than three months when acquired	存入時原於3個月內到期之 無抵押定期存款	78,412	22,757
Cash and cash equivalents as stated in the statement of financial position and of cash flows	財務狀況表及現金流量表 所載之現金及現金等值項目	1,943,103	1,546,684

STATEMENT of Financial Position

財務狀況表

31 December 2009

2009年12月31日

	Notes 附註	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Plant and equipment	廠房及設備	15	1,074
Interests in subsidiaries	於附屬公司之權益	20	6,183,859
Held-to-maturity investments	持有至到期投資	23	98,252
Total non-current assets	非流動資產總值		6,283,185
			6,004,584
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		8,186
Investments at fair value through profit or loss	按公平值列入損益之投資	27	12,072
Due from the immediate holding company	直系控股公司欠款	38	165
Tax recoverable	可收回稅項		–
Cash and cash equivalents	現金及現金等值項目	28	32,036
Total current assets	流動資產總值		52,459
			4,059
			7,204
			165
			1,715
			19,968
			33,111
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計負債		29,774
Total current liabilities	流動負債總值		29,774
			3,726
NET CURRENT ASSETS	流動資產淨值		22,685
			29,385
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		6,305,870
			6,033,969
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行貸款	30	500,000
Total non-current liabilities	非流動負債總值		500,000
			–
Net assets	資產淨值		5,805,870
			6,033,969
EQUITY	股本		
Issued capital	已發行股本	32	279,151
Reserves	儲備	34(b)	5,430,379
Proposed final dividend	擬派末期股息	13	96,340
Total equity	股本總值		5,805,870
			6,033,969

NOTES TO THE Financial Statements

財務報告附註

31 December 2009

2009年12月31日

1. CORPORATE INFORMATION

China Foods Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is a subsidiary of COFCO (Hong Kong) Limited, a company incorporated in Hong Kong. Based on the confirmation of the board, the ultimate holding company of the Company is COFCO Corporation (formerly known as COFCO Limited), which is a state-owned enterprise registered in the People’s Republic of China (the “PRC”).

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- production, sale and trading of grape wine and other wine products;
- processing, bottling and distribution of sparkling beverages and distribution of still beverages;
- distribution of retail packaged cooking oil and other consumer food products; and
- production and distribution of chocolate and other related products.

1. 公司資料

中國食品有限公司(「本公司」)為一家於百慕達註冊成立之有限責任公司。本公司之註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司乃在香港註冊成立之中糧集團(香港)有限公司之附屬公司。根據董事會之確認，本公司之最終控股公司為於中華人民共和國(「中國」)註冊的國有企業中糧集團有限公司。

本年度內，本公司及其附屬公司(統稱「本集團」)從事下列主要業務：

- 葡萄酒及其他酒類產品的生產、銷售及貿易；
- 加工、裝瓶及分銷碳酸飲料及分銷非碳酸飲料；
- 分銷零售型包裝烹調油及其他消費食品；及
- 生產及分銷巧克力及其他相關產品。

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, biological assets, certain available-for-sale investments and investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries. Acquisitions of minority interests are accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

2.1 編製基準

財務報告乃根據由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(其中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定而編製。財務報告乃根據歷史成本慣例而編製，惟按公平值計量之投資物業、生物資產、若干可供出售投資及按公平值列入損益之投資除外。財務報告以港元(「港元」)呈列，而除另有註明者外，所有金額均已精確至千位。

綜合基準

綜合財務報告包括本公司及其附屬公司截至2009年12月31日止年度之財務報告。附屬公司之業績自收購日期起綜合入賬，收購日期即本集團取得控制權之日，並至該控制權終止為止一直綜合入賬。本集團內公司間交易所產生之一切收入、開支、未變現收益及虧損以及集團內公司間結餘於綜合入賬時悉數撤銷。

於本年度收購附屬公司以收購會計法入賬。此法涉及將業務合併之成本分配至於收購日期已收購可識別資產及已承擔可識別負債及或然負債之公平值。收購成本以所支付資產、所發行股本工具以及所產生或承擔之負債於交易日期之公平值總和計量，另加收購有關直接成本。

少數股東權益指並非由本集團持有之外界股東於本公司附屬公司業績及淨資產之權益。收購少數股東權益以母公司延伸法入賬，據此，代價與應佔所收購淨資產賬面值之差額確認為商譽。

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
HKFRS 8 HKAS 1 (Revised)	<i>Operating Segments Presentation of Financial Statements</i>
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 <i>Revenue – Determining whether an entity is acting as a principal or as an agent</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers (adopted from 1 July 2009)</i>
Improvements to HKFRSs (October 2008)	Amendments to a number of HKFRSs

* Included in Improvements to HKFRSs 2009 (as issued in May 2009).

2.2 會計政策及披露之變化

本集團已於本年度財務報告中首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第1號及香港會計準則第27號(修訂本)	修訂香港財務報告準則第1號首次採納香港財務報告準則及香港會計準則第27號綜合及單獨財務報告—投資附屬公司、共同控制實體或聯營公司之成本
香港財務報告準則第2號(修訂本)	修訂香港財務報告準則第2號股份基礎付款—歸屬條件及註銷
香港財務報告準則第7號(修訂本)	修訂香港財務報告準則第7號金融工具：披露—改進有關金融工具之披露
香港財務報告準則第8號 香港會計準則第1號(經修訂)	經營分部 呈報財務報告
香港會計準則第18號(修訂本)*	對香港會計準則第18號收益—確定主體是作為委託方還是代理方之附錄之修訂
香港會計準則第23號(經修訂)	借貸成本
香港會計準則第32號及香港會計準則第1號(修訂本)	修訂香港會計準則第32號金融工具：呈列及香港會計準則第1號呈報財務報告—可沽售金融工具及因清盤所產生之責任
香港(國際財務報告詮釋委員會)—詮釋第9號及香港會計準則第39號(修訂本)	香港(財務報告詮釋委員會)—詮釋第9號重估嵌入式衍生工具及香港會計準則第39號金融工具：確認和計量—嵌入式衍生工具之修訂
香港(國際財務報告詮釋委員會)—詮釋第13號	客戶忠誠度計劃
香港(國際財務報告詮釋委員會)—詮釋第15號	有關房地產興建之協議
香港(國際財務報告詮釋委員會)—詮釋第16號	海外業務投資淨額對沖
香港(國際財務報告詮釋委員會)—詮釋第18號	自客戶轉讓資產(自2009年7月1日起採納)
香港財務報告準則(2008年10月)之改進	對若干香港財務報告準則之修訂

* 經已列載於香港財務報告準則2009之改進(於2009年5月頒佈)

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

The principal effects of adopting these new and revised HKFRSs are as follows:

Other than as further explained below regarding the impact of HKAS 1 (Revised) and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

HKFRS 8 Operating Segments

HKFRS 8, which replaces HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in note 4 to the financial statements.

HKAS 1 (Revised) Presentation of Financial Statements

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

2.2 會計政策及披露之變化 (續)

採納該等新訂及經修訂香港財務報告準則之主要影響如下：

除以下有關香港會計準則第1號(經修訂)及香港財務報告準則第8號之影響之詳細說明外，採納該等新訂及經修訂香港財務報告準則對該等財務報告概無重大財務影響。

香港財務報告準則第8號經營分部

香港財務報告準則第8號取代香港會計準則第14號「分類報告」，指明實體應當如何報告其經營分部的資料，這些資料以專供行政經營決策者決定如何在各分部間進行資源分配和評估其表現為依據。該準則規定披露有關分部，即本集團經營之地理區域所提供的產品及服務以及本集團主要客戶的收益的資料。本集團認為，根據香港財務報告準則第8號釐定的經營分部與過往根據香港會計準則第14號釐定的業務分類相同。該等經修訂披露(包括相關經修訂比較資料)載於財務報告附註4。

香港會計準則第1號(經修訂)呈報財務報告

香港會計準則第1號(經修訂)提出了財務報告的呈列和披露的變動。該經修訂準則區分了擁有人和非擁有人股本變動。股本變動表將只包括擁有人的詳細交易，非擁有人股本變動作為單行陳述。此外，該準則引進了全面收入報表：在單一報表或兩張相聯繫的報表中列報損益中確認的所有收入和支出項目，並且列報所有其他直接於股本中確認的已確認收入和支出項目。本集團選擇呈列兩張報表。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

<i>HKFRS 1 (Revised)</i>	<i>First-time Adoption of Hong Kong Financial Reporting Standards¹</i>
<i>HKFRS 1 Amendments</i>	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters²</i>
<i>HKFRS 1 Amendment</i>	<i>Amendment to HKFRS1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters⁴</i>
<i>HKFRS 2 Amendments</i>	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions²</i>
<i>HKFRS 3 (Revised)</i>	<i>Business Combinations¹</i>
<i>HKFRS 9</i>	<i>Financial Instruments⁶</i>
<i>HKAS 24 (Revised)</i>	<i>Related Party Disclosures⁵</i>
<i>HKAS 27 (Revised)</i>	<i>Consolidated and Separate Financial Statements¹</i>
<i>HKAS 32 Amendment</i>	<i>Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues³</i>
<i>HKAS 39 Amendment</i>	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items¹</i>
<i>HK(IFRIC)-Int 14 Amendments</i>	<i>Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement⁵</i>
<i>HK(IFRIC)-Int 17</i>	<i>Distributions of Non-cash Assets to Owners¹</i>
<i>HK(IFRIC)-Int 19</i>	<i>Extinguishing Financial Liabilities with Equity Instruments⁴</i>
<i>Amendments to HKFRS 5 included in Improvements to HKFRSs issued in October 2008</i>	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary¹</i>
<i>HK Interpretation 4 (Revised in December 2009)</i>	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases²</i>

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未於財務報告中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1號 (經修訂)	首次採納香港財務報告準則 ¹
香港財務報告準則第1號 (修訂本)	對香港財務報告準則第1號之修訂首次採納香港財務報告準則—首次採納者之額外豁免 ²
香港財務報告準則第1號 (修訂本)	對香港財務報告準則第1號之修訂首次採納香港財務報告準則—首次採納香港財務報告準則第7號之披露比較數字之有限度豁免 ⁴
香港財務報告準則第2號 (修訂本)	對香港財務報告準則第2號之修訂以股份為基礎付款—集團現金結算以股份為基礎付款交易
香港財務報告準則第3號 (經修訂)	業務合併 ¹
香港財務報告準則第9號	金融工具 ⁶
香港會計準則第24號 (經修訂)	關連方披露 ⁵
香港會計準則第27號 (經修訂)	綜合及獨立財務報告 ¹
香港會計準則第32號 (修訂本)	香港會計準則第32號之修訂金融工具：呈報—分類供股 ³
香港會計準則第39號 (修訂本)	對香港會計準則第39號之修訂金融工具：確認及計量—合資格對沖項目 ¹
香港(國際財務報告詮釋委員會) — 詮釋第14號 (修訂本)	對香港(國際財務報告詮釋委員會)之修訂—詮釋第14號預付最低撥款規定 ⁵
香港(國際財務報告詮釋委員會) — 詮釋第17號	向擁有人分派非現金資產 ¹
香港(國際財務報告詮釋委員會) — 詮釋第19號	以權益工具抵銷財務負債 ⁴
經已列載於2008年10月頒佈之對香港財務報告準則之改進中對香港財務報告準則第5號之修訂	對香港財務報告準則第5號之修訂就銷售及已終止業務持有非流動資產—計劃銷售於一間附屬公司的控股權益
香港詮釋第4號 (於2009年12月經修訂)	租賃—釐定香港土地租賃的租賃期年期 ²

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2009 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

1	Effective for annual periods beginning on or after 1 July 2009
2	Effective for annual periods beginning on or after 1 January 2010
3	Effective for annual periods beginning on or after 1 February 2010
4	Effective for annual periods beginning on or after 1 July 2010
5	Effective for annual periods beginning on or after 1 January 2011
6	Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

除上述者外，香港會計師公會亦已頒佈對香港財務報告準則2009的改進，其中載列對若干香港財務報告準則的修訂，主要目的為消除不一致的內容及釐清用詞。對香港財務報告準則第2號、香港會計準則第38號、香港（國際財務報告詮釋委員會）—詮釋第9號及香港（國際財務報告詮釋委員會）—詮釋第16號作出之修訂於2009年7月1日或以後開始之年度期間生效，而對香港財務報告準則第5號、香港財務報告準則第8號、香港會計準則第1號、香港會計準則第7號、香港會計準則第17號、香港會計準則第36號及香港會計準則第39號作出之修訂於2010年1月1日或以後開始之年度期間生效，惟各準則或詮釋均存在獨立的過渡條文。

1	於2009年7月1日或以後開始之年度期間生效
2	於2010年1月1日或以後開始之年度期間生效
3	於2010年2月1日或以後開始之年度期間生效
4	於2010年7月1日或以後開始之年度期間生效
5	於2011年1月1日或以後開始之年度期間生效
6	於2013年1月1日或以後開始之年度期間生效

本集團正評估首次應用該等新訂及經修訂香港財務報告準則所產生之影響。迄今，本集團認為該等新訂及經修訂香港財務報告準則不可能對本集團之經營業績及財務狀況造成重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

- (a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture;
- (b) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or
- (c) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

2.4 主要會計政策概要

附屬公司

附屬公司指由本公司直接或間接控制其財務及經營政策以從其業務活動中獲益之公司。

附屬公司之業績按已收及應收股息計入本公司之收入報表內。本公司於附屬公司之權益按成本值扣除任何減值虧損入賬。

合營公司

合營公司指根據合約安排方式成立之公司，本集團與其他合營人士藉以進行經濟業務。合營公司以獨立實體方式運作，本集團與其他合營人士均在其中佔有權益。

合營方訂立之合營協議規定了合營各方之股本貢獻、合營期限及於合營公司解散時資產變現之基準。經營合營公司之損益及任何盈餘資產分派乃按合營方各自股本貢獻之比例或根據合營協議之條款分配。

合營公司可視作：

- (a) 附屬公司，倘本集團一方直接或間接控制合營公司；
- (b) 聯營公司，倘本集團並無單一或共同控制權，但通常直接或間接持有合營公司不少於20%之註冊資本，以及可對合營公司行使重大影響力；或
- (c) 根據香港會計準則第39號入賬之股本投資，倘本集團直接或間接持有合營公司之註冊資本不足20%，對其亦無共同控制權或重大影響力。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates

An associate is an entity, not being a subsidiary, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates except where unrealised losses provide evidence of an impairment of the asset transfers. Goodwill arising from the acquisition of associates is included as part of the Group's interests in associates and is not individually tested for impairment.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill on acquisitions for which the agreement date is on or after 1 January 2005

Goodwill arising on acquisition is recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. In the case of associates, goodwill is included in the carrying amount thereof, rather than as a separately identified asset in the consolidated statement of financial position.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 主要會計政策概要(續)

聯營公司

聯營公司並非附屬公司，而是本集團持有長期權益，且一般具有不少於20%股本投票權及對其可發揮重大影響力之公司。

本集團於聯營公司之權益以權益會計法計算所佔資產淨值扣除任何減值虧損後列於綜合財務狀況表內。本集團所佔聯營公司收購後業績及儲備分別計入綜合收入報表及綜合儲備內。本集團與其聯營公司之間交易所產生之未變現損益，均按本集團於聯營公司所佔之權益比率抵銷，惟可提供證據的未變現虧損是由所轉讓資產減值導致的則除外。收購聯營公司產生之商譽列入本集團於聯營公司權益之一部分且不個別進行減值測試。

商譽

收購附屬公司及聯營公司所產生之商譽，指業務合併成本超出本集團於收購日期所分佔已收購之被收購公司可識別資產、負債及承擔之或然負債之公平值淨值之數額。

協議日期為2005年1月1日或之後之收購之商譽

收購所產生之商譽於綜合財務狀況表中確認為一項資產，初步按成本而其後則按成本減任何累計減值虧損計量。若為聯營公司，商譽包括在其賬面值中，而不會在綜合財務狀況表內列作為獨立可識別資產。

商譽之賬面值每年就減值進行檢討，或於出現任何事件或環境改變，顯示賬面值可能減少時，則進行更為頻密之檢討。為進行減值測試，因業務合併而收購之商譽自收購日期起會被分配至預期可自合併之協同效益中獲益之本集團各現金產生單位，或各組現金產生單位，而不論本集團其他資產或負債會否被轉撥至該等單位或單位組別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

Goodwill on acquisitions for which the agreement date is on or after 1 January 2005 (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill previously eliminated against consolidated retained profits

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 Business Combinations ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition of an associate (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The excess for an associate is included in the Group's share of an associate's profit or loss in the period in which the investment is acquired.

2.4 主要會計政策概要(續)

商譽(續)

協議日期為2005年1月1日或之後之收購之商譽(續)

減值按對與商譽有關之現金產生單位(或一組現金產生單位)可收回款額進行評估釐定。倘現金產生單位(或一組現金產生單位)之可收回款額低於賬面值,則確認減值虧損。就商譽確認之減值虧損不會於隨後期間撥回。

倘商譽構成現金產生單位(或一組現金產生單位)其中一部分,而出售該單位部分業務,則於釐定出售業務盈虧時,與出售業務有關之商譽會計入業務賬面值。於該情況售出之商譽,按售出業務及保留之現金產生單位部分相對價值基準計算。

之前於綜合保留溢利內撇銷之商譽

於2001年採納香港會計師公會之會計實務準則第30號業務合併(「會計實務準則第30號」)前,因收購而產生之商譽乃於收購年度之綜合保留溢利中撇銷。於採納香港財務報告準則第3號後時,該商譽仍於綜合保留溢利中撇銷,且當商譽有關之業務全部或部分被出售或當商譽有關之現金產生單位已被減值時,並無於收入報表內確認。

超過企業合併成本之部分

本集團獲得的對被收購人的可識別資產、負債及或然負債的公平淨值之利益超過收購聯營公司成本之部分(曾被稱為負商譽),經過重估之後,隨即在收入報表中確認。

收購聯營公司形成的超過合併成本的部分計入本集團於收購資產當期應佔的聯營公司之損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, biological assets, financial assets, investment properties, and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要(續)

非金融資產(商譽除外)減值

倘有跡象顯示出現減值或須就資產進行年度減值測試(不包括存貨、遞延稅項資產、生物資產、金融資產、投資物業及商譽)，則會估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值或公平值減銷售成本(以較高者為準)而計算，並就個別資產而釐定，除非有關資產並無產生現金流入，且在頗大程度上獨立於其他資產或資產類別。在此情況下，可收回金額就資產所屬之現金產生單位而釐定。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計日後現金流量可按反映現時市場評估之貨幣時間價值及資產特定風險之稅前貼現率貼現至現值。減值虧損於產生期間自收入報表扣除，惟按重估價值列賬之資產除外，在這種情況下，減值虧損乃根據該重估資產之相關會計政策而進行會計處理。

於每個報告期末會就是否有任何跡象顯示過往年度確認之減值虧損不再存在或可能已經減少進行評估。倘有任何該等跡象，便會估計可收回金額。僅當用以釐定資產之可收回金額之估計有所轉變時，先前所確認之減值虧損方可撥回，惟撥回之金額不可高於假設過往年度該資產在並無減值虧損予以確認情況下資產之賬面值(扣除任何折舊/攤銷)。撥回之減值虧損於其產生之期間計入收入報表內，惟按重估價值列賬之資產除外，在這種情況下，撥回之減值虧損乃根據該重估資產之相關會計政策而進行會計處理。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

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

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a member of the key management personnel of the Group or any of its holding companies;
- (d) the party is a close member of the family of any individual referred to in (a) or (c);
- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or
- (f) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

2.4 主要會計政策概要(續)

關連人士

在下列情況下，有關人士將視為本集團之關連人士：

- (a) 有關人士直接或透過一名或多名中介人：(i)控制本集團、受本集團控制，或與本集團共受控制；(ii)擁有本集團之權益，並可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團之控制權；
- (b) 有關人士為聯營公司；
- (c) 有關人士為本集團或其任何控股公司之主要管理人員；
- (d) 有關人士為(a)或(c)項所述人士之直系親屬；
- (e) 有關人士直接或間接受(c)或(d)項所述人士所控制、共同控制、發揮重大影響力，或擁有重大投票權；或
- (f) 有關人士向本集團或本集團關連人士之任何公司提供僱員退休福利計劃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.8% to 16.2%
Plant, machinery and equipment	4.5% to 25%

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目成本包括購入價及使資產處於擬定用途之運作狀況及地點之任何直接應佔成本。物業、廠房及設備項目投入運作後所產生之支出(例如維修及保養)，則一般於產生該筆支出期間從收入報表中扣除。倘若能滿足確認標準，則主要調查之開支將撥作該項資產之資本化賬面值作為替代項目。倘物業、廠房及設備之重大部分須不時替換，則本集團確認有關部分為具有特定使用年期及折舊之獨立資產。

折舊以直線法計算，按每項物業、廠房及設備項目之估計使用年期撇銷其成本。就此而言，所使用之主要年度折舊率如下：

樓宇	2.8%至16.2%
廠房、機械及設備	4.5%至25%

剩餘價值、可使用年期和折舊方法至少於每個財政年度內進行覆核和調整(倘適用)。

一項物業、廠房及設備及起步確認之任何重大部門於出售時或經其使用或出售而估計日後不再有經濟效益時，將不再被確認。於年度不再被確認之資產因其出售或報廢並於收入報表確認之任何收益或虧損乃有關資產之銷售所得款項淨額與賬面值之差額。

在建工程乃按成本減任何減值虧損後列賬，不作折舊。成本包括施工期間之直接建築成本及有關借貸資金之已資本化借貸成本。在建工程落成後及可投入使用时重新列入適當之物業、廠房及設備類別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of eight years.

Biological assets

The fair value of the grape vines is estimated by reference to independent professional valuations using the discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the grape vines is determined using the market price of the estimated yield of the agricultural produce, being grapes, net of maintenance and harvesting costs and any costs required to bring grape vines to maturity. The estimated yield of the grape vines is affected by the age of the grape trees, the location, soil type and infrastructure. The market price of the grapes is largely dependent on the prevailing market price of the processed products after harvest, being crude grape wine.

2.4 主要會計政策概要(續)

投資物業

投資物業乃指持有之土地及樓宇權益(包括原符合投資物業之定義之物業經營租約之租賃權益),以賺取租金收入及/或資本增加,而非用作生產或供應貨品或提供服務或行政用途;或於日常業務範圍內出售。該等物業乃初步按成本(包括交易成本)計量。初步確認後,投資物業乃按公平值列賬,以反映於報告期末之市場狀況。

投資物業公平值變動而產生之收益或虧損,乃列入該產生年度之收入報表內。

投資物業報廢或出售所產生之任何收益或虧損,乃於報廢或出售該年度之收入報表內確認。

無形資產(不包括商譽)

單獨購買的無形資產以初始成本計量。業務合併中獲得的無形資產的成本為收購日的公平值。無形資產的可使用年期被評估為有限或者無限。可使用期有限之無形資產於可使用經濟年期內攤銷,並評估是否有跡象顯示無形資產可能出現減值。可使用期有限之無形資產之攤銷年期及攤銷方法至少於各財務年末覆核一次。

電腦軟件

所購入之專利及特許權按成本減任何減值虧損列賬,並以直線法於估計可使用年期八年攤銷。

生物資產

葡萄樹之公平值乃經參考獨立專業估值後使用相關生物資產之貼現現金流量作出估計。葡萄樹整個生命周期產生之預期現金流量乃使用農產品(即葡萄)估計產量之市價,扣除保養及收成成本及任何令葡萄樹成熟所需之成本釐定。葡萄樹之估計產量受葡萄樹齡、位置、土壤種類及基礎建設所影響。葡萄之市價很大程度上取決於收成後之加工產品(即原葡萄酒)之現行市價。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as investments at fair value through profit or loss, loans and receivables, held to maturity investments and available-for-sale investments as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, accounts and bills receivables, other receivables, amounts due from group companies and related companies, quoted and unquoted financial instruments.

2.4 主要會計政策概要(續)

經營租約

凡資產擁有權帶來之絕大部分回報及風險仍歸出租人所有，則有關租賃列為經營租約。倘本集團為出租人，由本集團於經營租約下出租之資產乃計入非流動資產，而經營租約下之應收租金則按租期以直線法計入收入報表；倘本集團為承租人，經營租約項下之應付租金則按租期以直線法於收入報表內扣除。

根據經營租約預付之土地金均初步按成本列賬，其後於租期內按直線基準予以確認。當租賃付款不能可靠地分配至土地及樓宇，則整筆租賃付款列入土地及樓宇之成本，作為物業、廠房及設備之融資租賃。

投資及其他金融資產

最初確認及計量

在香港會計準則第39號範圍內之金融資產可以分類為按公平值列入損益之投資、貸款及應收款項、持有至到期投資和可供出售投資(視乎適用而定)。本集團於最初確認時釐定其金融資產之分類。金融資產初步確認時按公平值，加(倘其並非按公平值列入損益的投資)直接應計之交易成本計算。

正常情況下買入及出售之金融資產於交易日(即本集團承諾購買或出售資產之日)確認。正常情況下買入及出售指於規例或市場慣例一般設定之期間內交付金融資產之買入或出售。

本集團之金融資產包括現金及銀行結餘、應收賬款及票據、其他應收款項、集團公司及關連公司欠款、所報及未報之金融工具。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Investments at fair value through profit or loss

Investments at fair value through profit or loss are financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the income statement. These net fair value changes do not include any dividends on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial assets or held-to-maturity investments depends on the nature of the assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The loss arising from impairment is recognised in the income statement as other operating expense.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量

金融資產之其後計量取決於彼等之以下分類：

按公平值列入損益之投資

按公平值列入損益之金融資產包括持作買賣之金融資產。計劃於短期內出售而購入之金融資產，均列作為交易而持有之金融資產。以公平值計入損益之金融資產以公平值在財務狀況表中入賬，公平值變動於收入報表中確認。該等公平淨值之變動並不包括該等金融資產按下文「收益之確認」所載政策確認之任何股息或利息。

本集團評估其按公平值計入損益(持作交易)之金融資產是否於近期將其出售之意向仍然合適。倘本集團由於市場呆滯而無法交易該等金融資產且管理層出售該等金融資產之意向於可預見未來出現重大轉變，本集團或會於極少情況下重新分類該等金融資產。由按公平值計入損益之金融資產重新分類至貸款及應收款項、可供出售之金融資產或持有至到期之投資取決於該等資產之性質。

貸款及應收款項

貸款及應收款項指固定或可釐定付款金額而活躍市場中並無報價之非衍生金融資產。該等資產其後以實際利率法按已攤銷成本減任何減值虧損列賬。計算已攤銷成本時會計及任何收購折價或溢價，且包括為實際利率之組成部份之費用或成本。實際利率攤銷載於收入報表之財務收入。因減值而產生之虧損於收入報表之其他營運支出內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The loss arising from impairment is recognised in the income statement as other operating expense.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in unlisted equity securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the income statement in other operating expenses and removed from the available-for-sale investment valuation reserve. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

持有至到期之投資

有既定或可確定付款額並有既定屆滿日期之非衍生金融資產，在本集團有意且有 ability 持至到期日之情況下，會分類為持至到期類別。持有至到期之投資其後按已攤銷成本減任何減值虧損列賬，計算已攤銷成本時會計及任何收購折價或溢價及為實際利率之組成部份之費用或成本。實際利率攤銷載於收入報表之財務收入。因減值而產生之虧損於收入報表之其他營運支出內確認。

可供出售金融投資

可供出售金融投資乃指可供出售之非上市股本中之非衍生金融資產。分類為可供出售之股權投資為既非屬於持作交易類又非指定為按公平值計入損益之投資。此類別之債務證券即為有意無限期持有且可能為滿足流動資金需求或為應對市場狀況變動而出售之證券。

可供出售金融投資於初始確認後以公平值入賬。未實現之盈利或虧損於可供出售之投資估值儲備中確認為其他全面收入，直至該投資取消確認為止，此時累計盈利或虧損於收入報表內之其他收益確認，或直至該投資被確認為減值為止，此時累計盈利或虧損於收入報表內之其他營運支出確認並由可供出售之投資估值儲備中移除。所得利息及股息分別按利息收入及股息收入入賬，並根據下文「收益確認」所載列之政策於收入報表內確認為其他收入。

當非上市的股本證券的公平值，因為(a)合理的公平值估計範圍的變動對該投資而言是重大的，或者(b)在上述範圍內的各種估計值的概率不能夠合理地確定及用於估計公平值，而不能可靠計量時，該等證券以成本減任何減值虧損列賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

The Group evaluates its available-for-sale financial assets whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. The reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using an appropriate valuation technique. Such a technique include using a discounted cash flow analysis.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售金融投資(續)

本集團評估其可供出售金融資產是否於近期將其出售之能力及意向仍然合適。倘本集團由於市場呆滯而無法交易該等金融資產，且管理層交易該等金融資產之意向於可預見未來出現重大轉變，本集團或會於極少情況下重新分類該等金融資產。倘該金融資產符合貸款及應收款項之定義且本集團有意及有能力於可預見未來持有該等資產或直至其到期日，則可重新分類至貸款及應收款項。僅於實體有能力且有意持有該金融資產至其到期日時，方可重新分類至持有至到期種類。

就重新分類至可供出售之外之金融資產而言，任何之前已於權益中確認之該資產之盈利或虧損，均於該投資之餘下年限使用實際利率攤銷至損益。新攤銷成本與預期現金流量之間之任何差額亦於該資產之餘下年限使用實際利率攤銷。倘該資產隨後被確認為減值，那麼錄入權益之金額須重新分類至收入報表。

金融工具之公平值

於活躍市場交易之金融工具之公平值乃經參考市場報價或交易人報價(好倉之競標價及淡倉之認購價)而釐定，且未因交易成本而減少。就並無活躍市場之金融工具而言，公平值使用適用估值技術釐定。估值技術包括折現現金流分析法。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

2.4 主要會計政策概要(續)

金融資產減值

本集團於每個呈報日評估是否存在客觀證據顯示一項或一組金融資產出現減值。若有客觀證據顯示因有一項或多項事項於金融資產之最初確認後發生(「虧損事項」)而使減值發生，而此虧損事項對該項或該組金融資產之估計未來現金流量之影響可予可靠估計，則該項或該組金融資產方會被視為須予減值。減值證據可能包括欠債人或一組欠債人出現重大財政困難、拖欠或延遲繳交利息或本金、彼等有可能進行破產或其他財務重組等跡象，並有可視數據顯示估計未來現金流量出現可予計算之減少，如與欠款有關之拖欠情況或經濟狀況變化。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先個別評估是否有個別出現且個別而言對金融資產乃屬重大之客觀減值證據，或同時出現且個別而言對金融資產並不重大之客觀減值證據。若本集團判定就個別評估之金融資產而言並無客觀減值證據(不論重大與否)出現，則其將該項資產列入一組具有類似信貸風險特色之金融資產內，並共同評估其減值情況。個別評估減值及就此確認或持續確認減值虧損之資產在共同評估減值中概不包括在內。

倘有明確證據顯示已產生減值虧損，則減值金額按該資產賬面值與估計未來現金流量(不包括並未產生的未來信貸虧損)現值之差額計量。估計未來現金流量之現值以金融資產之初始實際利率(即初次確認時計算之實際利率)折現。倘貸款之利率為浮動利率，則計量任何減值虧損之折現率為當前實際利率。

該資產之賬面值會通過使用備抵賬而減少，而虧損金額於收入報表確認。利息收入於減少後賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量之利率累計。若日後收回不可實現，則撇清貸款及應收款項連同任何相關撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other income and gains in the income statement.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or "prolonged" requires judgement. "Significant" is evaluated against the original cost of the investment and "prolonged" is evaluated against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss, which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 主要會計政策概要(續)

金融資產減值(續)

按攤銷成本入賬之金融資產(續)

倘若在其後期間估計減值虧損金額由於確認減值之後發生之事項增加或減少，則透過調整撥備賬目增加或減少先前確認之減值虧損。倘於其後收回未來撇清，該項收回將計入收入報表內之其他收入及收益。

按成本入賬之資產

倘有客觀跡象顯示因其公平值不能可靠計量而不按公平值入賬之無報價股本工具已產生減值虧損，該虧損數額按該資產之賬面值與按同類金融資產之現時市場回報率折算之估計未來現金流量現值之差額而計量。該等資產之減值虧損不予撥回。

可供出售金融投資

對於可供出售之金融投資，本集團於各呈報期末評估是否存在客觀證據顯示一項投資或一組投資出現減值。

倘可供出售投資出現減值，則其成本(已撇除本金及攤銷額)與當前公平值之差額，再扣減以往於收入報表確認之減值虧損之金額，將自其他全面收入轉出至收入報表。

就列為可供出售投資之股本投資而言，客觀證據應包括投資之公平值大幅或持久低於其成本。釐定何為「大幅」或何為「持久」時需要判斷。「大幅」乃與該項投資之原成本比較後評估，而「持久」則按公平值低於其原成本之為時而評估。若有證據出現減值，按收購成本與本期公平值之間差額計量之累計虧損(減往期就該項投資於收入報表確認之減值虧損)於其他全面收入中轉出，並於收入報表中確認。股本投資之減值虧損不會透過收入報表撥回。減值後公平值之增幅乃直接於其他全面收入中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss and loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

2.4 主要會計政策概要(續)

取消確認金融資產

金融資產(或一項金融資產的一部分或一組同類金融資產的一部分)在下列情況將取消確認:

- 收取該項資產所得現金流量的權利經已屆滿;
- 本集團已轉讓其收取該項資產所得現金流量的權利, 或已根據「轉道」安排向第三方承擔全額支付款項之責任並無重大延誤; 並(a)本集團已轉讓該項資產的絕大部分風險及回報; 或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報, 但已轉讓該項資產的控制權。

本集團凡轉讓其收取該項資產所得現金流量的權利或已訂立「轉道」安排, 但並無轉讓或保留該項資產的絕大部分風險及回報, 且並無轉讓該項資產的控制權, 該項資產將確認入賬, 條件為本集團須持續佔有該項資產。於該情況下, 本集團亦確認一項關連負債。轉讓資產及關連負債乃以反映本集團權利及責任基準計量。

持續涉及指本集團就已轉讓資產作出的一項保證, 已轉讓資產乃以該項資產的原賬面值及本集團或須償還的代價數額上限(以較低者為準)計量。

金融負債

初步確認及計量

屬於香港會計準則第39號範圍之金融負債按公平值計入損益之金融負債及貸款以及借款。本集團於初步確認時釐定其金融負債之分類。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Initial recognition and measurement (continued)

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include accounts and bills payables, other payables, amounts due to group companies and related companies, and interest-bearing loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要(續)

金融負債(續)

初步確認及計量(續)

所有金融負債於初步確認時按公平值確認，而貸款及借款則加上直接應佔交易成本確認。

本集團之金融負債包括應付賬款及票據、其他應付款項、欠集團公司及關連公司款項以及計息貸款及借款。

其後計量

金融負債之計量依賴其如下分類：

貸款及借款

於初步確認後，計息貸款及借款其後採用實際利率法按攤銷成本計量，惟倘折讓之影響並不重大，則按成本計量。盈虧於終止確認負債時於收入報表透過實際利率法攤銷程序確認。

攤銷成本乃經計及收購之折讓或溢價，以及構成實際利率一部份之費用或成本計算。實際利率攤銷計入收入報表之融資成本。

取消確認金融負債

當負債下的義務已被履行、取消或期滿，本集團取消確認該金融負債。

倘若一項現有金融負債被來自同一貸款方且大部分條款均有差別之另一項金融負債所取代，或現有負債之條款被大幅修改，此種置換或修改作取消確認原有負債並確認新負債處理，而兩者的賬面值之間的差額於收入報表確認。

抵銷金融工具

倘現時存在一項可依法強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及負債均可予抵銷，並將淨金額列入財務狀況表內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories, other than the agricultural products which are measured in accordance with the accounting policy for “Biological assets” above, are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

2.4 主要會計政策概要(續)

存貨

存貨(除按照上述「生物資產」會計政策計價之農產品之外)乃按成本或可變現淨值(以較低者為準)列賬。成本乃按加權平均基準釐定,倘屬在製品及製成品,則包括直接物料、直接人工及間接成本適當部分。可變現淨值乃根據估計售價減去任何估計在完成及出售時產生之成本計算。

現金及現金等值項目

就綜合現金流量表而言,現金及現金等值項目包括手頭現金、活期存款及短期高流動性之投資,可即時兌換為已知金額之現金,價值變動風險輕微,且於收購時起計3個月內到期,再減去按要求應付銀行透支,屬本集團現金管理一部分。

就財務狀況表目的而言,現金及現金等值項目包括使用不受限制的手頭與銀行現金(包括定期存款)。

撥備

倘因過往事宜產生目前債務(法定或推定)及將來可能需要有資源流出,以償還債務,則撥備予以確認,惟該債務之金額須可予準確估計。

倘折現之影響屬重大者,就撥備之已確認金額乃是於呈報日償還債務預期所須之現值金額。折現現值金額因時間過去產生之增幅於收入報表計入「融資成本」。

於業務合併時確認之或然負債最初按其公平值計量。其後,以下列較高者計量:(i)將根據上述撥備之一般指引予以確認之數額;及(ii)最初確認之金額減(倘合適)根據收益確認指引所確認之累計攤銷。

所得稅

所得稅包括即期及遞延稅項。於損益外確認之項目有關之所得稅於損益外確認,於其他全面收入確認或直接計入權益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

於目前或過往期間的即期稅項資產及負債，按預期自稅務當局退回或付予稅務當局的金額計算。以於呈報期末前已實行或實際已實行之稅率(及稅法)為基準，經計及本集團營運所在國家之現行詮釋及慣例。

遞延稅項乃採用負債法就呈報日資產及負債之稅基與兩者用作財務報告之賬面值之間之各項暫時性差額作出撥備。

所有應課稅暫時性差額均被確認為遞延稅項負債：

- 由商譽初始確認產生之遞延稅項負債或於進行交易時初次確認(非業務合併交易)之資產或負債並不對會計溢利或應課稅溢利或虧損構成影響；及
- 有關從附屬公司與聯營公司之投資中產生之應課稅暫時性差額，惟轉撥暫時性差額之可受控制時間及暫時性差額於可預見之將來可能不會轉撥除外。

所有可被扣減之暫時性差額及未被動用之稅項抵免與稅務虧損之結轉均被確認為遞延稅項資產，惟只限於可能以應課稅溢利抵扣可扣減暫時性差額，及可動用結轉之未被動用之稅項抵免及稅務虧損：

- 惟倘與可扣稅暫時差異有關的遞延稅項資產因於交易中首次確認有關資產或負債而起，而有關交易並非業務合併，及在交易進行時，對會計盈利或應課稅盈利或虧損均無影響，則作別論；及
- 有關從附屬公司與聯營公司之投資中產生之可扣減暫時性差額，遞延稅項資產只限於暫時性差額可能於可預見將來轉撥及可動用應課稅溢利可用以抵扣暫時性差額時確認除外。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) agency commission, on an accrual basis;

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產之賬面值於每個呈報日檢討，並扣減至當不再可能有足夠應課稅溢利讓所有或部分遞延稅項資產被動用止。當未被確認遞延稅項資產可能有足夠應課稅溢利讓所有或部分遞延稅項資產被追回時於各呈報日被重新評估及確認。

遞延稅項資產及負債以該期間(當資產被變現或負債被清還時)預期之適用稅率衡量，根據於呈報期末之前已制定或實際會制定之稅率及稅務法例計算。

遞延稅項資產可與遞延稅項負債抵銷，惟必須存在容許將即期稅項資產抵銷即期稅項負債的可合法執行權利，且遞延稅項與同一應課稅實體及同一稅務當局有關，方可實行。

政府補助

政府補助在合理確保可收取有關撥款及符合一切附帶條件下按其公平價值予以確認。如補助與開支項目有關，補助將有系統地按照擬補助之開支項目所需期間予以確認為收入。如補助與資產項目有關，則先按其公平價值於遞延收益賬內入賬，並在該有關資產之預期待用年期內以每年相同金額之方式轉入收入報表。

收益之確認

收益於本集團將可獲得有關經濟利益並能夠可靠地衡量時按以下基準入賬：

- (a) 銷售貨物收入，於擁有權之重大風險及回報已轉移至買方而本集團不再保有通常與擁有權有關之管理或對售出貨物之有效控制；
- (b) 租金收入，於資產租出期間在租賃期按時間比例基準確認；
- (c) 代理佣金，按應計基準；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

- (d) from the rendering of services, in the period in which the services are rendered;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;
- (f) compensation income, when the right to receive payment has been established;
- (g) dividend income, when the shareholders' right to receive payment has been established;
- (h) proceeds from the sale of investments, on the transaction dates when the relevant contract notes are exchanged; and
- (i) tax refunds, when the acknowledgement of refunds from the tax bureau has been received.

Employee benefits

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for options granted after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes-Merton option pricing model, further details of which are given in note 33 to the financial statements.

2.4 主要會計政策概要(續)

收益之確認(續)

- (d) 提供服務，在提供服務期間確認；
- (e) 利息收入以應計方式按金融工具的估計年內實際利率將未來估計的現金收入確切貼現至金融資產的賬面淨值；
- (f) 補償收入，於收取付款之權利獲得確立時確認入賬；
- (g) 股息收入，於確立股東收款之權利時確認；
- (h) 出售投資之所得款項，在交易日即於有關成交單據兌現時確認；及
- (i) 退稅，於已收取稅務局之退稅承認書時確認。

僱員福利

股份為本支付之交易

本公司採納購股權計劃，作為對曾為本集團取得之成就作出貢獻之合資格參與人士之鼓勵及獎勵。本集團僱員(包括董事)獲授以股份支付交易形式發出之酬金，而僱員則提供服務作為獲授股本金融工具之代價(「股本結算交易」)。

與僱員進行對其於2002年11月7日之後授出購股權以股權支付之交易之成本，乃參照授出日期之公平值計量。公平值由外界估值師採用柏力克-舒爾斯期權模型釐定，進一步詳情載於財務報告附註33。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要(續)

僱員福利(續)

股份為本支付之交易(續)

股本結算交易之成本連同股本之相應增加會於達到表現及／或服務條件之期間內確認。由各呈報期末直至歸屬日就股本結算交易確認之累計開支反映歸屬期屆滿時之程度，以及本集團就最終將會歸屬之股本金融工具數目作最佳估計。期內於收入報表扣除或計入收入報表之項目指於期初及期終確認之累計開支之變動。

尚未能最終歸屬之報酬不會確認為開支，除非股本結算交易須待某個市況或非歸屬條件達到後方可歸屬，在此情況下，不論是否達到該市況或非歸屬條件均會被視作歸屬處理，惟其他所有表現及／或服務條件必須達成。

當股本結算報酬之條款修訂時，會確認最少之支出，猶如條款並無修訂一般，惟須符合獎勵之原始條款。此外，會就導致以股份支付之交易之公平值總額增加，或按於修訂日期計量而對僱員有利之任何修訂確認支出。

當股本結算報酬註銷時，會被視作於註銷當日經已歸屬處理，而報酬尚未確認之任何支出會即時確認。該報酬包括當非歸屬條件在本集團或其僱員的控制下未能得到滿足時的報酬。然而，倘已註銷報酬有任何替代之新報酬，並指定為授出當日之替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬之修訂般處理。所有以股本結算交易之獎勵之取消均平等對待。

未行使購股權之攤薄影響，反映於計算每股盈利時之額外股份攤薄。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Pension schemes and other retirement benefits

Retirement benefits are provided to certain staff employed by the Group. In accordance with the Mandatory Provident Fund Schemes Ordinance, the Group's Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted Occupational Retirement Schemes Ordinance ("ORSO") Scheme, or the Mandatory Provident Fund Scheme under which employer contributions have to be made. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions to both schemes are at a maximum of 10% of the monthly salaries of the employees. When an employee leaves employment prior to his or her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of the forfeited contributions, in accordance with the rules of the Mandatory Provident Fund Exempted ORSO Scheme. However, in respect of the Mandatory Provident Fund Scheme, only the employer voluntary contribution amounts are refundable to the Group when the members leave employment prior to their contributions vesting fully. The Group's mandatory contributions vest fully with the employees when the employees leave employment.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme which is operated by the relevant authorities of the provinces or the local municipal governments in Mainland China in which the Group's subsidiaries are located. The Group contributes to this scheme in respect of its employees in Mainland China and such costs are charged to the income statement as incurred.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

2.4 主要會計政策概要(續)

僱員福利(續)

退休金計劃及其他退休福利

本集團為受僱之若干僱員提供退休福利。根據《強制性公積金計劃條例》，本集團香港僱員享有根據強制性公積金豁免職業退休金計劃或強制性公積金計劃提供之退休福利。僱主須根據計劃作出供款。該等計劃之資產由獨立管理基金與本集團之資產分開處理。本集團向該兩個計劃之供款最多為僱員月薪之10%。根據強制性公積金豁免職業退休金計劃規則，倘本集團僱員於合資格全數取得其於強制性公積金規則豁免之職業退休金計劃之供款權益前離職，則本集團須持續作出之供款可由沒收供款填補。然而，就強制性公積金計劃而言，倘僱員在全數取得供款前離職，本集團僅可獲退還僱主自願供款。僱員離職時可悉數收取本集團之強制性供款。

本集團在中國營運之附屬公司僱員須參加中央公積金計劃，計劃乃由本集團之附屬公司所在中國省份之有關政府機構或當地市政府運作。本集團須替中國僱員向該計劃供款，該等費用於產生時自收入報表中扣除。

《僱傭條例》長期服務金

本集團若干僱員已完成香港《僱傭條例》規定倘於終止僱用時可享有長期服務金之服務年期。倘終止僱用之情況符合《僱傭條例》規定者，則本集團須按例支付有關款項。

由於預期導致本集團於日後動用大量現金資源之機會並不大，故並無就可能須支付之款項確認任何撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the board are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in an annual general meeting. When these dividends are approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because the Company's memorandum and articles of association and by-laws grant the board the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4 主要會計政策概要(續)

借貸成本

購買、建築或生產指定資產(即資產需經一段長時間,方能作擬定用途或銷售)所直接涉及之借貸成本,一律資本化,並列作該等資產成本之一部分。一旦資產之大部分已可作擬定用途或銷售,有關借貸成本即不再資本化。指定借貸所作臨時性質之投資在扣除指定資產所耗之開支後所賺得之投資收入於資本化之借貸成本中予以扣除。所有其他借貸成本於其產生期間內列作支出。借貸成本包括利息及一個實體於有關資金借貸產生之其他成本。

股息

董事會建議派付之末期股息於財務狀況表之股本項下,列作保留溢利之一項獨立分配,直至股東於股東週年大會批准派付該等股息。倘該等股息獲股東批准,並予以宣派,則確認為負債入賬。

中期股息由本公司同時建議及宣派,因本公司之組織大綱或細則及公司章程授權董事會宣派中期股息之權利。故此,中期股息於建議派付及宣派時隨即確認為負債。

外幣

財務報告以港元呈報,即本公司的功能及呈報貨幣。本集團內的實體各自決定其功能貨幣為何,各實體的財務報告項目均以所定功能貨幣計量。本集團各實體錄得的外幣交易初步按交易日彼等各自的功能貨幣的匯率換算入賬。以外幣計價單位的貨幣資產及負債,按有關功能貨幣於呈報期末的匯率再換算。所有匯兌差額撥入收入報表處理。按歷史成本列賬、以外幣計量的非貨幣項目,採用初步交易日期匯率換算。按公平價值列賬以外幣計量的非貨幣項目,採用釐定公平價值的匯率換算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

海外附屬公司及聯營公司的功能貨幣為港元以外之貨幣。於呈報期末，有關實體的資產與負債乃按呈報期末的匯率換算為本公司的呈報貨幣，其收入報表則按本年度的加權平均匯率換算為港元。因此而產生的匯兌差額，於其他全面收入報表中確認及累計於外匯變動儲備中。出售外國業務時，有關該項外國業務的其他全面收入的組成部分會在收入報表中確認。

因收購海外業務產生的任何商譽及因收購產生的資產及負債賬面值的任何公平價值調整，均被視為該海外業務的資產及負債，並以呈報期間完結時的匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量日期之有關匯率折算為港元。海外附屬公司於本年度內產生之經常性現金流量則按本年度內加權平均匯率折算為港元。

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends.

Estimation uncertainty

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, are discussed below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2009 was HK\$1,641,854,000 (2008: HK\$1,409,342,000). More details are given in note 18.

3. 主要會計判斷及估計

編製本集團財務報告需要管理層作出判斷、估計及假設，而此等將影響於報告期末之收入、開支、資產及負債之呈報金額及或然負債之披露。然而，該等假設及估計之不明朗因素可能導致需要對未來有關資產或負債之賬面值作出重大調整。

判斷

判斷於應用本集團的會計政策的過程中，除涉及及估計的會計政策外，管理層已作出對財務報告內已確認金額構成最重大影響的以下判斷：

分派股息所產生之預扣稅

本集團就決定是否依照司法權區域制定之有關稅務規則計算若干附屬公司分派股息所產生之預扣稅時，須對分派股息之計劃作出判斷。

估計之不明朗因素

下文載述存在重大風險之未來主要假設及於呈報期末存在的其他主要估計不明朗原因，極可能會導致須對下一個財政年度資產及負債賬面值作出重大調整。

商譽減值

本集團至少每年釐定商譽有否出現減值。有關釐定需估計商譽所獲分配至之現金產生單位之使用價值。就估計使用價值而言，本集團需估計預計來自現金產生單位之未來現金流量及挑選合適貼現率以計算該等現金流量之現值。於2009年12月31日，商譽之賬面值為1,641,854,000港元(2008年：1,409,342,000港元)。更多詳情載於附註18。

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2009 was HK\$Nil (2008: HK\$6,742,000). The amount of unrecognised tax losses at 31 December 2009 was HK\$403,445,000 (2008: HK\$253,893,000). Further details are contained in note 31 to the financial statements.

Impairment of receivables

Impairment of receivables is made based on an assessment of the recoverability of accounts and other receivables and the timing of their recovery. The identification of impairment of receivables requires management judgement and estimation. Where the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying value of accounts and other receivables and the amount of impairment/write-back of impairment in the periods in which such estimates have been changed.

Impairment of receivables of HK\$1,501,000 (2008: HK\$4,657,000) was recognised in the consolidated income statement for the year. The aggregate carrying amount of accounts and bills receivables, and prepayments, deposits and other receivables as at 31 December 2009 was HK\$1,727,492,000 (2008: HK\$1,363,837,000).

Estimation of fair value of biological assets

The Group's biological assets are stated at fair value less point-of-sale cost. This requires an independent valuer's assessment of the fair value of the biological assets. Changes in conditions of the biological assets could impact the fair value of the assets. The carrying amount of the Group's biological assets at 31 December 2009 was HK\$92,242,000 (2008: HK\$86,643,000). More details are given in note 24.

3. 主要會計判斷及估計(續)

估計之不明朗因素(續)

遞延稅項資產

倘應課稅溢利可供扣減虧損，則會就所有未使用稅項虧損確認遞延稅項資產。釐定可予確認的遞延稅項資產數額，須管理層根據可能出現未來應課稅溢利的時間及數額連同未來稅務計劃策略作出重大判斷。與已確認稅項虧損有關的遞延稅項資產於2009年12月31日的賬面價值為零港元(2008年：6,742,000港元)。於2009年12月31日的未確認稅項虧損賬面價值為403,445,000港元(2008年：253,893,000港元)。其他詳情載於財務報告附註31。

應收賬款減值

應收賬款減值乃根據應收賬款及其他應收賬款的可收回性及收回時間評估計提。識別應收賬款減值需要管理層作出判斷及估計。若日後之實際結果或預期與原來估計有別，該等差額將於有關估計變動之期間影響賬目及其他應收款項之賬面值及減值／減值撥回金額。本年度應收賬款減值1,501,000港元(2008年：4,657,000港元)已在綜合收入報表中確認。於2009年12月31日，應收賬款及應收票據、預付款項、按金及其他應收款項的賬面值總額為1,727,492,000港元(2008年：1,363,837,000港元)。

生物資產之估計公平值

本集團之生物資產按公平值減銷售點成本列賬。計算過程須要獨立估值師對生物資產估值。生物資產狀況的變動可能影響其公平值。本集團於2009年12月31日的生物資產賬面值為92,242,000港元(2008年：86,643,000港元)。詳情載於附註24。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of their operations and the products and services they provided. Each of the Group's operating segments represents a strategic operating unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

The Group has five reportable operating segments as follows:

- (a) the wines segment is engaged in the production, sale and trading of grape wine and other wine products;
- (b) the beverages segment is engaged in the processing, bottling and distribution of sparkling beverages and distribution of still beverages;
- (c) the kitchen foods segment is engaged in the distribution of retail packaged cooking oil and other consumer food products;
- (d) the confectionery segment is engaged in the production and distribution of chocolate and other related products; and
- (e) the corporate and others segment comprises the Group's corporate income and expense items.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision makers of the Company review the Group's internal reports periodically in order to monitor the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result.

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, equity investments at fair value through profit or loss, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, the amount due to the ultimate holding company, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. 經營分部資料

為管理目的，本集團按經營性質及所提供的產品及服務劃分不同的業務單元。本集團每一類業務類別為每一策略業務單元，所提供產品及服務之風險與回報均與其他業務類別有所不同。

本集團的五項可予呈報經營分部如下：

- (a) 酒類分部，從事生產、銷售及買賣葡萄酒及其他酒類產品；
- (b) 飲料分部，從事碳酸飲料的加工、裝瓶及分銷及非碳酸飲料的分銷；
- (c) 廚房食品分部，從事分銷零售型包裝烹調油及其他消費食品；
- (d) 休閒食品分部，從事生產及分銷巧克力及其他相關產品；及
- (e) 公司及其他分部，包括本集團之公司收益及開支項目。

概無經營分部被綜合組成上述可予呈報經營分部。

本公司之主要經營決策者定期審閱本集團之內部報告以獨立監察其經營分部的業績，藉此作出有關資源分配的決定及評估表現。分部表現乃根據可予呈報分部業績進行評估。

分部資產不包括遞延稅項資產、可收回稅項、抵押存款、現金及現金等值項目、按公平值列入損益之股本投資及其他未分配總部及公司資產，因為該等資產按集團基準管理。

分部負債不包括計息銀行貸款及其他貸款、欠最終控股公司款項、應付稅項、遞延稅項負債及其他未分配總部及公司負債，因為該等負債按集團基準管理。

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 經營分部資料(續)

集團分部間之銷售及轉撥參考第三者以當時市價進行銷售之售價進行。

Year ended 31 December 2009 截至2009年12月31日止年度		Wines 酒類 HK\$'000 千港元	Confectionery 休閒食品 HK\$'000 千港元	Beverages 飲料 HK\$'000 千港元	Kitchen Foods 廚房食品 HK\$'000 千港元	Corporate and others 公司及 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment revenue:	分部收益：						
Sales to external customers	銷售予外界客戶	3,196,819	519,699	7,098,488	6,008,469	-	16,823,475
Intersegment revenue	分部間收益	-	-	-	-	30,711	30,711
Other revenue	其他收益	39,461	6,280	54,839	17,208	10,074	127,862
		3,236,280	525,979	7,153,327	6,025,677	40,785	16,982,048
Reconciliation:	對賬：						
Elimination of intersegment revenue	撇銷分部間收益						(30,711)
							16,951,337
Segment results	分部業績	585,697	(60,002)	386,956	18,644	(37,197)	894,098
Reconciliation:	對賬：						
Interest income	利息收入						17,356
Dividend income	股息收入						31,736
Finance costs	融資成本						(53,927)
Share of profits of associates	應佔聯營公司溢利	-	-	60,438	-	-	60,438
Profit before tax	稅前溢利						949,701

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

4. 經營分部資料(續)

Year ended 31 December 2009 截至2009年12月31日止年度		Wines 酒類 HK\$'000 千港元	Confectionery 休閒食品 HK\$'000 千港元	Beverages 飲料 HK\$'000 千港元	Kitchen Foods 廚房食品 HK\$'000 千港元	Corporate and others 公司及其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment assets	分部資產	3,700,619	456,873	4,662,377	1,477,517	3,850,136	14,147,522
<i>Reconciliation:</i>	<i>對賬:</i>						
Elimination of intersegment receivables	撤銷分部間應收款項						(4,114,915)
Interests in associates	於聯營公司之權益	-	-	446,952	-	-	446,952
Unallocated assets	未分配資產						2,016,281
Total assets	總資產						12,495,840
Segment liabilities	分部負債	2,479,050	310,641	3,760,652	1,821,246	504,501	8,876,090
<i>Reconciliation:</i>	<i>對賬:</i>						
Elimination of intersegment payables	撤銷分部間應付款項						(4,114,915)
Unallocated liabilities	未分配負債						849,526
Total liabilities	總負債						5,610,701
Other segment information:	其他分部資料:						
Impairment losses recognised/ (reversed) in the income statement	於收入報表確認減值 虧損/(撥回)	(288)	1,591	2,080	(237)	-	3,146
Provision against (write-back of provision against) inventories	存貨撥備 (撥回撥備)	4,417	29,792	17,938	(215)	-	51,932
Fair value loss on investments at fair value through profit or loss	按公平值計入損益的 投資公平值損失	-	-	-	-	3,134	3,134
Depreciation and amortisation	折舊及攤銷	95,946	17,867	179,640	2,886	4,876	301,215
Capital expenditure	資本開支	149,432	6,266	345,868	13,796	31,566	546,928*

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and investment properties (including assets from the acquisition of a subsidiary).

* 資本開支包括添置物業、廠房及設備、無形資產、投資物業(包括收購一間附屬公司的資產)。

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

4. 經營分部資料(續)

Year ended 31 December 2008 截至2008年12月31日止年度		Wines 酒類 HK\$'000 千港元	Confectionery 休閒食品 HK\$'000 千港元	Beverages 飲料 HK\$'000 千港元	Kitchen Foods 廚房食品 HK\$'000 千港元	Corporate and others 公司及其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment revenue:	分部收益:						
Sales to external customers	銷售予外界客戶	2,789,979	364,591	4,573,520	6,512,193	-	14,240,283
Other revenue	其他收益	49,222	14,683	47,468	9,909	(1,868)	119,414
		2,839,201	379,274	4,620,988	6,522,102	(1,868)	14,359,697
Segment results	分部業績	569,024	(121,199)	228,534	4,869	(77,032)	604,196
<i>Reconciliation:</i>	<i>對賬:</i>						
Interest income	利息收入						16,578
Dividend income	股息收入						41,942
Finance costs	融資成本						(31,382)
Share of profits of associates	應佔聯營公司溢利	-	-	124,996#	-	-	124,996
Profit before tax	稅前溢利						756,330
Segment assets	分部資產	3,603,620	465,662	3,763,022	906,726	3,789,941	12,528,971
<i>Reconciliation:</i>	<i>對賬:</i>						
Elimination of intersegment receivables	撤銷分部間應收款項						(4,079,900)
Interests in associates	於聯營公司之權益	-	-	411,951	-	-	411,951
Unallocated assets	未分配資產						1,586,841
Total assets	總資產						10,447,863
Segment liabilities	分部負債	2,647,508	265,338	3,290,615	1,364,228	353,267	7,920,956
<i>Reconciliation:</i>	<i>對賬:</i>						
Elimination of intersegment payables	撤銷分部間應付款項						(4,079,900)
Unallocated liabilities	未分配負債						281,833
Total liabilities	總負債						4,122,889
Other segment information:	其他分部資料:						
Impairment losses recognised/ (reversed) in the income statement	於收入報表確認減值 虧損/(撥回)	(140)	3,169	1,040	588	-	4,657
Provision against inventories	存貨撥備	1,181	28,776	10,300	8,361	-	48,618
Depreciation and amortisation	折舊及攤銷	85,919	18,142	105,217	1,748	5,638	216,664
Capital expenditure	資本開支	173,428	1,047	308,838	1,471	16,786	501,570

Included an income representing an excess of fair value of net assets acquired over cost of HK\$40,902,000, in relation to an acquisition of an associate (note 21).

包括有關收購一間聯營公司的已收購淨資產公平值超過成本40,902,000港元之收入(附註21)。

Geographical information

Revenue from external customers

Over 90% of the Group's customers are located in Mainland China and all revenue of the Group is derived from operations in Mainland China. The board consider that it is impracticable to allocate the revenue and segment results to geographical locations.

地區資料

來自外界客戶的收益

超過90%之本集團客戶均位於中國大陸，而本集團之所有收益均來自中國大陸的營運。董事會認為，將收益及分部業績分配至地域地點並不切實可行。

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

An analysis of other income and gains is as follows:

5. 收入、其他收入及收益

收入(本集團之營業額)乃指於本年度扣除退貨及貿易折扣後的已售出貨品發票淨值。

其他收入及收益分析如下：

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Other income	其他收入		
Gross rental income	租金收入總額	4,307	8,573
Bank interest income	銀行利息收入	17,356	16,578
Interest income from held-to-maturity investments	持有至到期投資之利息收入	3,761	-
Dividend received from available-for-sale investments	可供出售投資之已收股息	31,736	41,850
Dividend received from investments at fair value through profit or loss	按公平值列入損益之投資之已收股息	581	92
Government grants*	政府補助*	33,049	28,904
Compensation income	補償收入	34,150	15,082
Tax refunds	退稅	891	28,106
Others	其他	32,548	21,975
		158,379	161,160
Gains	收益		
Gain on disposal of by-products and scrap items	出售副產品及廢料項目之收益	9,186	9,815
Foreign exchange differences, net	匯兌差額，淨額	810	2,303
Fair value gain on investments at fair value through profit or loss	按公平值列入損益之投資之公平值收益	4,868	-
Fair value gain on investment properties (note 16)	投資物業之公平值收益 (附註16)	3,711	4,656
		18,575	16,774
		176,954	177,934

* There are no unfulfilled conditions or contingencies relating to these grants.

* 概無有關該等補助之未達成條件或或然情況。

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團之除稅前溢利乃扣除/(計入)下列各項：

		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Cost of inventories sold	售出存貨成本	12,076,052	10,705,535
Provision against inventories	存貨撥備	51,932	48,618
Net gain arising from changes in fair value of biological assets	生物資產公平值變動所產生的淨收益	(5,491)	(12,369)
Cost of sales	銷售成本	12,122,493	10,741,784
Auditors' remuneration	核數師薪酬	3,800	3,985
Depreciation (note 15)	折舊(附註15)	291,369	208,698
Amortisation of other intangible assets (note 19)	其他無形資產攤銷(附註19)	4,369	3,312
Recognition of prepaid land premiums (note 17)	確認預付土地金(附註17)	5,477	4,654
Minimum lease payments under operating leases in respect of land and buildings	有關土地及樓宇的經營租賃的最低租金款項	98,708	81,053
Employee benefit expenses (including directors' remuneration) (note 8):	僱員福利開支(包括董事薪酬)(附註8)：		
Wages and salaries	工資及薪金	840,131	613,970
Pension scheme contributions*	退休計劃供款*	80,502	55,299
Equity-settled share option expense	以股本結算購股權開支	8,753	10,135
		929,386	679,404
Other expenses include the following:	其他開支包括以下各項：		
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	2,328	4,278
Fair value loss on investments at fair value through profit or loss	按公平值列入損益之投資之公平值虧損	3,134	10,158
Impairment of items of property, plant and equipment (note 15)	物業、廠房及設備項目之減值(附註15)	1,510	-
Impairment of accounts receivable (note 26)	應收賬款減值(附註26)	1,324	2,029
Impairment of other receivables	其他應收款項減值	177	2,628
Others	其他	789	-
		9,262	19,093

* At 31 December 2009, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2008: Nil).

* 於2009年12月31日，本集團概無已沒收供款以抵銷其於未來年度對退休計劃的供款(2008年：無)。

7. FINANCE COSTS

7. 融資成本

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Interest on:	利息：		
Bank loans wholly repayable within five years	五年內全數償還之銀行貸款	17,141	23,538
Loans from a fellow subsidiary and a minority shareholder of a subsidiary	同系附屬公司及附屬公司之 少數股東之貸款	8,895	12,266
Others	其他	27,916	9,067
Total interest expense on financial liabilities not at fair value through profit or loss	非按公平值列入損益之 金融負債利息開支總額	53,952	44,871
Less: Interest capitalised	減：已資本化利息	(25)	(13,489)
		53,927	31,382

8. DIRECTORS' REMUNERATION

Directors' remuneration of the Group for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Fees:	袍金：		
Executive directors	執行董事	200	200
Independent non-executive directors	獨立非執行董事	755	671
Non-executive director	非執行董事	200	183
		1,155	1,054
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	5,127	5,132
Discretionary bonuses	酌情花紅	1,957	1,831
Equity-settled share option expense	股本結算購股權開支	2,707	3,081
Pension scheme contributions	退休計劃供款	161	157
		9,952	10,201
		11,107	11,255

At the end of the reporting period, certain directors held share options of the Company, in respect of their services to the Group, further details of which are set out in note 33 to the financial statements. The fair value of the share options which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

8. 董事酬金

本年度內，本集團根據聯交所證券上市規則及香港公司條例第161條須予披露之董事酬金如下：

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Fees:	袍金：		
Executive directors	執行董事	200	200
Independent non-executive directors	獨立非執行董事	755	671
Non-executive director	非執行董事	200	183
		1,155	1,054
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪酬、津貼及實物利益	5,127	5,132
Discretionary bonuses	酌情花紅	1,957	1,831
Equity-settled share option expense	股本結算購股權開支	2,707	3,081
Pension scheme contributions	退休計劃供款	161	157
		9,952	10,201
		11,107	11,255

於報告期末，若干董事就彼等向本集團提供之服務而持有本公司購股權，其詳情載於財務報告附註33。該等購股權之公平值(已於歸屬期間在收入報表內確認)乃於授出日期釐定，其金額計入本年度財務報告，並於上述董事酬金內披露。

8. DIRECTORS' REMUNERATION (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Mr. Li Hung-kwan, Alfred	李鴻鈞先生	245	27
Mr. Stephen Edward Clark	祈立德先生	255	240
Mr. Yuen Tin Fan, Francis	袁天凡先生	255	240
Mr. Tan Man Kou	陳文裘先生	-	164
		755	671

There were no other emoluments payable to the independent non-executive directors during the year (2008: Nil).

(b) Executive directors and non-executive directors

		Salaries, allowances and benefits in kind		Discretionary bonuses	Equity-settled share option expense	Pension scheme contributions	Total remuneration
		Fees	薪金、津貼及實物利益				
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2009	2009年						
Executive directors:	執行董事：						
Mr. Ning Gaoning	寧高寧先生	200	-	-	436	-	636
Mr. Qu Zhe	曲喆先生	-	1,536	788	436	82	2,842
Mr. Mak Chi Wing, William	麥志榮先生	-	663	51	397	-	1,111
Ms. Luan Xiuju	樂秀菊女士	-	2,213	801	347	42	3,403
Mr. Zhang Zhentao	張振濤先生	-	715	317	347	37	1,416
		200	5,127	1,957	1,963	161	9,408
Non-executive directors:	非執行董事：						
Mr. Ma Jianping	馬建平先生	100	-	-	397	-	497
Ms. Wu Wenting	吳文婷女士	100	-	-	347	-	447
		200	-	-	744	-	944
		400	5,127	1,957	2,707	161	10,352

8. 董事酬金(續)

(a) 獨立非執行董事

年內，支付予獨立非執行董事之袍金如下：

	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Mr. Li Hung-kwan, Alfred	245	27
Mr. Stephen Edward Clark	255	240
Mr. Yuen Tin Fan, Francis	255	240
Mr. Tan Man Kou	-	164
	755	671

本年內，並無向獨立非執行董事支付其他酬金(2008年：無)。

(b) 執行董事及非執行董事

		Salaries, allowances and benefits in kind		Discretionary bonuses	Equity-settled share option expense	Pension scheme contributions	Total remuneration
		Fees	薪金、津貼及實物利益				
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2009	2009年						
Executive directors:	執行董事：						
Mr. Ning Gaoning	寧高寧先生	200	-	-	436	-	636
Mr. Qu Zhe	曲喆先生	-	1,536	788	436	82	2,842
Mr. Mak Chi Wing, William	麥志榮先生	-	663	51	397	-	1,111
Ms. Luan Xiuju	樂秀菊女士	-	2,213	801	347	42	3,403
Mr. Zhang Zhentao	張振濤先生	-	715	317	347	37	1,416
		200	5,127	1,957	1,963	161	9,408
Non-executive directors:	非執行董事：						
Mr. Ma Jianping	馬建平先生	100	-	-	397	-	497
Ms. Wu Wenting	吳文婷女士	100	-	-	347	-	447
		200	-	-	744	-	944
		400	5,127	1,957	2,707	161	10,352

8. DIRECTORS' REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors (continued)

		Salaries, allowances and benefits	in kind Discretionary bonuses	Equity-settled share option expense	Pension scheme contributions	Total remuneration	
		Fees	in kind 及實物利益	股本結算 購股權開支	退休計劃 供款	總酬金	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
2008	2008年						
Executive directors:	執行董事：						
Mr. Ning Gaoning	寧高寧先生	200	-	-	497	-	697
Mr. Qu Zhe	曲詰先生	-	1,464	720	497	66	2,747
Mr. Mak Chi Wing, William	麥志榮先生	-	663	77	451	-	1,191
Ms. Luan Xiuju	樂秀菊女士	-	2,145	704	395	53	3,297
Mr. Zhang Zhentao	張振濤先生	-	660	330	395	38	1,423
		200	4,932	1,831	2,235	157	9,355
Non-executive directors:	非執行董事：						
Mr. Ma Jianping	馬建平先生	83	200	-	451	-	734
Ms. Wu Wenting	吳文婷女士	100	-	-	395	-	495
		183	200	-	846	-	1,229
		383	5,132	1,831	3,081	157	10,584

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

本年內，並無董事據此而放棄或同意放棄任何酬金之安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2008: four) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2008: one) non-director, highest paid employee for the year are as follows:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,566	792
Discretionary bonuses	酌情花紅	1,172	528
Equity-settled share option expense	股本結算購股權開支	347	395
Pension scheme contributions	退休計劃供款	87	36
		3,172	1,751

At the end of the reporting period, the non-director highest paid employee held share options of the Company, in respect of his services to the Group, further details of which are set out in note 33 to the financial statements. The fair value of the share options, which has been recognised to the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director, highest paid employee's remuneration disclosures.

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2009 2009年	2008 2008年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1
		2	1

9. 五名最高薪酬之僱員

於年度內五名最高薪酬之僱員，包括三名(2008年：四名)董事，其酬金詳情載於上文附註8。本年度內其餘兩名(2008年：一名)最高薪酬之非董事僱員之酬金載列如下：

於報告期末，該非董事之最高薪酬僱員就其向本集團提供之服務而持有本公司購股權，其詳情載於財務報告附註33。該等購股權之公平值(已於歸屬期間在收入報表內確認)乃於授出日期釐定，其金額計入本年度財務報告，並於上述非董事之最高薪僱員酬金內披露。

最高薪僱員(非董事)之薪酬介於下列組別之人數如下：

10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

10. 所得稅開支

香港利得稅撥備已按於本年度於香港產生的估計應課稅溢利以16.5%(2008年: 16.5%)的稅率作出。其他地區之應課稅溢利之稅項乃根據本集團經營之司法權區之現行稅率計算。

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Group:	本集團：		
Current – Hong Kong	即期 – 香港		
Charge for the year	於本年度扣除	–	9
Current – Mainland China	即期 – 於中國大陸		
Charge for the year	於本年度扣除	226,807	154,529
Overprovision in prior years	過往年度超額撥備	(3,900)	(514)
Investment tax credits	投資稅項抵免	–	(13,872)
Deferred (note 31)	遞延 (附註31)	6,489	(3,901)
Total tax charge for the year	年度稅項支出總額	229,396	136,251

10. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Group – 2009

	Hong Kong 香港		Mainland China 中國內地		Total 合計	
	HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax 稅前溢利	(19,949)		969,650		949,701	
Tax at the statutory tax rates 按法定稅率計算之稅項	(3,291)	16.5	242,412	25.0	239,121	25.2
Lower tax rate for specific provinces or enacted by local authority *	–	–	(10,145)	(1.0)	(10,145)	(1.1)
Profit not subject to tax due to concessions **	–	–	(21,943)	(2.3)	(21,943)	(2.3)
Profits attributable to associates 聯營公司應佔溢利	–	–	(17,686)	(1.8)	(17,686)	(1.9)
Income not subject to tax 無須課稅之收入	(14,538)	72.9	(30,830)	(3.2)	(45,368)	(4.8)
Expenses not deductible for tax 不可扣稅之支出	17,829	(89.4)	20,150	2.1	37,979	4.0
Adjustment in closing deferred tax due to change in deferred tax rate	–	–	6,132	0.6	6,132	0.7
Tax rebates 退稅	–	–	(3,613)	(0.4)	(3,613)	(0.4)
Effect of withholding tax at 10% or 5% on the distributable profits of the Group's PRC subsidiaries	–	–	9,088	0.9	9,088	1.0
Tax losses utilised from previous periods 動用過往期間之稅損	–	–	(13,941)	(1.4)	(13,941)	(1.5)
Tax losses not recognised 未確認稅損	–	–	49,772	5.1	49,772	5.2
Tax charge at the Group's effective rate 按集團有效稅率計算之 稅項支出	–	–	229,396	23.7	229,396	24.1

10. 所得稅開支(續)

以下為利用本公司、其大部分附屬公司註冊所在司法區之法定稅率計算而適用於稅前溢利之稅項支出，按照有效稅率計算之調節項目，以及適用稅率(即法定稅率)與有效稅率之調節項目：

本集團 – 2009年

10. INCOME TAX EXPENSE (CONTINUED)

Group – 2008

10. 所得稅開支(續)

本集團 – 2008年

		Hong Kong		Mainland China		Total	
		香港		中國內地		合計	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元		千港元		千港元	
Profit before tax	稅前溢利	10,266		746,064		756,330	
Tax at the statutory tax rates	按法定稅率計算之稅項	1,694	16.5	186,516	25.0	188,210	24.9
Lower tax rate for specific provinces or enacted by local authority *	個別省或地方機構制定的較低稅率*	–	–	(2,441)	(0.3)	(2,441)	(0.3)
Profit not subject to tax due to concessions **	因稅務優惠而無須課稅之溢利**	–	–	(31,265)	(4.2)	(31,265)	(4.1)
Profits attributable to associates	聯營公司應佔溢利	–	–	(31,249)	(4.2)	(31,249)	(4.1)
Income not subject to tax	無須課稅之收入	(12,939)	(126.0)	(25,378)	(3.4)	(38,317)	(5.1)
Expenses not deductible for tax	不可扣稅之支出	11,254	109.6	19,824	2.7	31,078	4.1
Adjustment in closing deferred tax due to change in deferred tax rate	因遞延稅率變動而作出遞延稅項結餘調整	–	–	(94)	–	(94)	–
Tax rebates	退稅	–	–	(13,872)	(1.9)	(13,872)	(1.8)
Tax losses utilised from previous periods	動用過往期間之稅損	–	–	(8,846)	(1.2)	(8,846)	(1.2)
Tax losses not recognised	未確認稅損	–	–	43,047	5.8	43,047	5.7
Tax charge at the Group's effective rate	按集團有效稅率計算之稅項支出	9	0.1	136,242	18.3	136,251	18.1

* Under the PRC income tax laws, enterprises are subject to corporate income tax ("CIT") at rate of 25%. However, certain of the Group's subsidiaries are operating in specific development zones in Mainland China, and the relevant authorities have granted these subsidiaries a preferential CIT rate 18%.

** In addition to the preferential CIT rates granted to the Group's certain subsidiaries in Mainland China, tax holidays were also granted by the relevant authorities to these subsidiaries, where CIT is exempted for the first two profitable years of the subsidiaries and is chargeable at half of the applicable rates for the subsequent three years.

* 根據中國所得稅法，企業須按25%的稅率繳納企業所得稅(「企業所得稅」)。然而，本集團若干附屬公司乃於中國內地的特別發展地區經營業務，有關當局已授予該等附屬公司18%的優惠企業所得稅率。

** 除本集團位於中國內地的若干附屬公司獲授優惠企業所得稅率外，有關當局還授予該等附屬公司免稅期，即在附屬公司首兩個獲利年度被豁免繳納企業所得稅，並於隨後的三個年度按適用稅率的一半繳納企業所得稅。

10. INCOME TAX EXPENSE (CONTINUED)

The share of tax attributable to associates amounting to HK\$12,987,000 (2008: HK\$13,002,000) is included in "share of profits of associates" on the face of the consolidated income statement.

On 30 April 2009, the Ministry of Finance and the State Administration of Taxation issued the Circular on Issues Concerning Process of Enterprise Income Tax in Enterprise Restructuring Business – Cai Shui [2009] No. 59, which is effective from 1 January 2008. During the year ended 31 December 2008, the Group undertook certain intra-group restructuring activities (the "Restructuring"). Based on the above circular and other relevant tax regulations, the tax base and the tax exposure related to the Restructuring, if any, cannot be determined reliably in the view of the board. Consequently, no provision thereon has been made in these financial statements.

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 December 2009 includes a loss of HK\$21,996,000 (2008: HK\$38,430,000) which has been dealt with in the financial statements of the Company (note 34(b)).

12. BUSINESS COMBINATIONS

Business combination in 2009

- (a) On 9 January 2009, a 65% equity interest owned subsidiary of the Company, COFCO Coca-Cola Beverages Limited ("CBL") acquired a 40% interest in Beijing Coca-cola Beverage Co. Ltd ("Beijing Bottler") from Coca-Cola China Industries Limited at a cash consideration of RMB270,000,000 (equivalent to HK\$307,479,000) (the "Acquisition A"). Since then, the CBL's interest in Beijing Bottler increased from 35% to 75% and Beijing Bottler was consolidated as a subsidiary. Additional cash consideration incurred after interim period was HK\$685,000.

10. 所得稅開支(續)

應佔聯營公司之稅項為12,987,000港元(2008年:13,002,000港元),並列入綜合收入報表之「應佔聯營公司溢利」。

於2009年4月30日,財政部及國家稅務總局頒佈了《關於企業重組業務企業所得稅處理若干問題的通知》—財稅[2009]59號,生效日期為2008年1月1日。截至2008年12月31日止年度內,本集團進行了若干集團間的重組活動(「重組」)。董事會認為,根據前述的通知及其他相關稅法,與重組有關的稅基及稅務風險(如有)未能獲可靠釐定。因此,概無就此於此財務報告中作出撥備。

11. 本公司擁有人應佔溢利

截至2009年12月31日止年度本公司擁有人應佔綜合溢利包括計入本公司之財務報告內之虧損21,996,000港元(2008年:38,430,000港元)(附註34(b))。

12. 業務合併

2009年業務合併

- (a) 於2009年1月9日,本公司擁有65%股本權益之附屬公司中糧可口可樂飲料有限公司(「中可飲料公司」)以現金代價人民幣270,000,000元(相當於307,479,000港元)向Coca-Cola China Industries Limited收購北京可口可樂飲料有限公司(「北京裝瓶廠」)40%權益(「收購事項A」)。自此,中可飲料公司擁有北京裝瓶廠之權益由35%增加至75%,而北京裝瓶廠則以附屬公司綜合入賬。中期之後發生的現金代價為685,000港元。

12. BUSINESS COMBINATIONS (CONTINUED)

Business combination in 2009 (continued)

(a) (continued)

A summary of the fair values of the identifiable assets and liabilities of Beijing Bottler as at the date of the Acquisition A and the corresponding carrying amounts immediately before the Acquisition A was as follows:

		Fair value recognised on acquisition 收購時 確認之公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	406,152	385,354
Prepaid land premiums	預付土地金	41,990	41,990
Inventories	存貨	120,767	110,688
Accounts receivable	應收賬款	112,220	112,220
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	80,319	80,319
Cash and bank balances	現金及銀行結餘	16,903	16,903
Accounts payables	應付賬款	(102,911)	(102,911)
Other payables and accruals	其他應付款項及應計負債	(96,331)	(96,333)
Interest-bearing bank borrowings	計息銀行貸款	(353,715)	(353,715)
Tax payable	應付稅項	(3,141)	(3,141)
Deferred tax liabilities	遞延稅項負債	(7,720)	-
Due to a minority interest	結欠一名少數股東權益	(11,341)	-
Minority interests	少數股東權益	(49,568)	(47,843)
		<u>153,624</u>	<u>143,531</u>
Goodwill on acquisition (note 18)	收購時產生之商譽(附註18)	208,370	
		<u>361,994</u>	
Satisfied by:	以下列方式支付：		
Cash consideration	現金代價	308,164	
Previous investment in an associate	前期於聯營公司之投資	53,830	
		<u>361,994</u>	

Out of the cash consideration equivalent to HK\$308,164,000, an amount of HK\$194,133,000 was paid during the year, and the remaining amount of HK\$114,031,000 was directly settled by a minority shareholder of a subsidiary on behalf of CBL, which is determined as a non-cash item and included in the balance of due to minority shareholders of subsidiaries in non-current liabilities.

在相當於308,164,000港元的現金代價中，其中為數194,133,000港元之款項已於年內支付，而餘款114,031,000港元則直接由附屬公司的少數股東代中可飲料公司支付，此款項已確定為非現金項目，並已計入非流動負債內欠附屬公司少數股東款項之結餘當中。

12. 業務合併(續)

2009年業務合併(續)

(a) (續)

於收購事項A發生之日，北京裝瓶廠之可識別資產及負債之公平值及緊接收購事項A前相應之賬面值概要如下：

12. BUSINESS COMBINATIONS (CONTINUED)

Business combination in 2009 (continued)

(a) (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the Acquisition A is as follows:

		HK\$'000 千港元
Cash consideration paid	已付現金代價	(194,133)
Cash and bank balances acquired	所購入現金及銀行結存	16,903
Net outflow of cash and cash equivalents In respect of the Acquisition A	就收購事項A所產生之現金及 現金等值項目流出淨額	<u>(177,230)</u>

Since the acquisition, Beijing Bottler contributed HK\$1,468,000,000 to the Group's turnover and a profit of HK\$34,231,000 to the consolidated profit for the year ended 31 December 2009.

(b) On 1 April 2008, a wholly owned subsidiary of the Company, China Great Wall Wine Co., Ltd. acquired a 40% interest in Huailai Greatwall Wines Base Development Co., Ltd. ("Huailai Base"). As relevant procedures had not completed before the financial year ended 31 December 2008, the board were in the opinion that the 75% equity interest in Huailai Base was an available-for-sale investment. On 31 August 2009, the transfer procedure (the "Acquisition B") was completed. After that, Huailai Base was consolidated as a subsidiary.

12. 業務合併(續)

2009年業務合併(續)

(a) (續)

就收購事項A產生之現金及現金等值項目流出淨額分析如下：

		HK\$'000 千港元
Cash consideration paid	已付現金代價	(194,133)
Cash and bank balances acquired	所購入現金及銀行結存	16,903
Net outflow of cash and cash equivalents In respect of the Acquisition A	就收購事項A所產生之現金及 現金等值項目流出淨額	<u>(177,230)</u>

自收購後，截至2009年12月31日止年度北京裝瓶廠為本集團之營業額及綜合溢利分別貢獻1,468,000,000港元及34,231,000港元溢利。

(b) 於2008年4月1日，本公司全資附屬公司中國長城葡萄酒有限公司購入懷來縣長城葡萄基地開發有限公司（「懷來基地」）40%權益。由於有關程序於截至2008年12月31日止財政年度尚未完成，董事會認為於懷來基地之75%股權為可供出售投資。於2009年8月31日，轉讓程序（「收購事項B」）已完成。始後，懷來基地以附屬公司綜合入賬。

12. BUSINESS COMBINATIONS (CONTINUED)

Business combination in 2009 (continued)

(b) (continued)

A summary of the fair values of the identifiable assets and liabilities of Huailai Base as at the date of the Acquisition B and the corresponding carrying amounts immediately before the Acquisition B was as follows:

		Fair value recognised on acquisition 收購時 確認之公平值 Hk\$'000 千港元	Carrying amount 賬面值 hk\$'000 千港元
Property, plant and equipment	物業、廠房及設備	2,780	2,445
Prepaid land premiums	預付土地金	1,803	1,801
Other intangible assets	其他無形資產	720	720
Inventories	存貨	190	190
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	103	103
Cash and bank balances	現金及銀行結餘	279	279
Accounts payables	應付賬款	(23)	(23)
Other payables and accruals	其他應付款項及應計負債	(524)	(524)
Minority interests	少數股東權益	(1,332)	(1,248)
		3,996	3,743
Goodwill on acquisition (note 18)	收購時產生之商譽(附註18)	810	
		4,806	
Satisfied by:	以下列方式支付:		
Available-for-sale investments and related advances	可供出售投資及相關墊款	4,806	

An analysis of the net inflow of cash and cash equivalents in respect of the Acquisition B is as follows:

		HK\$'000 千港元
Cash and bank balances acquired	所購入現金及銀行結存	279
Net inflow of cash and cash equivalents In respect of the Acquisition B	就收購事項B所產生之現金及 現金等值項目流入淨額	279

Since the acquisition, Huailai Base contributed HK\$639,000 to the Group's turnover and HK\$117,000 to the consolidated profit for the year ended 31 December 2009.

12. 業務合併(續)

2009年業務合併(續)

(b) (續)

於收購事項B發生之日，懷來基地之可識別資產及負債公平值概要及緊接收購事項B之前之相應賬面值如下：

	Fair value recognised on acquisition 收購時 確認之公平值 Hk\$'000 千港元	Carrying amount 賬面值 hk\$'000 千港元
Property, plant and equipment	2,780	2,445
Prepaid land premiums	1,803	1,801
Other intangible assets	720	720
Inventories	190	190
Prepayments, deposits and other receivables	103	103
Cash and bank balances	279	279
Accounts payables	(23)	(23)
Other payables and accruals	(524)	(524)
Minority interests	(1,332)	(1,248)
	3,996	3,743
Goodwill on acquisition (note 18)	810	
	4,806	
Satisfied by:	以下列方式支付:	
Available-for-sale investments and related advances	可供出售投資及相關墊款	4,806

就收購事項B產生之現金及現金等值項目流入淨額分析如下：

	HK\$'000 千港元
Cash and bank balances acquired	279
Net inflow of cash and cash equivalents In respect of the Acquisition B	279

自收購後，截至2009年12月31日止年度懷來基地為本集團之營業額及綜合溢利分別貢獻639,000港元及117,000港元。

13. DIVIDENDS

		2009	2008
		2009年	2008年
		HK\$'000	HK\$'000
		千港元	千港元
Interim – HK3.88 cents (2008: HK2.40 cents) per ordinary share	中期－每股普通股3.88港仙 (2008年：2.40港仙)	108,305	66,993
Proposed final – HK3.45 cents (2008: HK3.84 cents) per ordinary share	建議末期－每股普通股3.45港仙 (2008年：3.84港仙)	96,340	107,189
		204,645	174,182

At a meeting held on 29 March 2010, the board proposed a final dividend of HK3.45 cents per share for the year. This recommended dividend is subject to the approval of the shareholders at the forthcoming general meeting and will be paid out of the Company's contributed surplus. It is not reflected as dividend payable in consolidated statement of financial position.

於2010年3月29日舉行的會議上，董事會建議就本年度派發每股3.45港仙之末期股息。此建議股息須獲股東於應屆股東週年大會上批准，並將以本公司之繳入盈餘支付，此項目並未於綜合財務狀況表反映為應付股息。

14. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share for the year ended 31 December 2009 is based on the profit for the year attributable to owners of the Company of HK\$568,081,000 (2008: HK\$483,427,000) and the weighted average number of 2,791,384,426 ordinary shares (2008: 2,791,383,356) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2009 and 2008 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share amounts are based on the profit attributable to owners of the Company for the year of HK\$568,081,000 (2008: HK\$483,427,000), and the weighted average number of ordinary shares of 2,791,384,426 ordinary shares (2008: 2,791,383,356) in issue during the year.

14. 本公司擁有人應佔每股盈利

截至2009年12月31日止年度之每股基本盈利乃按本公司擁有人應佔本年度溢利568,081,000港元(2008年：483,427,000港元)，以及本年度已發行加權平均普通股2,791,384,426股(2008年：2,791,383,356股)計算。

由於尚未行使購股權對年內每股基本盈利產生反攤薄影響，因此，概無就截至2009年及2008年12月31日止年度之已呈列每股基本盈利作出調整，亦於每股攤薄盈利計算中不予理會。故此，每股攤薄盈利金額乃按本公司擁有人應佔本年度溢利568,081,000港元(2008年：483,427,000港元)以及本年度已發行加權平均普通股2,791,384,426股(2008年：2,791,383,356股)計算。

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Group 本集團			Company 本公司	
		Plant, machinery and equipment	Construction in progress	Total	Plant and equipment	
		廠房、 機械及設備	在建工程	總計	廠房及設備	
		Buildings 樓宇				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
31 December 2009	於2009年12月31日					
At 31 December 2008 and at 1 January 2009: Cost	於2008年12月31日 及2009年1月1日： 成本	1,291,911	2,515,652	167,677	3,975,240	1,814
Accumulated depreciation and impairment	累計折舊及減值	(299,265)	(1,241,503)	–	(1,540,768)	(1,814)
Net carrying amount	賬面淨值	992,646	1,274,149	167,677	2,434,472	–
At 1 January 2009, net of accumulated depreciation and impairment	於2009年1月1日， 扣除累計折舊及 減值後的淨值	992,646	1,274,149	167,677	2,434,472	–
Additions	添置	87,913	267,726	161,036	516,675	1,239
Acquisition of subsidiaries	購入附屬公司	180,981	227,215	736	408,932	–
Disposals	出售	(1,774)	(21,595)	(1,023)	(24,392)	–
Depreciation provided during the year	年內折舊撥備	(44,817)	(246,552)	–	(291,369)	(165)
Impairment	減值	–	(1,510)	–	(1,510)	–
Transfers from investment properties	自投資物業轉撥	53,564	–	–	53,564	–
Transfer from construction in progress	自在建工程轉撥	122,250	130,660	(252,910)	–	–
Exchange realignment	滙兌調整	1,828	2,322	195	4,345	–
At 31 December 2009, net of accumulated depreciation and impairment	於2009年12月31日， 扣除累計折舊及 減值後的淨值	1,392,591	1,632,415	75,711	3,100,717	1,074
At 31 December 2009: Cost	於2009年12月31日： 成本	1,737,261	3,018,247	75,711	4,831,219	2,799
Accumulated depreciation and impairment	累計折舊及減值	(344,670)	(1,385,832)	–	(1,730,502)	(1,725)
Net carrying amount	賬面淨值	1,392,591	1,632,415	75,711	3,100,717	1,074

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

15. 物業、廠房及設備(續)

		Group 本集團			Company 本公司	
		Buildings 樓宇	Plant, machinery and equipment 廠房、 機械及設備	Construction in progress 在建工程	Total 總計	Plant and equipment 廠房及設備
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 December 2008	於2008年12月31日					
At 1 January 2008:	於2008年1月1日:					
Cost	成本	1,178,053	2,149,177	42,294	3,369,524	1,814
Accumulated depreciation and impairment	累計折舊及減值	(270,675)	(1,016,270)	–	(1,286,945)	(1,814)
Net carrying amount	賬面淨值	907,378	1,132,907	42,294	2,082,579	–
At 1 January 2008, net of accumulated depreciation and impairment	於2008年1月1日， 扣除累計折舊及 減值後的淨值	907,378	1,132,907	42,294	2,082,579	–
Additions	添置	39,628	204,666	207,947	452,241	–
Disposals	出售	(7,558)	(15,117)	–	(22,675)	–
Depreciation provided during the year	年內折舊撥備	(36,027)	(172,671)	–	(208,698)	–
Transfers	轉撥	35,417	53,487	(88,904)	–	–
Exchange realignment	匯兌調整	53,808	70,877	6,340	131,025	–
At 31 December 2008, net of accumulated depreciation and impairment	於2008年12月31日， 扣除累計折舊及 減值後的淨值	992,646	1,274,149	167,677	2,434,472	–
At 31 December 2008:	於2008年12月31日:					
Cost	成本	1,291,911	2,515,652	167,677	3,975,240	1,814
Accumulated depreciation and impairment	累計折舊及減值	(299,265)	(1,241,503)	–	(1,540,768)	(1,814)
Net carrying amount	賬面淨值	992,646	1,274,149	167,677	2,434,472	–

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

All of the Group's buildings are held outside Hong Kong.

At 31 December 2009, certain of the Group's buildings with a net book value of approximately HK\$48,793,000 (2008: HK\$19,623,000) were pledged to secure general banking facilities granted to the Group (note 30).

As at 31 December 2009, certificates of ownership in respect of certain buildings of the Group in Mainland China with an aggregate net book value of HK\$112,709,000 (2008: HK\$243,106,000) had not been issued by the relevant PRC authorities. The board anticipate that these certificates will be issued in the near future.

16. INVESTMENT PROPERTIES

All of the Group's investment properties are held outside Hong Kong.

15. 物業、廠房及設備(續)

本集團擁有之樓宇均於香港以外地區持有。

於2009年12月31日，本集團賬面淨值約為48,793,000港元(2008年：19,623,000港元)之樓宇，乃就本集團獲授銀行融資而予以抵押(附註30)。

於2009年12月31日，本集團於中國內地的若干樓宇的賬面淨值合共112,709,000港元(2008年：243,106,000港元)，相關中國機關尚未發出這些樓宇的所有權證。董事會預計在不久將獲發這些證書。

16. 投資物業

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Carrying amount at 1 January	於1月1日之賬面值	69,884	58,000
Additions	添置	-	3,394
Transfer to owner-occupied properties	轉撥至業主自用物業	(53,564)	-
Net profit from a fair value adjustment	因公平值調整而產生溢利淨額	3,711	4,656
Exchange realignment	匯兌調整	72	3,834
Carrying amount at 31 December	於12月31日之賬面值	20,103	69,884

本集團擁有投資物業均於香港以外地區持有。

16. INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties were revalued on 31 December 2009 by Savills Valuation and Professional Services Limited, independent professionally qualified valuers, at HK\$20,103,000 (2008: HK\$69,884,000) on an open market, existing use basis. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 36(a) to the financial statements.

At 31 December 2009, the Group's investment properties with a carrying value of HK\$15,673,000 (2008: HK\$65,767,000) were pledged to secure banking facilities granted to the Group (note 30).

16. 投資物業(續)

於2009年12月31日，獨立專業合資格估值師第一太平戴維斯估值及專業顧問有限公司按現有用途而於公開市場上對本集團之投資物業重新估值為20,103,000港元(2008年：69,884,000港元)。該等投資物業均根據經營租約而租予第三方，其他詳情概述於財務報告附註36(a)。

於2009年12月31日，本集團之賬面值為15,673,000港元(2008年：65,767,000港元)之投資物業，乃就本集團獲授銀行融資而予以抵押(附註30)。

17. PREPAID LAND PREMIUMS

17. 預付土地金

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Carrying amount at 1 January	於1月1日之賬面值	160,793	132,159
Additions	添置	20,050	24,776
Acquisition of subsidiaries (note 12)	收購附屬公司(附註12)	43,793	-
Recognised during the year	年內確認	(5,477)	(4,654)
Exchange realignment	匯兌調整	303	8,512
Carrying amount at 31 December	於12月31日之賬面值	219,462	160,793
Current portion included in prepayments, deposits and other receivables	包括於預付款項、按金及其他應收款項之即期部分	(5,911)	(4,291)
Non-current portion	非即期部分	213,551	156,502

The leasehold land is held under medium term leases and is situated in Mainland China.

At 31 December 2009, the Group's leasehold land with a carrying value of HK\$15,419,000 (2008: Nil) were pledged to secure banking facilities granted to the Group (note 30).

根據中期租約持有租賃土地乃位於中國內地。

於2009年12月31日，本集團租賃土地賬面值為15,419,000港元(2008年：無)，用以作授予本集團銀行融資之抵押(附註30)。

17. PREPAID LAND PREMIUMS (CONTINUED)

As at 31 December 2009, certificates of land use rights in respect of certain land of the Group in Mainland China with an aggregate net book value of HK\$2,385,000 (2008: HK\$16,881,000) had not been issued by the relevant PRC authorities. The board anticipate that these certificates will be issued in the near future.

17. 預付土地金(續)

於2009年12月31日，本集團於中國內地的若干土地的賬面淨值合共為2,385,000港元(2008年：16,881,000港元)，相關中國機關尚未發出與之有關的土地使用權證書。董事會預計在不久的將來獲發該等證書。

18. GOODWILL

18. 商譽

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
At 1 January:	於1月1日：		
Cost	成本	1,409,342	1,332,857
Accumulated impairment	累計減值	-	-
Net carrying amount	賬面淨值	1,409,342	1,332,857
Cost at 1 January, net of accumulated impairment	於1月1日之成本， 扣除累計減值	1,409,342	1,332,857
Acquisition of subsidiaries (note 12)	收購附屬公司(附註12)	209,180	-
Exchange realignment	匯兌調整	23,332	76,485
At 31 December	於12月31日	1,641,854	1,409,342
At 31 December:	於12月31日：		
Cost	成本	1,641,854	1,409,342
Accumulated impairment	累計減值	-	-
Net carrying amount	賬面淨值	1,641,854	1,409,342

As further detailed in note 2.4 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against consolidated retained profits.

The amount of goodwill remaining in consolidated retained profits, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, was HK\$89,540,000 as at 31 December 2008 and 2009. The amount of goodwill is stated at its cost of HK\$261,897,000, less cumulative impairment of HK\$172,357,000 which arose in years prior to 1 January 2008.

如財務報告附註2.4所載詳情，本集團應用香港財務報告準則第3號過渡條款，其允許有關於2001年之前產生之業務合併之商譽繼續抵銷綜合保留溢利。

保留在綜合保留溢利之商譽(因於2001年採納會計實務準則第30號前收購附屬公司而產生)於2008年及2009年12月31日為89,540,000港元。商譽款額乃按其成本261,897,000港元，減累計減值172,357,000港元(於2008年1月1日之前年度產生)而列賬。

18. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the following cash-generating units, which are reportable segments, for impairment testing:

- Wines cash-generating unit;
- Confectionery cash-generating unit; and
- Beverages cash-generating unit.

The recoverable amount of each of the above cash-generating units is determined based on a value in use calculation using cash flow projections based on financial budgets covering periods ranging from one to five years approved by senior management. The discount rates applied to the cash flow projections ranged from 10% to 14%.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

		2009	2008
		2009年	2008年
		HK\$'000	HK\$'000
		千港元	千港元
Wines	酒類	463,960	440,567
Confectionery	休閒食品	11,610	11,610
Beverages	飲料	1,166,284	957,165
		1,641,854	1,409,342

Key assumptions were used in the value in use calculation of the cash-generating units for 31 December 2008 and 31 December 2009. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Raw materials price inflation – The basis used to determine the value assigned to raw materials price inflation is the forecast price indices during the budget year for countries from where raw materials are sourced.

The values assigned to key assumptions are consistent with external information sources.

18. 商譽(續)

商譽之減值測試

透過業務合併而收購之商譽，已分配至以下現金產生單位(可予呈報分部)以作減值測試：

- 酒類現金產生單位；
- 休閒食品現金產生單位；及
- 飲料現金產生單位。

上述各現金產生單位之可收回款額，乃根據使用價值釐定。使用價值則按照高級管理層批准涵蓋一年至五年期間財政預算下運用現金流量預算計算。現金流量預算所應用之貼現率介乎於10%至14%。

分配至各現金產生單位之商譽賬面值如下：

於2009年12月31日及2008年12月31日，在計算現金產生單位之使用價值時，已應用若干關鍵假設。以下載述管理層設定現金流量預算所依據之每一關鍵假設，以進行商譽減值測試。

預算毛利率 – 用作釐定預算毛利率所指定價值之基準，為緊接預算年度前一年取得之平均毛利率，並就預期效率提升及預期市場發展而增升。

貼現率 – 所使用貼現率為未計算稅項前，並反映相關單位所涉及之特定風險。

原材料價格上漲 – 用來釐定賦予原材料價格上漲之價值時所用基準，為於預算年度內，原材料之採購國家之預測價格指數。

賦予關鍵假設之價值乃與外來資料來源一致。

19. OTHER INTANGIBLE ASSETS Group

19. 其他無形資產 本集團

		Software 軟件 HK\$'000 千港元
31 December 2009	2009年12月31日	
Cost at 1 January 2009, net of accumulated amortisation	於2009年1月1日之成本， 扣除累計攤銷	36,639
Acquisition of a subsidiary (note 12)	購入一家附屬公司(附註12)	720
Additions	添置	10,203
Amortisation provided during the year	年內攤銷撥備	(4,369)
Exchange realignment	匯兌調整	64
At 31 December 2009	於2009年12月31日	<u>43,257</u>
At 31 December 2009:	於2009年12月31日：	
Cost	成本	51,260
Accumulated amortisation	累計攤銷	(8,003)
Net carrying amount	賬面淨值	<u>43,257</u>
31 December 2008	2008年12月31日	
Cost at 1 January 2008, net of accumulated amortisation	於2008年1月1日之成本， 扣除累計攤銷	17,179
Additions	添置	21,159
Amortisation provided during the year	年內攤銷撥備	(3,312)
Exchange realignment	匯兌調整	1,613
At 31 December 2008	於2008年12月31日	<u>36,639</u>
At 31 December 2008:	於2008年12月31日：	
Cost	成本	40,213
Accumulated amortisation	累計攤銷	(3,574)
Net carrying amount	賬面淨值	<u>36,639</u>

20. INTERESTS IN SUBSIDIARIES

		Company 本公司	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	2,106,711	2,106,712
Due from subsidiaries	附屬公司欠款	4,128,076	4,432,770
Due to subsidiaries	欠附屬公司款項	(50,928)	(534,898)
		6,183,859	6,004,584

The balances with subsidiaries are unsecured, interest-free and not expected to be repaid within the next 12 months. The carrying amounts of these amounts due from/to subsidiaries approximate to their fair values.

The value of the unlisted shares is based on:

- (a) the book values of the underlying net assets of the subsidiaries attributable to the Group as at the date when the Company became the holding company of the Group pursuant to the group reorganisation in 1991; and
- (b) the costs of acquisitions of certain subsidiaries in 2001 and 2006.

Particulars of the Company's principal subsidiaries as at 31 December 2009 are set out in note 39 to the financial statements.

20. 於附屬公司之權益

與附屬公司之結餘乃無抵押、免息及預期不須於12個月內償還。該等應收／應付附屬公司之款項之賬面值與其公平值相若。

非上市股份之價值以下列為基準：

- (a) 按本公司根據1991年之集團重組而成為本集團之控股公司當日，本集團應佔附屬公司之基本資產淨值之賬面值；及
- (b) 於2001年及2006年內收購若干附屬公司之成本。

本公司主要附屬公司於2009年12月31日之詳情，載於財務報告附註39。

21. INTERESTS IN ASSOCIATES

21. 於聯營公司之權益

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Share of net assets	分佔資產淨值	446,952	411,951

The balances with associates included in current assets and current liabilities are unsecured, interest-free and repayable within one year.

包括於流動資產與流動負債內之與聯營公司結餘為無抵押、免息及須於一年內償還。

The following table illustrates the summarised financial information of the Group's associates extracted from their financial statements, or where appropriate, management accounts;

下表載有摘錄自本集團聯營公司之財務報告或管理賬目(如適用)之財務資料概要：

		2009 2009年 HK\$'000 千港元	
Assets	資產	6,195,943	5,925,945
Liabilities	負債	3,913,130	3,918,961
Revenue	收入	11,178,437	10,119,973
Profit	溢利	296,093	393,554

Particulars of the Group's principal associates as at 31 December 2009 are set out in note 40 to the financial statements.

有關本集團於2009年12月31日之主要聯營公司詳情，載於財務報告附註40。

On 31 January 2008, the Group entered into a sale and purchase agreement with a connected party, Coca-Cola South Asia Holdings, Inc., to acquire a 21% share interest in Coca-Cola Bottlers Manufacturing Holdings Limited ("CCBMH"), at a cash consideration of RMB148,280,000 (approximately HK\$161,057,000). CCBMH holds a 100% equity interest in Coca-Cola Bottlers Manufacturing (Dongguan) Co., Ltd., which is principally engaged in the production of still beverages under the trademarks of The Coca-Cola Company and its affiliates. The acquisition was completed on 21 February 2008. Further details of this acquisition are set out in the Company's circular dated 21 February 2008.

於2008年1月31日，本集團與關聯方Coca-Cola South Asia Holdings, Inc.訂立買賣協議，以現金代價人民幣148,280,000元(約161,057,000港元)收購Coca-Cola Bottlers Manufacturing Holdings Limited(「CCBMH」)21%之股份股權。CCBMH持有可口可樂裝瓶商生產(東莞)有限公司(主要從事生產貼有可口可樂公司及其聯營公司商標之非碳酸飲料產品)100%權益。收購事項於2008年2月21日完成。該收購事項之進一步詳情載於本公司日期為2008年2月21日之通函。

The Group's share of the fair values of the identifiable assets and liabilities of CCBMH as at the date of acquisition is HK\$201,959,000, which resulted in an excess of fair value of net assets acquired over the cost of HK\$40,902,000 recognised as an income included in the "share of profits of associates" on the face of the consolidated income statement.

於收購之日，本集團應佔CCBMH之可識別資產及負債之公平值為201,959,000港元，令收購資產淨值之公平值超出成本之差額40,902,000港元於綜合收入報表「應佔聯營公司溢利」內確認為收入。

22. AVAILABLE-FOR-SALE INVESTMENTS AND RELATED ADVANCES

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Unlisted equity investments elsewhere than Hong Kong, at fair value	香港以外地區之非上市股本投資，按公平值	6,880	11,672
Unlisted equity investments elsewhere than Hong Kong, at cost	香港以外地區之非上市股本投資，按成本值	198,782	198,782
Amount due from investee companies	被投資公司之欠款	934	901
		206,596	211,355

The amount due from investee companies is unsecured, interest-free and has no fixed terms of repayment. The carrying amounts of the loans to investee companies approximate to their fair values.

Certain unlisted equity investments were stated at cost less impairment because the board are of the opinion that their fair value cannot be measured reliably.

受投資公司的欠款為無抵押、免息及無固定還款期。向被投資公司提供的貸款的賬面值與其公平值相若。

由於董事會認為若干非上市股本投資之公平值無法可靠計量，故以成本值扣除減值列賬。

23. HELD-TO-MATURITY INVESTMENTS

The held-to-maturity investments consists of debt investments with fixed maturity dates and coupon rates, carried at amortised cost.

23. 持有至到期投資

持有至到期投資包括有固定到期日期、票面利率及以攤銷後成本列賬的債務投資。

24. BIOLOGICAL ASSETS

24. 生物資產

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
At 1 January	於1月1日	86,643	72,070
Decrease due to harvest	因收成減少	(21,408)	(15,133)
Additions during the year	年內添置	108	2,204
Gains arising from changes in fair value attributable to physical changes	因實質變動令公平值出現變動 所產生之收益	26,899	27,502
At 31 December	於12月31日	92,242	86,643

(a) Analysis of biological assets

At the end of the financial year, the Group's total planted area of mature plantations is as follows:

(a) 生物資產之分析

於本財政年度終結時，本集團已有成熟種植園之種植總面積如下：

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Planted Area:	種植面積：		
– Mature	– 已成熟	92,242	86,643

		Group 本集團	
		2009 2009年 Hectares 公頃	2008 2008年 Hectares 公頃
Planted Area:	種植面積：		
– Mature	– 已成熟	588	559

24. BIOLOGICAL ASSETS (CONTINUED)

(b) Analysis of grape production

During the financial year, the Group harvested approximately 4,151,200 kilograms (2008: 3,771,900 kilograms) of grapes, which had a fair value less estimated point-of-sale costs of HK\$21,408,000 (2008: HK\$15,133,000). The fair value of grapes was determined with reference to their market prices.

Significant assumptions made in determining the fair value of the biological assets are as follows:

- (i) the grape vines will continue to be competently managed and remain free from irremediable diseases in the remaining estimated useful lives;
- (ii) the expected prices of grapes are based on the past actual average district prices; and
- (iii) the future cash flows have been discounted at the target rate of return on equity of the wines segment.

25. INVENTORIES

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Raw materials	原料	1,255,286	1,283,688
Work in progress	在製品	59,826	2,024
Finished goods	製成品	1,531,385	1,343,145
		2,846,497	2,628,857

24. 生物資產(續)

(b) 葡萄生產之分析

於本財政年度，本集團有葡萄收成約 4,151,200 公斤 (2008 年：3,771,900 公斤)，其公平值減估計銷售點成本為 21,408,000 港元 (2008 年：15,133,000 港元)。葡萄之公平值乃按市價而釐定。

釐定生物資產之公平值時所作出之主要假設如下：

- (i) 葡萄樹將繼續獲悉心管理，於餘下之估計可用期限內亦不會變壞；
- (ii) 葡萄之預計價格乃按該地區過往之實際平均價格作基準；及
- (iii) 未來現金流量已按酒類分部之股東權益回報率之目標比率折算現值。

25. 存貨

26. ACCOUNTS AND BILLS RECEIVABLES

26. 應收賬款及票據

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Accounts and bills receivables	應收賬款及票據	1,104,538	913,826
Impairment	減值	(24,001)	(29,327)
		1,080,537	884,499

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Accounts and bills receivables are non-interest-bearing, they are normally settled within one to three months and one to six months, respectively.

An aged analysis of the accounts and bills receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

除新客戶外，本集團與客戶之貿易條款乃主要按信貸訂立，一般規定新客戶預先付款。信貸期一般介乎30日至90日。每名客戶都設有信貸額上限。本集團尋求維持嚴格控制其未償還應收賬款及設有信貸控制部，務求將信貸風險減至最低。高級管理層定期審核逾期結餘。鑒於上述，以及本集團涉及大量不同客戶之應收賬款，故信貸風險之集中程度並不嚴重。應收賬款及票據為不計息，一般的付款期分別為一至三個月及一至六個月。

於報告期末之應收賬款及票據賬齡按發票日期並扣除減值分析如下：

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Outstanding balances with ages:	未償還結餘之賬齡如下：		
Within 3 months	三個月內	797,080	588,766
3 to 12 months	三個月至十二個月內	279,216	291,551
1 to 2 years	一年至兩年內	2,653	4,182
Over 2 years	超過兩年	1,588	-
		1,080,537	884,499

26. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

The movements in the provision for impairment of accounts receivable are as follows:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
At 1 January	於1月1日	29,327	25,671
Acquisition of subsidiaries	收購附屬公司	8	-
Impairment losses recognised (note 6)	已確認減值虧損 (附註6)	1,324	2,029
Amount written off as uncollectible	列為壞賬被撇銷之數額	(6,701)	(22)
Exchange realignment	匯兌調整	43	1,649
At 31 December	於12月31日	24,001	29,327

The individually impaired accounts receivable relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the accounts and bills receivable that are not considered to be impaired is as follows:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Outstanding balances with ages:	未償還結餘之賬齡如下：		
Neither past due nor impaired	未逾期亦未減值	953,359	740,930
Less than 1 month past due	逾期1個月以內	13,660	15,487
1 to 3 months past due	逾期1至3個月	40,979	46,462
More than 3 months but less than 12 months past due	逾期3個月以上但少於12個月	68,299	77,438
More than 1 year but less than 2 years past due	逾期1年以上但少於2年	2,653	4,182
More than 2 years past due	逾期2年以上	1,587	-
		1,080,537	884,499

26. 應收賬款及票據(續)

應收賬款減值撥備變動如下：

已個別減值之應收賬款乃與處於財政困難之客戶有關，預期僅可收回一部分應收賬款。本集團並無就該等結餘持有任何抵押品或採用其他信用提升措施。

認為未發生減值之應收賬款及票據之賬齡分析如下：

26. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment 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 or other credit enhancements over these balances.

27. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group 本集團		Company 本公司	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Listed equity securities in Hong Kong, at fair value	香港上市股票，按公平值	16,728	9,228	12,072	7,204

The above investments at 31 December 2008 and 2009 were classified as held for trading.

26. 應收賬款及票據(續)

未逾期亦未減值之應收賬款乃與多名近期並無出現拖欠情況之各類客戶有關。

已逾期但未減值之應收賬款乃與多名過往與本集團交易記錄良好之獨立客戶有關。基於以往經驗，本公司董事認為，由於該等結餘之信貸質素並無出現重大變動且仍被視為可悉數收回，故並無必要就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品或採用其他信用提升措施。

27. 按公平值列入損益之投資

於2008年及2009年12月31日上述投資歸類為持作交易。

28. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

28. 現金及現金等值項目及已抵押定期存款

		Group 本集團		Company 本公司	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	1,864,691	1,523,927	32,036	19,968
Time deposits	定期存款	107,757	25,759	–	–
		1,972,448	1,549,686	32,036	19,968
Less: time deposits pledged for short term bank loans (note 30)	減：就短期銀行貸款 而抵押之定期 存款(附註30)	(29,345)	(3,002)	–	–
Cash and cash equivalents	現金及現金等值項目	1,943,103	1,546,684	32,036	19,968

At the end of the reporting period, the cash and cash equivalents and pledged deposits of the Group denominated in Renminbi (“RMB”) amounted to HK\$1,182,140,000 (2008: HK\$1,449,719,000). 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 Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣為單位之現金和現金等值物以及已抵押存款為1,182,140,000港元(2008年：1,449,719,000港元)。人民幣不可自由兌換為其他貨幣，然而，根據中國外匯管制條例及結匯、付匯及售匯管理規定，本集團獲准透過特許進行外匯業務之銀行將人民幣兌換為外幣。

存放於銀行之現金乃按每日銀行存款利率計算之浮息利率賺取利息。視乎本集團即時之現金需求而定，短期定期存款乃按一日至三個月不等之年期存放，並按各短期定期存款利率賺取利息。銀行結餘及已抵押存款存入最近並無違約記錄之信譽良好之銀行。

29. ACCOUNTS AND BILLS PAYABLES

An aged analysis of the accounts and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Outstanding balances with ages:	未償還結餘之賬齡如下：		
Within 3 months	三個月內	797,101	827,482
3 to 12 months	三個月至十二個月內	104,573	25,540
1 to 2 years	一年至兩年內	13,925	7,224
Over 2 years	超過兩年	703	605
		916,302	860,851

Accounts and bills payables are non-interest-bearing and are normally settled during one to three months, and one to six months, respectively.

29. 應付賬款及票據

於報告期末之應付賬款及票據賬齡按發票日期分析如下：

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Outstanding balances with ages:	未償還結餘之賬齡如下：		
Within 3 months	三個月內	797,101	827,482
3 to 12 months	三個月至十二個月內	104,573	25,540
1 to 2 years	一年至兩年內	13,925	7,224
Over 2 years	超過兩年	703	605
		916,302	860,851

應付賬款及票據為不計息，一般的付款期分別為一至三個月及一至六個月。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS 30. 計息銀行貸款及其他貸款

		Group 本集團					
		2009 2009年			2008 2008年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元
Current	流動						
Bank Loans – Secured	銀行貸款 – 有抵押	1.71	2010	15,749	4.54 – 5.51	2009	10,964
Bank Loans – Unsecured	銀行貸款 – 無抵押	4-4.37	2010	272,578	6.48	2009	90,714
Other Loans – Secured	其他貸款 – 有抵押	4.86	2010	14,765	N/A 不適用	N/A 不適用	–
Other Loans – Unsecured	其他貸款 – 無抵押	N/A 不適用	N/A 不適用	–	5.04 – 6.57	2009	146,277
				<u>303,092</u>			<u>247,955</u>
Non-Current	非流動						
Bank loans – unsecured	銀行貸款 – 無抵押	1.10	2011	500,000	N/A 不適用	N/A 不適用	–
				<u>500,000</u>			–
				<u>803,092</u>			<u>247,955</u>
Analysed into:	分析：						
Bank loans repayable:	待償還之銀行貸款：						
Within one year or on demand	一年內到期或 按通知償還			288,327			101,678
In the second year	第二年			500,000			–
				<u>788,327</u>			<u>101,678</u>
Other loans:	其他貸款：						
Within one year or on demand	一年內到期或 按通知償還			14,765			146,277
				<u>14,765</u>			<u>146,277</u>
				<u>803,092</u>			<u>247,955</u>

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

- (a) Certain of the Group's bank loans are secured by:
- (i) a charge over the Group's investment properties held outside Hong Kong with a carrying value at the end of the reporting period of HK\$15,673,000 (2008: HK\$65,767,000) (note 16);
 - (ii) a charge over certain of the Group's buildings with a net book value of approximately HK\$48,793,000 (2008: HK\$19,623,000) (note 15);
 - (iii) a charge over certain of the Group's land use rights with a net book value of HK\$15,419,000 (2008: Nil) (note 17); and
 - (iv) the pledge of certain of the Group's time deposits amounting to HK\$29,345,000 (2008: HK\$3,002,000) (note 28).
- (b) Except for bank and other borrowings of HK\$12,209,000 (2008: Nil) denominated in United States dollars and HK\$500,000,000 denominated in Hong Kong dollars (2008: Nil) as at 31 December 2009 and certain bank loans of HK\$5,294,000 denominated in Pounds Sterling as at 31 December 2008, all other borrowings are denominated in RMB.

30. 計息銀行貸款及其他貸款 (續)

- (a) 本集團之銀行貸款乃以下列項目作抵押：
- (i) 以報告期末賬面值15,673,000港元(2008年：65,767,000港元)之在香港以外持有之若干投資物業之押記(附註16)；
 - (ii) 以本集團賬面淨值約48,793,000港元(2008年：19,623,000港元)之若干樓宇之押記(附註15)；
 - (iii) 本集團賬面淨值為15,419,000港元(2008年：零)之若干土地使用權之押記(附註17)；及
 - (iv) 本集團之若干定期存款之抵押為29,345,000港元(2008年：3,002,000港元)(附註28)。
- (b) 除於2009年12月31日，12,209,000港元(2008年：零港元)的銀行及其他貸款以美元計價及500,000,000港元(2008年：零港元)以港元計價，以及於2008年12月31日，5,294,000港元的若干銀行貸款以英鎊計價外，所有其他貸款以人民幣計價。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

The other loans represent loans of HK\$14,765,000 (2008: HK\$146,277,000) from a financial institution in the COFCO group. These balances are unsecured and bear interest at rates ranging from 4.37% to 4.86% (2008: 5.04% to 6.57%) per annum.

The carrying amounts of the Group's bank and other borrowings approximate to their fair values at the end of the reporting period.

Company

		2009 2009年			2008 2008年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元
Non-current	非流動						
Bank loans – unsecured	銀行貸款—無抵押	1.10	2011	500,000	N/A 不商用	N/A 不商用	–
				500,000			–
Analysed into:	分析：						
Bank loans repayable: In the second year	待償還之銀行貸款： 於第二年			500,000			–

30. 計息銀行貸款及其他貸款 (續)

其他貸款乃中糧集團旗下一間財務機構之貸款14,765,000港元(2008年：146,277,000港元)。該等結餘為無抵押，按介乎每年4.37%至4.86%(2008年：5.04%至6.57%)的利率計息。

本集團之銀行及其他貸款之賬面值與其於報告期末之公平值相若。

本公司

31. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

		Fair value adjustments arising from investment properties
		投資物業產生之公平值調整
		Hk\$'000
		千港元
At 1 January 2008	於2008年1月1日	6,729
Deferred tax charged to the income statement during the year (note 10)	於本年度收入報表內扣除 之遞延稅項(附註10)	326
Exchange realignment	匯兌調整	426
At 31 December 2008 and at 1 January 2009	於2008年12月31日 及於2009年1月1日	7,481
Deferred tax charge related to fair value arising from the acquisition of a subsidiary	收購一間附屬公司而產生之公平值 所相關的遞延稅項	7,720
Deferred tax charged to the income statement during the year (note 10)	於本年度收入報表內扣除 之遞延稅項(附註10)	1,889
Exchange realignment	匯兌調整	14
At 31 December 2009	於2009年12月31日	17,104

31. 遞延稅項

本年度內遞延稅項負債及資產之變動如下：

遞延稅項負債

本集團

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

Group

		Provision against inventories 存貨撥備 HK\$'000 千港元	Impairment of receivables 應收 賬款減值 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2008	於2008年1月1日	434	4,983	20,018	25,435
Deferred tax credited to the income statement during the year (note 10)	於本年度收入報表內計入 之遞延稅項(附註10)	188	2,292	1,747	4,227
Exchange realignment	匯兌調整	33	379	1,291	1,703
At 31 December 2008 and at 1 January 2009	於2008年12月31日 及於2009年1月1日	655	7,654	23,056	31,365
Deferred tax credited/(charged) to the income statement during the year (note 10)	於本年度收入報表內 計入/(扣除)之遞延稅項 (附註10)	1,425	504	(6,529)	(4,600)
Exchange realignment	匯兌調整	2	12	32	46
At 31 December 2009	於2009年12月31日	2,082	8,170	16,559	26,811

The Group has tax losses arising in Mainland China of HK\$403,445,000 (2008: HK\$253,893,000) that are available for offsetting against future taxable profits to a maximum period of five years of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between China and jurisdiction of the foreign investors.

At 31 December 2009, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. Based on the view of the board, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

31. 遞延稅項(續)

遞延稅項資產

本集團

本集團本年度來自中國內地之稅損為403,445,000港元(2008年: 253,893,000港元), 可供產生虧損之公司在日後最長達五年之期間用於抵銷未來應課稅溢利。由於該等虧損來自處於虧損狀態一段時間之附屬公司, 而且不認為有應課稅溢利可供動用該等稅損, 故並無就該等虧損確認遞延稅項資產。

根據中國新企業所得稅法, 在中國內地成立之外資企業向外國投資者宣派股息, 有關股息須繳納10%之預扣稅。此規定於2008年1月1日生效並適用於2007年12月31日之後獲得之盈利。倘中國與該等外國投資者所在司法權區域訂有稅收優惠條約, 則預扣稅率准予下調至5%。

於2009年12月31日, 並未就本集團在中國成立之附屬公司須繳納預扣稅之未匯付盈利而應付之預扣稅確認遞延稅項。董事會認為該等附屬公司在可預見將來分派有關盈利的機會不大。

32. SHARE CAPITAL Shares

		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Authorised:	法定：		
4,000,000,000 ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股 4,000,000,000股	400,000	400,000
Issued and fully paid:	已發行及繳足：		
2,791,512,076 (2008: 2,791,383,356) ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股 2,791,512,076股 (2008年： 2,791,383,356股)	279,151	279,138

During the year, the movements in share capital were as follows:

- (a) The subscription rights attaching to 128,720 share options were exercised at the subscription price of HK\$4.952 per share (note 33), resulting in the issue of 128,720 shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$637,421.

A summary of the transactions during the year with reference to the above movements in the Company's issued share capital is as follows:

		Number of shares in issue 已發行股份數目	Issued capital HK\$'000 千港元	Share premium account HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2008 and 1 January 2009	於2008年1月1日及 2009年1月1日	2,791,383,356	279,138	-	279,138
Share options exercised (a)	已行使購股權(a)	128,720	13	826	839
At 31 December 2009	於2009年12月31日	2,791,512,076	279,151	826	279,977

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 33 to the financial statements.

32. 股本 股份

本年度股本變動如下：

- (a) 128,720份購股權所附之認購權按認購價每股4.952港元(附註33)獲行使，導致發行128,720股每股面值0.10港元之股份，總現金代價扣除發行開支之前為637,421港元。

年內，本公司已發行普通股股本與上述變動有關之交易概要如下：

購股權

本公司購股權計劃及已根據計劃發行的購股權詳情載於財務報告附註33。

33. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 21 November 2006, the Company conditionally adopted a share option scheme (the "Scheme"). The Scheme became effective on 21 November 2006 (the "Effective Date") and unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors (other than independent non-executive directors) and other employees of the Group.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the issued shares of the Company at the date of the adoption of the Scheme. The maximum number of shares issuable under share options granted to each eligible participant pursuant to the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by independent non-executive directors. In addition, any share options granted to a substantial shareholder of the Company, or to any of its associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer. The exercise periods of the share options granted commence after applicable vesting periods and in any event end on a date which is not later than seven years from the date of acceptance of the share options, subject to early termination thereof as provided in the Scheme.

The exercise price of share options is determinable by the board, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; or (iii) the nominal value of a share.

33. 購股權計劃

根據於2006年11月21日通過之一項普通決議案，本公司有條件採納一項購股權計劃(「該計劃」)。該計劃於2006年11月21日(「生效日期」)生效，除非另行取消或修訂，將自該日期起維持有效10年。

該計劃旨在鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。該計劃之合資格參與者包括本公司董事(獨立非執行董事除外)及本集團之其他僱員。

按該計劃目前可授予而未行使之購股權於行使時可認購之本公司股份最高上限數目，相當於本公司於採納該計劃當天已發行股份之10%。於任何十二個月期間，根據該計劃授予每位合資格參與者之購股權可發行股份之最高數目在任何時間均限於本公司已發行股份之1%。超越此限制之任何進一步授出之購股權須先獲得股東於股東大會批准。

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人之購股權須先由獨立非執行董事批准。此外，於任何十二個月期間內，授予本公司主要股東或其任何聯繫人之任何購股權，倘超逾本公司任何時間已發行股份0.1%，或按本公司股份於授出日期之價格計算的總值超逾5,000,000港元，則須先由股東於股東大會批准。

購股權可於授出日期起計28日內接納。已授出購股權的行使期，由適合的歸屬期後起開始及無論如何不得超過授出購股權日期起計7年，惟符合該計劃所載有關提早終止的條文者除外。

購股權之行使價由董事會決定，但不得低於(i)於授出購股權之日本公司股份在聯交所之收市價；及(ii)緊接授出日期前五個交易日股份在聯交所之平均收市價；或(iii)股份之面值(以較高者為準)。

33. SHARE OPTION SCHEME (CONTINUED)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 27 September 2007, a total of 20,619,000 share options were granted to certain directors and employees of the Group in respect of their services to the Group in the forthcoming year. These share options shall be vested during the period from 27 September 2007 to 26 September 2011 with an exercise price of HK\$4.952 per share and an exercise period from 27 September 2009 to 26 September 2014. The price of the Company's shares at the date of grant was HK\$4.95 per share.

The following share options were outstanding under the Scheme during the year:

		2009 2009年		2008 2008年	
		Weighted average exercise price HK\$ per share 加權平均行使價 港元/股	Number of options '000 購股權數目 千份	Weighted average exercise price HK\$ per share 加權平均行使價 港元/股	Number of options '000 購股權數目 千份
At 1 January	於1月1日	4.952	18,708	4.952	20,478
Cancelled during the year	年內註銷	4.952	(525)	4.952	(1,770)
Exercised during the year	年內行使	4.952	(129)	-	-
At 31 December	於12月31日	4.952	18,054	4.952	18,708

The weighted average share price at the date of exercise for share options exercised during the year was HK\$6.92 (2008: Nil).

33. 購股權計劃(續)

購股權並無賦予持有人收取有關股息或於股東大會投票之權利。

於2007年9月27日，本公司就本集團若干董事及僱員於來年向本集團提供服務而授出合共20,619,000份購股權。該等購股權由2007年9月27日至2011年9月26日歸屬，行使價為每股4.952港元，行使期由2009年9月27日至2014年9月26日。於授出日期本公司股價為每股4.95港元。

於本年度內，根據該計劃下列購股權未獲行使：

年內行使購股權於行使日的加權平均股價為6.92港元(2008年：零)。

33. SHARE OPTION SCHEME (CONTINUED)

The vesting periods, exercise prices and exercise periods of the share options outstanding as at 31 December 2009 are as follows:

Directors 董事 '000 千份	Number of options granted to 授予購股權數目		Vesting period 歸屬期間	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期間
	Employees 僱員 '000 千份	Total 合計 '000 千份			
1,820	4,198	6,018	27-9-2007 – 26-9-2009	4.952	27-9-2009 – 26-9-2014
1,820	4,198	6,018	27-9-2007 – 26-9-2010	4.952	27-9-2010 – 26-9-2014
1,820	4,198	6,018	27-9-2007 – 26-9-2011	4.952	27-9-2011 – 26-9-2014
5,460	12,594	18,054			

The fair value of the share options of the Scheme granted during the year ended 31 December 2007 was HK\$32,227,000 (HK\$1.563 each) of which the Company recognised a share option expense of HK\$8,753,000 (2008: HK\$10,135,000) during the year ended 31 December 2009.

The fair value of equity-settled share options granted in 2007 was estimated as at the date of grant, using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.8	股息率(%)	0.8
Expected volatility (%)	30.57	預期波幅(%)	30.57
Historical volatility (%)	30.57	過往波幅(%)	30.57
Risk-free interest rate (%)	4.102	無風險利率(%)	4.102
Expected life of options (year)	5	購股權預計年期(年)	5
Weighted average share price (HK\$)	4.952	加權平均股份價格(港元)	4.952

33. 購股權計劃(續)

於2009年12月31日未獲行使購股權之歸屬期間、行使價及行使期間如下：

截至2007年12月31日止年度內根據該計劃授出購股權之公平值為32,227,000港元(每份1.563港元)，其中本公司於截至2009年12月31日止年度內確認購股權開支8,753,000港元(2008年：10,135,000港元)。

於2007年授予以股本結算之購股權之公平值乃於授予購股權當日以柏力克－舒爾斯期權模式作出估計，並已考慮授予購股權之條款及條件。下表列出該模式之輸入數值：

33. SHARE OPTION SCHEME (CONTINUED)

The expected life of the options is determined with reference to the vesting term and original contractual term of the Scheme and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2009, the Company had 18,054,000 (2008: 18,708,000) share options outstanding under the Scheme. The options outstanding at 31 December 2009 had a remaining contractual life of 4.74 years (2008: 5.74 years). The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 18,054,000 (2008: 18,708,000) additional ordinary shares of the Company and additional share capital of approximately HK\$1,805,000 (2008: approximately HK\$1,871,000) and share premium of approximately HK\$87,598,000 (2008: approximately HK\$90,771,000) (before issue expenses).

At the date of the approval of these financial statements, the shares issuable from the above outstanding share options represented approximately 0.65% (2008: 0.67%) of the Company's shares in issue as at that date.

33. 購股權計劃(續)

購股權預計年期乃參考該計劃之歸屬期限及原有合約條款而釐定，未必能顯示行使購股權的模式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他已授出購股權的特點列入公平值的計算當中。

於2009年12月31日，本公司根據該計劃擁有18,054,000份(2008年：18,708,000份)購股權尚未行使。於2009年12月31日尚未行使購股權之餘下合約期限為4.74年(2008年：5.74年)。根據本公司現時之資本架構，悉數行使餘下購股權將導致本公司發行18,054,000股(2008年：18,708,000股)額外普通股及約1,805,000港元(2008年：約1,871,000港元)之額外股本以及股份溢價約87,598,000港元(2008年：約90,771,000港元)(未計股份發行開支)。

於本財務報告獲通過日期，根據上述未行使購股權而可予發行之股份佔本公司於該日期已發行股份約0.65%(2008年：0.67%)。

34. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 119 to 120 of the financial statements.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of certain of the Company's subsidiaries and associates in Mainland China has been transferred to reserve funds which are restricted as to use.

The Group's capital reserve includes the contributed surplus which represents:

- (i) the excess value of the shares acquired over the nominal value of the Company's shares issued in exchange therefor under the group reorganisation in 1991, less the goodwill arising on the acquisition of subsidiaries and associates which remains eliminated against the capital reserve, as explained in note 18 to the financial statements; and
- (ii) the excess value of the shares acquired over the nominal value of the Company's shares issued in exchange therefore under the reorganisation as explained in note 1 to the financial statements for the year ended 31 December 2008.

34. 儲備

(a) 本集團

本集團當年及過往年度之儲備金額及其變動呈列於財務報告第119頁至第120頁綜合權益變動報表中。

根據中外合營企業之有關法例及法規，本公司若干中國內地附屬公司及聯營公司之溢利部分已轉撥至用途受限制之儲備金內。

本集團之資本儲備包括繳入盈餘，代表：

- (i) 於1991年集團重組時所收購股份之價值超過本公司因此而發行之股份面值之數額，減去仍然在資本儲備中扣除之收購附屬公司及聯營公司所產生之商譽（如財務報告附註18之解釋）；及
- (ii) 於重組（如截至2008年12月31日止年度財務報告附註1之解釋）時所收購股份之價值超過本公司因此而發行之股份面值之數額。

34. RESERVES (CONTINUED)
(b) The Company

34. 儲備(續)
(b) 本公司

			Share premium account	Employee share-based compensation reserve	Contributed surplus	Retained profits	Total
	Notes	附註	股份溢價賬	僱員股本結算薪酬儲備	繳入盈餘	保留溢利	合計
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元
At 1 January 2008		於2008年1月1日	3,660,432	3,060	1,511,410	30,608	5,205,510
Equity-settled share option arrangements		股本結算購股權安排	-	10,135	-	-	10,135
Total comprehensive income for the year		本年度全面收入總額	-	-	-	606,179	606,179
Cancellation of share premium		註銷股份溢價	(3,660,432)	-	3,660,432	-	-
2008 interim dividend paid	13	已派2008年中期股息	-	-	-	(66,993)	(66,993)
Final 2008 dividend proposed	13	擬派2008年末期股息	-	-	(107,189)	-	(107,189)
At 31 December 2008 and 1 January 2009		於2008年12月31日及2009年1月1日	-*	13,195*	5,064,653*	569,794*	5,647,642
Equity-settled share option arrangements		股本結算購股權安排	-	8,753	-	-	8,753
Exercise of share options		行使購股權	826	(201)	-	-	625
Total comprehensive loss for the year		本年度全面虧損總額	-	-	-	(21,996)	(21,996)
2009 Interim dividend paid	13	已派2009年中期股息	-	-	-	(108,305)	(108,305)
Final 2009 dividend proposed	13	擬派2009年末期股息	-	-	(96,340)	-	(96,340)
At 31 December 2009		於2009年12月31日	826*	21,747*	4,968,313*	439,493*	5,430,379

* These reserve accounts comprise the reserves of HK\$5,430,379,000 (2008: HK\$5,647,642,000) in the Company's statement of financial position.

* 該等儲備賬目構成本公司財務狀況表中的儲備5,430,379,000港元(2008年: 5,647,642,000港元)。

34. RESERVES (CONTINUED)

(b) The Company (continued)

The contributed surplus of the Company represents:

- (i) the difference between the underlying net assets of subsidiaries and the nominal value of the Company's shares issued in exchange therefore under a group reorganisation in 1991; and
- (ii) the difference between the consideration payable in respect of the acquisition of subsidiaries and the nominal value of the Company's shares issued in exchange therefor under the reorganisation as explained in note 1 to the financial statements for the year ended 31 December 2008.

On 15 April 2008, the board passed a resolution in relation to a share premium cancellation pursuant to section 46 of the Companies Act 1981 of Bermuda, which was approved by shareholders on a special resolution on 19 May 2008, and was later approved by the registrar of companies of Bermuda on 3 June 2008. Accordingly, the share premium account for approximately HK\$3,660,432,000 was transferred to contributed surplus during the year ended 31 December 2008.

The employee share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

In addition to the retained profits of the Company, under the Companies Act 1981 of Bermuda, the contributed surplus of the Company is also available for distribution to its shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of its contributed surplus, if:

- (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the Company's assets would thereby be less than the aggregated realisable value of its liabilities and its issued share capital and share premium account.

34. 儲備(續)

(b) 本公司(續)

本公司之繳入盈餘指：

- (i) 附屬公司之基本資產淨值與本公司根據1991年之集團重組而發行之作交換之股份面值之差額；及
- (ii) 於重組(如截至2008年12月31日止年度財務報告附註1之解釋)所收購附屬公司事項之應付代價與本公司據此而發行之股份作交換之股份面值之差額。

於2008年4月15日，董事會通過一項有關根據百慕達1981年公司法第46節註銷股份溢價之決議案，有關決議案已於2008年5月19日透過特別決議案形式獲股東批准，並其後於2008年6月3日獲百慕達公司註冊處批准。因此，截至2008年12月31日年度內股份溢價賬約3,660,432,000港元已轉撥至繳入盈餘。

如財務報告附註2.4有關股份為本支付之交易之會計政策進一步詳述，僱員股本結算薪酬儲備包括已授出但尚未獲行使購股權之公平值。於有關購股權獲行使時，該金額或會轉入股份溢價賬目，或倘有關購股權無效或被沒收，則計入保留溢利。

除本公司之保留溢利外，根據1981年百慕達公司法，本公司之繳入盈餘亦可供分派予其股東。然而，本公司在下列情況下不得宣派或派付股息，或分派繳入盈餘中之款項：

- (i) 本公司現時或在分派後將無法償還到期負債；或
- (ii) 本公司資產之可變現價值會因此而低於其負債可變現價值、其已發行股本及股份溢價賬三者合計之總額。

35. CONTINGENT LIABILITIES

Save as disclosed in note 10, at the end of the reporting period, neither the Group nor the Company had any other significant contingent liabilities.

36. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

The Group leases its investment properties (note 16) under operating lease arrangements, with leases negotiated for terms ranging from one to ten years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2009, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

35. 或然負債

除附註10所披露者外，於報告期末，本集團及本公司並無任何重大或然負債。

36. 經營租約安排**(a) 作為出租人**

本集團根據經營租約安排出租其投資物業(附註16)，經協商之租期由一至十年不等。一般而言，租約之條款亦規定租戶支付按金，並訂明可定期根據當時市況調整租金。

於2009年12月31日，本集團根據其與租戶訂立之不可撤銷經營租約應收之未來最低租金總額如下：

		Group 本集團	
		2009	2008
		2009年	2008年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	1,564	7,621
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	1,425	3,260
		2,989	10,881

36. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

At 31 December 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Within one year	一年內	53,778	37,954
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	69,208	46,875
After five years	五年後	89,485	98,031
		212,471	182,860

37. CAPITAL COMMITMENTS

In addition to the operating lease commitments detailed in note 36(b) above, the Group had the following capital commitments at the end of the reporting period:

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Capital commitments in respect of:	就以下項目之資本承擔：		
Property, plant and equipment:	物業、廠房及設備：		
Authorised but not contracted	已授權但未訂約	2,420	-
Contracted, but not provided for	已訂約但未計提	7,713	49,250
Acquisition of additional interest in an associate:	收購於一間聯營公司之額外權益：		
Contracted, but not provided for	已訂約但未計提	-	306,161
		10,133	355,411

36. 經營租約安排(續)

(b) 作為承租人

本集團根據經營租約安排租用若干辦公室物業，物業租約經協商之租期由一年至十年不等。

於2009年12月31日，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

37. 資本承擔

除於上文附註36(b)詳述之經營租約承擔外，本集團於報告期末有以下資本承擔：

38. CONNECTED AND RELATED PARTY TRANSACTIONS

(a) Apart from the transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

			Group 本集團	
			2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Transactions with fellow subsidiaries:	與同系附屬公司之交易：			
Sales of goods*	銷售貨品*	(i)	2,235	10,715
Purchases of goods*	購買貨品*	(i)	3,650,662	3,621,284
Service fee received	已收服務費用	(i)	964	-
Operating lease rentals paid*	已付經營租約租金*	(i)	11,767	10,453
Interest expenses	利息支出	(ii)	5,726	8,512
Transactions with the ultimate holding company:	與最終控股公司之交易：			
Sales of goods*	銷售貨品*	(i)	291	6,298
Operating lease rentals paid*	已付經營租約租金*	(i)	9,205	-
Transactions with associates:	與聯營公司之交易：			
Sales of goods*	銷售貨品*	(i)	13,864	3,646
Purchases of goods*	購買貨品*	(i)	1,273,332	716,603
Transactions with related companies:#	與關連公司之交易：#			
Sales of goods	銷售貨品	(i)	38	-
Purchases of goods *	購買貨品*	(i)	2,056,447	2,392,745

* These related party transactions also constituted connected transactions disclosable in accordance with the Listing Rules.

Related companies are companies under significant influence by the Group's ultimate holding company.

38. 關連人士交易

(a) 除財務報告其他地方所披露之交易及結餘外，本集團於本年度內與關連人士進行之重大交易如下：

* 該等關連人士交易根據上市規則規定，亦構成須予披露之關連交易。

關連公司為受本集團最終控股公司重大影響之公司。

38. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (continued)

Notes:

- (i) These transactions were carried out with reference to the prevailing market prices or, where no market prices were available, at cost plus a percentage of profit mark-up.
- (ii) Interest expenses arose from the loans from COFCO Finance Corporation Limited ("COFCO Finance"), a wholly-owned subsidiary of COFCO, which are unsecured, bear interest at rates ranging from 4.37% to 4.86% (2008: 5.04% to 6.57%) per annum and of which HK\$14,765,000 (2008: HK\$146,277,000) is repayable within one year (note 30).

(b) Transaction with a related party

Pursuant to certain licensing agreements entered into between the Group and a related party, the Group was granted the exclusive rights to use certain trademarks for its kitchen foods business. The licensing fees for the current year and the prior year were waived by the related party.

(c) Outstanding balances with related parties

Except for (1) the loans of HK\$14,765,000 (2008: HK\$146,277,000) from COFCO Finance, the terms of which are detailed in note 30 to the financial statements, (2) the amounts due to minority shareholders of the Group's subsidiaries of HK\$128,508,000 (2008: HK\$73,136,000) which are not repayable within one year from the end of the reporting period, and (3) an amount due to the ultimate holding company of HK\$22,715,000 (2008: HK\$22,679,000), which are not repayable within one year from the end of the reporting period, the remaining balances with the holding companies, fellow subsidiaries, related companies and minority shareholders of the Group's subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

38. 關連人士交易(續)

(a) (續)

附註：

- (i) 該等交易乃按現行市價(倘並無提供市價,則按成本加撥作溢利之百分率計算)進行。
- (ii) 該等利息開支產生於就中糧財務有限責任公司(「中糧財務」)(中糧公司之全資附屬公司)之貸款,該等貸款為無抵押,按年息4.37厘至4.86厘(2008年:5.04厘至6.57厘)計息,其中14,765,000港元(2008年:146,277,000港元)須於一年內償還(附註30)。

(b) 與一名關連人士之交易

根據本集團與關連人士訂立之若干特許協議,本集團獲授獨家許可權,可於其廚房食品業務使用若干商標,而本年度內及上年度之特許權費用獲關連人士豁免。

(c) 關連人士之未償還餘額

除(1)中糧財務之貸款14,765,000港元(2008年:146,277,000港元)(條款詳述於財務報告附註30);(2)無須於報告期末起計一年內償還之應付本集團附屬公司少數股東款項128,508,000港元(2008年:73,136,000港元),及(3)無須於報告期末起計一年內償還之應付最終控股公司款項22,715,000港元(2008年:22,679,000港元)外,控股公司、同系附屬公司、關連公司及本集團附屬公司少數股東之貸款餘額乃無抵押、免息及無固定還款期。

38. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Compensation of key management personnel of the Group

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	10,362	8,622
Discretionary bonuses	酌情花紅	4,364	3,270
Equity-settled share option expense	股本結算購股權開支	4,116	4,605
Pension scheme contributions	退休計劃供款	366	329
Total compensation paid to key management personnel	付予主要管理層人員之報酬總額	19,208	16,826

Further details of directors' emoluments are included in note 8 to the financial statements.

(e) Transactions with other state-owned enterprises

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "state-owned Enterprises"). During the year, the Group had transactions with State-owned Enterprises including, but not limited to, sales of and purchases of processed foodstuffs and raw materials. The board consider that transactions with other State-owned Enterprises are activities in the ordinary course of the business, and that dealings of the Group have not been significantly controlled or owned by the PRC government. The Group has also established pricing policies for products and services, and such policies do not depend on whether or not the customers are State-owned Enterprises. Having due regard to the substance of the relationships, the board of the Company are of the opinion that none of these transactions is a material related party transaction that requires separate disclosure.

38. 關連人士交易(續)

(d) 本集團主要管理層人員之報酬

		Group 本集團	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	10,362	8,622
Discretionary bonuses	酌情花紅	4,364	3,270
Equity-settled share option expense	股本結算購股權開支	4,116	4,605
Pension scheme contributions	退休計劃供款	366	329
Total compensation paid to key management personnel	付予主要管理層人員之報酬總額	19,208	16,826

董事酬金的進一步詳情載於財務報告附註8。

(e) 與其他國有企業之交易

本集團於一個由中國政府直接或間接通過其各級機關、聯屬公司或其他機構擁有或控制的企業(統稱「國有企業」)為主的經濟環境中經營。年內，本集團與國有企業進行之交易包括但不限於銷售及採購經加工食品及原材料。董事會認為，與其他國有企業進行之交易均屬於日常業務過程進行之業務，本集團之交易並無由中國政府重大控制或擁有。本集團亦制定有關產品及服務之定價政策，而該等政策不會視乎客戶是否屬國有企業而制定。經慎重考慮該等關係之實質，本公司董事會認為，該等交易並不屬於需要單獨披露之重大關連人士交易。

39. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2009 are as follows:

39. 主要附屬公司之詳情

本公司主要附屬公司截至2009年12月31日之詳情如下：

Name 姓名	Places of incorporation/ registration and operations 註冊成立／註冊 及經營地點	Nominal value of ordinary issued/ registered capital 已發行普通股面值／ 註冊資本	Percentage of equity attributable to the Company 本公司應佔 股本百分比	Principal activities 主要業務
COFCO Food Penglai Co., Ltd.* 中糧食品蓬萊有限公司*	The PRC/ Mainland China 中國／中國內地	RMB1,000,000 人民幣1,000,000元	100	Wholesale of grape wines 批發葡萄酒
China Great Wall Wine Co., Ltd.* 中國長城葡萄酒有限公司*	The PRC/ Mainland China 中國／中國內地	RMB180,000,000 人民幣180,000,000元	100	Production and sale of wine and beverage products 製造及銷售葡萄酒 及飲料產品
COFCO Greatwall Winery (Yantai) Co., Ltd.* 中糧長城葡萄酒(煙台)有限公司*	The PRC/ Mainland China 中國／中國內地	RMB108,000,000 人民幣108,000,000元	100	Production and sale of grape wines 製造及銷售葡萄酒
COFCO Huaxia Great Wall Wine Co., Ltd.* 中糧華夏長城葡萄酒有限公司*	The PRC/ Mainland China 中國／中國內地	RMB200,000,000 人民幣200,000,000元	100	Production and sale of grape wines 製造及銷售葡萄酒
COFCO Wines and Spirits Co., Ltd.* 中糧酒業有限公司*	The PRC/ Mainland China 中國／中國內地	RMB11,760,000 人民幣11,760,000元	100	Wholesale of grape wines 批發葡萄酒
COFCO Shaoxing Winery Co., Ltd.* 中糧紹興酒有限公司*	The PRC/ Mainland China 中國／中國內地	RMB68,670,000 人民幣68,670,000元	100	Production and sale of Chinese yellow rice wines 生產及銷售中國黃米酒
Huilai COFCO Greatwall Sungod Chateau Co., Ltd.* 懷來中糧長城桑干酒莊有限公司*	The PRC/ Mainland China 中國／中國內地	RMB1,000,000 人民幣1,000,000元	100	Production and sale of grape wines 製造及銷售葡萄酒
Qinhuangdao Huaxia Greatwall Wines and Spirits Co., Ltd.* 秦皇島華夏長城酒業有限公司*	The PRC/ Mainland China 中國／中國內地	RMB1,000,000 人民幣1,000,000元	100	Wholesale of grape wines 批發葡萄酒

39. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

39. 主要附屬公司之詳情(續)

Name 姓名	Places of incorporation/ registration and operations 註冊成立/註冊及經營地點	Nominal value of ordinary issued/ registered capital 已發行普通股面值/註冊資本	Percentage of equity attributable to the Company 本公司應佔股本百分比	Principal activities 主要業務
Yantai Greatwall Wines and Spirits Co., Ltd.* 煙台長城酒業銷售有限公司*	The PRC/ Mainland China 中國/中國內地	RMB1,000,000 人民幣1,000,000元	100	Wholesale of grape wines 批發葡萄酒
Zhangjiakou Jin Guan Wines Co., Ltd.* 張家口金冠葡萄酒有限公司*	The PRC/ Mainland China 中國/中國內地	RMB1,000,000 人民幣1,000,000元	100	Wine processing and bottling, sale and distribution of wine products 葡萄酒加工及裝瓶、銷售及分銷酒類產品
COFCO Huaxiahong Wines & Spirits (Shenzhen) Co., Ltd.** 中糧華夏紅酒業(深圳)有限公司**	The PRC/ Mainland China 中國/中國內地	RMB3,000,000 人民幣3,000,000元	80	Wholesale of grape wines 批發葡萄酒
Huilai Greatwall Wines Base Development Co., Ltd.** 懷來縣長城葡萄基地開發有限公司**	The PRC/ Mainland China 中國/中國內地	RMB6,860,000 人民幣6,860,000元	75	Plantation of vine 種植葡萄
COFCO & Arrive Vine Plant (Yantai) R&D Co., Ltd.* 中糧長城阿海威葡萄苗木(煙台)研發有限公司*	The PRC/ Mainland China 中國/中國內地	EUR500,000 500,000歐元	58.38	Plantation of vine and production of related products 種植葡萄及生產相關產品
COFCO Junding Vineyard Co., Ltd.** 中糧君頂酒莊有限公司**	The PRC/ Mainland China 中國/中國內地	RMB140,000,000 人民幣140,000,000元	55	Production and sale of grape wines 製造及銷售葡萄酒
Shandong COFCO Junding World Famous Chateaus Club Co., Ltd.** 山東中糧君頂世界名莊俱樂部有限公司**	The PRC/ Mainland China 中國/中國內地	RMB10,000,000 人民幣10,000,000元	55	Sale and distribution of grape wines, spirits, and other related products and storage 葡萄酒、烈酒及相關用品的銷售及分銷及儲藏
COFCO Coca-Cola Beverages Limited 中糧可口可樂飲料有限公司	Hong Kong 香港	Ordinary HK\$2,463,217,002 普通股 2,463,217,002港元	65	Investment holding 投資控股

39. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

39. 主要附屬公司之詳情(續)

Name 姓名	Places of incorporation/ registration and operations 註冊成立/註冊 及經營地點	Nominal value of ordinary issued/ registered capital 已發行普通股面值/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔 股本百分比	Principal activities 主要業務
COFCO Coca-Cola Beverages (China) Investment Limited* 中糧可口可樂飲料(中國)投資 有限公司*	The PRC/ Mainland China 中國/中國內地	US\$30,000,000 30,000,000美元	65	Investment holding 投資控股
COFCO Coca-Cola Beverages (Jiangxi) Limited* 中糧可口可樂飲料(江西)有限公司*	The PRC/ Mainland China 中國/中國內地	RMB40,000,000 人民幣40,000,000元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
COFCO Coca-Cola Beverages (Inner Mongolia) Limited* 中糧可口可樂飲料(內蒙古) 有限公司*	The PRC/ Mainland China 中國/中國內地	RMB48,000,000 人民幣48,000,000元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
Gansu COFCO Coca-Cola Beverages Co., Ltd* 甘肅中糧可口可樂飲料有限公司*	The PRC/ Mainland China 中國/中國內地	US\$5,000,000 5,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
Hainan COFCO Coca-Cola Beverages Limited* 海南中糧可口可樂飲料有限公司*	The PRC/ Mainland China 中國/中國內地	US\$11,700,000 11,700,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
Hunan COFCO Coca-Cola Beverage Co., Ltd.* 湖南中糧可口可樂飲料有限公司*	The PRC/ Mainland China 中國/中國內地	US\$8,000,000 8,000,000美元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
Zhanjiang COFCO Coca-Cola Beverages Limited* 湛江中糧可口可樂飲料有限公司*	The PRC/ Mainland China 中國/中國內地	RMB23,000,000 人民幣23,000,000元	65	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
COFCO Coca-Cola Beverages (Xinjiang) Limited** 中糧可口可樂飲料(新疆)有限公司**	The PRC/ Mainland China 中國/中國內地	RMB60,000,000 人民幣60,000,000元	52	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
COFCO Coca-Cola Commerce & Trade (Xinjiang) Limited** 中糧可口可樂商貿(新疆)有限公司**	The PRC/ Mainland China 中國/中國內地	RMB3,000,000 人民幣3,000,000元	52	Sale of beverage products 銷售飲料產品

39. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

39. 主要附屬公司之詳情(續)

Name 姓名	Places of incorporation/ registration and operations 註冊成立/註冊及經營地點	Nominal value of ordinary issued/ registered capital 已發行普通股面值/註冊資本	Percentage of equity attributable to the Company 本公司應佔股本百分比	Principal activities 主要業務
Beijing Coca-Cola Beverage Co., Limited** 北京可口可樂飲料有限公司**	The PRC/ Mainland China 中國/中國內地	US\$19,500,000 19,500,000美元	48.75	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
COFCO Coca-Cola Beverages (Shandong) Limited** 中糧可口可樂飲料(山東)有限公司**	The PRC/ Mainland China 中國/中國內地	US\$12,500,000 12,500,000美元	48.75	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
COFCO Coca-Cola Beverages (Jinan) Limited.** 中糧可口可樂飲料(濟南)有限公司**	The PRC/ Mainland China 中國/中國內地	US\$5,000,000 5,000,000美元	48.75	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
Tianjin Coca-Cola Beverages Co., Ltd** 天津可口可樂飲料有限公司**	The PRC/ Mainland China 中國/中國內地	US\$15,500,000 15,500,000美元	32.5	Beverage bottling production, sale and distribution 飲料裝瓶生產、配送及銷售
COFCO Foods Sales and Distribution Co., Ltd.* 中糧食品營銷有限公司*	The PRC/ Mainland China 中國/中國內地	RMB200,000,000 人民幣200,000,000元	100	Distribution of consumer pack edible oils and other consumer food products 分銷小包裝食用油及其他消費食品
COFCO Le Conte Food (Shenzhen) Co., Ltd.* 中糧金帝食品(深圳)有限公司*	The PRC/ Mainland China 中國/中國內地	US\$15,000,000 15,000,000美元	100	Production and distribution of chocolate products 製造及分銷巧克力產品
Shenzhen Le Conte Marketing Services Co., Ltd.** 深圳市金帝營銷有限公司**	The PRC/ Mainland China 中國/中國內地	RMB15,000,000 人民幣15,000,000元	90	Distribution of chocolate products 分銷巧克力產品
COFCO Foods Management Co., Ltd* 中糧食品管理有限公司*	The PRC/ Mainland China 中國/中國內地	US\$10,000,000 10,000,000美元	100	Research and development in food, wines and beverages, management and consulting services 研究及開發食品、酒及飲料、管理及諮詢服務

* Wholly-foreign-owned enterprises
 ** Sino-foreign equity joint ventures

* 外方獨資企業
 ** 中外合資企業

39. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

All of the above principal subsidiaries are indirectly held by the Company.

Except for COFCO Coca-Cola Beverages Limited, the statutory audits of the above subsidiaries were not performed by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

40. PARTICULARS OF THE PRINCIPAL ASSOCIATES

Particulars of the Group's principal associates as at 31 December 2009 are as follows:

39. 主要附屬公司之詳情(續)

以上所有主要附屬公司均由本公司間接持有。

除中糧可口可樂飲料有限公司外，上述附屬公司並非由香港安永會計師事務所或安永全球網絡其他成員公司進行法定審核。

40. 主要聯營公司之詳情

本公司主要聯營公司於2009年12月31日之詳情如下：

Name 姓名	Nominal value of ordinary issued/ registered capital 已發行普通股面值/ 註冊資本	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of ownership interest attributable to the Group 本集團應佔 擁有權益百分比	Principal activities 主要業務
Nanjing BC Foods Company Ltd. 南京中萃食品有限公司	US\$19,000,000 19,000,000美元	The PRC 中國	13	Beverages processing 飲料加工
Hangzhou BC Foods Co., Ltd. 杭州中萃食品有限公司	US\$20,000,000 20,000,000美元	The PRC 中國	13	Beverages processing 飲料加工
CBPC Limited	Ordinary HK\$10,000 普通股 10,000港元	Hong Kong 香港	16.3	Procurement of raw materials for Coca-Cola bottlers in Mainland China 在中國內地為可口可樂 裝瓶廠採購原料
Coca-Cola Bottlers Manufacturing Holdings Limited	Ordinary HK\$26,000 普通股 26,000港元	Hong Kong 香港	13.7	Investment holding 投資控股

40. PARTICULARS OF THE PRINCIPAL ASSOCIATES (CONTINUED)

In the opinion of the board, the Group is able to exercise significant influence over the above companies as the boards of directors of these companies comprise representatives of the Group, who participate in the policy-making processes. Accordingly, they are accounted for as associates of the Group.

All of the above associates are indirectly held by the Company.

41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2009 are as follows:

2009 Financial assets	2009年 金融資產	Group 本集團			Total	
		Available- for-sale financial assets	Loans and receivables	Held-to- maturity investments	Financial assets at fair value through profit or loss	Total
		可供出售之 金融資產	貸款及 應收款項	持有至 到期投資	按公平值 列入損益之 金融資產	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Interests in associates (note 21)	於聯營公司之權益 (附註21)	-	446,952	-	-	446,952
Due from associates	聯營公司欠款	-	993	-	-	993
Due from fellow subsidiaries	同系附屬公司欠款	-	4,417	-	-	4,417
Due from the ultimate holding company	最終控股公司欠款	-	5,314	-	-	5,314
Due from the immediate holding company	直系控股公司欠款	-	355	-	-	355
Investments at fair value through profit or loss	按公平值列入損益之投資	-	-	-	16,728	16,728
Available-for-sale investments and related advances	可供出售投資及相關墊款	206,596	-	-	-	206,596
Accounts and bills receivables	應收賬款及票據	-	1,080,537	-	-	1,080,537
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款之金融資產	-	273,455	-	-	273,455
Held-to-maturity investments	持有至到期投資	-	-	98,252	-	98,252
Pledged time deposits	已抵押定期存款	-	29,345	-	-	29,345
Cash and cash equivalents	現金及現金等值項目	-	1,943,103	-	-	1,943,103
		206,596	3,784,471	98,252	16,728	4,106,047

40. 主要聯營公司之詳情(續)

董事會認為，因為該等公司之董事會中有本集團之代表，參與政策制定過程，本集團從而能夠對上述公司行使重大影響，因此，彼等被當作本集團之聯營公司。

所有以上聯營公司均由本公司間接持有。

41. 按類別劃分之金融工具

於2009年12月31日，各類別金融工具的賬面值如下：

41. FINANCIAL INSTRUMENTS BY
 CATEGORY (CONTINUED)

41. 按類別劃分之金融工具
 (續)

2009	2009年	Group 本集團
Financial liabilities	金融負債	Financial liabilities at amortised cost 按攤銷成本列值 之金融負債 HK\$'000 千港元
Due to associates	欠聯營公司款項	102,291
Due to fellow subsidiaries	欠同系附屬公司款項	794,141
Due to the ultimate holding companies	欠最終控股公司款項	57,067
Due to related companies	欠關連公司款項	455,766
Due to minority shareholders of subsidiaries	欠附屬公司少數股東之款項	134,187
Loans due to fellow subsidiaries	欠同系附屬公司貸款	14,765
Accounts and bills payables	應付賬款及票據	916,302
Financial liabilities included in other payables and accruals	計入其他應付款項及應計負債之 金融負債	1,707,547
Interest-bearing bank borrowings	計息銀行貸款	788,327
		4,970,393

2008	2008年	Group 本集團			
Financial assets	金融資產	Available- for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss 按公平值 列入損益之 金融資產	Total 總計
		可供出售之 金融資產 HK\$'000 千港元	貸款及 應收款項 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Interests in associates (note 21)	於聯營公司之權益 (附註21)	-	411,951	-	411,951
Due from associates	聯營公司欠款	-	2,771	-	2,771
Due from fellow subsidiaries	同系附屬公司欠款	-	230	-	230
Due from the ultimate holding company	最終控股公司欠款	-	5,994	-	5,994
Due from the immediate holding company	直系控股公司欠款	-	160	-	160
Investments at fair value through profit or loss	按公平值列入損益 之投資	-	-	9,228	9,228
Available-for-sale investments and related advances	可供出售投資及相關 墊款	211,355	-	-	211,355
Accounts and bills receivables	應收賬款及票據	-	884,499	-	884,499
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金 及其他應收款項的 金融資產	-	226,586	-	226,586
Pledged time deposits	已抵押定期存款	-	3,002	-	3,002
Cash and cash equivalents	現金及現金等值項目	-	1,546,684	-	1,546,684
		211,355	3,081,877	9,228	3,302,460

41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

41. 按類別劃分之金融工具 (續)

2008	2008年	Group 本集團
Financial liabilities	金融負債	Financial liabilities at amortised cost 按攤銷成本列值 之金融負債 HK\$'000 千港元
Due to associates	欠聯營公司款項	71,273
Due to fellow subsidiaries	欠同系附屬公司款項	440,993
Due to the ultimate holding companies	欠最終控股公司款項	36,410
Due to related companies	欠關連公司款項	365,898
Due to minority shareholders of subsidiaries	欠附屬公司少數股東之款項	73,136
Loans due to fellow subsidiaries	欠同系附屬公司貸款	146,277
Accounts and bills payables	應付賬款及票據	860,851
Financial liabilities included in other payables and accruals	計入其他應付款項及應計負債 之金融負債	1,124,782
Interest-bearing bank borrowings	計息銀行貸款	101,678
		<u>3,221,298</u>

2009 Financial assets	2009年 金融資產	Company 本公司			Total 總計 HK\$'000 千港元
		Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Held-to- maturity investments 持有至 到期投資 HK\$'000 千港元	Financial assets at fair value through profit or loss 按公平值 列入損益之 金融資產 HK\$'000 千港元	
Interests in subsidiaries (note 20)	於附屬公司之權益(附註20)	6,183,859	–	–	6,183,859
Due from the immediate holding company	直系控股公司欠款	165	–	–	165
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他 應收款項之金融資產	4,701	–	–	4,701
Cash and cash equivalents	現金及現金等值項目	32,036	–	–	32,036
Held-to-maturity investments	持有至到期投資	–	98,252	–	98,252
Investments at fair value through profit or loss	按公平值列入損益之投資	–	–	12,072	12,072
		<u>6,220,761</u>	<u>98,252</u>	<u>12,072</u>	<u>6,331,085</u>

41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

41. 按類別劃分之金融工具 (續)

2008 Financial assets	2008年 金融資產	Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Company 本公司 Financial assets at fair value through profits or loss 按公平值 列入損益之 金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interests in subsidiaries (note 20)	於附屬公司之權益(附註20)	6,004,584	–	6,004,584
Due from the immediate holding company	直系控股公司欠款	165	–	165
Cash and cash equivalents	現金及現金等值項目	19,968	–	19,968
Investments at fair value through profit or loss	按公平值列入損益之投資	–	7,204	7,204
		6,024,717	7,204	6,031,921

Financial liabilities	金融負債	Company 本公司	
		2009 2009年 Financial liabilities at amortised cost 按攤銷成本 列值之 金融負債 HK\$'000 千港元	2008 2008年 Financial liabilities at amortised cost 按攤銷成本 列值之 金融負債 HK\$'000 千港元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計負債之金融負債	29,774	3,726
Interest-bearing bank borrowings	計息銀行貸款	500,000	–
		529,774	3,726

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans and other loans, and cash and bank balances and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks, with material impact, on the Group's financial performance. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term interest-bearing bank loans and other borrowings with a floating interest rate. The effective interest rates and terms of repayment of the interest-bearing bank loans and other borrowings of the Group are disclosed in note 30.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

		Increase/ (decrease) in basis points 基點上升/ (下降)	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity 權益增加/ (減少) HK\$'000 千港元
2009	2009年			
		+100	(3,833)	(2,907)
		-100	3,833	2,907
2008	2008年			
		+100	(1,161)	(951)
		-100	1,161	951

42. 財務風險管理目標及政策

本集團之主要金融工具包括計息銀行貸款及其他貸款，以及現金及銀行結餘及定期存款。該等金融工具主要目的乃為本集團之業務籌集資金。本集團擁有若干其他金融資產及負債，例如應收賬款及應付賬款(直接因其業務而產生)。

因本集團之金融工具而產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團整體風險管理計劃集中於盡量減少該等風險(對本集團之財務表現構成重大影響)之潛在不利影響。董事會檢討並同意管理該等風險之政策，概述如下。

利率風險

本集團承受的市場利率變動之風險主要涉及到本集團之長期計息銀行貸款及按浮息計算之其他貸款。本集團之計息銀行貸款及其他貸款之實際利率及還款期均於附註30披露。

下表顯示在所有其他可變因素均保持不變之情況下本集團除稅前溢利(透過浮息借貸之影響)及本集團權益對利率可能之合理變動之敏感程度。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group mainly operates in Mainland China with most of the Group's monetary assets, liabilities and transactions principally denominated in Hong Kong dollars and Renminbi. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table indicates the approximate change in the Group's profit before tax and equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

		Increase/ (decrease) in HK\$/US\$ rate 港元/美元匯率 上升/(下降) %	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/ (減少)* HK\$'000 千港元
2009	2009年			
If Renminbi weakens against Hong Kong dollar	若人民幣兌港元匯率下跌	5	–	(115,483)
If Renminbi strengthens against Hong Kong dollar	若人民幣兌港元匯率上揚	(5)	–	115,483
If Renminbi weakens against United States dollar	若人民幣兌美元匯率下跌	5	(5,117)	(3,881)
If Renminbi strengthens against United States dollar	若人民幣兌美元匯率上揚	(5)	5,117	3,881
2008	2008年			
If Renminbi weakens against Hong Kong dollar	若人民幣兌港元匯率下跌	5	–	(125,919)
If Renminbi strengthens against Hong Kong dollar	若人民幣兌港元匯率上揚	(5)	–	125,919
If Renminbi weakens against United States dollar	若人民幣兌美元匯率下跌	5	(1,333)	(1,093)
If Renminbi strengthens against United States dollar	若人民幣兌美元匯率上揚	(5)	1,333	1,093

* Excluding retained profits

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit before tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purpose.

42. 財務風險管理目標及政策 (續)

外幣風險

本集團主要於中國大陸營業，而本集團之絕大部分貨幣資產、負債及交易則主要以港元及人民幣計值。本集團並無利用任何衍生產品來對沖其所面對之外幣風險。

下表列示本集團之稅前溢利及權益隨匯率可能之合理變動(本集團就此於報告期末面臨重大風險)之概約變動值。

* 不包括保留盈餘

上表呈列之分析結果為以各自之功能貨幣計量之本集團各實體之稅前溢利及權益所受影響程度之總和，並就呈列目的按報告期末匯率換算為港元。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group has no significant concentration of credit risk. The carrying amount of the accounts receivable represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through bank and other borrowings to meet its working capital requirements.

The contractual maturities of financial liabilities of the Group including interest-bearing bank and other borrowings, amounts due to fellow subsidiaries, amount due to the ultimate holding company, amount due to the immediate holding company, amounts due to related companies, amounts due to minority shareholders of subsidiaries, and amounts due to associates, have been disclosed in notes 21, 30 and 41, to the financial statements. For accounts and bills payables, they are generally on credit terms of one to three months after the invoice date or the date of the six months after the bills were issued. For the financial liabilities amounted to HK\$1,707,547,000 (2008: HK\$1,124,782,000) included in other payables and accruals disclosed on the consolidated statement of financial position, there are generally no specified contractual maturities for these liabilities, and they are paid on a regular basis or upon counterparty's formal notification.

42. 財務風險管理目標及政策 (續)

信貸風險

本集團之信貸風險並不集中。應收賬款之賬面值乃本集團面對有關其金融資產之最大信貸風險。本集團已制定政策，確保向具有妥當信譽歷史之客戶售貨。

流動資金風險

本集團之政策乃維持足夠之現金及現金等值項目，並透過銀行及其他借貸而具備資金以應付其營運資金需要。

本集團之金融負債之合約到期日包括計息銀行及其他借貸、欠同系附屬公司款項、欠最終控股公司款項、應付直系控股公司款項、欠關連公司款項、欠附屬公司少數股東款項，以及欠聯營公司款項，已於財務報告附註21、30及41內披露。至於應付賬款及票據，一般信貸期為發票日後一至三個月或由票據發出日期起計六個月。列入其他應付款項及應計負債為數1,707,547,000港元(2008年：1,124,782,000港元)之金融負債已於綜合財務狀況表內披露，此等負債一般沒有特定合約到期日，該等負債按定期基準或於對手方發出正式通知時付款。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for capital management during the years ended 31 December 2008 and 31 December 2009.

Group

		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行貸款及其他貸款	803,092	247,955
Less: Cash and cash equivalents	減：現金及現金等價物	(1,943,103)	(1,546,684)
Pledged deposits	抵押存款	(29,345)	(3,002)
Net cash position	淨現金狀況	(1,169,356)	(1,301,731)
Net assets	資產淨值	6,885,139	6,324,974
Net assets, exclude net cash positions	資產淨值，不包括淨現金狀況	5,715,783	5,023,243

42. 財務風險管理目標及政策 (續)

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及最大化股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。截至2008年12月31日及2009年12月31日止年度內，有關資本管理的目標、政策及過程並無任何變動。

本集團

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board on 29 March 2010.

43. 財務報告之批准

財務報告於2010年3月29日經董事會批准及授權刊發。

FIVE YEAR Financial Summary

五年財務概要

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated and reclassified as appropriate, is set out below:

本集團過去五個財政年度之業績及資產、負債與少數股東權益概要乃摘錄自己刊發之經審核綜合財務報告，並已重列及重新分類(視適用情況而定)，有關內容載於下文：

		Year ended 31 December 截至12月31日止年度				
		2009年 HK\$'000 千港元	2008年 HK\$'000 千港元	2007年 HK\$'000 千港元	2006年 HK\$'000 千港元 (Restated) (經重列)	2005年 HK\$'000 千港元 (Restated) (經重列)
CONTINUING OPERATIONS	持續經營業務					
TURNOVER	營業額	16,823,475	14,240,283	9,743,011	6,497,453	5,210,772
PROFIT FROM OPERATING ACTIVITIES	經營溢利	943,190	662,716	917,353	494,437	462,177
Finance costs	融資成本	(53,927)	(31,382)	(33,078)	(45,426)	(33,758)
Share of profits of associates	應佔聯營公司溢利	60,438	124,996	49,167	49,624	55,429
PROFIT BEFORE TAX	除稅前溢利	949,701	756,330	933,442	498,635	483,848
Tax	稅項	(229,396)	(136,251)	(135,792)	(105,877)	(81,967)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之年度溢利	720,305	620,079	797,650	392,758	401,881
DISCONTINUED OPERATIONS	已終止經營業務					
Profit for the year from discontinued operations	已終止經營業務年內之溢利	-	-	239,769	831,909	283,355
PROFIT FOR THE YEAR	年度溢利	720,305	620,079	1,037,419	1,224,667	685,236
Attributable to:	應佔方：					
Owners of the Company	本公司擁有人	568,081	483,427	791,686	990,064	562,842
Minority interests	少數股東權益	152,224	136,652	245,733	234,603	122,394
		720,305	620,079	1,037,419	1,224,667	685,236
ASSETS, LIABILITIES AND MINORITY INTERESTS	資產、負債與少數股東權益					
TOTAL ASSETS	總資產	12,495,840	10,447,863	8,992,460	21,798,297	15,618,988
TOTAL LIABILITIES	總負債	(5,610,701)	(4,122,889)	(3,358,959)	(10,236,168)	(8,144,552)
MINORITY INTERESTS	少數股東權益	(1,402,240)	(1,232,674)	(1,074,850)	(1,807,721)	(1,644,509)
		5,482,899	5,092,300	4,558,651	9,754,408	5,829,927

CORPORATE Information 公司資料

DIRECTORS

Executive Directors

Mr. Ning Gaoning (*Chairman*)
Mr. Qu Zhe (*Managing Director*)
Mr. Mak Chi Wing, William
Mr. Zhang Zhentao
Ms. Luan Xiuju

Non-executive Directors

Mr. Ma Jianping
Ms. Wu Wenting

Independent Non-executive Directors

Mr. Stephen Edward Clark
Mr. Li Hung Kwan, Alfred
Mr. Yuen Tin Fan, Francis

AUDIT COMMITTEE

Mr. Stephen Edward Clark (*Committee Chairman*)
Mr. Li Hung Kwan, Alfred
Mr. Yuen Tin Fan, Francis

REMUNERATION COMMITTEE

Mr. Yuen Tin Fan, Francis (*Committee Chairman*)
Mr. Stephen Edward Clark
Mr. Qu Zhe

COMPANY SECRETARY

Ms. Liu Kit Yee, Linda

SOLICITORS

Conyers, Dill & Pearman

董事

執行董事
寧高寧先生(*主席*)
曲喆先生(*董事總經理*)
麥志榮先生
張振濤先生
樂秀菊女士

非執行董事

馬建平先生
吳文婷女士

獨立非執行董事

祈立德先生
李鴻鈞先生
袁天凡先生

審核委員會

祈立德先生(*委員會主席*)
李鴻鈞先生
袁天凡先生

薪酬委員會

袁天凡先生(*委員會主席*)
祈立德先生
曲喆先生

公司秘書

廖潔儀女士

律師

Conyers, Dill & Pearman

AUDITORS

Ernst & Young

核數師

安永會計師事務所

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
China CITIC Bank Corporation Limited
Bank of Communications Company Limited
Hang Seng Bank Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Hong Kong Branch

主要往來銀行

中國銀行(香港)有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司
中信銀行股份有限公司
交通銀行股份有限公司
恒生銀行有限公司
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公司網站

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FINANCIAL Calendar

財務日誌

ANNOUNCEMENT OF ANNUAL RESULTS

Monday, 29 March 2010

全年業績公佈

2010年3月29日(星期一)

CLOSURE OF REGISTER OF MEMBERS

Friday, 4 June 2010 to Tuesday, 8 June 2010 (both days inclusive)

暫停股份過戶登記

2010年6月4日(星期五)至2010年6月8日(星期二)
(包括首尾兩日)

ANNUAL GENERAL MEETING

Tuesday, 8 June 2010

股東週年大會

2010年6月8日(星期二)

DIVIDENDS

Interim dividend: 3.88 HK cents per share

Proposed Final Dividend: 3.45 HK cents per share

Payable: Friday, 18 June 2010

股息

中期股息：每股3.88港仙

建議末期股息：每股3.45港仙

於2010年6月18日(星期五)派付

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Certain parts of this report is printed on environmental friendly paper
本年報部份內頁以環保紙印製
Concept, design and printing: iOne Financial Press Limited
www.ione.com.hk



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