



CGD

中國金展控股有限公司
China Golden Development Holdings Limited
Stock Code 股份代號: 162

Annual Report 2009 年報



Contents

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	4
Management Discussion and Analysis	管理層討論及分析	6
Biographies of Directors	董事履歷	10
Directors' Report	董事會報告	14
Corporate Governance Report	企業管治報告	26
Independent Auditor's Report	獨立核數師報告	32
Consolidated Income Statement	綜合收益賬	35
Consolidated Statement of Comprehensive Income	綜合全面收益表	36
Consolidated Statement of Financial Position	綜合財務狀況表	37
Statement of Financial Position	財務狀況表	39
Consolidated Statement of Changes in Equity	綜合權益變動表	40
Consolidated Statement of Cash Flows	綜合現金流量表	41
Notes to the Financial Statements	財務報表附註	44
Five Years Summary Financial Information	五年財務資料摘要	168

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Choon Hoi Kit, Edwin (*Chief Executive Officer*)
Mr. Qu Jiaqi
Mr. Li Haogang
Mr. Sha Yingjie
Ms. Lu Xiaoling

Independent Non-executive Directors:

Mr. Chan Wai Kwong, Peter
Mr. Fu Wing Kwok, Ewing
Mr. Tsang Kwok Wai

FINANCIAL CONTROLLER AND COMPANY SECRETARY

Mr. Chiu Ngam, Chris

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 1801, 18th Floor, Tai Yau Building
181 Johnston Road, Wanchai, Hong Kong

PRINCIPAL BANKERS IN THE PRC

Agricultural Bank of China (Xinjiang Corps Branch)
Industrial and Commercial Bank of China
(Xian Hi-tech Industrial Zone Branch)

PRINCIPAL BANKERS IN HONG KONG

Wing Lung Bank
Bank of China (Hong Kong)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

COMPANY WEB SITE

<http://cgd.etnet.com.hk>

董事會

執行董事：

鄭開杰先生 (*行政總裁*)
曲家琪先生
李郝港先生
沙英傑先生
魯曉玲女士

獨立非執行董事：

陳為光先生
傅榮國先生
曾國偉先生

財務總監及公司秘書

趙岩先生

總辦事處兼主要營業地點

香港灣仔莊士敦道181號
大有大廈18樓1801室

中國主要往來銀行

中國農業銀行 (新疆兵團分行)
中國工商銀行
(西安高新技術開發區支行)

香港主要往來銀行

永隆銀行
中國銀行 (香港)

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

公司網址

<http://cgd.etnet.com.hk>

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

LEGAL ADVISER

Michael Li & Co (Hong Kong Law)
Conyers Dill & Pearman (Bermuda Law)

AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants
12/F., China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

AUDIT COMMITTEE MEMBERS

Mr. Fu Wing Kwok, Ewing (*Chairman*)
Mr. Chan Wai Kwong, Peter
Mr. Tsang Kwok Wai
Mr. Sha Yingjie
Ms. Lu Xiaoling

REMUNERATION COMMITTEE MEMBERS

Mr. Chan Wai Kwong, Peter (*Chairman*)
Mr. Fu Wing Kwok, Ewing
Mr. Tsang Kwok Wai

BERMUDA PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road,
Pembroke HM 08
Bermuda

STOCK CODE

162

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心26樓

法律顧問

李智聰律師事務所 (香港法律)
Conyers Dill & Pearman (百慕達法律)

核數師

香港天華會計師事務所有限公司
執業會計師
香港
干諾道中168-200號
信德中心
招商局大廈12樓

審核委員會成員

傅榮國先生 (主席)
陳為光先生
曾國偉先生
沙英傑先生
魯曉玲女士

薪酬委員會成員

陳為光先生 (主席)
傅榮國先生
曾國偉先生

百慕達主要股份過戶登記處

Butterfield Fund Services (Bermuda)
Limited
Rosebank Centre
11 Bermudiana Road,
Pembroke HM 08
Bermuda

股份代號

162

Chairman's Statement

主席報告

On behalf of the board of directors (the "Board") of China Golden Development Holdings Limited (the "Company"), I am pleased to present the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 ("the year").

FINANCIAL RESULTS

For the year ended 31 December 2009, the Group's revenue increased by 80% to HK\$542 million. The Group's operating profit for 2009 was HK\$159 million, increased by 31% from HK\$121 million in 2008 (being operating profit excluding the provision for impairment of goodwill). Net loss attributable to equity shareholders of the Company was HK\$46 million for 2009 compared with HK\$545 million in 2008. The Board does not recommend the payment of any dividends for the year.

BUSINESS REVIEW

The principal business activity of the Group is mainly engaged in the operation of department stores in North-western China.

Based on our new strategy implemented in 2008, we have successfully consolidated our business in operating of department stores in North-Western China which was one of the highest growing region in the People's Republic of China ("PRC"). Having done that we have led the Group to sustain the economic crisis in the year of 2009 and still reported growth in business. This strategy will continue to provide contribution to the Group and further acquisition opportunities will be solicited.

本人謹代表中國金展控股有限公司（「本公司」）董事會（「董事會」），欣然呈報本公司及其附屬公司（「本集團」）截至二零零九年十二月三十一日止年度（「本年度」）之經審核業績。

財務業績

於截至二零零九年十二月三十一日止年度，本集團之收入增加80%至542,000,000港元。於二零零九年，本集團之經營溢利由二零零八年之121,000,000港元（即不計及商譽減值撥備之經營溢利）增加31%至159,000,000港元。於二零零九年，本公司股東應佔虧損淨額為46,000,000港元，而二零零八年則為545,000,000港元。董事會不建議就本年度派付任何股息。

業務回顧

本集團之主要業務為於中國西北部經營百貨公司。

根據我們於二零零八年實施之新策略，我們成功整合了中國西北部之百貨公司業務，該等地區為中華人民共和國（「中國」）最高增長地區之一。此舉讓我們成功帶領本集團渡過二零零九年的金融危機，並且錄得業務增長。此策略將為本集團持續帶來收益，而本集團亦會進一步物色收購機遇。

Chairman's Statement

主席報告

FUTURE PLAN AND PROSPECT

Recently, the PRC government implemented various monetary policies and fiscal stimulus packages to drive domestic consumption and stimulate the economy. Having considered this advantage, the Group would continue exploring opportunities in the operation of department store by acquiring existing Century Ginwa department stores and expanding Century Ginwa geographically in the PRC. The Group also plans to reinvent and remodel its stores to further enhance the stores image and to improve productivity by the more efficient use of the available floor space. Meanwhile, the Group would introduce more famous international brands to further enhance its market status and maximise shareholder value. The Group strongly believes that the business strategy of Century Ginwa could eventually lead the Group to become one of the top tier department stores operators in the PRC.

APPRECIATION

I would like to express my deep thanks to Mr. Hu Yangxing, the former Vice Chairman and Chief Executive Officer and my fellow directors for their valuable contribution during the difficult year 2009. I would also like to thank you for the commitment made by all the employees in Hong Kong and the PRC. I and on behalf of the Board would also like to extend my sincere thanks to our shareholders, customers, suppliers, bankers and business associates for their continued strong support.

Choon Hoi Kit, Edwin

Chief Executive Officer

Hong Kong, 20 April 2010

未來計劃及展望

近期，中國政府推行多項貨幣政策及財政刺激方案，以推動內需及刺激經濟。鑑於這一利好局勢，本集團將在營運百貨公司範疇內繼續透過收購世紀金花現有百貨公司及擴大世紀金花在中國之經營地域以開拓商機。本集團亦計劃改造及重新塑造其現有店舖以進一步改善店舖形象，並透過更有效地利用可用樓面面積提升產能。同時，本集團會引進更多國際知名品牌，以進一步提升其市場地位及令股東價值實現最大化。本集團深信，世紀金花之業務策略定可引領本集團最終躋身中國頂級百貨公司營運商之列。

致謝

本人謹此就前副主席兼行政總裁胡養雄先生及董事會同寅於充滿挑戰之二零零九年作出之寶貴貢獻深表謝意。本人亦藉此機會向香港及中國全體員工之努力衷心致謝。此外，本人謹此代表董事會向各股東、客戶、供應商、往來銀行及業務夥伴致以摯誠謝意，感激彼等一直以來之鼎力支持。

鄭開杰

行政總裁

香港，二零一零年四月二十日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESULTS

Due to the acquisition of 76.43% equity interest in Century Ginwa, the Xian Bell Tower store, was completed in August 2008. The store has started its contributions to the Group, with inclusion of full year sales performance in 2009 and benefited from the implementation of a wide array of measures and policies that aim at promoting domestic consumption and expediting economic growth, the PRC economy posted moderate growth, hence:

- i) The turnover of the Group for the twelve months ended 31 December 2009 increased to HK\$542 million compared to HK\$301 million for the last period, representing an increase of 80%.
- ii) The gross profit of the Group increased to HK\$383 million compared to HK\$205 million of the last period. The gross profit margin of the Group for the twelve months ended 31 December 2009 improved to 70.7% from 68.0% of the last year due to the improvement of sales mix.
- iii) The Group's operating profit for 2009 was HK\$159 million, increased by 31% from HK\$121 million in 2008 (being operating profit excluding the provision for impairment of goodwill).
- iv) In 2008, the impairment of goodwill in respect of the acquisition of Century Ginwa Joint Stock Company Limited amounted to HK\$605 million. The business value of this subsidiary was based on the valuation reports issued by RHL Appraisal Limited ("RHL"), an independent professional valuer. The decision to provide for impairment of the goodwill was made by the Board after taking into consideration the RHL's reports and the severity of the global financial and economic crisis. No such impairment was made in 2009.

財務業績

收購世紀金花76.43%股本權益(西安鐘樓店)已於二零零八年八月完成。計入其二零零九年之全年銷售表現,該店已開始為本集團帶來貢獻,以及受惠於推行多項旨在擴大內需及促進經濟發展之措施及政策,以致中國經濟達致溫和增長。因此:

- i) 本集團截至二零零九年十二月三十一日止十二個月之營業額增加至542,000,000港元,而去年同期為301,000,000港元,相當於增加80%。
- ii) 本集團之毛利增加至383,000,000港元,去年同期為205,000,000港元。本集團截至二零零九年十二月三十一日止十二個月之毛利率由去年68.0%增加至70.7%,乃銷售產品組合較佳所致。
- iii) 本集團之經營溢利由二零零八年121,000,000港元(乃屬經營溢利,惟不計及商譽減值撥備)增加31%至二零零九年之159,000,000港元。
- iv) 於二零零八年,就收購世紀金花股份有限公司而產生商譽減值共605,000,000港元。該附屬公司之業務價值按獨立專業估值師永利行評值顧問有限公司(「永利行」)發出之估值報告而釐定。董事會在考慮永利行之報告以及環球金融及經濟危機之嚴峻情況後,決定為商譽作出減值撥備。於二零零九年概無作出有關撥備。

Management Discussion and Analysis

管理層討論及分析

- v) The finance costs for 2009 were HK\$161 million (2008: HK\$46 million). Higher finance costs in 2009 were attributable to the full year inputted interest expenses incurred on the convertible bonds and certain non-recurring expenses incurred on bank loans.
- vi) The Group's loss for the year and net consolidated loss attributable to equity shareholders of the Company were HK\$32 million (2008: HK\$540 million) and HK\$46 million (2008: HK\$545 million) respectively.
- v) 二零零九年之財務費用為161,000,000港元(二零零八年: 46,000,000港元)。二零零九年之財務費用較高,主要是由於可換股債券產生之全年推算利息支出及銀行貸款產生若干非經常費用所致。
- vi) 本集團本年度虧損及本公司股東應佔淨綜合虧損分別為32,000,000港元(二零零八年: 540,000,000港元)及46,000,000港元(二零零八年: 545,000,000港元)。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, net current liabilities and total assets less current liabilities of the Group amounted to HK\$1,049 million (2008: HK\$1,037 million) and HK\$732 million (2008: HK\$696 million) respectively. As at 31 December 2009, the Group had cash and cash equivalents amounting to HK\$89 million (2008: HK\$90 million). The current ratio of the Group as at 31 December 2009 was 0.16 (2008: 0.16). The gearing ratio, being the bank and other loans divided by the shareholders' equity, as at 31 December 2009, was nil (2008: nil). The capital raising activities during the year are disclosed in note 28 to the financial statements.

流動資金及財政資源

於二零零九年十二月三十一日,本集團之流動負債淨額及總資產減流動負債分別為1,049,000,000港元(二零零八年: 1,037,000,000港元)及732,000,000港元(二零零八年: 696,000,000港元)。於二零零九年十二月三十一日,本集團之現金及現金等值物為89,000,000港元(二零零八年: 90,000,000港元)。於二零零九年十二月三十一日,本集團之流動比率為0.16(二零零八年: 0.16)。於二零零九年十二月三十一日之資本負債比率(即銀行及其他貸款除以股東權益)為零(二零零八年: 零)。有關本年度集資活動在財務報表附註28中披露。

BUSINESS REVIEW

Department Store Operations

The Group successfully consolidates its business in operation of department stores in Northwestern part of China. At present, the Group operates two department stores in Xian and one department store in Urumqi, the PRC. It can be proved that the business strategy implemented in 2008 was successful. Under the economic crisis in 2009 the business still achieved a double digit growth.

業務回顧

百貨公司業務

本集團成功整合了中國西北部之百貨公司業務。目前,本集團於中國西安及烏魯木齊分別經營兩間及一間百貨公司,足證於二零零八年實施之業務策略取得成功。儘管二零零九年出現金融危機,但業務增長依然達到雙位數字。

Management Discussion and Analysis

管理層討論及分析

The Group still incurs a loss is mainly due to the heavy burden of finance costs which does not result from the department store operations. On the one hand there are non-recurring bank loan interests and on the other hand the inputted interest on the convertible bonds also smears the results. The Board is confident to improve the borrowing mix of the Group and will reduce the finance costs in the coming year.

The Board believes that with the continuous improvements of standard of living in the PRC and the implementation of various monetary policies and fiscal stimulus packages to drive domestic consumption, operation of department stores is an attractive industry in the PRC in the near future.

Corporate Restructuring and Introduction of Investment Fund

From the continuous effort of the management to improve its operations and promotion of corporate governance, the Group had successfully signed a Memorandum of Understanding with an investment fund – Hony Capital as a strategic investor on 20 February 2010.

Hony Capital is an investment fund which is structured as an exempted limited partnership established in the Cayman Islands. Based on the limited partnership interests of Hony Capital, Legend Holdings Limited, via its wholly-owned subsidiary, Right Lane Limited, is the single largest investor in Hony Capital, with a holding of approximately 14.3% of the value of the fund. In addition to Legend Holdings Limited, Hony Capital has 75 other investors with interests ranging from 0.02% to 7.15% of the value of the fund.

Merger & Acquisition

As mentioned in 2008 Annual Report, the Group will continue to explore other business opportunities in acquiring department stores in the PRC. As a further step, the Group has signed a Memorandum of Understanding in acquisition of three department stores in Xian, the PRC, on 20 February 2010. If the transaction can be completed, the Board believes that having a network of six department stores, will enhance economies of scale in operations and revenue contribution to the Group.

本集團仍然錄得虧損，主要由於非百貨公司業務之高昂財務費用所致。非經常之銀行貸款利息及可換股債券之推算利息亦令業績受到影響。董事會深信可改善本集團之借款組合，並於來年減低財務費用。

董事會相信，隨著中國生活水平持續提升以及落實各項旨在帶動國內消費之貨幣政策及財政刺激方案，百貨公司業務於不久將來將成為中國收益可觀之行業。

企業重組及引入投資基金

在管理層不斷改善本集團之營運及提倡企業管治下，本集團於二零一零年二月二十日成功與投資基金弘毅投資（作為策略投資者）簽署諒解備忘錄。

弘毅投資為一支投資基金，其結構為於開曼群島成立之受豁免有限夥伴公司。根據弘毅投資之有限夥伴權益，聯想控股有限公司透過其全資附屬公司南明有限公司作為弘毅投資單一最大投資者，持有該基金之價值約14.3%。除聯想控股有限公司外，弘毅投資另有75名投資者，彼等持有該基金之價值由0.02%至7.15%不等之權益。

合併與收購

誠如二零零八年年報所述，本集團將在中國收購百貨公司方面持續物色其他業務機遇。本集團已於二零一零年二月二十日就收購三間位於中國西安之百貨公司簽署諒解備忘錄，以作為達成業務目標之進一步舉措。倘能夠完成交易，董事會相信憑藉其由六間百貨公司組成之業務網絡，可藉此擴大其業務之規模效益，以及為本集團帶來更高收益。

Management Discussion and Analysis

管理層討論及分析

BANKING FACILITIES

The Group's banking facilities are disclosed in note 23 to the financial statements.

CONTINGENT LIABILITIES

The Group's contingent liabilities are disclosed in note 33 to the financial statements.

FOREIGN EXCHANGE EXPOSURE

During the year, the Group's operation of department stores earned revenue and incurred costs in Renminbi. Renminbi was relatively stable although there was an appreciation pressure during the year. The Directors considered that the Group's exposure to fluctuations in foreign exchange rate was minimal, and accordingly, the Group did not employ any financial instruments for hedging purpose.

SEASONAL OR CYCLICAL FACTORS

During the year, the Group's business operations were not significantly affected by any seasonal and cyclical factors.

HUMAN RESOURCES

As at 31 December 2009, the Group employed approximately 1,000 (2008: 1,200) full time employees including management and administrative staff. Most of the employees are employed in Mainland China. The employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance, professional and working experience and by reference to prevailing market practice and standards. Apart from the general remuneration package, the Group also granted share options and discretionary bonus to the eligible staff based on their performance and contribution to the Group. The Group regards quality staff as one of the key factors to corporate success.

銀行融資

本集團之銀行融資於財務報表附註23中披露。

或然負債

本集團之或然負債於財務報表附註33中披露。

匯兌風險

於本年度，本集團經營的百貨公司業務，其所賺取之收入及產生之費用均以人民幣計算。儘管人民幣於本年度有升值壓力，惟其仍屬相對穩定。董事認為本集團面對之匯率波動風險甚微，故本集團並無採用任何金融工具作對沖。

季節性或週期因素

於本年度，本集團之業務運作並無因任何季節性或週期因素而受到重大影響。

人力資源

於二零零九年十二月三十一日，本集團僱用約1,000名（二零零八年：1,200名）全職僱員，其中包括管理及行政人員。大部份僱員均受僱於中國內地。僱員之薪酬、晉升及加薪幅度乃根據個人及本公司之表現、僱員之專業及工作經驗、並參考當時市場慣例及標準來評估釐定。除了一般薪酬計劃外，本集團亦根據合資格僱員之表現及其對本集團之貢獻，向其授出購股權及酌情花紅。本集團認為優秀僱員是企業能成功發展之關鍵因素。

Biographies of Directors

董事履歷

EXECUTIVE DIRECTORS

Choon Hoi Kit, Edwin

Mr. Choon Hoi Kit, Edwin, ("Mr. Choon") aged 42, was appointed as the Executive Director and Chief Executive Officer of the Company on 8 March 2010. Mr. Choon has over 19 years of experience in finance, mergers & acquisitions, and corporate restructuring and held management positions in various listed companies. He had worked for one of the Big Four international accountancy firms and another prestigious CPA firm and had also been engaged in various mergers and acquisitions exercises. Mr. Choon was the General Manager of Finance Department of Guangnan Holdings Limited (Stock code: 1203) during its restructuring exercise from 1999 to 2001. Mr. Choon also has experience in department Store business in the PRC and was the director of the jointly controlled entity Wuhan Plaza and also held the position of Deputy Chief Operating Officer from 2003 to 2007 of Junefield Department Store Holdings Limited (Stock code: 758).

Qu Jiaqi

Mr. Qu Jiaqi ("Mr. Qu"), aged 51, was appointed as an Executive Director of the Company on 11 August 2007. He is currently Vice President of Ginwa Enterprise (Group) Inc. ("Ginwa Enterprise") and General Manager of Century Ginwa Joint Stock Limited Company ("Century Ginwa"), both companies are connected persons of the Company as defined under the Listing Rules. Mr. Qu joined Ginwa Enterprise and Century Ginwa Group in 1999. Before that, Mr. Qu worked with several other large department stores and shopping malls in Xian, China.

Mr. Qu has nearly 30 years of working experience in department store business. Mr. Qu received Management education and training in Mainland China. He also received training in High Level Business Administration from the Open University of Hong Kong. He was awarded the "Shaanxi Province Outstanding Young Entrepreneur" in October 2000 and "China Professional Operational Management Master" (中國商業經營大師) in 2005. Mr. Qu is also a Representative of the 13th and 14th Xian City People's Assembly.

執行董事

鄭開杰

鄭開杰先生(「鄭先生」), 42歲, 於二零一零年三月八日獲委任為本公司執行董事兼行政總裁。鄭先生於融資、併購及公司重組方面擁有逾十九年經驗, 並曾於多間上市公司擔任管理職位。鄭先生曾於其中一間四大國際會計師事務所及另一間信譽卓著之會計師事務所公司任職, 並曾從事多宗併購活動。於一九九九年至二零零一年廣南(集團)有限公司(股份代號: 1203)進行重組活動期間, 鄭先生擔任該公司財務部之總經理。鄭先生亦擁有中國百貨業務經驗, 於二零零三年至二零零七年期間擔任莊勝百貨集團有限公司(股份代號: 758)之副營運總監職位, 且同時為其共同控制企業武漢廣場之董事。

曲家琪

曲家琪先生(「曲先生」), 51歲, 於二零零七年八月十一日獲委任為本公司執行董事。彼現時為金花企業(集團)股份有限公司(「金花企業」)副總裁、及世紀金花股份有限公司(「世紀金花」)總經理。根據上市規則定義, 這兩間公司均為本公司關連人士。曲先生於一九九九年加入金花企業及世紀金花集團。之前, 曲先生於中國西安多間大型百貨商店及購物中心任職。

曲先生在經營百貨商店業務方面擁有近三十年豐富經驗。曲先生在中國內地學習管理及接受有關培訓, 亦於香港公開大學進修工商管理深造課程。彼於二零零零年十月獲頒「陝西省傑出青年企業家獎」, 更於二零零五年被喻為「中國商業經營大師」。曲先生亦是第十三及十四屆西安市人民代表大會代表。

Biographies of Directors

董事履歷

Li Haogang

Mr. Li Haogang (“Mr. Li”), aged 45, was appointed as an Executive Director of the Company on 11 August 2007. He is currently Assistant to President of Ginwa Enterprise (Group) Inc. (“Ginwa Enterprise”) and General Affairs Assistant General Manager of Century Ginwa Joint Stock Limited Company (“Century Ginwa”), both companies are connected persons of the Company as defined under the Listing Rules. Mr. Li joined Ginwa Enterprise in 1988. Before that, Mr. Li worked with Shaanxi Jin Run Property Development Company.

Mr. Li has rich experience in corporate operations, management and business development. He was awarded the “Xian City Outstanding Young Entrepreneur” in 1996 and “The Seventh Year Shaanxi Province Excellent (Outstanding) Young Entrepreneur”.

Sha Yingjie

Mr. Sha Yingjie (“Mr. Sha”), aged 52, was appointed as an Executive Director of the Company on 1 July 2007. He is currently the Financial Controller of Century Ginwa Joint Stock Company Limited (“Century Ginwa”), a connected person of the Company as defined under the Listing Rules. Mr. Sha joined Century Ginwa in 1997 and was appointed Financial Controller and Assistant General Manager in 2004 and 2009 respectively. Before Mr. Sha joined Century Ginwa, he once worked as Financial Controller of the Supply Station of XiBei Electrical Engineering Company Limited, and the Financial Controller of Xian Taiwan Hotel.

Mr. Sha has more than 20 years of working experience in commerce and finance. Mr. Sha received Management education and training in Mainland China. He also holds a master degree in business administration from the Open University of Hong Kong. He was awarded China Career Manager in June 2003 and was appointed Taxation Practice Review Inspector by Xian Tax Bureau in the PRC in 2006. He obtained a chief financial officer qualification certificate in respect of business administration positions in 2007 and was appointed as Taxation Practice Review Inspector of the local taxation bureau in Lianhu District, Xian in 2009.

李郝港

李郝港先生（「李先生」），45歲，於二零零七年八月十一日獲委任為本公司執行董事。彼為現任金花企業（集團）股份有限公司（「金花企業」）總裁助理、及世紀金花股份有限公司（「世紀金花」）常務副總經理。根據上市規則定義，這兩間公司均為本公司關連人士。李先生於一九八八年加入金花企業，之前曾於陝西金潤物業發展公司任職。

李先生在企業營運、管理及業務拓展方面經驗豐富。彼於一九九六年獲評為「西安市優秀青年企業家」及「陝西省第七屆優秀（傑出）青年企業家」。

沙英傑

沙英傑先生（「沙先生」），52歲，於二零零七年七月一日獲委任為本公司執行董事。沙先生現時為世紀金花股份有限公司（「世紀金花」）財務總監。根據上市規則定義，沙先生為本公司關連人士。沙先生於一九九七年加入世紀金花，並於二零零四年及二零零九年分別獲委任為財務總監及副總經理。在加入世紀金花前，沙先生曾出任西北機電公司西安供應站財務總監、及西安臺灣酒店財務總監。

沙先生有二十餘年商業及財務工作經驗。彼曾於中國內地接受管理教育及培訓，並於香港公開大學進修工商管理深造課程。彼亦持有香港公開大學之工商管理碩士學位。沙先生於二零零三年六月取得中國職業經理人資格，並於二零零六年獲中國西安市國家稅務局聘為稅務執法糾風監督員。二零零七年取得企業管理崗位財務總監資格證書及二零零九年獲聘為西安市蓮湖區地方稅務局稅務執法糾風監督。

Biographies of Directors

董事履歷

Lu Xiaoling

Ms. Lu Xiaoling (“Ms. Lu”), aged 53, was appointed Executive Director of the Company on 1 February 2009. She is currently the Chief Representative of the Xian Representative Office of China King Management Limited (a wholly-owned subsidiary of the Company), and Director of Ginwa Enterprise (Group) Inc. Ms. Lu once worked as Chairman and General Manager of Guo Da Financial Management Consultancy Company Ltd., and Chief Accountant of Xian Xiang Yu Aero Technology Development (Group) Company Ltd.

Ms. Lu has more than thirty years of commerce, financial and various management experiences. Ms. Lu received both domestic and overseas financial management education and training. She is an associate member of China Association of Chief Financial Officers. She has obtained professional qualifications including China Senior Accountant, International Finance Manager of Cambridge, England, China Certified Project Data Analyst, International Finance Manager, China Certified Tax Planner, Senior Executive Independent Director of Shenzhen Stock Exchange, and China Senior Career Manager.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Wai Kwong, Peter

Mr. Chan Wai Kwong, Peter (“Mr. Chan”), aged 56, was appointed as an Independent Non-Executive Director of the Company on 24 September 2004. Mr. Chan graduated with a bachelor degree in Social Science (Economics) from the University of Western Ontario, Canada in 1978. Mr. Chan has over 25 years’ experience in marketing and business development. Mr. Chan is also an Executive Director of China Solar Energy Holdings Limited and Mobile Telecom Network (Holdings) Limited, both of which are listed companies in Hong Kong.

魯曉玲

魯曉玲女士（「魯女士」），53歲，於二零零九年二月一日獲委任為中國管理有限公司（為本公司之全資附屬公司）西安代表處之首席代表及金花企業（集團）股份有限公司董事。魯女士之前曾任國大財務管理諮詢有限公司董事長兼總經理及西安翔宇航空科技發展（集團）有限責任公司總會計師。

魯女士有三十餘年商業、財務及多方面管理工作經驗。魯女士曾接受國內外財務管理學教育及訓練。彼為中國總會計師協會會員。彼已取得中國高級會計師、英國劍橋國際財務管理師、中國註冊項目數據分析師、國際財務管理師、中國註冊納稅籌劃師、深圳證券交易所高管獨立董事、及中國高級職業經理人等專業資格。

獨立非執行董事

陳為光

陳為光先生（「陳先生」），56歲，於二零零四年九月二十四日獲委任為本公司獨立非執行董事。陳先生於一九七八年畢業於加拿大西安大略大學，獲頒社會科學（經濟）學士學位。陳先生在市場推廣及業務發展方面積累逾二十五年經驗。陳先生亦是華基光電能源控股有限公司及流動電訊網絡（控股）有限公司的執行董事。這兩間公司均為香港上市公司。

Biographies of Directors

董事履歷

Fu Wing Kwok, Ewing

Mr. Fu Wing Kwok, Ewing (“Mr. Fu”), aged 41, was appointed as an Independent Non-Executive Director of the Company on 8 January 2007. Mr. Fu is currently an independent non-executive director of Hao Wen Holdings Limited (Formerly known as “Everpride Biopharmaceutical Company Limited”), a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong. He holds a bachelor degree in science with major in accounting of Bemidji State University, USA and is a member of both American Institute of Certified Public Accountants and Hong Kong Institute of Certified Public Accountants. He has over 15 years of experience in auditing and accounting field.

Tsang Kwok Wai

Mr. Tsang Kwok Wai (“Mr. Tsang”), aged 40, was appointed as an Independent Non-Executive Director of the Company on 25 September 2008. Mr. Tsang is a fellow member of The Hong Kong Institute of Certified Public Accountants; The Association of Chartered Certified Accountants; and The Taxation Institute of Hong Kong. He has over 16 years of experience in accounting and finance. At present, Mr. Tsang runs his own firm and practices public accounting.

Mr. Tsang is an independent non-executive director of K.P.I. Company Limited (a company listed on The Stock Exchange of Hong Kong Limited) which is engaged in retail business in PRC and ABC Communications (Holdings) Limited (a company listed on The Stock Exchange of Hong Kong Limited) which is engaged in the business of financial information services.

傅榮國

傅榮國先生(「傅先生」)，41歲，於二零零七年一月八日獲委任為本公司獨立非執行董事。傅先生目前亦擔任香港聯交所創業板上市公司皓文控股有限公司(前稱「中遠威生物製藥有限公司」)之獨立非執行董事。彼持有美國伯米吉州立大學理學學士學位，主修會計；並為美國會計師公會及香港會計師公會會員。傅先生在審計及會計方面積累逾十五年經驗。

曾國偉

曾國偉先生(「曾先生」)，40歲，於二零零八年九月二十五日獲委任為本公司獨立非執行董事。曾先生為香港會計師公會之資深會員、英國特許公認會計師公會資深會員，以及香港稅務學會資深會員。曾先生在會計及財務界擁有逾十六年經驗。曾先生現時經營其本身之公司並從事會計工作。

曾先生是從事中國零售業之港佳控股有限公司(一間於香港聯合交易所有限公司上市之公司)及從事財務資訊服務業之佳訊(控股)有限公司(一間於香港聯合交易所有限公司上市之公司)之獨立非執行董事。

Directors' Report

董事會報告

The directors have pleasure in presenting their report together with the audited financial statements for year 31 December 2009 (the "year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the subsidiaries are set out in note 14 to the financial statements.

RESULTS AND DIVIDENDS

The profit and cash flows of the Group for the year and the state of affairs of the Company and of the Group as at 31 December 2009 are set out in the financial statements on pages 35 to 167.

The directors do not recommend the payment of any dividends in respect of the year.

FINANCIAL SUMMARY

The summary of the consolidated results of the Group for the year ended 30 June 2005, the period ended 31 December 2006 and for the three years ended 31 December 2009 and the assets and liabilities of the Group as at 30 June 2005 and 31 December 2006, 2007, 2008 and 2009 are set out on page 168.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 28 to the financial statements.

董事欣然提呈截至二零零九年十二月三十一日止年度(「本年度」)之報告，連同經審核財務報表。

主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務載於財務報表附註14。

業績及股息

本集團於本年度之溢利及現金流量，及本公司與本集團於二零零九年十二月三十一日之財政狀況載於第35至167頁之財務報表內。

董事不建議就本年度派付股息。

財務概要

本集團於截至二零零五年六月三十日止年度、截至二零零六年十二月三十一日止期間及截至二零零九年十二月三十一日止三個年度之綜合業績，以及本集團於二零零五年六月三十日、二零零六年、二零零七年、二零零八年及二零零九年十二月三十一日之資產與負債概要載於第168頁。

股本

本公司股本於本年度內之變動詳情載於財務報表附註28。

Directors' Report

董事會報告

SHARE OPTION SCHEME

In accordance with the terms of the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 6 November 2001 (the "Share Option Scheme"), the Company may grant options to the eligible person of the Company to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued in the exercise of options for the purpose of providing incentives or rewards to selected eligible person for their contribution to the Group. The Share Option Scheme became effective on 6 November 2001, unless otherwise cancelled or amended according to the Share Option Scheme, will remain in force for 10 years from that date. Eligible person of the Share Option Scheme includes the followings:-

- (i) any director, employee or consultant of the Company, a subsidiary or an affiliate; or
- (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company, a subsidiary or an affiliate; or
- (iii) a company beneficially owned by any director, employee or consultant of the Company, a subsidiary or an affiliate; or
- (iv) any person or entity whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group as may be determined by the directors from time to time.

The exercise price of the share options shall be the higher of (i) the nominal value of the shares; (ii) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (iii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant (subject to Scheme adjustments).

Details of movements in share options of the Company are set out in note 29 to the financial statements.

購股權計劃

按照本公司根據二零零一年十一月六日通過之普通決議案所採納的購股權計劃條款(「購股權計劃」),本公司可向本公司之合資格人士授出購股權,以認購本公司股份,惟數額以本公司不時已發行股本的30%為限。就此而言,此計劃不包括因行使用作獎勵或獎賞對本集團有所貢獻的指定合資格人士而授出的購股權而發行之股份。購股權計劃自二零零一年十一月六日起生效。除非根據購股權計劃之規定撤銷或作修訂外,購股權計劃將於該日起計十年內有效。購股權計劃之合資格人士包括下列各方:-

- (i) 本公司、附屬公司或聯號公司之任何董事、僱員或顧問;或
- (ii) 任何全權信託之全權託管對象包括本公司、附屬公司或聯號公司之任何董事、僱員或顧問;或
- (iii) 本公司、附屬公司或聯號公司之任何董事、僱員或顧問實益擁有之公司;或
- (iv) 董事不時酌情認定之任何人士或實體,其為本集團提供之服務或其與本集團進行之交易,曾經或將會對本集團之業務或營運有所貢獻。

購股權之行使價須為下列各項之較高者:(i)股份面值;(ii)按聯交所發出之每日報價表所示,股份於授出日期之收市價;及(iii)按聯交所發出之每日報價表所示,股份於緊接授出日期前五個營業日之平均收市價(可按該計劃作出調整)。

本公司之購股權變動詳情載於財務報表附註29。

Directors' Report

董事會報告

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in note 28 to the financial statements.

As at 31 December 2009, no reserves (2008: HK\$Nil) were available for distribution to the Company's shareholders. In addition, the share premium of the Company in the amount of approximately HK\$388,578,000 (2008: HK\$386,673,000), may be distributed in form of fully paid bonus shares.

CONVERTIBLE BOND

Details of movements in convertible bond of the Group and the Company during the year are set out in note 26 to the financial statements.

RETIREMENT BENEFITS

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"). The MPF Scheme is a defined contribution scheme managed by an independent trustee. Under the MPF scheme, each of the Group and its employees make monthly contribution to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employee's contribution are subject to a cap of monthly earnings of HK\$20,000 and thereafter contributions are voluntary. As stipulated by the rules and regulations in PRC, the Group contributes to a state-sponsored retirement plans for its employees in PRC. The Group contributes to retirement plans at specified percentages of the basic salaries of its employees, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

FIXED ASSETS

Details of movements in fixed assets of the Group and the Company during the year are set out in note 12 to the financial statements.

儲備

本集團及本公司之儲備於本年度內之變動詳情載於財務報表附註28。

於二零零九年十二月三十一日，本公司無儲備可供分派予其股東（二零零八年：無）。此外，本公司之股份溢價約為388,578,000港元（二零零八年：386,673,000港元），可以繳足紅股形式分派。

可換股債券

於本年度，本集團及本公司之可換股債券變動詳情載於財務報表附註26。

退休福利

本集團安排其香港僱員參加強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之定額供款計劃。根據強積金計劃，本集團及其僱員各自須每月按僱員薪金（定義見強制性公積金法例）的5%作為計劃供款。僱主及僱員之供款以每月薪金20,000港元為上限。另可作自願性額外供款。根據中國法律及法規之規定，本集團為其中國僱員於國家資助退休計劃作出供款。本集團按其僱員基本薪金之特定百分比向該退休計劃作出供款；除此以外，概無進一步實際繳付退休金或退休後福利之責任。國家資助退休計劃將全權負責向退休僱員支付退休金之責任。

固定資產

本集團及本公司之固定資產於本年度內之變動詳情載於財務報表附註12。

Directors' Report

董事會報告

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group during the year are set out in note 23 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company who held office during the year and up to the date of this report were:-

Executive Directors

Mr. Choon Hoi Kit, Edwin (<i>Chief Executive Officer</i>)	(appointed on 8 March 2010)
Mr. Hu Yangxiong (<i>Vice Chairman and Chief Executive Officer</i>)	(resigned on 8 March 2010)
Mr. Qu Jiaqi	
Mr. Li Haogang	
Mr. Sha Yingjie	
Ms. Lu Xiaoling	(appointed on 1 February 2009)

Independent Non-Executive Directors

Mr. Chan Wai Kwong, Peter
Mr. Fu Wing Kwok, Ewing
Mr. Tsang Kwok Wai

In accordance with the Bye-law 86(2) of the Company, the newly appointed Executive Director, Mr. Choon Hoi Kit, Edwin is subject to re-election at the forthcoming annual general meeting.

In accordance with the Bye-law 87(1) of the Company, Mr. Qu Jiaqi, Mr. Sha Yingjie and Mr. Fu Wing Kwok, Ewing will retire from the office of directorship by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

銀行貸款及其他借貸

本集團之銀行貸款及其他借貸於本年度內之詳情載於財務報表附註23。

董事之合約權益

除財務報表附註34所披露者外，於本年度年結日或本年度內任何時間，本公司各董事概無在本公司或其任何附屬公司所訂立之任何重要合約中擁有重大權益。

董事及董事之服務合約

於本年度內及截至本報告日期止，本公司之在任董事如下：—

執行董事

鄭開杰先生 (<i>行政總裁</i>)	(於二零一零年 三月八日獲委任)
胡養雄先生 (<i>副主席 兼行政總裁</i>)	(於二零一零年 三月八日辭任)
曲家琪先生	
李郝港先生	
沙英傑先生	
魯曉玲女士	(於二零零九年 二月一日獲委任)

獨立非執行董事

陳為光先生
傅榮國先生
曾國偉先生

根據本公司細則第86(2)條，新委任之執行董事鄭開杰先生須於即將舉行之股東週年大會上重選連任。

根據本公司細則第87(1)條，曲家琪先生、沙英傑先生及傅榮國先生將輪席告退董事職務，但合資格並願意於即將舉行之股東週年大會上重選連任。

Directors' Report

董事會報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS *(Continued)*

The Company has received annual confirmations of independence from the Independent Non-Executive Directors, Mr. Chan Wai Kwong, Peter, Mr. Fu Wing Kwok, Ewing and Mr. Tsang Kwok Wai, and considers them to be independent for this year. The Company considers that each of such Independent Non-Executive Directors to be independent from the Group based on the Guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules").

Biographical details of the directors of the Company are set out on pages 10 to 13 of the annual report.

None of the directors had entered into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors and top five highest paid individuals of the Group are set out in note 8 to the financial statements.

CONNECTED TRANSACTIONS

The details of connected transactions of the Group which were discloseable under Chapter 14A of the Listing Rules are disclosed in note 34 to the financial statements.

董事及董事之服務合約 (續)

本公司已接獲各獨立非執行董事(即陳為光先生、傅榮國先生及曾國偉先生)就其獨立身份發出之年度確認書,認為彼等於本年度均屬獨立人士。根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條所載指引,本公司認為上述各獨立非執行董事均為本集團的獨立人士。

本公司董事之履歷詳情載於年報第10至第13頁。

各董事概無與本集團任何成員公司訂立本集團不可於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事酬金及五名最高薪人士

本集團董事及五名最高薪人士之酬金詳情載於財務報表附註8。

關連交易

本集團須根據上市規則第14A章之規定予以披露的關連交易詳情載於財務報表附註34。

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2009, the interests and short positions of the directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required to be entered into the register required to be kept under section 352 of the SFO or otherwise were 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 are taken or deemed to have under such provisions of the SFO) and/or the Model Code for Securities Transactions by Directors of Listed issuers in the Listing Rules (the "Model Code"), were as follows:

(a) Long positions in the shares of HK\$0.10 each

Name of director	Nature of interests	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
董事姓名	權益性質	所持已發行普通股數目	佔本公司已發行股本概約百分比
Mr. Sha Yingjie 沙英傑先生	Personal interests 個人權益	1,024,000	0.09%
Ms. Lu Xiaoling 魯曉玲女士	Personal interests 個人權益	146,000	0.01%

董事及主要行政人員於本公司股份、相關股份及債券之權益及短倉

於二零零九年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須載入根據證券及期貨條例第352條之規定所存置之登記冊之權益及短倉，或根據證券及期貨條例第XV部第7及第8分部而須知會本公司及聯交所之權益及短倉（包括根據證券及期貨條例相關規定被視作或當作擁有之權益及短倉）及／或根據上市規則當中上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會本公司及聯交所之權益及短倉載列如下：

(a) 本公司每股面值0.10港元之股份中之長倉：

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY *(Continued)*

(a) Long positions in the shares of HK\$0.10 each *(Continued)*

Save as disclosed above, as at 31 December 2009, none of the directors or chief executives of the Company had, under Divisions 7 and 8 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares of HK\$0.10 each of the Company, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests 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 in the Listing Rules or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO.

董事及主要行政人員於本公司股份、相關股份及債券之權益及短倉 (續)

(a) 本公司每股面值0.10港元之股份中之長倉：(續)

除上文所披露者外，於二零零九年十二月三十一日，本公司董事或主要行政人員概無根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第7及第8分部擁有或根據證券及期貨條例相關規定而被視作或當作於本公司每股面值0.10港元之股份中擁有任何權益或短倉、本公司或任何相聯法團（定義見證券及期貨條例第XV部）相關股份或債券的任何權益或短倉，或根據上市規則當中上市發行人董事進行證券交易之標準守則而須知會本公司及聯交所的任何權益，或須載入本公司根據證券及期貨條例第352條之規定所存置之登記冊之任何權益。

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (Continued)

董事及主要行政人員與本公司股份、相關股份及債券之權益及短倉 (續)

(b) Interest in Share Options under the Share Option Scheme

(b) 購股權計劃下之購股權權益

Name of grantee	Date of grant	Exercise price	Vesting and exercise period	Outstanding as at 1 January 2009 and 31 December 2009 於二零零九年一月一日及二零零九年十二月三十一日尚未行使
承授人姓名	授出日期	行使價	歸屬及行使期	
Mr. Hu Yangxiong (Note) 胡養雄先生 (附註)	15 Jan 2008 二零零八年一月十五日	HK\$0.74 0.74港元	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零一零年一月十五日	3,154,000
Mr. Sha Yingjie 沙英傑先生	15 Jan 2008 二零零八年一月十五日	HK\$0.74 0.74港元	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零一零年一月十五日	2,000,000
Mr. Qu Jiaqi 曲家琪先生	15 Jan 2008 二零零八年一月十五日	HK\$0.74 0.74港元	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零一零年一月十五日	2,000,000
Mr. Li Haogang 李郝港先生	15 Jan 2008 二零零八年一月十五日	HK\$0.74 0.74港元	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零一零年一月十五日	2,000,000
				<hr/> 9,154,000

Note:—

Mr. Hu Yangxiong resigned as director of the Company on 8 March 2010.

附註：—

胡養雄先生於二零一零年三月八日辭任本公司董事。

All the interests stated above represents long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at 31 December 2009.

上述所示所有權益均為長倉。於二零零九年十二月三十一日，本公司根據證券及期貨條例第352條之規定存置之登記冊並無任何短倉記錄。

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (Continued)

Save as disclosed above, as at 31 December 2009, none of the directors or chief executives of the Company had, under Divisions 7 and 8 of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be notified to the Company and the Stock Exchange or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or are required pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

Interests of shareholders discloseable pursuant to the SFO

The register of substantial shareholders required to be kept under section 336 of the SFO shows that as at 31 December 2009, the Company had been notified of the following substantial shareholders' interests and short positions, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors of the Company.

(a) Long position in the shares of HK\$0.10 each

Name of shareholder	Long positions/ short positions	Nature of interests	Number of Issued ordinary shares held	Approximate percentage of the issued share capital of the Company
股東名稱	長倉／短倉	權益性質	所持已發行 普通股數目	佔本公司 已發行股本之 概約百分比
Best Mineral Resources Limited ("BMRL")	Long positions	Personal interests	317,464,072 (Note 1)	27.17%
	長倉	個人權益	(附註1)	
Mr. Chen Jian 陳健先生	Long positions	Corporate interests	317,464,072 (Note 1)	27.17%
	長倉	公司權益	(附註1)	
Mr. Li Peng 李鵬先生	Long positions	Personal interests	4,090,000 (Note 2)	0.35%
	長倉	個人權益	(附註2)	

董事及主要行政人員與本公司股份、相關股份及債券之權益及短倉 (續)

除上文所披露者外，於二零零九年十二月三十一日，本公司董事或主要行政人員概無擁有下述權益，即根據證券及期貨條例第7及第8分部、或根據證券及期貨條例相關規定而視作或當作擁有本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券的任何權益及短倉；或須知會本公司及聯交所之任何權益；或須載入根據證券及期貨條例第352條規定所存置的登記冊內之任何權益；或根據標準守則而須知會本公司及聯交所之任何權益。

主要股東

根據證券及期貨條例須予披露之股東權益

於二零零九年十二月三十一日，根據證券及期貨條例第336條存置之主要股東登記冊顯示，本公司獲知會下列主要股東於本公司已發行股本中擁有5%或以上權益及淡倉。該等權益為上述所披露本公司董事擁有之權益以外之權益。

(a) 本公司每股面值0.10港元之股份之長倉

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS (Continued)

Interests of shareholders discloseable pursuant to the SFO (Continued)

(b) Long position in the underlying shares equity derivatives of the Company (as defined in Part XV of the SFO)

Name of shareholder	Long positions/ short positions	Nature of interests	Number of underlying shares held	Approximate percentage of the issued share capital of the Company
股東名稱	長倉／短倉	權益性質	所持已發行 相關股份數目	佔本公司 已發行股本之 概約百分比
Best Mineral Resources Limited ("BMRL")	Long positions	Personal interests	1,602,635,849 (Note 1)	137.18%
	長倉	個人權益	(附註1)	
Mr. Chen Jian 陳健先生	Long positions	Corporate interests	1,602,635,849 (Note 1)	137.18%
	長倉	公司權益	(附註1)	
Mr. Li Peng 李鵬先生	Long positions	Personal interests	221,600,000 (Note 2)	18.97%
	長倉	個人權益	(附註2)	
Partners Capital Securities Limited 博大證券有限公司	Long positions	Personal interests	209,388,390 (Note 3)	11.95%
	長倉	個人權益	(附註3)	
Phoenix Capital Securities Limited 英明證券有限公司	Long positions	Personal interests	100,000,000 (Note 4)	5.71%
	長倉	個人權益	(附註4)	

Notes:-

(1) BMRL held 317,464,072 shares and 1,602,635,849 share related to their derivative interest under its own name as at 31 December 2009. Mr. Chen Jian held 100% of the issued share capital of BMRL. As such, Mr. Chen Jian was deemed to be interested in 317,464,072 shares and 1,602,635,849 share related to their derivative interest by virtue of his shareholding in BMRL.

The derivative represents convertible bonds ("CB") of the Company. Under the terms of the CB, the conversion rights to the CB cannot be exercised if, immediately after exercise of such conversion rights into the Shares, the holder(s) of the CB and its concert parties will trigger a general offer obligation under the Hong Kong Code on Takeovers and Mergers and/or the public float of the Company will be less than 25% of the issued share capital as required under the Listing Rules after issuance of such Shares.

(2) Mr. Li Peng is interested in 4,090,000 shares and 221,600,000 warrants, each of the warrant confers the rights to subscribe for new share in cash at an initial subscription price of HK\$0.29 per share (subject to adjustments).

(3) 209,388,390 shares represent the number of Shares underwritten by Partners Capital Securities Limited. Percentage calculated base on the shares as enlarged by the new shares to be allotted and issued under an open offer dated 30 December 2009, being 584,120,426 shares.

主要股東 (續)

根據證券及期貨條例須予披露之股東權益 (續)

(b) 於本公司股權衍生工具項下之相關股份之長倉 (定義見證券及期貨條例第XV部)

附註：—

(1) 於二零零九年十二月三十一日，BMRL以公司名義持有317,464,072股股份和涉及其衍生權益之1,602,635,849股股份。陳健先生持有BMRL 100%已發行股本。因此，陳健先生基於其在BMRL之股權而視作於317,464,072股股份和涉及其衍生權益之1,602,635,849股股份中擁有權益。

衍生工具指本公司之可換股債券(「可換股債券」)。根據可換股債券之條款，倘緊隨行使可換股債券之轉換權轉換股份後，可換股債券持有人及其一致行動人士將觸發公司收購及合併守則下提出全面收購建議之責任及／或於發行有關股份後，本公司之公眾持股量將低於上市規則下所規定之25%已發行股本，則不得行使有關轉換權。

(2) 李鵬先生於4,090,000股股份及221,600,000份認股權證中擁有權益，每份認股權證均附有可按初步認購價每股股份0.29港元(可予調整)以現金認購新股份之權利。

(3) 209,388,390股股份指由博大證券有限公司包銷之股份數目。有關百分比乃按經根據日期為二零零九年十二月三十日之公開發售而將予配發及發行之新股(即584,120,426股)擴大後之股份計算。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS (Continued)

Interests of shareholders discloseable pursuant to the SFO (Continued)

(b) Long position in the underlying shares equity derivatives of the Company (as defined in Part XV of the SFO) (Continued)

Notes: - (Continued)

- (4) 100,000,000 shares represent the number of shares underwritten by Phoenix Capital Securities Limited. Percentage calculated base on the shares as enlarged by the new shares to be allotted and issued under an open offer dated 30 December 2009, being 584,120,426 shares.

Save as disclosed above, the directors and chief executives of the Company are not aware that there is any person who, as at 31 December 2009, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the directors of the Company is interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and five largest customers taken together were less than 30% of the Group's total sales for the year. The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together were less than 30% of the Group's total purchases for the year.

None of the directors, their associates, or any shareholders (which, to the best knowledge of the directors, owned more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest major customers and suppliers during the year.

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

Save as disclosed in the note 28 to this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

主要股東 (續)

根據證券及期貨條例須予披露之股東權益 (續)

(b) 於本公司股權衍生工具項下之相關股份之長倉 (定義見證券及期貨條例第XV部) (續)

附註: - (續)

- (4) 100,000,000股股份指由英明證券有限公司包銷之股份數目。有關百分比乃按經根據日期為二零零九年十二月三十日之公開發售而將予配發及發行之新股(即584,120,426股)擴大後之股份計算。

除上文所披露者外，於二零零九年十二月三十一日，據本公司董事及主要行政人員所知，概無任何人士於任何股份或相關股份中擁有任何權益或短倉須根據證券及期貨條例第XV部第2及第3分部之規定而向本公司披露，或直接或間接持有附帶權利可在任何情形下於本集團任何其他成員公司之股東大會投票之任何類別股本面值之5%或以上權益。

董事於競爭業務之權益

除本集團業務外，本公司董事概無擁有任何直接或間接對本集團業務構成競爭或可能構成競爭之業務權益。

主要客戶及供應商

本集團最大客戶及五大客戶佔本集團總銷售額合共少於本集團年內總銷售額之30%。本集團對最大供應商及五大供應商之總採購額合共少於本集團年內總採購額之30%。

於本年度內，概無任何董事、其聯繫人士或任何股東(以董事所知擁有本公司5%以上已發行股本)於本集團五大主要客戶及供應商中擁有任何實益權益。

購買、出售或贖回本公司之上市證券

除本報告附註28所披露外，於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Directors' Report

董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and the laws in Bermuda.

MANAGEMENT CONTRACTS

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

MATERIAL LITIGATION

Save as disclosed in note 33 to this report, neither the Company nor any of its subsidiaries is engaged in any other litigation or arbitration of material importance and there is no litigation or claim of material importance known to the directors to be pending or threatened by or against the Company or any of its subsidiaries.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, there is sufficient public float of more than 25% of the Company's shares in the market as required under the Listing Rules.

POST BALANCE SHEET EVENTS

Details of post balance sheet events of the Group are set out in note 35 to the financial statements.

AUDITORS

Messrs. PKF acted as auditors of the Company up to and including the year ended 31 December 2007. Messrs. PKF resigned and Baker Tilly Hong Kong Limited was appointed as the auditors of the Company on 30 December 2008. Baker Tilly Hong Kong Limited audited the Company's financial statements for the years ended 31 December 2008 and 31 December 2009.

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Choon Hoi Kit, Edwin
Chief Executive Officer

Hong Kong, 20 April 2010

優先購買權

本公司之公司細則及百慕達法例均無關於優先購買權之條文。

管理合約

本集團於本年度並無訂立或訂有任何關於本集團全部業務或其中任何重大部份之管理及行政合約。

重大訴訟

除本報告附註33所披露外，本公司或其任何附屬公司概無涉及任何其他重大訴訟或仲裁。而就董事所知，本公司或其任何附屬公司亦無任何尚未了結之重大訴訟或索償或面臨重大訴訟或索償之威脅。

足夠公眾持股量

按本公司取得之公開資料及據董事所知，於本公佈日期，本公司股份在市場上具有高於上市規則所規定25%之足夠公眾持股量。

結算日後事項

本集團之結算日後事項之詳情載於財務報表附註35。

核數師

大信梁學濂(香港)會計師事務所於截至二零零七年十二月三十一日止年度為止(包括該年度)一直擔任本公司核數師。於二零零八年十二月三十日，大信梁學濂(香港)會計師事務所告退，而香港天華會計師事務所有限公司則獲委任為本公司核數師。香港天華會計師事務所有限公司已審核本公司截至二零零八年十二月三十一日及二零零九年十二月三十一日止年度之財務報表。

香港天華會計師事務所有限公司任滿告退，惟其符合資格並願意膺聘連任。於應屆股東週年大會上，將提呈重新委聘香港天華會計師事務所有限公司為本公司核數師之決議案。

代表董事會

鄭開杰
行政總裁

香港，二零一零年四月二十日

Corporate Governance Report

企業管治報告

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximizing shareholders' returns.

The Board reviews its corporate governance practices and internal control policy and procedures from time to time in order to meet the rising expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Board considers that the Company has complied throughout the year ended 31 December 2009 with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations. The corporate governance of the Company for the year is stated as follows:

BOARD OF DIRECTORS

The Board is charged with providing effective and responsible leadership for the Company. The directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The composition of the directors during the period is set out in the Directors' Report.

董事會恪守維持高水平企業管治及商業道德標準的承諾，並堅信此對保持及提高投資者信心、增加股東回報攸關重要。

為了達成公司相關利益者就企業管治水平及內部監控政策與程序不斷提升的期望、及符合日趨嚴謹之規管要求，與及實踐董事會堅守優越企業管治之承諾，董事會不斷檢討本集團的企業管治守則。

董事會認為本公司於截至二零零九年十二月三十一日止年度一直遵守上市規則附錄14所載《企業管治常規守則》（「企業管治守則」）之規定，惟若干偏離情況除外。本公司於本年度之企業管治詳情載列如下：

董事會

董事會以效率及責任感來領導本公司。各董事（不論個別或集體）均須真誠行事，並以本公司及股東之最佳利益為依歸。期內董事會成員組合載於董事會報告內。

Corporate Governance Report

企業管治報告

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. For the year ended 31 December 2009, Mr. Hu Yangxiong is the Vice Chairman & Chief Executive Officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Company. The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently. The Board believes that Mr. Hu's appointment to the posts of Vice Chairman and Chief Executive Officer is beneficial to the business prospects and management of the Company. The Vice Chairman ensures that all directors are properly briefed on issues arising at Board meetings. The Vice Chairman is responsible for ensuring that directors receive adequate, complete and reliable information, in a timely manner.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing Independent Non-executive Directors of the Company is appointed for a specific term. However, all the directors (Executive and Independent Non-executive) are subject to retirement at least once every three years under Bye-Law 87(1) of the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

The Company has received from each of the Independent Non-Executive Directors a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company thus considers all the Independent Non-Executive Directors are independent for the year.

守則條文第A.2.1條訂明，主席及行政總裁之職務應有區分及不應由一人同時兼任。截至二零零九年十二月三十一日止年度，胡養雄先生為本公司副主席兼行政總裁。董事會認為此架構將不損董事會與本公司管理層間之權力及權責平衡。權力及權責平衡乃通過董事會運作得到保證，董事會乃由富經驗及能幹之人士組成，並會定期開會討論影響本公司營運之事宜。董事會相信，此架構有利於穩固及貫徹之領導，讓本公司可適時有效作出及落實決定。董事會相信委任胡先生擔任副主席兼行政總裁職務有利於本公司業務前景及管理。副主席須確保全體董事獲妥為知會有關提呈董事會會議之事宜。副主席負責確保董事及時收到充份且完備可靠之資料。

守則條文第A.4.1條訂明，非執行董事須以指定任期委任並須膺選連任。本公司之現任獨立非執行董事並非以指定任期委任。然而，根據本公司細則之細則第87(1)條，全體董事（包括執行及獨立非執行董事）須至少每三年輪席告退一次。因此，本公司認為已採取足夠措施確保本公司之企業管治常規不比企業管治守則所載之規定寬鬆。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等之獨立身份而發出之確認書。本公司認為全體獨立非執行董事於本年度均屬獨立人士。

Corporate Governance Report

企業管治報告

OPERATIONS OF THE BOARD

The Board determines the corporate mission and broad strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategies objectives. According to CG Code Provision A.1.1, the Board should meet regularly and Board meetings should be held at least four times a year at approximately intervals. During the year, the Board met regularly and frequently for the review and approval on the business of department stores. Details of Directors' attendance of the Board, Shareholders, audit and remuneration committee meetings held for the year 31 December 2009 are set out as follows:—

董事會之運作

根據企業管治守則條文第A.1.1條之規定，董事會應定期舉行董事會會議。董事會會議應每年舉行最少四次，約每季一次。於本年度，董事會定期及經常舉行會議，以檢討及審批經營百貨商店之業務。關於截至二零零九年十二月三十一日止年度舉行之董事會會議、股東大會、審核委員會會議及薪酬委員會會議，董事之出席紀錄載列如下：—

		Board Meeting	AGM & SGM 股東週年大會及 股東特別大會	Audit Committee	Remuneration Committee
		董事會會議	股東特別大會	審核委員會	薪酬委員會
<i>Executive Directors</i>					
<i>執行董事</i>					
Note 1	Choon Hoi Kit, Edwin	—	—	—	—
附註1	鄭開杰				
Note 2	Hu Yangxiong	14/15	2/2	—	3/3
附註2	胡養雄				
	Sha Yingjie	15/15	0/2	2/4	—
	沙英傑				
	Qu Jiaqi	12/15	0/2	—	—
	曲家琪				
	Li Haogang	9/15	0/2	—	—
	李郝港				
Note 3	Lu Xiaoling	8/12	0/2	1/4	—
附註3	魯曉玲				
<i>Independent Non-Executive Directors</i>					
<i>獨立非執行董事</i>					
	Chan Wai Kwong, Peter	7/15	2/2	3/4	2/3
	陳為光				
	Fu Wing Kwok, Ewing	8/15	1/2	4/4	3/3
	傅榮國				
	Tsang Kwok, Wai	8/15	2/2	4/4	3/3
	曾國偉				

Notes:—

- 1) appointed on 8 March 2010
- 2) resigned on 8 March 2010
- 3) appointed on 1 February 2009

附註：—

- 1) 於二零一零年三月八日獲委任
- 2) 於二零一零年三月八日辭任
- 3) 於二零零九年二月一日獲委任

Corporate Governance Report

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2009.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing in preparation of accounts for each financial period with a view to ensuring such accounts give a true and fair view of the state of affairs of the Group and of the results and cashflow for that year. The Company's accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable.

NOMINATION COMMITTEE

The Board has not set up a nomination committee. The Executive Directors would consult Independent Non-Executive Directors on any nominations to the Board and the Board would review regularly the need to appoint additional Director with appropriate professional knowledge and industry experience.

REMUNERATION COMMITTEE

The remuneration committee is responsible for forming the remuneration's structure and policy of the Group, reviewing the remuneration packages of Executive Director and Senior Management, including bonuses and options granted under the Share Option Scheme, to ensure that such remuneration is reasonable and not excessive. Generally, their remunerations are determined based on their experience and qualifications, the Group's performance as well as market conditions.

The committee shall consist of not less than two members. Currently, the remuneration committee consists of three Independent Non-Executive Directors: Mr. Chan Wai Kwong, Peter, Mr. Tsang Kwok Wai and Mr. Fu Wing Kwok, Ewing.

董事進行證券交易之標準守則

本公司採納了上市規則附錄10所載上市發行人董事進行證券交易的標準守則。經向所有董事作出特定查詢，全部董事確實彼等於截至二零零九年十二月三十一日止年度內，一直遵守標準守則所載之規定準則。

董事就財務報表所承擔之責任

董事須負責監督每個財政期間會計賬目之編製，以確保該等賬目能夠真實與公平地反映本集團於該年度之財政狀況、業績與現金流量。本公司會計賬目之編製均符合全部有關法定要求及適用之會計準則。董事有責任確保選用合適會計政策並能貫徹應用，同時作出審慎及合理的判斷及估量。

提名委員會

董事會並無設立提名委員會。執行董事會就提名人士加入董事會事宜諮詢獨立非執行董事的意見。董事會亦會定期檢討是否有需要增加委任具備相關專業知識及業內經驗的董事。

薪酬委員會

薪酬委員會負責制定本集團之薪酬架構及政策，審核執行董事及高級管理層之薪酬待遇，包括花紅及根據購股權計劃授出之購股權，確保彼等之薪酬屬合理並不致過多。一般而言，彼等之薪酬乃根據彼等之經驗及資歷、本集團之表現及市場情況釐定。

薪酬委員會由最少兩名成員組成。薪酬委員會現任成員包括三名獨立非執行董事：陳為光先生、曾國偉先生及傅榮國先生。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The primary objective of the audit committee is to review the financial reporting process of the Group and its internal control system, oversee the audit process and perform other duties assigned by the Board and make recommendations for the Company to improve the quality of financial information to be disclosed. It also reviews the annual and interim reports of the Company prior to their approval by the Board. The audit committee shall consist of not less than 3 members. Currently, the audit committee consists of three Independent Non-Executive Directors: Mr. Chan Wai Kwong, Peter, Mr. Fu Wing Kwok, Ewing and Mr. Tsang Kwok Wai and two Executive Directors, Mr. Sha Yingjie and Ms. Lu Xiaoling.

The audit committee has reviewed with management and Baker Tilly the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the audited results for the year ended 31 December 2009, and the unaudited interim results for the six months ended 30 June 2009 prior to their approval by the Board.

AUDITORS' REMUNERATION

A remuneration of HK\$1.1 million was paid/payable to the Company's external auditors for the provision of audit services in 2009. During the year, the fees paid/payable to the external auditors for non-audit related activities, mainly regulatory reporting services fees, amounted to HK\$0.5 million.

INTERNAL CONTROL

The Board is responsible for maintaining a sound internal control system and reviewing its effectiveness at least annually to safeguard the shareholders' investments and the Group's assets. During the year ended 31 December 2009, the Board was assisted by the audit committee in reviewing the effectiveness of the Group's internal control system with no material deficiencies identified. The Board and the audit committee have considered all material aspects, including financial, operational and compliance controls, risk management functions, as well as the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget in the review. The Board and the audit committee are satisfied that the Group's internal control system was effective and there was no significant area of concern which might affect the interests of the shareholders of the Company.

審核委員會

審核委員會之主要目標是檢討本集團之財務申報程序及內部監控系統，監督審核過程及履行董事會指派之其他職務，以及向本公司提供建議，以改善將予披露財務資料之質素。此外，審核委員會亦會在董事會作出批准前，預先審閱本公司之年度及中期報告。審核委員會由最少三名成員組成，其現任成員包括三名獨立非執行董事：陳為光先生、傅榮國先生及曾國偉先生，以及兩名執行董事：沙英傑先生及魯曉玲女士。

審核委員會已與管理層及香港天華會計師事務所審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報事宜，包括在董事會作出批准前，審閱截至二零零九年十二月三十一日止年度之經審核業績及截至二零零九年六月三十日止六個月之未經審核中期業績。

核數師酬金

本公司就外聘核數師於二零零九年提供之審核服務而已付／應付之酬金為1,100,000港元。年內，就外聘核數師提供之非審核相關活動而已付／應付之費用（主要為監管報告服務費用）為500,000港元。

內部監控

董事會負責維持良好之內部監控系統及至少每年檢討其效能，以保障股東之投資及本集團之資產。於截至二零零九年十二月三十一日止年度，董事會在審核委員會之協助下檢討本集團內部監控系統之效能，並無發現重大不足之處。董事會及審核委員會在檢討中已考慮所有重大方面，包括財務、營運及合規控制、風險管理職能，及本集團會計及財務申報職能員工具備足夠資源、資格及資歷，以及彼等之培訓計劃及預算。董事會及審核委員會均認為本集團之內部控制乃屬有效且並無任何可能影響本公司股東權益之重大問題。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL (Continued)

The Group will use its best endeavour to implement changes to further improve the Group's internal control system whenever necessary.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of effective communication with the shareholders of the Company. The Company has established a number of communication channels to maintain an ongoing dialogue with its shareholders and enhancing the transparency of the Group. These include (i) holding annual and extraordinary general meetings to provide a forum for shareholders to communicate directly with the Board and the Board Committees; (ii) distributing corporate documents and releasing announcements to disseminate the Group's latest information to the shareholders; and (iii) maintaining the Company's website to provide an electronic means of communication with the shareholders and the public.

Shareholders and other interested parties are welcome to access the Group's information from the Company's website at <http://cgd.etnet.com.hk>. The Group's corporate information including terms of reference of the Board committees, the Group's financial reports, announcements and circulars are available on the website. In order to enhance shareholders' understanding of the Group's business performance and development, the Company will continue to improve its corporate disclosure on the Company's website and the communication with its shareholders.

內部監控 (續)

如有需要，本集團將盡其最大努力來施行改變以進一步改善本集團之內部監控系統。

與股東之溝通

董事會深明與本公司股東進行有效溝通之重要性。本公司建立多個溝通渠道，以維持與其股東之持續對話並提升本集團之透明度。該等渠道包括(i)舉行股東週年大會及股東特別大會，向股東提供直接與董事會及董事會委員會溝通之論壇；(ii)向股東寄發企業文件及發出公告以發佈本集團之最新動態；及(iii)維護本公司網站，以向股東及公眾提供電子溝通方式。

歡迎股東及其他有興趣方訪問本公司網站<http://cgd.etnet.com.hk>獲取有關本集團之資料。本集團之公司資料包括網站上提供之董事會委員會之職權範圍、本集團之財務報告、公佈及通函。為深化股東對本集團業務表現及發展之瞭解，本公司將繼續增加在本公司網站上之企業資料披露及加強與其股東之溝通。

Independent Auditor's Report

獨立核數師報告



BAKER TILLY

HONG KONG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

12/E, China Merchants Tower, Shun Tak Centre,

168-200 Connaught Road Central, Hong Kong

香港干諾道中168-200號

信德中心招商局大廈12樓

Independent auditor's report to the shareholders of China Golden Development Holdings Limited *(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of China Golden Development Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") set out on pages 35 to 167, which comprise the consolidated and Company statements of financial position as at 31 December 2009, 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.

獨立核數師報告

致中國金展控股有限公司各股東
(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核刊於第35頁至第167頁有關中國金展控股有限公司(「貴公司」)及各附屬公司(以下統稱「貴集團」)之綜合財務報表。此財務報表包括於二零零九年十二月三十一日之綜合及貴公司財務狀況表及截至該日止年度之綜合收益賬、綜合全面收益表、綜合權益變動表及綜合現金流量表;以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之《香港財務報告準則》及香港《公司條例》之披露規定編製財務報表,並須真實而公允地列報。其責任包括設計、執行與及堅守有關編製及真實公允列報財務報表的內部監控,以免除財務報表因欺詐或錯誤而出現重大誤述;並選擇與應用適當的會計政策;以及因應情況作出合理的會計估計。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

核數師之責任

我們的責任是根據我們審核工作的結果，對財務報表提出意見。這份報告書是根據一九八一年百慕達公司法第90條之規定，僅為整體股東而編寫，除此以外，我們的報告書不可用作其他用途。我們概不會就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範、規劃及執行審核工作，以對此財務報表是否不存有任何重大錯誤陳述作出合理確定。

審核工作涉及執行獲取有關財務報表所載金額及披露資料審核憑證之程序。而程序之選定則取決於核數師之判斷，包括評估因欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師會考慮與該公司有關編製及真實公允列報財務報表之內部監控，以便設計適當的審核程序，而並非為對公司內部監控的效能發表意見。審核亦包括評價董事所採用之會計政策是否合適及其會計估計是否合理、以及評價財務報表之整體列報方式。

我們相信，我們獲得充足及適當的審核憑證，作為下列審核意見的基礎。

意見

我們認為，綜合財務報表已根據《香港財務報告準則》真實公允地反映 貴公司及 貴集團於二零零九年十二月三十一日的財政狀況、及 貴集團於截至該日止年度之虧損及現金流量，並已按照香港《公司條例》之披露規定妥善編製。

Independent Auditor's Report

獨立核數師報告

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to the following issues:

- (a) As reported in note 2(b) to the financial statements, the Group incurred a consolidated net loss from operations attributable to the equity shareholders of the Company of approximately HK\$46,351,000 for the year ended 31 December 2009, had consolidated net current liabilities of approximately HK\$1,048,913,000 and a full impairment of issued capital of HK\$34,963,000 as at 31 December 2009. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the continuing financial support from the Group's substantial shareholder in order to finance the Group's future working capital and financial requirements and the Group's ability to obtain new working capital from prospective investors and to generate adequate cash flows from its continuing operations in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to obtain such financial support and working capital. We consider that adequate disclosures have been made.
- (b) As reported in note 18(d) to the financial statements, the Group has prepaid HK\$14,938,000 in output Value-Added Tax in respect of customer's gift cards sold in 2007 and 2008. The Group has been negotiating with the local PRC Tax Bureau as to when the prepaid output VAT can be used to offset the output VAT derived from the sale of goods in future. The recoverability of this amount is dependent on the outcome of the negotiations.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 20 April 2010

Andrew David Ross

Practising certificate number P01183

強調事項

在不作保留意見情況下，我們謹促閣下注意以下事項：

- (a) 如財務報表附註2(b)所報告，貴集團於截至二零零九年十二月三十一日止年度由貴公司股東應佔營運產生之綜合虧損淨額約為46,351,000港元，而於二零零九年十二月三十一日之綜合流動負債淨額約為1,048,913,000港元及已發行股本全數減值34,963,000港元。上述情況顯示貴集團持續經營之能力存在重大不明朗因素。綜合財務報表是按持續經營基準編製，其合理性依賴於貴集團主要股東之持續財政支援，以支持貴集團之未來營運資金及財政需要；以及依賴於貴集團從準投資者獲得新營運資金與在可預見未來從持續經營產生足夠現金流量之能力。綜合財務報表並無包括對未能獲得財政支援及營運資金所需之調整。我們認為已作出足夠披露。
- (b) 如財務報表附註18(d)所報告，貴集團已就於二零零七年及二零零八年銷售之客戶禮品卡預付14,938,000港元之銷項增值稅。貴集團一直就何時可使用預付銷項增值稅抵銷未來銷售貨品產生之銷項增值稅與當地中國稅務局進行磋商。該金額之可收回性視乎磋商結果而定。

香港天華會計師事務所有限公司

執業會計師

香港，二零一零年四月二十日

羅安狄

執業證書編號P01183

Consolidated Income Statement

綜合收益賬

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 (Represented) 二零零八年 千港元 (呈列)
		附註		
Turnover	營業額	4	542,237	301,052
Cost of sales	銷售成本		(158,808)	(96,483)
Gross profit	毛利		383,429	204,569
Other revenue and income	其他收益及收入	5	97,203	122,044
Selling and distribution expenses	銷售及分銷開支		(41,875)	(27,596)
General and administrative expenses	一般及行政開支		(279,325)	(177,691)
Provision for impairment of goodwill	商譽減值撥備	15	–	(604,653)
Operating profit/(loss)	經營溢利/(虧損)		159,432	(483,327)
Finance costs	財務費用	6(a)	(160,951)	(46,009)
Loss before taxation	除稅前虧損	6	(1,519)	(529,336)
Income tax	所得稅	7	(30,188)	(10,495)
Loss for the year	本年度虧損		(31,707)	(539,831)
Attributable to:	由下列人士應佔：			
– Equity shareholders of the Company	– 本公司股東	9	(46,351)	(545,172)
– Minority interests	– 少數股東權益		14,644	5,341
			(31,707)	(539,831)
			HK cents 港仙	HK cents 港仙
Loss per share	每股虧損	10		
– Basic	– 基本		(3.99)	(53.62)
– Diluted	– 攤薄		N/A不適用	N/A不適用

The notes on pages 44 to 167 form part of these financial statements.

第44至167頁之附註乃本財務報表之部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		附註		
Loss for the year	本年度虧損		(31,707)	(539,831)
Other comprehensive income	其他全面收益	11		
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額		149	4,711
Total comprehensive loss for the year	本年度全面虧損總額		(31,558)	(535,120)
Attributable to:	由下列人士應佔：			
– Equity shareholders of the Company	– 本公司股東		(46,202)	(540,461)
– Minority interests	– 少數股東權益		14,644	5,341
Total comprehensive loss for the year	本年度全面虧損總額		(31,558)	(535,120)

The notes on pages 44 to 167 form part of these financial statements.

第44至167頁之附註乃本財務報表之部份。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2009 於二零零九年十二月三十一日

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		附註		
Non-current assets	非流動資產			
Fixed assets	固定資產	12(a)	157,641	158,534
Goodwill	商譽	15	226,579	226,579
Loan receivables	應收貸款	16	1,393,789	1,343,644
Deferred tax assets	遞延稅項資產	25(b)	3,368	3,655
			1,781,377	1,732,412
Current assets	流動資產			
Inventories	存貨	17	27,293	32,372
Trade and other receivables	應收賬款及 其他應收款	18	71,851	60,216
Loan receivables	應收貸款	16	8,982	20,979
Amounts due from related companies	應收關連公司款項	19	250	–
Amount due from a director	應收董事款項	20	–	78
Time deposits	定期存款	21	–	5,685
Cash and cash equivalents	現金及現金等值 項目	21	88,505	84,686
			196,881	204,016
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款	22	923,355	853,555
Amounts due related companies	應付關連公司款項	19	47,674	2,502
Amount due to a director	應付董事款項	20	135	–
Bank and other loans	銀行及其他貸款	23	267,341	358,575
Obligations under finance leases	融資租賃之債務	24	–	154
Current taxation	本期稅項	25(a)	7,289	26,030
			1,245,794	1,240,816
Net current liabilities	流動負債淨額		(1,048,913)	(1,036,800)
Total assets less current liabilities	總資產減流動負債		732,464	695,612
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	26	767,427	706,913
NET LIABILITIES	負債淨額		(34,963)	(11,301)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2009 於二零零九年十二月三十一日

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		附註		
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	28(c)	116,824	115,824
Reserves	儲備		(237,439)	(198,133)
Total deficit attributable to equity shareholders of the Company	本公司股東應佔虧絀總額		(120,615)	(82,309)
Minority interests	少數股東權益		85,652	71,008
TOTAL DEFICIT	虧絀總額		(34,963)	(11,301)

Approved and authorised for issue by the board of directors on 20 April 2010.

於二零一零年四月二十日獲董事會批准及授權刊發。

Choon Hoi Kit, Edwin

鄭開杰

Director

董事

Sha Yingjie

沙英傑

Director

董事

The notes on pages 44 to 167 form part of these financial statements.

第44至167頁之附註乃本財務報表之部份。

Statement of Financial Position

財務狀況表

As at 31 December 2009 於二零零九年十二月三十一日

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		附註		
Non-current assets	非流動資產			
Fixed assets	固定資產	12(b)	–	–
Investments in subsidiaries	於附屬公司之投資	14	1	1
			<u>1</u>	<u>1</u>
Current assets	流動資產			
Deposits and prepayments	按金及預付款	18	384	543
Amounts due from subsidiaries	應收附屬公司款項	14	463,916	736,693
Cash and cash equivalents	現金及現金等值 項目	21	44	8
			<u>464,344</u>	<u>737,244</u>
Current liabilities	流動負債			
Accrued expenses and other payables	應計費用及 其他應付款	22	4,248	1,905
Amounts due to subsidiaries	應付附屬公司款項	14	7,605	7,656
			<u>11,853</u>	<u>9,561</u>
Net current assets	流動資產淨值		<u>452,491</u>	<u>727,683</u>
Total assets less current liabilities	總資產減流動負債		<u>452,492</u>	<u>727,684</u>
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	26	767,427	706,913
NET (LIABILITIES)/ASSETS	(負債)／資產淨額		<u>(314,935)</u>	<u>20,771</u>
CAPITAL AND RESERVES	股本及儲備	28(a)		
Share capital	股本		116,824	115,824
Reserves	儲備		(431,759)	(95,053)
TOTAL (DEFICIT)/EQUITY	(虧絀)／權益總額		<u>(314,935)</u>	<u>20,771</u>

Approved and authorised for issue by the board of directors on 20 April 2010.

Choon Hoi Kit, Edwin
鄭開杰
Director
董事

於二零一零年四月二十日獲董事會批准及授權刊發。

Sha Yingjie
沙英傑
Director
董事

The notes on pages 44 to 167 form part of these financial statements.

第44至167頁之附註乃本財務報表之部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

		Share capital	Share premium	Capital reserve	Share-based payment reserve	Warrant reserve	Statutory surplus reserve	Exchange reserve	Accumulated losses	Total	Minority interests	Total equity/(deficit)
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	資本儲備	以股份支付儲備	認股權證儲備	法定盈餘儲備	匯兌儲備	累計虧損	總計	股東權益少數	權益/虧損總額
	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 2008	於二零零八年一月一日	94,842	307,872	49,886	2,032	2,285	804	7,908	(107,788)	357,841	-	357,841
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	65,667	65,667
Shares issued for conversion of convertible bonds	就轉換可換股債券發行之股份	28(c)(i)	18,490	68,313	-	-	-	-	-	86,803	-	86,803
Shares issued for exercise of share options	就購股權獲行使發行之股份	28(c)(ii)	2,292	9,880	-	(1,869)	-	-	-	10,303	-	10,303
Shares issued for exercise of warrants	就認股權證獲行使發行之股份	28(c)(iii)	200	770	-	-	(50)	-	-	920	-	920
Equity settled share-based transactions	以股份支付之股本交易											
- Amount recognised during the year	一年內確認之金額	-	-	-	2,447	-	-	-	-	2,447	-	2,447
- Forfeiture of share options	沒收購股權	-	-	-	(163)	-	-	-	163	-	-	-
Expenses paid for placement of shares	配售股份之已付支出	-	(162)	-	-	-	-	-	-	(162)	-	(162)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	-	4,711	(545,172)	(540,461)	5,341	(535,120)
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	-	8,344	-	(8,344)	-	-	-
At 31 December 2008	於二零零八年十二月三十一日	115,824	386,673	49,886	2,447	2,235	9,148	12,619	(661,141)	(82,309)	71,008	(11,301)
At 1 January 2009	於二零零九年一月一日	115,824	386,673	49,886	2,447	2,235	9,148	12,619	(661,141)	(82,309)	71,008	(11,301)
Lapse of warrants	認股權證失效	28(c)(iv)	-	-	-	(2,235)	-	-	2,235	-	-	-
Issue of warrants	發行認股權證	28(c)(v)	-	-	-	2,548	-	-	-	2,548	-	2,548
Shares issued for exercise of warrants	就認股權證獲行使發行之股份	28(c)(vi)	1,000	2,010	-	-	(110)	-	-	2,900	-	2,900
Equity settled share-based transactions	以股份支付之股本交易											
- Amount recognised during the year	一年內確認之金額	-	-	-	2,553	-	-	-	-	2,553	-	2,553
- Forfeiture of share options	沒收購股權	-	-	-	(372)	-	-	-	372	-	-	-
Expenses paid for issue of warrants and lapse of warrants	發行認股權證及認股權證失效之已付支出	-	(105)	-	-	-	-	-	-	(105)	-	(105)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	-	149	(46,351)	(46,202)	14,644	(31,558)
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	-	9,477	-	(9,477)	-	-	-
At 31 December 2009	於二零零九年十二月三十一日	116,824	388,578	49,886	4,628	2,438	18,625	12,768	(714,362)	(120,615)	85,652	(34,963)

The notes on pages 44 to 167 form part of these financial statements.

第44至167頁之附註乃本財務報表之部份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		附註		
Operating activities	經營業務			
Loss before taxation	除稅前虧損		(1,519)	(529,336)
Adjustments for:	調整:			
– Depreciation	– 折舊	6(c)	16,308	9,459
– Amortisation of intangible assets	– 無形資產攤銷	6(c)	–	1,497
– Fair value gain on the derivative component of convertible bonds	– 可換股債券衍生部份之公允價值收益	26	(9,058)	(73,108)
– Loss on disposal of fixed assets	– 出售固定資產之虧損	6(c)	1,927	583
– Finance costs	– 財務費用	6(a)	145,478	37,563
– Interest income	– 利息收入	5	(52,241)	(22,086)
– Provision for impairment of goodwill	– 商譽減值撥備	6(c)	–	604,653
– Provision for impairment of other receivables	– 其他應收款減值撥備	6(c)	–	17
– Provision for impairment of trade receivables	– 應收賬款減值撥備	6(c)	131	–
– Equity settled share-based payments	– 按股權結算以股份支付之款項		2,553	2,447
– Waiver of interest on promissory notes	– 承兌票據利息之豁免	5	–	(299)
– Write-back of trade payables	– 應付賬款撥回	5	–	(4,936)
Operating profit before changes in working capital	營運資金變動前之經營溢利		103,579	26,454
Decrease/(increase) in inventories	存貨之減少/(增加)		5,079	(6,082)
Increase in trade and other receivables	應收賬款及其他應收款之增加		(11,730)	(7,777)
(Increase)/decrease in amounts due from related companies	應收關連公司款項之(增加)/減少		(250)	60,006
Decrease in amount due from a director	應收董事款項之減少		78	29
Increase in trade and other payables	應付賬款及其他應付款之增加		70,874	11,504
Increase/(decrease) in amounts due to related companies	應付關連公司款項之增加/(減少)		12,771	(68,806)
Increase in amount due to a director	應付董事款項之增加		135	–
Net cash generated from operations	經營業務產生之淨現金		180,536	15,328
Income tax paid	已繳所得稅		(16,286)	(11,112)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

		Note	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		附註		
Net cash generated from operating activities	經營活動產生之淨現金		164,250	4,216
Investing activities	投資活動			
Proceeds from disposal of fixed assets	出售固定資產所得款項		318	620
Payment for purchase of fixed assets	購買固定資產款項	12(a)	(17,461)	(17,169)
New loans made	新貸款款項		–	(31,517)
Repayment of loan receivables	償還應收貸款	16	12,000	40,538
Deposit refunded for acquisition of subsidiaries	收購附屬公司之退還按金		–	13,200
Net cash outflow on acquisition of subsidiaries	收購附屬公司之現金流出淨額	27	–	(123,248)
Decrease/(increase) in time deposits	定期存款減少/(增加)		5,685	(5,685)
Interest received	已收利息		1,417	2,817
Net cash generated from/ (used in) investing activities	投資活動產生/(使用)之淨現金		1,959	(120,444)
Financing activities	融資活動			
Repayment of bank and other loans	償還銀行及其他貸款		(127,866)	(43,648)
Proceeds upon exercise of share options	行使購股權所得款項		–	10,303
Proceeds upon issuing of warrants	發行認股權證所得款項		2,548	–
Proceeds upon exercise of warrants	行使認股權證所得款項		2,900	920
Expenses paid for conversion of convertible bonds	可換股債券轉換之已付支出		–	(2)
Expenses paid for placement of shares in 2007	二零零七年配售股份之已付支出		–	(162)
Expenses paid for issue of warrants and lapse of warrants	發行認股權證及認股權證失效之已付支出		(105)	–
Repayment of promissory notes	償還承兌票據		–	(2,480)
Convertible bonds interest paid	可換股債券已付利息		(33,610)	–
Loan interest paid	已付貸款利息		(5,980)	(29,263)
Capital element of finance lease rentals paid	已付融資租賃租金資本部份		(128)	(84)
Interest element of finance lease rentals paid	已付融資租賃租金利息部份		(26)	(13)
Net cash used in financing activities	融資活動使用之淨現金		(162,267)	(64,429)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
	Note 附註		
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目之淨增加／(減少)	3,942	(180,657)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	84,686	238,363
Effect of foreign exchange rate changes	外幣兌換率變動之影響	(123)	26,980
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	88,505	84,686
	21		

The notes on pages 44 to 167 form part of these financial statements.

第44至167頁之附註乃本財務報表之部份。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

1 COMPANY INFORMATION

China Golden Development Holdings Limited (the "Company") was incorporated in Bermuda on 8 August 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. Its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 23 October 2000. The address of its registered office is Unit 1801, 18th Floor, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The Company has its primary listing on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 14 to the financial statements.

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000) unless otherwise stated. These financial statements have been approved for issue by the board of directors on 20 April 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

1 公司資料

中國金展控股有限公司(「本公司」)於二零零零年八月八日根據百慕達一九八一年公司法於百慕達註冊成立為獲豁免有限公司，其股份自二零零零年十月二十三日起在香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處位於香港灣仔莊士敦道181號大有大廈18樓1801室。

本公司以聯交所主板為第一上市地，主要業務乃投資控股，其附屬公司之主要業務載於財務報表附註14。

除另有所指外，本財務報表以千港元(「千港元」)單位編製，並於二零一零年四月二十日獲得董事會批准刊發。

2 主要會計政策

(a) 遵例聲明

該等財務報表已根據所有適用之《香港財務報告準則》(「《香港財務報告準則》」，包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別《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》之披露規定編製。該等財務報表亦已遵守聯交所證券上市規則(「上市規則」)之適用披露規定。本集團採納之主要會計政策概述如下。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Statement of compliance (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except the derivative financial instruments (see note 2(e)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 主要會計政策 (續)

(a) 遵例聲明 (續)

香港會計師公會已頒佈若干新訂及經修訂之《香港財務報告準則》，並於本集團及本公司之本期會計期間首次生效或可供提早採納。首次應用此等與本集團有關之新訂及經修訂的準則所引致於當期及以往會計期間之任何會計政策變動已於本財務報表內反映，有關資料載於附註3。

(b) 財務報表編製基準

截至二零零九年十二月三十一日止年度之綜合財務報表包括了本公司及其附屬公司(統稱「本集團」)。

除衍生金融工具(見附註2(e))外，本財務報表編製時是以歷史成本作為計量基準。

管理層需在編製符合《香港財務報告準則》之財務報表時作出會影響會計政策應用，以及資產、負債、收入及支出之報告金額之判斷、估計及假設。此等估計及相關假設是根據以往經驗和管理層因應當時情況認為合理之多項其他因素作出，其結果構成當管理層在無法依循其他途徑實時得知資產與負債之賬面值時所作出判斷之基礎。實際結果可能有別於估計數額。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the financial statements (Continued)

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 36.

In preparing the financial statements, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 31 December 2009. The Group incurred a consolidated net loss from operations attributable to equity shareholders of the Company of approximately HK\$46,351,000 for the year ended 31 December 2009, and had consolidated net current liabilities of approximately HK\$1,048,913,000 and a net liabilities of HK\$34,963,000 as at 31 December 2009. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) the Group has been actively discussing with prospective investors to obtain new working capital;

2 主要會計政策 (續)

(b) 財務報表編製基準 (續)

管理層會不斷審閱各項估計和相關假設。倘若會計估計之修訂只影響某一期間，其影響便會在該期間內確認，或如果修訂對當期和未來期間均有影響，則在作出修訂之期間和未來期間確認。

有關管理層在應用《香港財務報告準則》時所作出對財務報表有重大影響之判斷，以及估計不確定性之主要來源載述於附註36。

在編製財務報表時，董事已就本集團於二零零九年十二月三十一日的流動負債淨額情況考慮其未來的資本流動性。本集團於截至二零零九年十二月三十一日止年度的本公司股東應佔經營業務產生約46,351,000港元綜合虧損淨額。而二零零九年十二月三十一日的綜合流動負債淨額為1,048,913,000港元及負債淨額為34,963,000港元。這等情況顯示本集團持續經營之能力存在重大不明朗因素，故有可能無法在正常營運下變賣資產及清償負債。儘管如此，董事意見認為本集團將有能力進行融資應付日後營運資金及財務需要，因為：

- (i) 本集團已積極與準投資者商討獲取新營運資金；

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the financial statements (Continued)

- (ii) the Company's substantial shareholder has agreed to provide financial support as is necessary to enable the Group to meet its liabilities as they fall due; and
- (iii) based on a cash flow forecast prepared by the Group's management for the twelve months ending 31 December 2010, the Group will be able to generate adequate cash flows from its continuing operations.

Accordingly, the directors are of the opinion that it is appropriate to prepare the financial statements for the year ended 31 December 2009 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

2 主要會計政策 (續)

(b) 財務報表編製基準 (續)

- (ii) 本公司的主要股東已同意如有需要會提供財務支援確保本集團能付還到期的負債；及
- (iii) 基於本集團管理層對截至二零一零年十二月三十一日止十二個月的現金流預測，本集團將能從持續經營產生足夠現金流量。

據此，董事的意見認為基於可持續經營來編製截至二零零九年十二月三十一日止年度財務報表是恰當的。若本集團未能持續經營，便會進行調整，將資產價格撇減至其可收回金額、可能產生新負債撥備、及分別將非流動資產重新分類為流動資產、非流動負債重新分類為流動負債。財務報表並無反映這等調整之影響。

(c) 附屬公司及少數股東權益

附屬公司為本集團所控制之實體。當本集團有權監控該實體之財政及經營政策從而自其活動獲取利益，則本集團已持有該實體之控制權。於評估控制權時，現時可行使之潛在投票權已計算在內。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries and minority interests (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Group, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between minority interests and the equity shareholders of the Company.

2 主要會計政策 (續)

(c) 附屬公司及少數股東權益 (續)

於附屬公司的投資於綜合財務報表內從控制開始日至控制完結日綜合處理。集團內結餘及交易及集團內交易產生的未變現溢利於編製綜合財務報表全數剔除。集團內交易導致的未變現虧損以相同方法剔除為未變現收益，但只限於無減值情況。

少數股東權益指本集團並無擁有的附屬公司資產淨值部份應佔權益，不論是透過附屬公司直接或間接擁有，同時本集團並無與權益持有人達成令本集團整體上要為該等符合為財務責任的權益履行合約責任的任何附加條款。少數股東權益於綜合財務狀況表權益內列出，與本公司股東應佔權益分開處理。本集團業績之少數股東權益於綜合收益賬及綜合全面收益賬列示為本公司少數股東權益及股東之間本年度總損益及全面收益總額之分配。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries and minority interests (Continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)(ii)).

(d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising in a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(i)(ii)).

2 主要會計政策 (續)

(c) 附屬公司及少數股東權益 (續)

若少數股東的虧損超過其在附屬公司之股本權益，超額及少數股東的任何額外虧損將從本集團權益中扣取，除非少數股東有約束責任或有能力提供額外投資以彌補虧損。若附屬公司其後申報溢利，本集團之權益將獲分配全數溢利直至本集團吸納少數股東之前的股本虧損已補償。

於本公司之財務狀況表中，於附屬公司之投資以成本減減值虧損列賬（見附註2(i)(ii)）。

(d) 商譽

商譽指業務結合成本超過本集團於被收購者之可識辨資產、負債及或然負債淨公允值之權益。

商譽是以成本減累計減值虧損列賬。業務合併產生之商譽分配至預期可從合併之協同效益中獲益之各現金產生單位或不同組別之現金產生單位，並每年進行減值測試（見附註2(i)(ii)）。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Goodwill (Continued)

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

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each reporting date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(f) Fixed assets

Fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(i)(ii)).

Depreciation is calculated to write off the cost of fixed assets, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold improvements	3 to 50 years
Furniture, fixtures and equipment	2 to 19 years
Motor vehicles	5 to 13 years
Machinery	20 years

2 主要會計政策 (續)

(d) 商譽 (續)

任何本集團於被收購者之可識辨資產、負債及或然負債淨公允值之權益超過業務結合成本會即時於損益賬中確認。

年內出售現金產生單位及任何購買商譽之應佔款額於出售損益賬中計算。

(e) 衍生金融工具

衍生金融工具先以其公允值確認。於各報告日期再計算公允值。重新計算的公允值之收益或虧損即時於損益賬確認。

(f) 固定資產

於財務狀況表所列之固定資產乃按成本減累計折舊及減值虧損列賬(見附註2(i)(ii))。

折舊乃按固定資產之成本減其估計剩餘價值(如有),在其估計可使用年期採用直線法以下列方式撇銷:

租賃物業裝修	3至50年
傢俬、裝置及 設備	2至19年
運輸工具	5至13年
機器	20年

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Fixed assets (Continued)

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified in the appropriate category of fixed assets when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Leased assets

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

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2 主要會計政策 (續)

(f) 固定資產 (續)

資產之可使用年期及其剩餘價值(如有)均會每年進行檢討。

在建工程包括建設中以供生產或供其本身使用之物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。在建工程於落成及備妥作擬定用途時，分類為固定資產之適當類別。該等資產按與其他物業資產相同之基準於固定資產可作擬定用途時開始折舊。

報廢或出售固定資產所產生之盈虧為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售日在損益賬內確認。

(g) 租賃資產

倘本集團釐定一項安排具有在協議期限內通過支付一筆或一系列款項，從而獲得使用某一特定資產或多項特定資產之權利，則該安排(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之實質內容評估而作出，而不論安排是否具備租賃之法律形式。

(i) 本集團承租之資產之分類

本集團根據租賃持有資產，而有關租賃將擁有該資產之絕大部份風險及回報轉予本集團，有關資產歸類為根據融資租賃持有之資產。而並未將擁有資產之絕大部份風險及回報轉予本集團之租賃，則歸類為經營租賃。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Leased assets (Continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(i)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2 主要會計政策 (續)

(g) 租賃資產 (續)

(ii) 以融資租賃購入之資產

倘若本集團乃以融資租賃方式購入資產使用權，便會將相當於租賃資產公允值或該等資產之最低租賃付款現值（如為較低之數額）列為固定資產，而相應負債（不計財務費用）則入賬列為融資租賃之債務。折舊乃於相關租賃期或資產之可用年限（如本公司有可能取得資產之擁有權）內，按撇銷資產成本比率作出減值撥備，如附註2(f)般處理。減值虧損會根據附註2(i)(ii)所載之會計政策入賬。租賃付款內含之財務費用會計入租賃期內之損益賬，以使每個會計期間債務餘額之定期定額扣減比率大致上相同。或有租金在其產生的會計期間內在損益賬中扣除。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Leased assets (Continued)

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(h) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each reporting date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

2 主要會計政策 (續)

(g) 租賃資產 (續)

(iii) 經營租賃費用

倘若本集團乃以經營租賃使用資產，則根據租賃支付之款項於租賃期所涵蓋之會計期間內，以等額在損益賬內扣除。如有其他基準能更清晰地反映其租賃資產所產生的收益模式則除外。租賃所涉及的鼓勵措施之收入均在損益賬中確認為租賃淨付款總額的組成部份。或有租金在其產生的會計期間內在損益賬中扣除。

(h) 貸款及應收款項

貸款及應收款項為非衍生金融資產，而其固定或可決定的付款並不於活躍市場報價。在最初確認其後的各報告日期，貸款及應收款項以實際利率方法按攤銷成本減任何已確認減值虧損入賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables are reviewed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

2 主要會計政策 (續)

(i) 資產減值

(i) 應收賬款及其他應收款之減值

本公司於各報告日期檢討應收賬款及其他應收款，以確定是否出現減值的客觀證據。減值的客觀證據包括本集團注意到以下一項或多項虧損事項的顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠利息或本金之償還；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境下有重大改變以致對債務人造成不利影響。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2 主要會計政策 (續)

(i) 資產減值 (續)

(i) 應收賬款及其他應收款之減值 (續)

倘有任何該等證據存在，如貼現估計之影響屬重大，減值虧損則按資產之賬面值與使用資產之原訂實際利率（即首次確認資產時計算之實際利率）貼現估計未來現金流量之現值之間的差額計量。如按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未個別被評估為應減值，則有關之評估會共同進行。金融資產之未來現金流量會根據與該等資產具有類似信貸風險特徵資產之過往虧損情況共同評估相關減值。

倘減值虧損之金額於往後期間減少，而有關減少可客觀地與確認減值虧損後發生之事件有聯繫，則減值虧損於損益賬中撥回。撥回減值虧損不應引致該資產之賬面值高於假若以往年度並無確認減值虧損時原應釐定之數額。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 主要會計政策 (續)

(i) 資產減值 (續)

(i) 應收賬款及其他應收款 之減值 (續)

減值虧損直接與相應資產撇銷，惟就列於應收賬款及其他應收款所確認的減值虧損，其收回機會屬存疑而不渺茫者，則作別論。在此情況下，呆賬之減值虧損透過撥備賬記錄。當本集團信納收回機會渺茫，被視為無法收回的金額會直接在應收賬款及其他應收款中撇銷，而任何列入撥備賬與此債項有關的金額會被撥回。其後若收回之前已在撥備賬中扣除的金額，則會在撥備賬中撥回。撥備賬內之其他變動及其後收回之前已直接撇銷的金額於損益賬內確認。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each reporting date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets;
- intangible assets;
- investments in subsidiaries; and
- goodwill.

2 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產之減值

本集團於每個報告日期檢討內部及外來資料，以確定下列資產有否出現減值跡象，或除商譽外，過往已確認之減值虧損不再存在或已減少：

- 固定資產；
- 無形資產；
- 於附屬公司之投資；及
- 商譽。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產之減值 (續)

倘有任何減值跡象，則會估計該項資產之可收回金額。此外，商譽之可收回金額是根據有否減值跡象每年估計。

– 計算可收回金額

資產之可收回金額為其公允值減銷售成本及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前貼現率將估計未來現金流量貼現至現值。該貼現率反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘個別資產所產生之現金流入基本上不能獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小資產組合（即現金產生單位）來釐定可收回金額。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

2 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產之減值 (續)

– 確認減值虧損

資產或其所屬之現金產生單位之賬面值高於其可收回金額時，則會於損益賬確認減值虧損。就現金產生單位確認之減值虧損先分配用以削減現金產生單位（或一組單位）所獲分配任何商譽之賬面值，隨後則按比例削減單位（或一組單位）內其他資產之賬面值，惟資產賬面值不可下調至低於其獨立之公允值減銷售成本或使用價值（如能釐定）。

– 減值虧損撥回

就商譽外之資產而言，倘用以釐定可收回金額之估計發生有利之變化，則會將減值虧損撥回。而商譽之減值虧損則不撥回。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

– Reversals of impairment losses (Continued)

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(j) Inventories

Inventories, which represent merchandise held for resale, are carried at the lower of cost and net realisable value.

Cost of merchandise is calculated using the first-in, first-out method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產之減值 (續)

– 減值虧損撥回 (續)

所撥回之減值虧損僅限於倘若並無於過往年度確認減值虧損而可釐定之資產賬面值。所撥回之減值虧損在確認撥回之年度內計入損益賬中。

(j) 存貨

存貨指持有作轉售的商品，以成本及可變現淨值較低者入賬。

商品成本以先進先出法計算。

可變現淨值指於日常業務中的估計售價減估計完成成本和估計銷貨成本。

出售存貨時，該等存貨賬面值於有關收入確認期內確認為開支。任何存貨金額撇減至可變現淨值及存貨之所有虧損均於撇減或虧損之發生期內確認為開支。存貨撇減撥回金額於撥回出現期內確認為已確認為開支之存貨金額之減少。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(i)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 2(i)(i)).

(l) Convertible bonds

(i) *Convertible bonds that contain an equity component*

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

2 主要會計政策 (續)

(k) 應收賬款及其他應收款

應收賬款及其他應收款首次按公允值確認，其後則按攤銷成本減去呆壞賬減值虧損後所得數額入賬（見附註2(i)(i)），惟倘若應收款為借予關連人士且無任何固定償還年期之免息貸款，或貼現影響輕微者則除外。在該等情況下，應收款會按成本減去呆壞賬減值虧損後所得數額入賬（見附註2(i)(i)）。

(l) 可換股債券

(i) *有權益部份之可換股債券*

持有人可選擇轉換可換股債券為權益股本，而當時可轉換的已發行股份數量及將收取之代價值不變，並視為包含負債及權益部份之複合金融工具。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Convertible bonds (Continued)

(i) Convertible bonds that contain an equity component (Continued)

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the bond is converted or redeemed.

If the bond is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

2 主要會計政策 (續)

(I) 可換股債券 (續)

(i) 有權益部份之可換股債券 (續)

首次確認可換股債券負債部份為未來利息及本金付款，以首次確認並無可轉換權之類近負債的利息比率貼現至現值而計量。任何超過首次確認為負債部份的所得款項確認為權益部份。與發行複合金融工具有關的交易成本按所得款項比例分配至負債及權益部份。

負債部份其後按攤銷成本入賬。利息支出以實際利息方法計算於損益賬負債部份確認。權益部份於資本儲備列賬直至債券被轉換或贖回為止。

倘若債券被轉換，資本儲備及負債部份之賬面額在轉換時會轉移至股本及股份溢價作為發行股份之代價。倘若債券被贖回，資本儲備會直接撥回至保留溢利。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Convertible bonds (Continued)

(ii) Other convertible bonds

Convertible bonds which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments (see note 2(e)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with note 2(e). The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

2 主要會計政策 (續)

(I) 可換股債券 (續)

(ii) 其他可換股債券

不含有權益部份的可換股債券的會計處理方法如下：

於首次確認可換股債券衍生部份時按公允值計算及列賬為衍生金融工具部份(見附註2(e))。任何超過首次確認為衍生部份款額的所得款項以負債部份記賬。與發行可換股債券有關的交易成本按其所得款項比例分配至負債及衍生部份。負債部份的交易成本首次確認為負債部份。而衍生部份的交易成本則即時於損益賬確認。

衍生部份其後根據附註2(e)再計算。負債部份其後按攤銷成本入賬。利息支出按實際利息方法計算並於損益賬負債部份確認。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(l) Convertible bonds (Continued)

(ii) Other convertible bonds (Continued)

If the bond is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(m) Warrants

The issue of warrants will be settled by the exchange of fixed amount of cash for a fixed number of the Company's own equity instruments. When the warrants are subscribed, the portion of subscription money with the nominal value of the ordinary shares is recognised to the share capital account while any excess of the subscription money over the nominal value of the ordinary shares is taken into the share premium account.

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 主要會計政策 (續)

(l) 可換股債券 (續)

(ii) 其他可換股債券 (續)

若債券被轉換，衍生及負債部份的賬面值會轉移至股本及股份溢價，並作為發行股份的代價。若債券被贖回，兩部份的已付款額與賬面值差額於損益賬確認。

(m) 認股權證

發行認股權證將透過以固定金額之現金換取固定數目之本公司本身股本工具支付。當認購認股權證時，認購金額部份和普通股名義價值於股本賬確認，而認購金額較普通股名義價值高出之金額則計入股份溢價賬。

(n) 計息借貸

計息借貸首次按公允值扣除應佔交易成本後確認。於首次確認後，計息借貸將按攤銷成本入賬，而最初確認金額與贖回值之間之任何差額則以實際利息方法於借貸期內連同任何應付利息及費用於損益賬內確認。

(o) 應付賬款及其他應付款

應付賬款及其他應付款首次按公允值確認，其後按攤銷成本入賬，但如貼現影響輕微者，則按成本入賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(q) Employee benefits

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 主要會計政策 (續)

(p) 現金及現金等值項目

現金及現金等值項目包括銀行結存及手頭現金、存放於銀行及其他財務機構之活期存款及短期而高流動性之投資，此等投資可隨時兌換為已知金額之現金，且所須承受之價值波動風險不大，而兌換期乃購入日起計三個月內。就編製綜合現金流量表而言，現金及現金等值項目亦包括須於接獲要求時償還，並構成本集團現金管理一個組成部份之銀行透支。

(q) 僱員福利

(i) *短期僱員福利及定額供款退休計劃的供款*

薪金、年終花紅、有薪年假、定額供款退休計劃的供款及非金錢福利成本均在僱員提供有關服務之年度內累計。倘若付款或還款遞延並有嚴重影響，這等金額以現值列賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Employee benefits (Continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2 主要會計政策 (續)

(q) 僱員福利 (續)

(ii) 股份付款

已向僱員授出的購股權公允值確認為僱員成本，並於資本儲備股本內相應增加。公允值於授出日就授出購股權的條款及條件以柏力克－舒爾斯期權定價模型計算。倘若僱員於無條件享有購股權前須符合歸屬條件，會以預計股權已歸屬來將購股權估計總公允值分佈歸屬期內。

於歸屬期內，會對預期歸屬的購股權數量作出檢討。除非原先僱員開支合資格被確認為資產，並對資本儲備作相應調整，否則對前年確認的累計公允值之調整於回顧年度的損益賬扣減／入賬。於歸屬日，已確認為開支之金額已經調整以反映已歸屬購股權之實際數量（資本儲備亦相應調整）。除非因本公司股份的市場價格導致歸屬條件不能達成而要沒收則除外。股本金額於資本儲備確認，直至購股權被行使（當其轉移至股份溢價賬）或購股權逾期（當其直接撥回至保留溢利）。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2 主要會計政策 (續)

(q) 僱員福利 (續)

(iii) 終止僱用福利

終止僱用福利僅在本集團可明確承諾終止僱用或備有詳細正式但實際上不可撤銷之自願離職計劃提供福利，方獲確認。

(r) 所得稅

年內所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產及負債之變動均在損益賬內確認，但僅以與確認為其他全面收益或直接確認為權益項目相關者為限，在該情況下，有關稅項金額分別確認為其他全面收益或直接於權益確認。

本期稅項是按年內應課稅收入以報告日期已生效或實際上已生效之稅率計算之預期應付稅項，加以往年度應付稅項之任何調整。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策 (續)

(r) 所得稅 (續)

遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債按財務申報目的與稅務基礎計算之賬面值之間之差異。遞延稅項資產亦由未動用稅務虧損及未動用稅項抵免產生。

除了某些有限之例外情況外，所有遞延稅項負債及遞延稅項資產（只限於有可能用來撤銷日後應課稅溢利之資產）均予確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利包括因撥回目前存在之應課稅暫時差異而產生之數額；但這些撥回之差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉之期間內撥回。在決定目前存在之應課稅暫時差異是否足以支持確認由未動用稅項虧損和抵免所產生之遞延稅項資產時，亦會採用同一準則，即倘差異是與同一稅務機關和同一應課稅實體有關，以及預期在動用稅項虧損和抵免之期間內撥回，則計入該等差異。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

2 主要會計政策 (續)

(r) 所得稅 (續)

確認遞延稅項資產及負債之少數例外情況為源自不可扣稅之商譽之暫時差異、初步確認不影響會計或應課稅溢利(惟並非業務合併之其中部份)之資產或負債,以及有關投資於附屬公司之暫時差異,而倘出現應課稅差異,則集團將控制撥回時間,且於可見將來不會撥回差異,或倘出現可扣稅差異,則除非有關差異將於日後撥回。

已確認之遞延稅項金額是按照資產及負債賬面值之預期變現或清償方式,以報告日期已生效或實際上已生效之稅率計量。遞延稅項資產及負債均不貼現計算。

每個報告日期均會檢討遞延稅項資產之賬面值,並調減至再無足夠應課稅溢利以動用有關稅務優惠為止。任何有關減幅於可能有足夠應課稅溢利時予以撥回。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Income tax (Continued)

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 主要會計政策 (續)

(r) 所得稅 (續)

源自股息分派之額外所得稅，於派付有關股息之責任獲確認時確認。

本期稅項結餘及遞延稅項結餘以及有關變動均獨立呈列，不予抵銷。倘本公司或本集團具備合法權力將即期稅項資產與即期稅項負債抵銷，且符合以下額外條件，則即期稅項資產與即期稅項負債抵銷，而遞延稅項資產則與遞延稅項負債抵銷：

- 就即期稅項資產及負債而言，本公司或本集團擬按淨額基準結算或同時變現資產及清付負債；或
- 就遞延稅項資產及負債而言，倘與相同稅務機構徵收之所得稅有關：
 - 同一應課稅實體；或
 - 於各個預期清付或收回遞延稅項負債或資產之重大金額之日後期間，不同應課稅實體擬按淨額基準變現即期稅項資產及清付即期稅項負債或同時變現資產及清付負債。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2 主要會計政策 (續)

(s) 已提供財務擔保、撥備及或然負債

(i) 已提供財務擔保

財務擔保乃指於擔保受益人(「持有人」)因指定債務人未能根據債務工具的條款支付到期款項而蒙受損失時，可要求發行人(即擔保人)向持有人償付指定款項的合約。

當本集團提供財務擔保時，擔保之公允值(即交易價格，惟公允值能可靠地估計則除外)首次確認為應付賬款及其他應付款內的遞延收入。當本公司提供擔保時，所收取或應收之代價，根據本集團適用於該類資產的政策確認。倘本集團沒有收取或應收之代價，直接開支於最初確認遞延收入時計入損益賬內。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Financial guarantees issued, provisions and contingent liabilities (Continued)

(i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(s)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2 主要會計政策 (續)

(s) 已提供財務擔保、撥備及或然負債 (續)

(i) 已提供財務擔保 (續)

最初確認為遞延收入的擔保數額會於擔保期內在損益賬攤銷，作為提供財務擔保的收入。此外，如發生下列兩項情形時，會按附註2(s)(ii)確認撥備：(i)擔保持有人很可能將會要求本集團履行擔保；及(ii)向本集團索償的款項預期超過相關擔保在應付賬款及其他應付款的現有賬面價值（即最初確認的金額減累計攤銷）。

(ii) 其他撥備及或然負債

倘若本集團或本公司須就已發生之事件承擔法律或推定責任，履行該責任時可能會導致經濟利益外流，並可作出可靠之估計，便會就該時間或金額不定之其他負債確認撥備。如果貨幣時間價值重大時，撥備則按預計履行責任所涉及及開支之現值入賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Financial guarantees issued, provisions and contingent liabilities (Continued)

(ii) Other provisions and contingent liabilities (Continued)

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

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of goods have been transferred to the customers. Sales of goods that result in award credits for customers under the Group's customer loyalty programme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the sale of goods and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value. Such consideration is not recognised as revenue at the time of the initial sale transaction, but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

2 主要會計政策 (續)

(s) 已提供財務擔保、撥備及或然負債 (續)

(ii) 其他撥備及或然負債 (續)

倘若不可能出現經濟利益外流，或是無法對有關金額作出可靠之估計，便會將該責任披露為或然負債，但假如經濟利益外流之可能性渺茫則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債，但假如經濟利益外流之可能性渺茫則除外。

(t) 收入確認

收入按已收或應收代價之公允值計量。收入只會於有關經濟利益有可能流入本集團並能可靠地計量該收入及成本(如適用)之情況下，方會按下列基準於損益賬內確認：

銷售貨品收入於貨品擁有權所附帶之主要風險及回報經已轉讓給客戶時確認入賬。因本集團客戶忠誠度計劃下之客戶獎賞積分而產生之銷售貨品乃列作多元素收益交易，而已收或應收代價之公允值乃於銷售貨品及所授出之獎賞積分之間分配。分配至獎賞積分之代價乃參考其公允值計量。有關代價於初次銷售交易時不會確認為收益，惟將會遞延，並於換領獎賞積分而本集團已履行其責任時確認為收益。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Revenue recognition (Continued)

Commission from concessionaire sales is recognised upon the sale of goods by the relevant stores.

Rental income is recognised on a straight-line basis over the period of the respective leases.

Catering income is recognised at the time when the services are rendered.

Interest income is recognised as it accrues using the effective interest method.

Service fee income, including sponsor and service fee income, administration income and credit card handling charges, is recognised when the relevant services are rendered.

(u) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each entities in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("presentation currency").

2 主要會計政策 (續)

(t) 收入確認 (續)

特許專櫃銷售的佣金乃於有關店舖銷售貨品時確認入賬。

租金收入於各租約期內按直線法確認入賬。

餐飲收入在提供服務時確認入賬。

利息收入採用實際利息方法，於產生時確認入賬。

服務費收入(包括贊助及服務費收入、行政收入及信用卡手續費)在提供有關服務後確認入賬。

(u) 外幣換算

(i) 功能及呈列貨幣

本集團每個實體之財務報表所列項目，均按最能反映與該公司相關的事項及環境之經濟特徵之貨幣(「功能貨幣」)計量。綜合財務報表以港元(「呈列貨幣」)呈列。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Translation of foreign currencies (Continued)

(ii) Foreign currency transactions and balances

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

2 主要會計政策 (續)

(u) 外幣換算 (續)

(ii) 外幣交易及結餘

年內之外幣交易按交易日之外幣匯率換算。以外幣計值之貨幣資產及負債按報告日期之外幣匯率換算，匯兌盈虧在損益賬中確認。

以歷史成本計量之外幣非貨幣資產及負債按交易日之外幣匯率換算。以外幣計值並以公允值列賬之非貨幣資產及負債按釐定公允值當日之外幣匯率換算。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Translation of foreign currencies (Continued)

(ii) Foreign currency transactions and balances (Continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the reporting date. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2 主要會計政策 (續)

(u) 外幣換算 (續)

(ii) 外幣交易及結餘 (續)

海外業務之業績按與交易日之外幣匯率相若之匯率換算為港元。財務狀況表項目(包括二零零五年一月一日或之後收購之海外業務綜合計算時產生之商譽)則按報告日期之外幣收市匯率換算為港元。所產生之匯兌差額於其他全面收益確認並於匯兌儲備之權益中獨立累計。於二零零五年一月一日之前收購之海外業務綜合計算時產生之商譽則按收購海外業務當日之外幣匯率換算。

出售海外業務時，有關該海外業務之匯兌差額累計金額於確認出售之損益時由權益重新分類至損益賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

2 主要會計政策 (續)

(v) 借貸成本

借貸成本在產生之期間支銷。

(w) 關連人士

就本財務報表而言，以下人士被認為是本集團之關連人士：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制本集團或可對本集團之財政及經營決策作出重大影響，或共同控制本集團；
- (ii) 本集團與該人士均受共同控制；
- (iii) 該人士屬本集團之聯營公司或本集團為其中一個合營者之合營企業；
- (iv) 該人士屬本集團或本集團母公司之主要管理人員成員之一，或該個別人士之近親家庭成員，或受該個別人士控制、共同控制或重大影響之公司；

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(w) Related parties (Continued)

- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 主要會計政策 (續)

(w) 關連人士 (續)

- (v) 該人士屬(i)項所指人士之近親家庭成員或受該個別人士控制或重大影響之公司; 或
- (vi) 該人士屬提供予本集團或與本集團有關連人士之任何公司之僱員離職後福利計劃。

個別人士之近親家庭成員乃指該親屬成員在與公司交易時可能影響或被影響之親屬成員。

(x) 分部報告

經營分部及財務報表內呈報之各分部項目之金額是由定期提供予本集團最高行政管理人員以作資源分配, 及對本集團之各項業務及地區分部進行業績評估之財務資料中識別出來的。

除非分部具備相似之經濟特徵及在產品及服務性質方面相似, 否則各個重大經營分部在財務匯報中不會進行合算。個別非重大之經營分部, 如果符合上述大部份標準, 則可能會進行合算。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- HKAS 23 (revised 2007), Borrowing costs
- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations
- HK(IFRIC) – Int 13, Customer loyalty programmes
- HK(IFRIC) – Int 15, Agreements for the construction of real estate
- HK(IFRIC) – Int 16, Hedges of a net investment in a foreign operation

3 會計政策變動

香港會計師公會已頒佈一項新訂《香港財務報告準則》、多項《香港財務報告準則》修訂及新詮釋，乃於本集團及本公司之本會計期間首次生效。其中包括下列與本集團財務報表有關之發展：

- 《香港財務報告準則》第8號，經營分部
- 《香港會計準則》第1號（二零零七年經修訂），財務報表之呈報
- 《香港財務報告準則》第7號之修訂，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》（二零零八年）之改進
- 《香港會計準則》第27號之修訂，綜合及獨立財務報表－於一間附屬公司、共同控制實體或聯營公司之投資成本
- 《香港會計準則》第23號（二零零七年經修訂），借貸成本
- 《香港財務報告準則》第2號之修訂，股份付款－歸屬條件及註銷
- 《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，房地產建築協議
- 《香港（國際財務報告詮釋委員會）詮釋》第16號，海外業務投資淨額之對沖

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

3 CHANGES IN ACCOUNTING POLICIES

(Continued)

The amendments to HKAS 23 and HKFRS 2 and Interpretations HK(IFRIC) – Int 15 and HK(IFRIC) – Int 16 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

- The new HKFRS 8 has no effect on the Group's financial statements.
- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

3 會計政策變動 (續)

《香港會計準則》第23號及《香港財務報告準則》第2號之修訂及《香港(國際財務報告詮釋委員會)詮釋》第15號及《香港(國際財務報告詮釋委員會)詮釋》第16號對本集團之財務報表並無重大影響，原因為修訂及詮釋與本集團已採納之政策一致。其餘有關發展之影響如下：

- 新訂《香港財務報告準則》第8號對本集團財務報表並無任何影響。
- 採納《香港會計準則》第1號(二零零七年經修訂)後，期內因與股東進行之交易所產生之權益變動詳情，已於經修訂綜合權益變動表內與所有其他收入及支出項目分開呈列。所有其他收入及支出項目已在綜合收益賬內呈列(如彼等乃確認為期內損益之一部份)或於新主要報表綜合全面收益表內呈列。相應金額已予重列，以符合新呈列方式。呈列方式之改變不會對呈報期內所報告之損益、總收入及支出或資產淨值構成任何影響。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

3 CHANGES IN ACCOUNTING POLICIES

(Continued)

- As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures in note 31(e) about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.
- The "Improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. These improvements have had no material impact on the Group's financial statements as these improvements were consistent with policies already adopted by the Group.

3 會計政策變動 (續)

- 採用《香港財務報告準則》第7號之修訂後，財務報表包括附註31(e)之已擴充披露，該披露是有關本集團金融工具之公允值計量，根據可觀察市場數據將該等公允值計量以公允值等級制度分類成三個等級。本集團已利用《香港財務報告準則》第7號修訂之過渡條文，該等條文並無規定須就新披露要求呈列有關金融工具公允值計量之比較資料。
- 「《香港財務報告準則》(二零零八年)之改進」包括對一連串《香港財務報告準則》作出之多項微細及非迫切性修訂，為此，香港會計師公會已頒佈多項綜合修訂。由於此等改進與本集團已採納之政策一致，故此等改進對本集團之財務報表並無重大影響。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

3 CHANGES IN ACCOUNTING POLICIES

(Continued)

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

- The adoption of HK(IFRIC)-Int 13 has resulted in a change to the Group's accounting policy for its customer loyalty program. Under the Group's customer loyalty program, customers are entitled to convert their award credits into cash vouchers or gifts upon the fulfilment of certain criteria as set out in the terms and conditions of the Group's customer loyalty program. HK(IFRIC)-Int 13 requires such transactions to be accounted for as multiple element revenue transactions and that the consideration received in the initial sale transaction should be allocated between the sale of goods and the award credits that are earned by the customers in that transaction.

The application of HK(IFRIC)-Int 13 has had no material impact on the Group's financial statements as the scale of redemption of award credits accounted for a small portion as compared to the normal sales transactions.

3 會計政策變動 (續)

- 《香港會計準則》第27號之修訂刪除了來自收購前利潤之股息須確認為被投資實體之投資賬面值之扣減，而不應確認為收入之規定。因此，自二零零九年一月一日起，應收附屬公司、聯營公司及共同控制實體之所有股息（不論來自收購前還是收購後利潤）均在本公司之損益賬內確認，而被投資實體之投資賬面值則不會被扣減，除非因被投資實體宣派股息，以致賬面值經評估後出現減值。在此情況下，除在損益賬中確認股息收入之外，本公司還將確認減值虧損。根據該修訂中之過渡條文，這項新訂政策將前瞻性應用於本期間或未來期間之任何應收股息，而過往期間則不會重列。

- 採納《香港（國際財務報告詮釋委員會）詮釋》第13號導致本集團有關其客戶忠誠度計劃之會計政策出現變動。根據本集團之客戶忠誠度計劃，倘符合本集團客戶忠誠度計劃之條款及細則所載之若干條件，客戶有權將彼等之獎賞積分兌換為現金禮券或禮品。《香港（國際財務報告詮釋委員會）詮釋》第13號規定有關交易將以多元素收益交易列賬，而於首次銷售交易所收之代價應於銷售貨品及客戶於該交易中賺取之獎賞積分之間分配。

應用《香港（國際財務報告詮釋委員會）詮釋》第13號對本集團財務報表並無重大影響，原因為換取獎賞積分之規模僅佔日常銷售交易之小部份。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

4 TURNOVER AND SEGMENT REPORTING

The Group is principally engaged in the operation of department stores in the PRC.

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, commission from concessionaire sales and rental income for the year, and is analysed as follows:

Sales of goods – direct sales	商品銷售—直接銷售
Commission from concessionaire sales (note)	特許專櫃銷售佣金 (附註)
Rental income	租金收入

Note: The commission from concessionaire sales is analysed as follows:

Gross proceeds from concessionaire sales	特許專櫃銷售所得款總額
Commission from concessionaire sales	特許專櫃銷售佣金

4 營業額及分部報告

本集團之主要業務為於中國經營百貨公司。

營業額代表本公司本年度就向外界客戶售出商品之已收及應收款項減折扣及銷售相關稅項、特許專櫃銷售佣金及租金收入，茲分析如下：

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
198,105	117,695
319,242	171,743
24,890	11,614
542,237	301,052

附註：特許專櫃銷售佣金分析如下：

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
1,753,351	959,446
319,242	171,743

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

The Group's revenue and loss for the year ended 31 December 2009 are mainly derived from the operation of department stores in North-western China. The operations of the Group are subject to similar risks and returns and, therefore, the Group has one single segment. The Group's revenue is substantially derived from its end customers in the PRC and the Group's operating assets are substantially located in the PRC. Accordingly, no segment analysis by business and geographical segments is provided for the year ended 31 December 2009.

5 OTHER REVENUE AND INCOME

Administration income	行政收入
Catering income	餐飲收入
Credit card handling charges	信用卡手續費
Fair value gain on the derivative component of convertible bonds (note 26)	可換股債券衍生部份之公允值收益 (附註26)
Interest income on bank deposits	銀行存款利息收入
Interest income on loan receivables	應收貸款利息收入
Sponsor and service fee income	贊助及服務費收入
Sundry income	其他收入
Waiver of interest on promissory notes	承兌票據利息之豁免
Write-back of trade payables (note)	應付賬款撥回 (附註)

Note: Based on legal advice in the PRC, the Group's trade creditors in the amount of RMB4,340,000 as at 31 December 2008 lost their right to recourse on the debts that they had not requested payment for over 3 years, recognising a write-back of trade payables of HK\$4,936,000 in the consolidated income statement for the year ended 31 December 2008.

4 營業額及分部報告 (續)

本集團截至二零零九年十二月三十一日止年度之收益及虧損主要源自於中國西北部經營百貨公司。本集團之營運面對類似風險及回報，故本集團只設單一分部。本集團之收益絕大部份源自其於中國之最終客戶，而本集團之經營資產絕大部份位於中國。因此，截至二零零九年十二月三十一日止年度並無提供業務及地區分部之分部分析。

5 其他收益及收入

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 (Represented) 二零零八年 千港元 (呈列)
9,517	2,459
6,533	5,554
10,529	5,752
9,058	73,108
870	1,994
51,371	20,092
1,184	1,151
8,141	6,699
-	299
-	4,936
97,203	122,044

附註：根據中國法律意見，本集團於二零零八年十二月三十一日的應付賬款人民幣4,340,000元已失去追討權利，並且超過三年沒有提出還款要求。因此，於截至二零零八年十二月三十一日止年度的綜合收益賬確認應付賬款撥回4,936,000港元。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

6 除稅前虧損

除稅前虧損已扣除/(計入):

		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 (Represented) 二零零八年 千港元 (呈列)
(a) Finance costs	(a) 財務費用		
Bank charges	銀行費用	153	142
Credit card expenses	信用卡費用	<u>15,320</u>	<u>8,304</u>
		15,473	8,446
Finance charges on obligations under finance leases	融資租賃債務之財務費用	26	13
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的銀行貸款之利息	42,270	8,994
Interest on convertible bonds (note 26)	可換股債券之利息 (附註26)	<u>103,182</u>	<u>28,556</u>
		145,478	37,563
		160,951	46,009
(b) Staff costs	(b) 員工成本		
Directors' remuneration (note 8)	董事酬金 (附註8)	5,469	6,768
Salaries, wages and other benefits	薪金、工資及其他福利	57,179	45,569
Pension scheme contributions	退休金計劃供款	<u>5,716</u>	<u>3,162</u>
		68,364	55,499

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

6 LOSS BEFORE TAXATION (Continued)

6 除稅前虧損 (續)

		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 (Represented) 二零零八年 千港元 (呈列)
(c) Other items	其他項目		
Auditors' remuneration	核數師酬金	1,330	1,140
Amortisation of intangible assets	無形資產攤銷	-	1,497
Cost of inventories sold	存貨銷售成本	158,808	96,483
Depreciation	折舊	16,308	9,459
Exchange losses	匯兌虧損	152	1,121
Fair value gain on the derivative component of convertible bonds (note 26)	可換股債券衍生部份之公允值收益 (附註26)	(9,058)	(73,108)
Loss on disposal of fixed assets	出售固定資產之虧損	1,927	583
Operating lease charges: minimum lease payments	經營租賃費用: 最低租賃付款		
– hire of land and buildings	– 租用土地及樓宇	127,102	55,717
– hire of motor vehicles	– 租用運輸工具	1,637	1,482
Provision for impairment of goodwill	商譽減值撥備	-	604,653
Provision for impairment of trade and other receivables	應收賬款及其他應收款減值撥備	131	17

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

Current tax – Hong Kong Profits Tax	本期稅項－香港利得稅
Current tax – PRC Enterprise Income Tax	本期稅項－中國企業所得稅
Provision for the year (note 25(a))	年內撥備 (附註25(a))
Under-provision in respect of prior years	以往年度之撥備不足
Deferred tax (note 25(b))	遞延稅項 (附註25(b))
Origination of temporary differences	源自暫時差異

The Company and its subsidiaries are subject to income tax on an entity basis on income arising in or derived from the tax jurisdiction in which they operate.

The Company is exempted from tax in Bermuda until March 2016.

7 綜合收益賬之所得稅

(a) 綜合收益賬內之稅項為：

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
—	—
27,963	10,231
1,937	—
29,900	10,231
288	264
30,188	10,495

本公司及其附屬公司須就其經營業務之稅務司法權區所產生或源自該等司法權區之收入按實體基準繳納所得稅。

本公司獲豁免繳納百慕達稅項，直至二零一六年三月為止。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

- (a) Taxation in the consolidated income statement represents: (Continued)

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong during the year.

The statutory PRC Enterprise Income Tax rate is 25%. The subsidiaries of the Group operated in the PRC are subject to the PRC Enterprise Income Tax as follows:

- 西安世紀金花購物有限公司(Xian Century Ginwa Property Investments Company Limited)* ("Xian Century Ginwa") enjoys a preferential tax treatment as being a foreign investment enterprise located in the western region of the PRC, including a reduction in the PRC Enterprise Income Tax to 15% until 2010.
- 世紀金花烏魯木齊購物中心有限公司(Century Ginwa Urumqi Shopping Mall Company Limited)* ("Century Ginwa Urumqi") and 世紀金花股份有限公司(Century Ginwa Joint Stock Company Limited)* ("Century Ginwa") are subject to the standard PRC Enterprise Income Tax rate of 25%.

* The English translation of the company names is for reference only. The official names of these companies are in Chinese.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

7 綜合收益賬之所得稅(續)

- (a) 綜合收益賬內之稅項為：
(續)

因本集團於年內並無在香港產生或源自香港之收入，故並無為香港利得稅撥備。

中國的法定企業所得稅率為25%。本集團於中國經營及須繳納中國企業所得稅之附屬公司如下：

- 西安世紀金花購物有限公司(「西安世紀金花」)可憑其位於中國西部的外商投資企業身份享有稅務優惠，包括中國企業所得稅率減至15%，並適用至二零一零年止。
- 世紀金花烏魯木齊購物中心有限公司(「世紀金花烏魯木齊」)及世紀金花股份有限公司(「世紀金花」)按標準中國企業所得稅率25%繳稅。

* 公司的英文譯名僅供參考。該等公司的正式名稱以中文為準。

遞延稅項按預期適用於清償負債或變現資產之期間之稅率計算。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

7 綜合收益賬之所得稅 (續)

(b) 按適用稅率調節之稅項支出及會計虧損如下：

		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 (Represented) 二零零八年 千港元 (呈列)
Loss before taxation	除稅前虧損	(1,519)	(529,336)
Notional tax credit at the applicable tax rate of 25% (2008: 25%) on loss before taxation	除稅前虧損按適用稅率25% (二零零八年：25%) 計算之名義稅項抵免	(380)	(132,334)
Tax effect of non-deductible expenses	不可扣減支出之稅務影響	31,245	144,564
Tax effect of non-taxable revenue	毋須課稅收益之稅務影響	-	(60)
Tax effect of temporary differences recognised	已確認暫時差異之稅務影響	288	264
Tax effect of unrecognised temporary differences	未確認暫時差異之稅務影響	(198)	(145)
Tax effect of unused tax losses not recognised	未確認未動用稅務虧損之稅務影響	1,242	1,148
Under-provision in respect of prior years	以往年度之撥備不足	1,843	-
Under-provision in current year	本年度之撥備不足	-	(34)
Tax effect of preferential income tax rate of a subsidiary	附屬公司優惠所得稅率之稅務影響	(3,854)	(2,908)
Others	其他	2	-
Actual tax expense	實際稅項支出	30,188	10,495

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

8 DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(a) Directors' remuneration

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and the Listing Rules is as follows:

8 董事薪酬及僱員酬金

(a) 董事薪酬

根據香港《公司條例》第161條及上市規則披露的董事薪酬如下：

		2009 二零零九年							
Name of director 董事姓名	Fees HK\$'000 袍金 千港元	Salaries, wages and other benefits HK\$'000 薪金、工資 及其他福利 千港元	Bonuses HK\$'000 花紅 千港元	Pension scheme contributions HK\$'000 退休金 計劃供款 千港元	Sub-total HK\$'000 小計 千港元	Share-based payments HK\$'000 股份付款 千港元 (note(i)) (附註(i))	Total HK\$'000 總計 千港元		
Vice-chairman									
Mr. Hu Yangxiong (note (iii))		副主席 胡養雄先生 (附註(iii))	-	1,200	100	27	1,327	400	1,727
Executive directors		執行董事							
Mr. Sha Yingjie		沙英傑先生	-	129	540	14	683	254	937
Mr. Qu Jiaqi		曲家琪先生	-	192	750	14	956	254	1,210
Mr. Li Haogang		李郝港先生	-	159	625	14	798	254	1,052
Ms. Lu Xiaoling (note (iii))		魯曉玲女士 (附註(iii))	-	236	-	19	255	-	255
Independent non-executive directors		獨立非執行董事							
Mr. Chan Wai Kwong, Peter		陳為光先生	96	-	-	-	96	-	96
Mr. Fu Wing Kwok, Ewing		傅榮國先生	96	-	-	-	96	-	96
Mr. Tsang Kwok Wai (note (iv))		曾國偉先生 (附註(iv))	96	-	-	-	96	-	96
			288	1,916	2,015	88	4,307	1,162	5,469

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

8 DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' remuneration (Continued)

		2008 二零零八年						
Name of director	Fees HK\$'000	Salaries, wages and other benefits	Bonuses HK\$'000	Pension scheme contributions	Sub-total HK\$'000	Share-based payments	Total HK\$'000	
		HK\$'000		HK\$'000		HK\$'000		
董事姓名	袍金 千港元	薪金·工資 及其他福利 千港元	花紅 千港元	退休金 計劃供款 千港元	小計 千港元	股份付款 千港元 (note(i)) (附註(i))	總計 千港元	
Chairman		主席						
Mr. Wu Yijian (note (v))	-	吳一堅先生 (附註(v))	244	-	244	-	244	
Vice-chairman		副主席						
Mr. Hu Yangxiong (note (ii))	-	胡養雄先生 (附註(ii))	1,777	100	1,903	383	2,286	
Executive directors		執行董事						
Mr. Leung Siu Kuen (note (vi))	-	梁兆權先生 (附註(vi))	687	54	753	182	935	
Mr. Sha Yingjie	-	沙英傑先生	142	515	662	243	905	
Mr. Qu Jiaqi	-	曲家琪先生	171	718	894	243	1,137	
Mr. Li Haogang	-	李郝港先生	158	567	730	243	973	
Mr. Lai Chik Fan (note (vii))	-	賴焯藩先生 (附註(vii))	-	-	-	-	-	
Independent non-executive directors		獨立非執行董事						
Mr. Chan Wai Kwong, Peter	96	陳為光先生	-	-	96	-	96	
Mr. Xiao Ming (note (viii))	72	肖鳴先生 (附註(viii))	-	-	72	-	72	
Mr. Fu Wing Kwok, Ewing	96	傅榮國先生	-	-	96	-	96	
Mr. Tsang Kwok Wai (note (iv))	24	曾國偉先生 (附註(iv))	-	-	24	-	24	
	288		3,179	1,954	5,474	1,294	6,768	

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

8 DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' remuneration (Continued)

Notes:

- (i) Share-based payments represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(q).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the Directors' Report and note 29.

- (ii) Mr. Hu Yangxiong resigned on 8 March 2010.
- (iii) Mr. Lu Xiaoling was appointed on 1 February 2009.
- (iv) Mr. Tsang Kwok Wai was appointed on 25 September 2008.
- (v) Mr. Wu Yijian resigned on 28 May 2008.
- (vi) Mr. Leung Siu Kuen resigned on 11 December 2008.
- (vii) Mr. Lai Chik Fan resigned on 9 October 2008.
- (viii) Mr. Xiao Ming resigned on 26 September 2008.

8 董事薪酬及僱員酬金 (續)

(a) 董事薪酬 (續)

附註：

- (i) 股份付款指根據本公司購股權計劃授予董事之購股權之預估價值。該等購股權之價值是根據本集團列於附註2(q)股份付款交易之會計政策計算。

有關此等實物利益之詳情，包括主要條款及授予之購股權數量，已於董事會報告之「購股權計劃」一段及附註29披露。

- (ii) 胡養雄先生於二零一零年三月八日辭任。
- (iii) 魯曉玲女士於二零零九年二月一日獲委任。
- (iv) 曾國偉先生於二零零八年九月二十五日獲委任。
- (v) 吳一堅先生於二零零八年五月二十八日辭任。
- (vi) 梁兆權先生於二零零八年十二月十一日辭任。
- (vii) 賴焯藩先生於二零零八年十月九日辭任。
- (viii) 肖鳴先生於二零零八年九月二十六日辭任。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

8 DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, all (2008: all) are directors and their emoluments are disclosed in note 8(a).

	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Salaries, wages and other benefits	薪金、工資及其他福利	
Pension scheme contributions	退休金計劃供款	
	—	—
	—	—
	—	—

The emoluments of nil (2008: nil) individual with the highest emoluments are within the following bands:

	2009 Number of individuals 二零零九年 最高薪 僱員之人數	2008 Number of individuals 二零零八年 最高薪 僱員之人數
HK\$	港元	
Nil – 1,000,000	零 – 1,000,000	
	—	—

8 董事薪酬及僱員酬金 (續)

(b) 五名最高薪人士

在五名最高薪人士中，全部（二零零八年：全部）均為董事，而其酬金詳情已於附註8(a)披露。

	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Salaries, wages and other benefits	薪金、工資及其他福利	
Pension scheme contributions	退休金計劃供款	
	—	—
	—	—
	—	—

最高薪人士中，概無（二零零八年：無）任何人士之酬金介乎下列範圍：

	2009 Number of individuals 二零零九年 最高薪 僱員之人數	2008 Number of individuals 二零零八年 最高薪 僱員之人數
HK\$	港元	
Nil – 1,000,000	零 – 1,000,000	
	—	—

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

9 LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes a loss of HK\$343,602,000 (2008: a loss of HK\$422,118,000) which has been dealt with in the financial statements of the Company.

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK\$46,351,000 (2008: HK\$545,172,000) and the weighted average number of 1,161,556,000 ordinary shares (2008: 1,016,735,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

Issued ordinary shares at 1 January (note 28(c))	於一月一日之已發行普通股(附註28(c))
Effect of share options exercised	已行使購股權之影響
Effect of exercise of warrants	行使認股權證之影響
Effect of conversion of convertible bonds	轉換可換股債券之影響
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股加權平均數

9 本公司股東應佔之虧損

本公司股東應佔之綜合虧損包括343,602,000港元之虧損(二零零八年:虧損422,118,000港元),已於本公司之財務報表內處理。

10 每股虧損

(a) 每股基本虧損

每股基本虧損是依據本公司股東應佔虧損46,351,000港元(二零零八年:545,172,000港元)計算,而年內已發行1,161,556,000股普通股(二零零八年:1,016,735,000股普通股)之加權平均數計算如下:

普通股加權平均數:

Number of shares 股份數量	
2009 '000 二零零九年 千股	2008 '000 二零零八年 千股
1,158,241	948,419
–	16,677
3,315	1,120
–	50,519
1,161,556	1,016,735

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

10 LOSS PER SHARE (Continued)

(b) Diluted loss per share

The calculation of diluted loss per share is based on the following data:

(i) Profit/(loss) attributable to ordinary equity shareholders of the Company (diluted)

Loss attributable to ordinary equity shareholders	普通股股東應佔虧損
After tax effect of effective interest on the liability component of convertible bonds	可換股債券負債部份實際利息之除稅後影響
Effect of fair value gain recognised on the derivative component of convertible bonds	可換股債券衍生部份已確認公允值收益之影響
Profit/(loss) attributable to ordinary equity shareholders (diluted)	普通股股東應佔溢利/(虧損)(攤薄)

10 每股虧損(續)

(b) 每股攤薄虧損

每股攤薄虧損是按下列數據計算：

(i) 本公司普通股股東應佔溢利/(虧損)(攤薄)

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
(46,351)	(545,172)
86,157	23,844
(9,058)	(73,108)
30,748	(594,436)

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

10 LOSS PER SHARE (Continued)

(b) Diluted loss per share (Continued)

(ii) Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股加權平均數
Effect of conversion of convertible bonds (note 26)	轉換可換股債券之影響 (附註26)
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 29)	按本公司購股權計劃視作以零代價發行股份之影響 (附註29)
Effect of exercise of warrants (note 28(c)(v))	行使認股權證之影響 (附註28(c)(v))
Weighted average number of ordinary shares at 31 December (diluted)	於十二月三十一日普通股加權平均數 (攤薄)

10 每股虧損 (續)

(b) 每股攤薄虧損 (續)

(ii) 普通股加權平均數 (攤薄)

Number of shares 股份數量	
2009 '000 二零零九年 千股	2008 '000 二零零八年 千股
1,161,556	1,016,735
—	—
—	—
—	—
1,161,556	1,016,735

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

10 LOSS PER SHARE (Continued)

(b) Diluted loss per share (Continued)

(ii) Weighted average number of ordinary shares (diluted) (Continued)

The exercise of the outstanding share options and warrants has no dilutive effect for the year ended 31 December 2009 because the exercise price of the Company's share options and warrants were higher than the average market price of the shares during the year.

The convertible bonds have no dilutive effect for the year ended 31 December 2009.

10 每股虧損 (續)

(b) 每股攤薄虧損 (續)

(ii) 普通股加權平均數 (攤薄) (續)

由於年內本公司購股權及認股權證之行使價高於股份平均市價，故行使尚未行使之購股權及認股權證對截至二零零九年十二月三十一日止年度並無構成攤薄影響。

可換股債券對截至二零零九年十二月三十一日止年度並無構成攤薄影響。

11 OTHER COMPREHENSIVE INCOME

Exchange differences on translation of financial statements of overseas subsidiaries

Other comprehensive income

換算海外附屬公司財務報表產生之匯兌差額

其他全面收益

	2009 二零零九年			2008 二零零八年		
	Before-tax amount HK\$'000 除稅前金額 千港元	Tax expense HK\$'000 稅項支出 千港元	Net-of tax amount HK\$'000 除稅後金額 千港元	Before-tax amount HK\$'000 除稅前金額 千港元	Tax expense HK\$'000 稅項支出 千港元	Net-of tax amount HK\$'000 除稅後金額 千港元
	149	-	149	4,711	-	4,711
	149	-	149	4,711	-	4,711

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

12 FIXED ASSETS

(a) The Group

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Machinery	Construction in progress	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		租賃物業 裝修	傢俬、裝置 及設備	運輸工具	機器	在建工程	合計
		千港元	千港元	千港元	千港元	千港元	千港元
Cost:	成本:						
At 1 January 2008	於二零零八年一月一日	45,416	20,128	734	-	2,378	68,656
Exchange differences	匯兌差額	2,824	1,230	26	(174)	127	4,033
Revaluation	重估	5,649	652	-	-	-	6,301
Acquisition of subsidiaries	收購附屬公司	59,949	9,082	3,416	8,955	3,522	84,924
Additions	添置	13,916	1,768	519	-	966	17,169
Transfers	轉移	1,078	-	-	-	(1,078)	-
Disposals	出售	(3,188)	(806)	(563)	-	-	(4,557)
		<u>125,644</u>	<u>32,054</u>	<u>4,132</u>	<u>8,781</u>	<u>5,915</u>	<u>176,526</u>
At 31 December 2008	於二零零八年十二月三十一日	125,644	32,054	4,132	8,781	5,915	176,526
At 1 January 2009	於二零零九年一月一日	125,644	32,054	4,132	8,781	5,915	176,526
Exchange differences	匯兌差額	80	14	1	125	4	224
Additions	添置	10,471	2,971	2,142	8	1,869	17,461
Transfers	轉移	3,678	209	-	-	(3,887)	-
Disposals	出售	(3,037)	(2,163)	(165)	-	-	(5,365)
		<u>136,836</u>	<u>33,085</u>	<u>6,110</u>	<u>8,914</u>	<u>3,901</u>	<u>188,846</u>
At 31 December 2009	於二零零九年十二月三十一日	136,836	33,085	6,110	8,914	3,901	188,846
Accumulated depreciation:	累計折舊:						
At 1 January 2008	於二零零八年一月一日	2,392	2,401	27	-	-	4,820
Exchange differences	匯兌差額	501	262	3	-	-	766
Revaluation	重估	4,752	1,549	-	-	-	6,301
Charge for the year	本年折舊	5,750	3,020	252	437	-	9,459
Written back on disposals	出售時撥回	(2,667)	(643)	(44)	-	-	(3,354)
		<u>10,728</u>	<u>6,589</u>	<u>238</u>	<u>437</u>	<u>-</u>	<u>17,992</u>
At 31 December 2008	於二零零八年十二月三十一日	10,728	6,589	238	437	-	17,992
At 1 January 2009	於二零零九年一月一日	10,728	6,589	238	437	-	17,992
Exchange differences	匯兌差額	16	7	-	3	-	26
Charge for the year	本年折舊	9,738	3,354	303	2,913	-	16,308
Written back on disposals	出售時撥回	(1,549)	(1,559)	(13)	-	-	(3,121)
		<u>18,933</u>	<u>8,391</u>	<u>528</u>	<u>3,353</u>	<u>-</u>	<u>31,205</u>
At 31 December 2009	於二零零九年十二月三十一日	18,933	8,391	528	3,353	-	31,205
Carrying value:	賬面淨值:						
At 31 December 2009	於二零零九年十二月三十一日	<u>117,903</u>	<u>24,694</u>	<u>5,582</u>	<u>5,561</u>	<u>3,901</u>	<u>157,641</u>
At 31 December 2008	於二零零八年十二月三十一日	<u>114,916</u>	<u>25,465</u>	<u>3,894</u>	<u>8,344</u>	<u>5,915</u>	<u>158,534</u>

12 固定資產

(a) 本集團

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

12 FIXED ASSETS (Continued)

(a) The Group (Continued)

The motor vehicles held under finance lease has expired during the year. At the reporting date, the net book value of motor vehicles held under finance leases of the Group amounted to HK\$nil (2008: HK\$217,000).

(b) The Company

12 固定資產 (續)

(a) 本集團 (續)

以融資租賃持有的運輸工具已於年內屆滿。在報告日期，本集團以融資租賃持有的運輸工具之賬面淨值為零港元(二零零八年：217,000港元)。

(b) 本公司

		Furniture, fixtures and equipment HK\$'000 傢俬、裝置 及設備 千港元
Cost:	成本值：	
At 1 January 2008	於二零零八年一月一日	50
Disposals	出售	<u>(50)</u>
At 31 December 2008, 1 January 2009 and 31 December 2009	於二零零八年 十二月三十一日、 二零零九年一月一日及 二零零九年十二月三十一日	<u>-</u>
Accumulated depreciation:	累計折舊：	
At 1 January 2008	於二零零八年一月一日	50
Written back on disposals	出售時撥回	<u>(50)</u>
At 31 December 2008, 1 January 2009 and 31 December 2009	於二零零八年 十二月三十一日、 二零零九年一月一日及 二零零九年十二月三十一日	<u>-</u>
Carrying value:	賬面值：	
At 31 December 2009	於二零零九年十二月三十一日	<u>-</u>
At 31 December 2008	於二零零八年十二月三十一日	<u>-</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

13 INTANGIBLE ASSETS

The Group

Cost:

At 1 January 2008
Exchange differences
Elimination upon acquisition of subsidiaries

At 31 December 2008, 1 January 2009 and
31 December 2009

Accumulated amortisation:

At 1 January 2008
Exchange differences
Charge for the year
Written back against elimination on consolidation

At 31 December 2008, 1 January 2009 and
31 December 2009

Carrying value:

At 31 December 2009

At 31 December 2008

13 無形資產

本集團

Licence
HK\$'000
特許權
千港元

成本值：

於二零零八年一月一日 19,145
匯兌差額 3,593
於收購附屬公司時對銷 (22,738)

於二零零八年
十二月三十一日、
二零零九年一月一日及
二零零九年十二月三十一日 -

累計攤銷：

於二零零八年一月一日 3,567
匯兌差額 2,648
本年折舊 1,497
綜合對銷時撥回 (7,712)

於二零零八年
十二月三十一日、
二零零九年一月一日及
二零零九年十二月三十一日 -

賬面值：

於二零零九年十二月三十一日 -

於二零零八年十二月三十一日 -

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

13 INTANGIBLE ASSETS (Continued)

The intangible assets represent the right to operate department stores in PRC using the brand name "Century Ginwa" for a 10-year term commencing 13 April 2005 licensed by Century Ginwa to the Group's wholly owned subsidiary, Century Ginwa Urumqi. Upon the acquisition of Century Ginwa by the Group on 31 August 2008 (see also note 27), Century Ginwa became a subsidiary of the Group. The above licensing transaction and balance have been eliminated upon consolidation.

14 SUBSIDIARIES

Unlisted shares, at cost	非上市股份， 按成本值
Less: Provision for impairment loss	減：減值虧損撥備
Amounts due from subsidiaries	應收附屬公司款項
Less: Provision for impairment loss	減：減值虧損撥備
Amounts due to subsidiaries	應付附屬公司款項

The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayment.

13 無形資產 (續)

無形資產指本集團全資附屬公司世紀金花烏魯木齊獲世紀金花授權獲准於二零零五年四月十三日起計的十年期內以世紀金花品牌名稱於中國經營百貨商店。於二零零八年八月三十一日本集團收購世紀金花(見附註27)，使其成為本集團附屬公司，因此，上述之牌照交易及餘款已於綜合時對銷。

14 附屬公司

The Company 本公司

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
2	2
(1)	(1)
1	1
1,175,415	1,213,692
(711,499)	(476,999)
463,916	736,693
7,605	7,656

應收／(應付)附屬公司款項是無抵押、免息及沒有固定還款期。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

14 SUBSIDIARIES (Continued)

Details of the subsidiaries are as follows:

Name	Place of establishment and operation	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本資料	Ownership interest		Nature of business
			Direct	Indirect	
名稱	成立及營業地點		直接	間接	業務性質
Bright Chance (Asia) Limited 卓運(亞洲)有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100%	-	Provision of administrative services 提供行政服務
China King Management Limited 中國管理有限公司	Hong Kong 香港	HK\$1 1港元	100%	-	Investment holding 投資控股
China Rich International Management Limited 裕華國際管理有限公司	Hong Kong 香港	HK\$1 1港元	100%	-	Investment holding 投資控股
西安世紀金花購物有限公司 (Xian Century Ginwa Property Investments Company Limited)*	People's Republic of China 中華人民共和國	HK\$65,000,000 65,000,000港元	-	100%	Operation of department stores 經營百貨公司
Century Ginwa Urumqi Shopping Mall (H.K.) Limited 世紀金花烏魯木齊購物中心(香港)有限公司	Hong Kong 香港	HK\$10 10港元	-	100%	Investment holding 投資控股

14 附屬公司(續)

附屬公司資料如下:

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

14 SUBSIDIARIES (Continued)

Name	Place of establishment and operation	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本資料	Ownership interest		Nature of business
			Direct	Indirect	
名稱	成立及營業地點		直接	間接	業務性質
世紀金花烏魯木齊購物中心有限公司 (Century Ginwa Urumqi Shopping Mall Company Limited)*	People's Republic of China 中華人民共和國	RMB50,000,000 人民幣50,000,000元	-	100%	Operation of department stores 經營百貨公司
世紀金花股份有限公司 (Century Ginwa Joint Stock Company Limited)*	People's Republic of China 中華人民共和國	RMB235,500,000 人民幣235,500,000元	-	76.43%	Operation of department stores 經營百貨公司
西安世紀金花物業管理有限公司 (Xian Century Ginwa Property Management Company Limited)*	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	-	76.43%	Property management 物業管理

* The English translation of the company names is for reference only. The official names of these companies are in Chinese.

* 公司的英文譯名僅供參考。該等公司的正式名稱以中文為準。

14 附屬公司 (續)

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

15 GOODWILL

15 商譽

		The Group 本集團 HK\$'000 千港元
Cost:	成本值：	
At 1 January 2008	於二零零八年一月一日	4,513
Additions (note 27)	添置(附註27)	831,232
Disposal	出售	<u>(2,802)</u>
At 31 December 2008, 1 January 2009 and 31 December 2009	於二零零八年 十二月三十一日、 二零零九年一月一日及 二零零九年十二月三十一日	<u>832,943</u>
Accumulated impairment:	累計減值：	
At 1 January 2008	於二零零八年一月一日	4,513
Provision for impairment loss	減值虧損撥備	604,653
Written back on disposal	出售時撥回	<u>(2,802)</u>
At 31 December 2008, 1 January 2009 and 31 December 2009	於二零零八年 十二月三十一日、 二零零九年一月一日及 二零零九年十二月三十一日	<u>606,364</u>
Carrying value:	賬面值：	
At 31 December 2009	於二零零九年十二月三十一日	<u>226,579</u>
At 31 December 2008	於二零零八年十二月三十一日	<u>226,579</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

15 GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Operation of department stores in the PRC	226,579	226,579
於中國經營百貨公司		

The recoverable amount of the CGU is determined based on value-in-use calculations. Goodwill is expected to generate cash flow for an indefinite period. These calculations use cash flow projections based on financial budgets approved by management covering approximately a five-year period. Cash flows beyond that five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations:

- Gross margin	- 毛利率
- Growth rate	- 增長率
- Discount rate	- 折現率

Management determined the budgeted gross margin and growth rate based on past performance and its expectations for market development. The discount rate used is post-tax and reflects specific risks relating to this segment.

15 商譽 (續)

包含商譽現金產生單位之減值測試

商譽分配至本集團之現金產生單位，並根據以下業務分部分類：

	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
	226,579	226,579

現金產生單位之可收回金額乃以使用價值計算。預期商譽能在不受限的期間產生現金流量。這計算是使用管理層批核約為五年期財政預算所預測之現金流量。超過五年期之現金流量使用以下列出之估計比率推斷，而增長率不會高於現金產生單位經營之業務之長期平均增長率。

計算使用價值之主要假設：

	2009 % 二零零九年 %	2008 % 二零零八年 %
	19	19
	2	2
	14.8	14.8

管理層根據過往表現及對市場發展預期釐定預算毛利率及增長率，而所採用之折扣率屬除稅後及反映與此分部有關之特定風險。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

16 LOAN RECEIVABLES

At 1 January	於一月一日
Exchange differences	匯兌差額
Add: Acquisition of subsidiaries (note 27)	加:收購附屬公司 (附註27)
Add: Additions	加:增加
Less: Settlement during the year	減:年內結算
At 31 December	於十二月三十一日
Less: Current portion classified as current assets	減少:流動部份區 別為流動資產
Non-current portion	非流動部份

(a) The carrying amounts of loan receivables are analysed as follows:

Interest free portion	免息貸款部份
Interest-bearing portion at 2%-7.839% (2008: 2%-7.839%)	計息貸款部份2%至 7.839% (二零零八年: 2%至7.839%)

16 應收貸款

The Group 本集團

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
1,364,623	36,153
818	(7,738)
-	1,333,018
49,330	43,728
(12,000)	(40,538)
1,402,771	1,364,623
(8,982)	(20,979)
1,393,789	1,343,644

(a) 應收貸款賬面值分析如下:

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
510,566	460,956
892,205	903,667
1,402,771	1,364,623

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

16 LOAN RECEIVABLES (Continued)

(b) Maturity analysis

The loans are receivable as below:

Within 1 year
After 1 year but within 5 years

(b) 到期日分析

應收貸款如下：

一年內
一年後但 於五年內

(c)(i) Loans to Ming Fai

On 25 September 2006, Ming Fai Princess Entertainment Limited ("Ming Fai"), Bright Chance (Asia) Limited ("Bright Chance"), Mr. Cai Jun Jie and Anglo View Limited ("Anglo View") entered into a loan assignment agreement. Pursuant to the loan assignment agreement, Ming Fai agreed to assign all its rights and benefits in a loan receivable balance of HK\$30,000,000 from Anglo View to Bright Chance at a consideration of HK\$30,000,000. The loan receivable is repayable semi-annually in the amount of HK\$5,100,000, comprising the principal amount of HK\$5,000,000 and interest amount of HK\$100,000, for the six half years ended 31 December 2009.

The outstanding loan balance of HK\$5,000,000 has been fully received in cash in January 2010.

16 應收貸款 (續)

The Group 本集團

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
8,982	20,979
<u>1,393,789</u>	<u>1,343,644</u>
<u>1,402,771</u>	<u>1,364,623</u>

(c)(i) 予明輝之貸款

於二零零六年九月二十五日，明輝郵輪貴賓會娛樂場有限公司（「明輝」）、卓運（亞洲）有限公司（「卓運」）、蔡俊杰先生及Anglo View Limited（「Anglo View」）訂立貸款轉讓協議。據此，明輝同意從Anglo View轉讓其於應收貸款餘額30,000,000港元之所有權利及利益予卓運，代價為30,000,000港元。應收貸款將於截至二零零九年十二月三十一日止六個半年度每半年償還5,100,000港元（包括本金5,000,000港元及利息100,000港元）。

未償還貸款餘額5,000,000港元已於二零一零年一月以現金悉數收回。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

16 LOAN RECEIVABLES (Continued)

(c)(ii) Loans to Ginwa Investments

In September 2008, the Group's subsidiary, Century Ginwa, entered into an unsecured loan agreement with Ginwa Investments Company Limited ("Ginwa Investments") for its advances of RMB1,165,348,000 to be repayable by 31 August 2013. The interest bearing loan portion carries interest at the five-year lending rate published by the People's Bank of China, the PRC (see note 34(c)) and is repayable by 31 August 2013. Mr. Wu Yijian, a former executive director and chairman of the Company, and currently a director of certain of the Group's subsidiaries, has a 60% equity interest in Ginwa Investments, thus, Ginwa Investments is a connected party to the Group.

(c)(iii) Other loan receivables

The Group's wholly owned subsidiary, Xian Century Ginwa, signed loan agreements with independent third parties, for unsecured loans of RMB3,500,000, which bear interest at 7.839% per annum (2008: 6.03% to 7.839%) and are repayable by 25 March 2009. The loan period was extended to 30 June 2010.

- (d) The directors consider that the carrying amounts of loan receivables approximate their fair values.

16 應收貸款 (續)

(c)(ii) 予金花投資之貸款

於二零零八年九月，本集團附屬公司世紀金花與金花投資有限公司（「金花投資」）達成一項無抵押貸款協議，獲貸款人民幣1,165,348,000元，並於二零一三年八月三十一日付還。該貸款計息部份按中國人民銀行所公佈之五年期借貸利率附息（附註34(c)），並須於二零一三年八月三十一日前償還。本公司前執行董事及主席以及本集團若干附屬公司現任董事吳一堅先生持有金花投資60%權益，因此，金花投資為本集團之關連人士。

(c)(iii) 其他應收貸款

本集團全資附屬公司西安世紀金花與獨立第三方簽定貸款協議，以無抵押貸款人民幣3,500,000元，附年息7.839%（二零零八年：6.03%至7.839%），並於二零零九年三月二十五日償還。貸款期延長至二零一零年六月三十日。

- (d) 董事認為應收貸款賬面值與其公允值相若。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

17 INVENTORIES

Inventories in the statement of financial position comprise:

Raw materials	原材料
Low value consumables	低值易耗品
Merchandise	商品

17 存貨

財務狀況表中的存貨包括：

The Group 本集團	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
919	836
2,145	2,071
24,229	29,465
27,293	32,372

18 TRADE AND OTHER RECEIVABLES

Trade receivables	應收賬款
Less: Allowance for impairment loss (note (b))	減：減值虧損準備 (附註(b))
Deposits and prepayments	按金及預付款
Other receivables	其他應收款
Value-added tax recoverable (note (d))	可收回增值稅 (附註(d))

18 應收賬款及其他應收款

The Group 本集團		The Company 本公司	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
11,748	8,501	-	-
(3,244)	(3,118)	-	-
8,504	5,383	-	-
13,654	7,497	384	543
7,103	10,336	-	-
42,590	37,000	-	-
71,851	60,216	384	543

All of the trade and other receivables, apart from rental and utility deposits of HK\$119,030 (2008: HK\$154,663), are expected to be recovered or recognised as expenses within one year.

所有應收賬款及其他應收款（租務及公用事業按金119,030港元（二零零八年：154,663港元）除外）預期將於一年內收回或確認為支出。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

18 TRADE AND OTHER RECEIVABLES (Continued)

(a) Ageing analysis

Included in trade and other receivables are trade receivables (net of allowance for impairment loss) with the following ageing analysis as of the reporting date:

0-30 days	0-30天
31-60 days	31-60天
61-90 days	61-90天
Over 90 days	90天以上

(b) Impairment of trade receivables

The movement in the allowance for impairment loss during the year is as follows:

At 1 January	於一月一日
Acquisition of subsidiaries	收購附屬公司
Provision for the year	本年度撥備
Exchange differences	匯兌差額
At 31 December	於十二月三十一日

18 應收賬款及其他應收款 (續)

(a) 賬齡分析

計入應收賬款及其他應收款之應收賬款(已扣除減值虧損備抵)於報告日期之賬齡分析如下:

The Group 本集團	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
7,038	4,073
402	175
745	107
319	1,028
8,504	5,383

(b) 應收賬款之減值

年內減值虧損之備抵變動如下:

The Group 本集團	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
3,118	-
-	3,137
131	-
(5)	(19)
3,244	3,118

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

18 TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade receivables that are not impaired

The Group's retail sales to customers are mainly on a cash basis, by cash, debit card or credit card payment. The Group does not have a defined fixed credit policy as its major trade receivables arise from debit and credit card sales.

Based on past experience, the directors believe that no impairment allowance is necessary in respect of these trade receivables arising from credit card sales because there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Value-added tax recoverable

Included in the value-added tax recoverable is an amount of HK\$14,938,000 which the Group has prepaid, as requested by the local PRC Tax Bureau, in respect of customer's gift cards sold in 2007 and 2008. The Group has been negotiating with the PRC Tax Bureau as to when the prepaid VAT can be used to offset or settle the output VAT derived from the sale of goods in future.

18 應收賬款及其他應收款 (續)

(c) 無減值之應收賬款

本集團與消費者的零售銷售以現金為主，即以現金、扣賬卡或信用卡付款。本集團並無一套既定固定信貸措施，因其主要應收賬款是扣賬卡及信用卡銷售產生。

根據過往經驗，董事相信無需為信用卡銷售產生的應收賬款作減值備抵，因信貸質素並無重大改變及考慮到餘額應可全數收回。

(d) 可收回增值稅

可收回增值稅包括14,938,000港元，有關金額乃本集團應當地中國稅務局要求就於二零零七年及二零零八年之客戶禮品卡預先支付。本集團一直就何時可使用預付增值稅抵銷或支付未來銷售貨品產生之銷項增值稅與當地中國稅務局進行磋商。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

19 AMOUNTS DUE FROM/(TO) RELATED COMPANIES

Details of amounts due from related companies are as follows:

陝西世紀金花高新購物中心有限公司(“金花高新”)
(Shaanxi Century Ginwa Hi-Tech Shopping Centre Company Limited)*
(“Ginwa Hi-Tech”)

西安世紀金花賽高購物有限公司
(Xian Century Ginwa Saigo Shopping Company Limited)*

19 應收／(應付)關連公司款項

有關應收關連公司款項的詳情如下：

2009 HK\$'000 二零零九年 千港元	Maximum amount outstanding during the year HK\$'000 年內最高 未償還額 千港元	2008 HK\$'000 二零零八年 千港元
73	5,030	-
177	177	-
250		-

* The English translation of the company names is for reference only. The official names of these company are in Chinese.

* 公司的英文譯名僅供參考。該等公司的正式名稱以中文為準。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

19 AMOUNTS DUE FROM/(TO) RELATED COMPANIES (Continued)

The amounts due from/(to) related companies are unsecured, interest free and have no fixed terms of repayment.

20 AMOUNTS DUE FROM/(TO) DIRECTORS

Details disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance in relation to amount due from a director are as follows:

19 應收／(應付) 關連公司款項 (續)

應收／(應付) 關連公司款項為無抵押、免息及無固定還款期。

20 應收／(應付) 董事款項

有關應收董事款項詳情已根據香港公司條例第161B條披露如下：

	2009 HK\$'000 二零零九年 千港元	Maximum amount outstanding during the year HK\$'000 年內最高 未償還額 千港元	2008 HK\$'000 二零零八年 千港元
Mr. Li Haogang 李郝港先生	-	78	78

The amount due from a director was unsecured, interest free and had no fixed terms of repayment. The amount was settled during the year.

The amount due to a director is unsecured, interest free and has no fixed terms of repayment.

應收董事款項為無抵押、免息及無固定還款期。有關金額已於年內支付。

應付董事款項為無抵押、免息及無固定還款期。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

21 CASH AND CASH EQUIVALENTS

21 現金及現金等值項目

		The Group 本集團		The Company 本公司	
		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Time deposits	定期存款	-	5,685	-	-
Cash at bank and in hand	銀行結存及手頭現金	88,505	84,686	44	8
		88,505	90,371	44	8
Less: Time deposits with original maturity over three months	減：原到期日為三個月 以上之定期存款	-	(5,685)		
Cash and cash equivalents in the consolidated statement of cash flows	綜合現金流量表之現金 及現金等值項目	88,505	84,686		

(a) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for a period of three months and earn interest at 1.71% (2008: 3.15%) per annum. The directors consider the carrying amounts of cash and cash equivalents approximate their fair values.

(b) The RMB is not freely convertible into other currencies. However, subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(a) 銀行結存根據每日銀行存款利率按浮息賺取利息。短期定期存款存款期為三個月，賺取1.71%（二零零八年：3.15%）年息。董事認為現金及現金等值項目的賬面值與其公允值相若。

(b) 人民幣不可自由兌換為其他貨幣，然而，跟據中國政府頒佈的有關外匯管制規則及法規，本集團可透過獲准進行外匯業務的銀行把人民幣兌換為其他貨幣。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

22 TRADE AND OTHER PAYABLES

	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Trade payables	21,687	25,306
Advances and deposits from staff	5,313	6,107
Concessionaire sales payable	238,694	209,234
Customers' deposits and gift cards	360,486	464,734
Dividend payable	5,188	64,372
Other payables and accruals	267,123	55,744
Other tax payables	1,594	1,571
Payroll and welfare payables	18,628	21,788
Renovation retention	1,623	2,187
Suppliers' deposits	3,019	2,512
	901,668	828,249
	923,355	853,555

22 應付賬款及其他應付款

The Group 本集團		The Company 本公司	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		-	-
		-	-
		-	-
		-	-
	4,248		1,905
	-		-
	-		-
	-		-
	-		-
	-		-
	4,248		1,905
	4,248		1,905

All of the trade and other payables are expected to be settled or recognised as an income within one year. The directors consider the carrying amounts of trade and other payables approximate their fair values.

所有應付賬款及其他應付款將於一年內償還或確認為收入。董事認為應付賬款及其他應付款之賬面值與其公允值相若。

Ageing analysis

Included in trade and other payables are trade payables with the following ageing analysis as of the reporting date:

賬齡分析

計入應付賬款及其他應付款之應付賬款於報告日期之賬齡分析如下：

		The Group 本集團	
		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
0-30 days	0-30天	16,103	19,291
31-90 days	31-90天	4,169	4,803
Over 90 days	90天以上	1,415	1,212
		21,687	25,306

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

23 BANK AND OTHER LOANS

23 銀行及其他貸款

		The Group 本集團	
		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Bank loans, secured (note (a))	有抵押之銀行貸款 (附註(a))	186,431	358,575
Other loan payable (note (b))	其他應付貸款 (附註(b))	80,910	-
		267,341	358,575

(a) Bank loans, secured

The bank loans are interest bearing at a range from 5.31% to 7.254% per annum (2008: 5.31% to 13%), secured by investment securities and properties of related companies and guarantees given by related companies, and are repayable within one year.

(b) Other loan payable

The other loan is unsecured, interest free and repayable on demand (see note 35(b)).

(a) 有抵押之銀行貸款

有關銀行貸款按介乎5.31%至7.254% (二零零八年：5.31%至13%)之年利率計息，以關連公司之投資證券及物業以及關連公司發出之擔保作抵押，並須於一年內償還。

(b) 其他應付貸款

其他貸款為無抵押、免息及須於要求時償還 (見附註35(b))。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

24 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2009, the Group had obligations under finance leases repayable as follows:

Within 1 year	一年內	-	-
After 1 year but within 5 years	一年後但五年內	-	-
		-	-
Less: Total future interest expenses	減：未來利息費用總額		-
Present value of lease obligations	租賃債務之現值		-

The finance leases were fully repaid during the year.

24 融資租賃之債務

於二零零九年十二月三十一日，本集團根據融資租賃須償還之債務如下：

2009 二零零九年		2008 二零零八年	
Present value of minimum lease payments HK\$'000 最低租賃 付款之現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元	Present value of minimum lease payments HK\$'000 最低租賃 付款之現值 千港元	Total minimum lease payments HK\$'000 最低租賃 付款總額 千港元
-	-	154	178
-	-	-	-
-	-	154	178
			(24)
			154

融資租賃已於年內悉數償還。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

Provision for PRC Enterprise Income Tax for the year (note 7(a))	本年度中國企業所得稅撥備 (附註7(a))	27,963	10,231
Exchange differences	匯兌差額	46	54
Provisional tax paid	已繳付之預繳稅項	(11,989)	(6,988)
		16,020	3,297
Balance of tax provision relating to prior years	過往年度稅項撥備結餘	26,030	26,857
Under-provision in respect of prior years	過往年度撥備不足	1,937	–
Tax refund for prior years	過往年度退稅	928	–
Tax paid for prior years	過往年度已繳付稅項	(5,225)	(4,124)
Tax provision taken up by a related company	就關連公司所作稅項撥備	(32,401)	–
Current taxation	本期稅項	7,289	26,030

25 綜合財務狀況表之所得稅

(a) 綜合財務狀況表之本期稅項為：

The Group 本集團		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
		27,963	10,231
		46	54
		(11,989)	(6,988)
		16,020	3,297
		26,030	26,857
		1,937	–
		928	–
		(5,225)	(4,124)
		(32,401)	–
		7,289	26,030

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

The Group

	Decelerated depreciation allowances	Loss on investment	Deferred income	Provision for impairment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	減速折舊準備	投資損失	遞延收入	減值撥備	其他	合計
	千港元	千港元	千港元	千港元	千港元	千港元
Deferred tax arising from:	遞延稅項形成於:					
At 1 January 2008	-	-	-	-	-	-
Acquisition of subsidiaries (note 27)	(5,546)	(213)	1,930	(782)	669	(3,942)
Charge to profit or loss (note 7(a))	(251)	-	190	-	325	264
Exchange differences	33	2	(12)	4	(4)	23
At 31 December 2008	(5,764)	(211)	2,108	(778)	990	(3,655)
At 1 January 2009	(5,764)	(211)	2,108	(778)	990	(3,655)
Charge to profit or loss (note 7(a))	(246)	-	567	(33)	-	288
Exchange differences	(4)	-	3	-	-	(1)
At 31 December 2009	(6,014)	(211)	2,678	(811)	990	(3,368)

25 綜合財務狀況表之所得稅 (續)

(b) 已確認遞延稅項資產及負債:

於綜合財務狀況表確認之遞延稅項資產的成份及本年變動如下:

本集團

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) (Continued)

Net deferred tax assets recognised on the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產淨額
--	---------------------

(c) Deferred tax assets and liabilities not recognised

In accordance with the accounting policy set out in note 2(r) the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$15,186,000 (2008: HK\$10,025,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The unrecognised tax losses will expire in the following years ending 31 December:

2013	二零一三年
2014	二零一四年
No expiry date	無屆滿日期

25 綜合財務狀況表之所得稅 (續)

(b) (續)

The Group 本集團

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
3,368	3,655

(c) 未確認之遞延稅項資產及負債

根據附註2(r)所載之會計政策，本集團因累計稅務虧損而未確認之遞延稅項資產約為15,186,000港元（二零零八年：10,025,000港元），原因為在有關稅務司法權區及實體並不可能取得未來應課稅溢利以供虧損抵銷。

未確認稅務虧損將於以下年度之十二月三十一日屆滿：

The Group 本集團

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
-	150
925	-
14,261	9,875
15,186	10,025

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(c) Deferred tax assets and liabilities not recognised (Continued)

At 31 December 2009, the Group has unrecognised deferred tax liabilities of approximately HK\$8,495,000 (2008: HK\$5,450,000) in relation to withholding tax on undistributed earnings of approximately HK\$169,903,000 (2008: HK\$109,000,000) due to the retention of undistributed earnings by the Group's subsidiaries in the PRC determined by the directors of the Company.

26 CONVERTIBLE BONDS

On 19 September 2008, the Company issued 2.75% convertible bonds with an aggregate principal amount of approximately HK\$1,231,612,000. The five-year convertible bonds were issued with a conversion price of HK\$0.689 per share and will mature on 18 September 2013. The yield to maturity is 19.12%.

Due to several terms in the convertible bonds including price reset and cash settlement option, the conversion will not result in the exchange of a fixed number of the Company's shares. In accordance with the requirements of HKAS 32, Financial Instruments: Presentation and HKAS 39, Financial Instruments: Recognition and Measurement, the convertible bond contract must be separated into two component elements: a derivative component consisting of the conversion option and a liability component of the straight debt element of the convertible bonds.

On the issue of the convertible bonds, the fair value of the embedded conversion option was calculated using the Trinomial Tree model. The derivative component, the embedded conversion option, is carried at fair value on the statement of financial position with any changes in fair value being charged or credited to the income statement in the period when the change occurs. The remainder of the proceeds is allocated to the debt element of the convertible bonds, net of transaction costs, and is recorded as the liability component. The liability component is subsequently carried at amortised cost until extinguished on conversion or redemption. Interest expense is calculated using the effective interest method by applying the effective interest rate to the liability component through the maturity date.

25 綜合財務狀況表之所得稅 (續)

(c) 未確認之遞延稅項資產及負債 (續)

於二零零九年十二月三十一日，本集團與不分派盈利之預扣稅約169,903,000港元（二零零八年：109,000,000港元）有關之未確認遞延稅項負債為約8,495,000港元（二零零八年：5,450,000港元），是由於本公司董事決定由本集團之中國附屬公司保留不分派盈利所致。

26 可換股債券

於二零零八年九月十九日，本公司以總本金額約1,231,612,200港元發行2.75%可換股債券。五年期可換股債券以每股轉換價0.689港元發行，並於二零一三年九月十八日到期。到期利息為19.12%。

鑑於可換股債券的部份條款包括重定價格及現金結算選擇，可換股債券不可轉換定額數量的本公司股份。根據香港會計準則第32號「金融工具：列賬」及香港會計準則第39號「金融工具：確認及計算」的規定，可換股債券合約必須分開兩部份處理：包含可轉換權之衍生部份，及可換股債券直接債項的負債部份。

在發行可換股債券時，內含可轉換權的公允值以三元樹方法計算。其衍生部份、內含可轉換權，均按公允值列於財務狀況表，而如公允值有任何變動，則在變動出現時會於該期間的收益賬作支銷或入賬。餘下的所得款會撥作可換股債券的債項部份（扣除交易成本），並記賬為負債部份。負債部份其後按攤銷成本列賬，直至於轉換及贖回時被註銷。利息支出使用實際利率方法計算，以實際利率按到期日計算負債部份。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

26 CONVERTIBLE BONDS (Continued)

If the convertible bonds are converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the convertible bonds are redeemed, any difference between the amount paid related to the liability component and the carrying amount of liability component is recognised in the income statement.

The embedded conversion option has been separated from the host debt contract and accounted for as a derivative liability carried at fair value through profit or loss. The fair value of this conversion option which is not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select an appropriate valuation method and makes assumptions that are mainly based on market conditions existing at each reporting date. The valuation model requires the input of subjective assumptions, such as the volatility of the share price, stock closing price, dividend yield, risk-free rate, and expected option life. Changes in subjective input assumptions can materially affect the fair value estimate. For the year ended 31 December 2009, the fair value of the derivative component of the convertible bonds was calculated using the Trinomial Tree Model.

Fair value of the conversion option

The change in the fair value of the conversion option during the year resulted in a fair value gain of approximately HK\$9,058,000, which has been recorded as "Fair value gain on the derivative component of convertible bonds" in the consolidated income statement for the year ended 31 December 2009.

26 可換股債券 (續)

若可換股債券被轉換，衍生及負債部份的賬面值會轉為股本及股份溢價，並作為發行股份的代價。若可換股債券被贖回，支付有關負債部份款額及負債部份的賬面值差異將於收益賬入賬確認。

內含可轉換權已與擁有權債務合約分開處理，並作為按公允值在損益賬處理之衍生負債入賬。這等不可在活躍市場交易的可轉換權之公允值是以估值方法來釐定。本集團使用其判斷來選取一種合適估值方法來作出假設。這等假設根據每個報告日期的市場現況。該估值方式要求主觀假設，如股份價格的波動、股份收市價、股息率、無風險比率及預期期權年期。主觀假設的變動能實際影響公允值的估值。於截至二零零九年十二月三十一日止年度，可換股債券衍生部份之公允值是採用三元樹方法運算。

可轉換權之公允值

可轉換權的公允值在年內之變動，令公允值增加約9,058,000港元，並已於截至二零零九年十二月三十一日止年度之綜合收益賬入賬為「可換股債券衍生部份之公允值收益」。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

26 CONVERTIBLE BONDS (Continued)

The carrying values of the derivative component and liability component of the convertible bonds as at 31 December 2009 are as follows:

26 可換股債券 (續)

於二零零九年十二月三十一日可換股債券之衍生部份及負債部份之賬面值如下：

		The Group and the Company 本集團及本公司		
		Liability component	Derivative component	Total
		HK\$'000 負債部份 千港元	HK\$'000 衍生部份 千港元	HK\$'000 合計 千港元
At 1 January 2008	於二零零八年一月一日	-	-	-
Issue of convertible bonds (note 27)	發行可換股債券 (附註27)	688,534	149,736	838,270
Fair value gain on the derivative component of convertible bonds	可換股債券衍生部份之公允價值收益	-	(73,108)	(73,108)
Interest expense (note 6(a))	利息支出 (附註6(a))	28,556	-	28,556
Conversion during the year	年內轉換	(71,317)	(15,488)	(86,805)
At 31 December 2008	於二零零八年十二月三十一日	<u>645,773</u>	<u>61,140</u>	<u>706,913</u>
At 1 January 2009	於二零零九年一月一日	645,773	61,140	706,913
Fair value gain on the derivative component of convertible bonds	可換股債券衍生部份之公允價值收益	-	(9,058)	(9,058)
Interest expense (note 6(a))	利息支出 (附註6(a))	103,182	-	103,182
Interest paid	已付利息	(33,610)	-	(33,610)
At 31 December 2009	於二零零九年十二月三十一日	<u>715,345</u>	<u>52,082</u>	<u>767,427</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

26 CONVERTIBLE BONDS (Continued)

On 22 September 2008, the convertible bond in a principal amount of HK\$127,396,100 was converted into 184,900,000 ordinary shares.

As a result of the conversion, the outstanding principal amount of the convertible bonds was HK\$1,104,216,100 as at 31 December 2008 and 2009.

27 BUSINESS COMBINATION

Acquisition of Century Ginwa group

On 25 September 2007, the Group entered into agreements with Ginwa Investments and its associates to acquire a 76.43% equity interest in Century Ginwa and Xian Century Ginwa Property Management Company Limited ("Century Ginwa group") at an aggregate consideration of RMB180,000,000 in cash and of HK\$1,231,612,200 in convertible bonds issued by the Company. The acquisition was completed on 31 August 2008, at which date the fair value of convertible bonds and the cash consideration amounted to HK\$1,044,168,000. The fair value of the convertible bonds was determined based on the valuations carried by an independent firm of surveyors, RHL Appraisal Ltd., using Trinomial Tree Model as at that date.

26 可換股債券 (續)

於二零零八年九月二十二日，本金額127,396,100港元之可換股債券被轉換為184,900,000股普通股。

可換股債券獲轉換後，可換股債券於二零零八年及二零零九年十二月三十一日之本金結餘額為1,104,216,100港元。

27 業務合併

收購世紀金花集團

於二零零七年九月二十五日，本集團與金花投資及其聯營公司達成一項協議，以總代價人民幣180,000,000元現金及本公司發行的1,231,612,200港元可換股債券，購入世紀金花及西安世紀金花物業管理有限公司（「世紀金花集團」）的76.43%股權。該項收購於二零零八年八月三十一日完成，而收購完成當日的可換股債券公允值及現金代價為1,044,168,000港元。可換股債券公允值是基於獨立估值公司永利行評值顧問有限公司以三元樹方法進行的估值而釐定。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

27 BUSINESS COMBINATION (Continued)

Acquisition of Century Ginwa group (Continued)

The net assets acquired in the transaction, and the goodwill arising, are as follows:

		Acquiree's carrying amount before combination	Fair value
		HK\$'000	HK\$'000
		被收購公司 綜合前 之賬面值 千港元	公允值 千港元
Net assets acquired:	獲得之資產淨額:		
Fixed assets	固定資產	104,443	84,924
Loan receivable	應收貸款	1,333,018	1,333,018
Deferred tax assets	遞延稅項資產	3,942	3,942
Inventories	存貨	18,684	18,684
Trade and other receivables	應收賬款及其他應收款	29,603	29,597
Amounts due from related companies	應收關連公司款項	16,713	16,713
Amount due from a director	應收董事款項	108	108
Cash and cash equivalents	現金及現金等值項目	82,650	82,650
Trade and other payables	應付賬款及其他應付款	(732,158)	(730,644)
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(71,308)	(71,308)
Bank loans, secured	有抵押之銀行貸款	(401,164)	(401,164)
Dividend payable	應付股息	(13,585)	(13,585)
Obligations under finance leases	融資租賃之債務	(238)	(238)
Current taxation	本期稅項	(22,911)	(22,911)
		<u>347,797</u>	<u>329,786</u>
Less: Dividends declared to former shareholders	減：向前股東宣派之股息		(51,183)
Minority interests	少數股東權益		<u>(65,667)</u>
Net assets acquired	獲得之資產淨額		212,936
Goodwill (note 15)	商譽 (附註15)		<u>831,232</u>
Total consideration	總代價		<u>1,044,168</u>
Satisfied by:	收入方式：		
Cash	現金		205,898
Issue of convertible bonds (note 26)	發行可換股債券 (附註26)		<u>838,270</u>
			<u>1,044,168</u>
Net cash outflow arising on acquisition	收購產生之現金流出淨額		
Cash consideration paid	已付現金代價		(205,898)
Cash and cash equivalents acquired	獲得之現金及現金等值項目		<u>82,650</u>
			<u>(123,248)</u>

27 業務合併 (續)

收購世紀金花集團 (續)

交易所獲得之資產淨額及所產生之商譽如下：

	Acquiree's carrying amount before combination	Fair value
	HK\$'000	HK\$'000
	被收購公司 綜合前 之賬面值 千港元	公允值 千港元
Net assets acquired:		
Fixed assets	104,443	84,924
Loan receivable	1,333,018	1,333,018
Deferred tax assets	3,942	3,942
Inventories	18,684	18,684
Trade and other receivables	29,603	29,597
Amounts due from related companies	16,713	16,713
Amount due from a director	108	108
Cash and cash equivalents	82,650	82,650
Trade and other payables	(732,158)	(730,644)
Amounts due to fellow subsidiaries	(71,308)	(71,308)
Bank loans, secured	(401,164)	(401,164)
Dividend payable	(13,585)	(13,585)
Obligations under finance leases	(238)	(238)
Current taxation	(22,911)	(22,911)
	<u>347,797</u>	<u>329,786</u>
Less: Dividends declared to former shareholders		(51,183)
Minority interests		<u>(65,667)</u>
Net assets acquired		212,936
Goodwill (note 15)		<u>831,232</u>
Total consideration		<u>1,044,168</u>
Satisfied by:		
Cash		205,898
Issue of convertible bonds (note 26)		<u>838,270</u>
		<u>1,044,168</u>
Net cash outflow arising on acquisition		
Cash consideration paid		(205,898)
Cash and cash equivalents acquired		<u>82,650</u>
		<u>(123,248)</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

27 BUSINESS COMBINATION (Continued)

Acquisition of Century Ginwa group (Continued)

The goodwill arising on the acquisition of Century Ginwa group was attributable to the anticipated future operating synergies from the combination.

27 業務合併 (續)

收購世紀金花集團 (續)

收購世紀金花集團產生之商譽為預計綜合後於未來協力經營應佔的商譽。

28 CAPITAL, RESERVES AND DIVIDENDS

(a) The Company

		Share capital	Share premium	Contributed surplus	Share-based payment reserve	Warrant reserve	Accumulated losses	Total
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	附註	股本	股份溢價	繳入盈餘	以股份支付儲備	認股權證儲備	累計虧損	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於二零零八年一月一日	94,842	307,872	49,886	2,032	2,285	(114,339)	342,578
Shares issued for conversion of convertible bonds	就轉換可換股債券發行之股份 28(c)(i)	18,490	68,313	-	-	-	-	86,803
Shares issued for exercise of warrants	就認股權證獲行使發行之股份 28(c)(ii)	2,292	9,880	-	(1,869)	-	-	10,303
Shares issued for exercise of share options	就購股權獲行使發行之股份 28(c)(iii)	200	770	-	-	(50)	-	920
Equity settled share-based transactions	以股份支付之股本交易	-	-	-	-	-	-	-
- Amount recognised during the year	- 年內確認之金額	-	-	-	2,447	-	-	2,447
- Forfeiture of share options	- 沒收購股權	-	-	-	(163)	-	163	-
Expenses paid for placement of shares	配售股份之已付支出	-	(162)	-	-	-	-	(162)
Loss for the year	年內虧損	-	-	-	-	-	(422,118)	(422,118)
At 31 December 2008	於二零零八年十二月三十一日	115,824	386,673	49,886	2,447	2,235	(536,294)	20,771
At 1 January 2009	於二零零九年一月一日	115,824	386,673	49,886	2,447	2,235	(536,294)	20,771
Lapse of warrants	認股權證失效 28(c)(iv)	-	-	-	-	(2,235)	2,235	-
Issue of warrants	發行認股權證 28(c)(v)	-	-	-	-	2,548	-	2,548
Shares issued for exercise of warrants	就認股權證獲行使發行之股份 28(c)(vi)	1,000	2,010	-	-	(110)	-	2,900
Equity settled share-based transactions	以股份支付之股本交易	-	-	-	-	-	-	-
- Amount recognised during the year	- 年內確認之金額	-	-	-	2,553	-	-	2,553
- Forfeiture of share options	- 沒收購股權	-	-	-	(372)	-	372	-
Expenses paid for issue of warrants and lapse of warrants	發行認股權證及認股權證失效之已付支出	-	(105)	-	-	-	-	(105)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	(343,602)	(343,602)
At 31 December 2009	於二零零九年十二月三十一日	116,824	388,578	49,886	4,628	2,438	(877,289)	(314,935)

(a) 本公司

28 資本、儲備及股息

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(b) Dividends

The Board has resolved not to declare any dividend in respect of the year ended 31 December 2009 (2008: HK\$Nil).

(c) Share capital

Authorised and issued share capital

Authorised:	法定:
Ordinary shares of HK\$0.1 each	每股0.1港元之普通股
At 1 January and 31 December	於一月一日及 十二月三十一日
Ordinary shares, issued and fully paid:	普通股、已發行及繳足:
At 1 January	於一月一日
Shares issued for conversion of convertible bonds (note (i))	轉換可換股債券時 發行股份(附註(i))
Shares issued for exercise of share options (note (ii))	行使購股權時發行股份 (附註(ii))
Shares issued for exercise of warrants (notes (iii) and (vi))	行使認股權證時發行 股份(附註(iii)及(vi))
At 31 December	於十二月三十一日

28 資本、儲備及股息(續)

(b) 股息

董事會議決不就截至二零零九年十二月三十一日止年度宣派任何股息(二零零八年:零港元)。

(c) 股本

法定及已發行股本

2009 二零零九年		2008 二零零八年	
No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
股份數量 千	千港元	股份數量 千	千港元
20,000,000	2,000,000	20,000,000	2,000,000
1,158,241	115,824	948,419	94,842
-	-	184,900	18,490
-	-	22,922	2,292
10,000	1,000	2,000	200
1,168,241	116,824	1,158,241	115,824

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Share capital (Continued)

Authorised and issued share capital (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (i) On 22 September 2008, the convertible bond in a principal amount of HK\$127,396,100 was converted into 184,900,000 ordinary shares of HK\$0.1 each at the conversion price of HK\$0.689. The excess of the conversion price over the par value of the new shares, totalling HK\$68,313,000, was credited to the share premium account of the Company.
- (ii) During the year ended 31 December 2008, 22,922,250 new shares of HK\$0.1 each were allotted and issued at a premium of HK\$0.35 per share upon the exercise of 22,922,250 share options granted under the share option scheme as mentioned in note 29 to the financial statements. The excess of the issue price over the par value of the new shares and the related share-based payment reserve, totalling HK\$9,880,000, were credited to the share premium account of the Company.

28 資本、儲備及股息 (續)

(c) 股本 (續)

法定及已發行股本 (續)

普通股持有人有權收取不時宣派之股息，於本公司大會按一股一票之方式投票。所有普通股就本公司之剩餘資產享有等同權益。

- (i) 於二零零八年九月二十二日，本金額127,396,100港元之可換股債券以轉換價0.689港元被轉換為184,900,000股每股0.1港元之普通股。轉換價超出新股份面值之總金額68,313,000港元，已入賬於本公司之股份溢價賬。
- (ii) 於截至二零零八年十二月三十一日止年度，因財務報表附註29所述之購股權計劃授出之22,922,250份購股權獲行使，按每股溢價0.35港元配發及發行了22,922,250股每股面值0.1港元之新股份。發行價超出新股份面值及相關之以股份支付儲備之總金額9,880,000港元，已入賬於本公司之股份溢價賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Share capital (Continued)

Authorised and issued share capital (Continued)

- (iii) During the year ended 31 December 2008, an aggregate of 2,000,000 new shares of HK\$0.1 each were issued for cash pursuant to the exercise of 2,000,000 warrants for a cash consideration of HK\$920,000. The excess by the subscription price over the par value of the shares and the related warrant reserve, totalling HK\$770,000, were credited to the share premium account of the Company.
- (iv) On 20 July 2009, the 89,398,156 warrants issued on 20 July 2007 expired.
- (v) On 31 August 2009, 231,600,000 warrants at an issue price of HK\$0.011 each were issued to an independent third party. Each of the warrants confers rights to the registered holder to subscribe for one new share of the Company in cash at an initial subscription price of HK\$0.29 per share, subject to adjustments, up to the amount of HK\$67,164,000 at any time during the period of two years from the date of issue.

28 資本、儲備及股息 (續)

(c) 股本 (續)

法定及已發行股本 (續)

- (iii) 截至二零零八年十二月三十一日止年度，根據以920,000港元之現金代價行使2,000,000份認股權證，而發行之每股面值0.1港元之新股份總數為2,000,000股，以換取現金。認購價超出股份面值及有關認股權證儲備之金額合共770,000港元，已入賬於本公司之股份溢價賬。
- (iv) 於二零零九年七月二十日，89,398,156份於二零零七年七月二十日發行之認股權證已告到期。
- (v) 於二零零九年八月三十一日，231,600,000份認股權證已按發行價每份0.011港元發行予一名獨立第三方。每份認股權證賦予其登記持有人權利，可於發行日期起計兩年期內任何時間，按初步認購價每股0.29港元（可予調整）以現金認購一股本公司新股份，所涉及金額最多達67,164,000港元。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Share capital (Continued)

Authorised and issued share capital (Continued)

- (vi) On 8 September 2009, 10,000,000 new shares of HK\$0.1 each were issued for cash at HK\$0.29 per share upon exercise of 10,000,000 warrants by the registered holder for a total consideration of HK\$2,900,000. The excess by the subscription price over the par value of the shares and the related warrant reserve, totalling HK\$2,010,000, were credited to the share premium account of the Company.

As at 31 December 2009, the Company had 221,600,000 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in an issue of 221,600,000 additional ordinary shares of the Company, including additional share capital and share premium of approximately HK\$22,160,000 and HK\$42,104,000 (before expenses) respectively.

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.

28 資本、儲備及股息 (續)

(c) 股本 (續)

法定及已發行股本 (續)

- (vi) 於二零零九年九月八日，10,000,000股每股面值0.1港元之新股份因登記持有人以總代價2,900,000港元行使10,000,000份認股權證而按每股0.29港元予以發行，以換取現金。股份認購價較面值及有關認股權證儲備高出之金額合共2,010,000港元，已入賬於本公司之股份溢價賬。

於二零零九年十二月三十一日，本公司尚未行使之認股權證為221,600,000份。若該等認股權證按現時本公司股本結構獲悉數行使，將要額外發行221,600,000股本公司普通股，包括約22,160,000港元之額外股本及42,104,000港元（除支出前）之額外股份溢價。

(d) 儲備之性質及用途

(i) 股份溢價

股份溢價賬的應用由百慕達一九八一年公司法第40條監管。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves (Continued)

(ii) Capital reserve

Capital reserve represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of a subsidiary acquired through an exchange of shares pursuant to a group reorganisation (the "Reorganisation") by which the Company became the holding company of the other companies comprising the Group on 28 September 2000.

(iii) Contributed surplus

Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of a subsidiary acquired through an exchange of shares pursuant to the Reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

28 資本、儲備及股息 (續)

(d) 儲備之性質及用途 (續)

(ii) 資本儲備

資本儲備是指本公司發行普通股的面值，與根據集團重組（「重組」）透過交換股份取得附屬公司的總股本及股份溢價之間的差異。於二零零零年九月二十八日，本公司透過重組與其他公司組成本集團，並成為這等附屬公司的控股公司。

(iii) 繳入盈餘

繳入盈餘是指本公司發行普通股的面值，與重組後透過交換股份獲得附屬公司資產淨值的差異。

根據百慕達一九八一年公司法（經修訂），繳入盈餘可分派給股東，但如有下述情況則本公司不能宣派或派付股息，或動用繳入盈餘作出分派。這些情況包括 (i) 支付後未能付還到期負債，或 (ii) 其資產之可變現價值將少於其總負債、已發行股本及股份溢價賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves (Continued)

(iv) Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

(v) Warrant reserve

The warrant reserve comprises the consideration received from issuance of warrants.

(vi) Statutory surplus reserve

As stipulated by regulations in the PRC, the Group's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to statutory surplus reserve until the reserve balance reaches 50% of the share capital/registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders/equity owners.

(vii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(u).

28 資本、儲備及股息 (續)

(d) 儲備之性質及用途 (續)

(iv) 購股權儲備

購股權儲備包括授予本公司僱員實際或估計未行使購股權數量的公允值，已根據附註2(q)(ii)股份付款的會計政策確認。

(v) 認股權證儲備

認股權證儲備包括從發行認股權證所收之代價。

(vi) 法定盈餘儲備

根據中國法規規定，本集團在中國成立及經營之附屬公司須將其根據中國會計規則及法規釐定的除稅後溢利（抵銷過往年度虧損後）的10%轉撥至法定盈餘儲備，直至該儲備的結餘達到半數股本／註冊資本為止，且須於向股東／權益擁有人分派股息前轉撥至該儲備。

(vii) 匯兌儲備

匯兌儲備包括所有因換算海外業務財務報表所產生的匯兌差額。儲備已根據附註2(u)列出的會計政策處理。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(e) Distributability of reserves

At 31 December 2009, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$Nil (2008: HK\$Nil).

(f) Capital management

The Group's primary objective when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes judgements to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes trade and other payables, bank and other loans, current taxation, amounts due to related companies and subsidiaries, amount due to a director, and convertible bonds), less cash and cash equivalents. Adjusted capital comprises all components of equity.

28 資本、儲備及股息 (續)

(e) 可供分派儲備

於二零零九年十二月三十一日，可供分派予本公司股東之儲備總額為：零港元（二零零八年：零港元）。

(f) 資本管理

本集團在管理資本時之首要目標為保障本集團能持續經營之能力，藉以不斷為股東提供回報，為其他權益持有人提供裨益。方法包括依照風險水平釐定產品及服務價格，及以合理成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報（借貸水平可能較高）與維持良好資本狀況的益處和保障之間取得平衡，並且因應經濟情況之轉變調整資本架構。

據行業慣例，本集團以經調整淨債項資本比率為基準監察資本架構。為此經調整淨債項定義為總債項（其中包括應付賬款及其他應付款、銀行及其他貸款、本期稅項、應付關連公司及附屬公司款項、應付董事款項及可換股債券），減現金及現金等值項目。經調整資本包括股本全部項目。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(f) Capital management (Continued)

During 2009, the Group's strategy, which was unchanged from 2008, was to maintain the adjusted net debt-to-capital ratio at the lower end of the range 10% to 45%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

28 資本、儲備及股息 (續)

(f) 資本管理 (續)

於二零零九年，本集團的策略與二零零八年維持不變，為維持經調整淨債項資本比率於10%至45%的低幅。為了維持或調整比率，本集團可能調整分派予股東之股息、發行新股、退回資本予股東、提出新債項融資或賣出資產以減債。

		The Group 本集團		The Company 本公司	
		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Current liabilities:	流動負債：				
Trade and other payables	應付賬款及其他應付款	923,355	853,555	4,248	1,905
Amounts due to related companies	應付關連公司款項	47,674	2,502	-	-
Amount due to a director	應付董事款項	135	-	-	-
Amounts due to subsidiaries	應付附屬公司款項	-	-	7,605	7,656
Bank and other loans	銀行及其他貸款	267,341	358,575	-	-
Obligations under finance leases	融資租賃之債務	-	154	-	-
Current taxation	本期稅項	7,289	26,030	-	-
		1,245,794	1,240,816	11,853	9,561
Non-current liabilities:	非流動負債：				
Convertible bonds	可換股債券	767,427	706,913	767,427	706,913
Total debt	總債項	2,013,221	1,947,729	779,280	716,474
Less: Cash and cash equivalents	減：現金及現金等值項目	88,505	90,371	44	8
Adjusted net debt	經調整債項淨額	1,924,716	1,857,358	779,236	716,466
Total (deficit)/equity	(虧絀)/權益總額	(34,963)	(11,301)	(314,935)	20,771
Adjusted capital	經調整資本	(34,963)	(11,301)	(314,935)	20,771
Adjusted net debt-to-capital ratio	經調整淨債項資本比率	N/A不適用	N/A不適用	N/A不適用	3,449%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其任何附屬公司均不受制於外部的資本要求。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company operates a share option scheme for the purpose of attracting and retaining quality personnel and providing incentives to eligible participants, including any directors, employees, consultants and service providers of the Group and any persons or entities having business with the Group. The scheme was introduced on 6 November 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which share options may be granted under the scheme shall not exceed 10% of the number of issued shares of the Company at 6 November 2001 ("General Limit") unless its shareholders in general meeting revise this limit. The General Limit was revised to 40,922,250 shares at a Special General Meeting ("SGM") of the Company held on 15 June 2004. The General Limit was further revised at the Annual General Meetings of the Company on 8 January 2007, 6 June 2008 and 19 June 2009 to 49,106,695 shares, 96,334,085 shares and 115,824,085 shares respectively. Notwithstanding the foregoing, the aggregate number of shares issued or issuable under the scheme and any other scheme(s) of the Company shall not exceed 30% of its issued share capital from time to time.

The offer of a grant of share options may be accepted by the grantee within 21 days from the date of the offer. The exercise period of the share options granted (including the minimum period, if any, for which an option must be held before it can be exercised) is determinable by the directors of the Company, and such period of time shall not be later than 6 November 2011.

29 以股份支付之股本交易

本公司設立了一個購股權計劃，目的在於吸引及留任優秀人員，並為合資格參與者提供獎勵。該等人士包括本集團之任何董事、僱員、顧問及服務供應商，以及與本集團有業務往來之任何人士或實體。該計劃於二零零一年十一月六日推行，除另行註銷或修訂外，該計劃將於該日起計10年內有效。

根據該計劃可能授出之購股權所涉及之最高股份數目，不得超過本公司於二零零一年十一月六日之已發行股份的10%（「一般限額」），除非本公司股東於股東大會上修訂該限額則另作別論。一般限額已於二零零四年六月十五日舉行之本公司特別股東大會更新為40,922,250股股份。於二零零七年一月八日、二零零八年六月六日及二零零九年六月十九日舉行之本公司股東週年大會，一般限額再次分別更新為49,106,695股股份、96,334,085股股份及115,824,085股股份。不論上文所述者，根據該計劃及本公司任何其他計劃所發行或可予發行之股份總數，不得超過本公司不時已發行股本之30%。

承授人可於購股權要約日期起21日內接納要約授出之購股權。所授出購股權之行使期（包括購股權可於行使前之最短持有期（如有））乃由本公司董事釐定，無論如何該期限不得遲於二零一一年十一月六日。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

The exercise price of the share options shall be the higher of (i) the nominal value of the shares; (ii) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (iii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant (subject to scheme adjustments).

Details of movements in share options granted under the scheme:

Name of participants	Date of grant	Exercise price	Vesting and exercise period	Number of share options			Outstanding as at 31 December 2009 於二零零九年十二月三十一日尚未行使
				Outstanding as at 1 January 2009 於二零零九年一月一日尚未行使	Lapsed during the year	Forfeited during the year	
Directors							
董事							
Mr. Hu Yangxiong 胡養雄先生	15 Jan 2008 二零零八年一月十五日	0.74	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零零九年一月十五日	3,154,000	-	-	3,154,000
Mr. Leung Siu Kuen 梁兆權先生	15 Jan 2008 二零零八年一月十五日	0.74	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零零九年一月十五日	1,500,000	-	(1,500,000)	-
Mr. Li Haogang 李郝港先生	15 Jan 2008 二零零八年一月十五日	0.74	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零零九年一月十五日	2,000,000	-	-	2,000,000
Mr. Qu Jiaqi 曲家琪先生	15 Jan 2008 二零零八年一月十五日	0.74	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零零九年一月十五日	2,000,000	-	-	2,000,000
Mr. Sha Yingjie 沙英傑先生	15 Jan 2008 二零零八年一月十五日	0.74	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零零九年一月十五日	2,000,000	-	-	2,000,000
Consultants							
顧問							
	23 Feb 2004 二零零四年二月二十三日	0.54	23 Feb 2004 to 22 Feb 2009 二零零四年二月二十三日至二零零九年二月二十二日	4,092,225	(4,092,225)	-	-
	26 Mar 2004 二零零四年三月二十六日	0.463	26 Mar 2004 to 25 Mar 2009 二零零四年三月二十六日至二零零九年三月二十五日	12,276,675	(12,276,675)	-	-
	15 Jan 2008 二零零八年一月十五日	0.74	16 Jan 2008 to 15 Jan 2010 二零零八年一月十六日至二零零九年一月十五日	9,484,000	-	-	9,484,000
				36,506,900	(16,368,900)	(1,500,000)	18,638,000

29 以股份支付之股本交易 (續)

購股權之行使價須為下列各項之較高者：(i)股份面值，(ii)按聯交所發出之日報表所示，股份於授出日期之收市價，及(iii)按聯交所發出之日報表所示，股份於緊接授出日期前五個營業日之平均收市價（可按該計劃作出調整）。

根據該計劃授出之購股權之變動詳情如下：

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

Mr. Leung Siu Kuen resigned as director of the Company on 11 December 2008.

Mr. Hu Yangxiong resigned as director of the Company on 8 March 2010.

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

	Number of options 購股權數量	Vesting conditions 歸屬條件	Contractual life of options 購股權合約期
Options granted to directors: 授予董事之購股權：			
– on 15 Jan 2008 — 於二零零八年一月十五日	10,654,000	Half year from the date of grant 授出日後半年	2 years 兩年
Options granted to employees and consultants: 授予僱員及顧問之購股權：			
– on 23 Feb 2004 — 於二零零四年二月二十三日	4,092,225	Half year from the date of grant 授出日後半年	5 years 五年
– on 26 Mar 2004 — 於二零零四年三月二十六日	12,276,675	Half year from the date of grant 授出日後半年	5 years 五年
– on 15 Jan 2008 — 於二零零八年一月十五日	38,452,000	Half year from the date of grant 授出日後半年	2 years 兩年
Total share options 購股權總數	65,474,900		

29 以股份支付之股本交易 (續)

梁兆權先生於二零零八年十二月十一日辭任本公司董事職務。

胡養雄先生於二零一零年三月八日辭任本公司董事職務。

(a) 年內授出購股權之細則及條款如下，所有購股權均以有關股份進行實物交收：

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number of share options are as follows:

At 1 January	於一月一日
Exercised during the year	年內行使
Forfeited/lapsed during the year	年內沒收/失效
Granted during the year	年內授出
At 31 December	於十二月三十一日
Exercisable at the end of the year	年終可行使

No share options were exercised during the year. The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2008 was HK\$0.45.

The options outstanding at 31 December 2009 had exercise price of HK\$0.74 (2008: HK\$0.74, HK\$0.54 and HK\$0.463) and a weighted average remaining contractual life of half a month (2008: one year). All the options were subsequently remained unexercised and lapsed.

29 以股份支付之股本交易 (續)

(b) 購股權數量如下：

2009 Number of options 二零零九年 購股權數量	2008 Number of options 二零零八年 購股權數量
36,506,900	41,291,150
–	(22,922,250)
(17,868,900)	(30,968,000)
–	49,106,000
18,638,000	36,506,900
18,638,000	36,506,900

年內概無行使任何購股權。於截至二零零八年十二月三十一日止年度期間行使購股權於行使日的加權平均股價為0.45港元。

於二零零九年十二月三十一日未行使購股權的行使價為0.74港元(二零零八年：0.74港元、0.54港元及0.463港元)，而加權平均餘下合約期為半個月(二零零八年：一年)。所有購股權其後維持未予行使及失效。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Black-Scholes Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the model.

Fair value of share options and assumptions

購股權公允值及假設

Fair value at measurement date

計量日的公允值

Share price

股份價格

Exercise price

行使價

Expected volatility (expressed as weighted average volatility used in the model)

預期波幅(以模型中所用的加權平均波幅列示)

Option life

購股權期限

Risk-free interest rate (based on Exchange Fund Notes)

無風險利率(根據外匯基金票據計算)

29 以股份支付之股本交易 (續)

(c) 購股權公允值及假設

以授出購股權換取之所得服務的公允值是參考已授出購股權的公允值來計算。已授出購股權公允值是根據柏力克-舒爾斯期權定價模型來估算。在模型中使用了購股權的合約期及預期有提早行使購股權情況。

	2008 二零零八年
	HK\$0.25
	0.25港元
	HK\$0.74
	0.74港元
	HK\$0.74
	0.74港元
	94.164%
	94.164%
	2 years
	兩年
	1.89%-1.90%
	1.89%至1.90%

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

29 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) Fair value of share options and assumptions

(Continued)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

All the options lapsed at their expiry in January 2010.

30 MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2009, a bank loan of RMB39,070,000 and accrued interest of RMB32,053,000 were assigned by the bank to an independent third party.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

29 以股份支付之股本交易 (續)

(c) 購股權公允值及假設

(續)

預期波幅是基於歷史波幅（按購股權的加權平均餘下期限計算），及根據公開之資訊對未來波幅的預期變動作出調整。預計股息是根據歷史股息計算。主觀假設的變動可能對公允值估算造成重大影響。

購股權是根據服務條件授出。於授出日計算獲得服務的公允值時並無考慮此條件。而授出購股權亦與市場情況無關。

所有購股權已於二零一零年一月屆滿時失效。

30 重大非現金交易

於截至二零零九年十二月三十一日止年度，為數人民幣39,070,000元之銀行貸款及為數人民幣32,053,000元之應計利息由銀行轉讓予一名獨立第三方。

31 財務風險管理及公允值

信貸、流動資金、利率及外匯面對之風險從本集團業務之正常過程中產生。本集團所承受之該等風險及本集團用以管理該等風險之財務風險管理政策與慣例載述如下。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and loan receivables. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Retail sales are mainly on a cash basis, by cash, debit card or credit card payments. The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

For loan receivables as set out in note 16, the Group reviews the recoverable amount of each loan receivable on a regular basis and the value of pledged assets, if any, to ensure adequate impairment losses are made for irrecoverable amounts.

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

31 財務風險管理及公允值 (續)

(a) 信貸風險

本集團之信貸風險主要來自貿易及其他應收款以及應收貸款。管理層已制訂信貸政策，並持續監控須承受的該等信貸風險。於二零零九年十二月三十一日，本公司就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，指財務狀況表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層已制定明確之既定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於各報告日期定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司之董事認為，本集團之信貸風險已大幅減少。零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。由於信貸風險分散於多名對手方及客戶，故本集團就應收賬款及其他應收款並無重大信貸風險集中情況。

於附註16列示的應收貸款，本集團定期檢討每項應收貸款的可收回款額及抵押資產的價值（若有），以確保為未能收回款項作出足夠減值虧損。

由於對手方均為獲國際信貸評級機構高信貸評級之銀行及政府機構，故流動資金之信貸風險有限。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group and the Company can be required to pay:

(i) The Group

Statement of financial position carrying amount	2009 二零零九年				
	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years	
財務狀況表賬面值	合約未折現現金流量總額	或於要求時支付	一年以上但少於兩年	兩年以上	
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	
Trade and other payables	923,355	923,355	-	-	
Amounts due to related companies	47,674	47,674	-	-	
Amount due to a director	135	135	-	-	
Bank and other loans	267,341	267,341	-	-	
Obligations under finance leases	-	-	-	-	
Current taxation	7,289	7,289	-	-	
Convertible bonds	767,427	1,225,763	38,269	30,366	1,157,128
	2,013,221	2,471,557	1,284,063	30,366	1,157,128

31 財務風險管理及公允值 (續)

(b) 流動資金風險

本集團之政策為定期監控目前及預期之流動資金需要，以確保本集團維持充足現金儲備，以應付短期及長期之流動資金需要。

下表詳列本集團金融負債於報告日期之餘下合約到期情況，有關負債根據合約未折現現金流量（包括使用合約利率計算，或如屬浮息，則根據於報告日期之利率計算之利息付款）以及本集團及本公司可能被要求還款之最早日期：

(i) 本集團

Statement of financial position carrying amount	2008 二零零八年				
	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years	
財務狀況表賬面值	合約未折現現金流量總額	或於要求時支付	一年以上但少於兩年	兩年以上	
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	
Trade and other payables	853,555	853,555	-	-	
Amounts due to related companies	2,502	2,502	-	-	
Amount due to a director	-	-	-	-	
Bank and other loans	358,575	358,575	-	-	
Obligations under finance leases	154	178	-	-	
Current taxation	26,030	26,030	-	-	
Convertible bonds	706,913	1,247,432	30,404	30,366	1,186,662
	1,947,729	2,488,272	1,271,244	30,366	1,186,662

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

(ii) The Company

Statement of financial position carrying amount	2009 二零零九年				
	Total contractual cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years	
財務狀況表賬面值	合約未折現現金流量總額	或於要求時一年內	一年以上但少於兩年	兩年以上	
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	
Accrued expenses and other payables	4,248	4,248	4,248	-	-
Amounts due to subsidiaries	7,605	7,605	7,605	-	-
Convertible bonds	767,427	1,225,763	38,269	30,366	1,157,128
	779,280	1,237,616	50,122	30,366	1,157,128

(c) Interest rate risk

The Group has no significant interest bearing assets other than cash at banks and loan receivables.

The Group's interest rate risk arises primarily from bank loans. These borrowings at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

31 財務風險管理及公允值 (續)

(b) 流動資金風險 (續)

(ii) 本公司

Statement of financial position carrying amount	2008 二零零八年				
	Total contractual cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years	
財務狀況表賬面值	合約未折現現金流量總額	或於要求時一年內	一年以上但少於兩年	兩年以上	
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	
Accrued expenses and other payables	1,905	1,905	1,905	-	-
Amounts due to subsidiaries	7,656	7,656	7,656	-	-
Convertible bonds	706,913	1,247,432	30,404	30,366	1,186,662
	716,474	1,256,993	39,965	30,366	1,186,662

(c) 利率風險

本集團除銀行結存以及應收貸款外並無重大計息資產。

本集團之利率風險主要來自銀行貸款。按可變利率及按固定利率發行之借貸使本集團分別承受現金流量利率風險及公允值利率風險。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's net borrowings at the reporting date.

31 財務風險管理及公允值 (續)

(c) 利率風險 (續)

(i) 利率概況

下表詳列本集團及本公司借貸淨額於報告日期之利率概況。

		2009 二零零九年		2008 二零零八年	
		Effective interest rate 實際利率	HK\$'000 千港元	Effective interest rate 實際利率	HK\$'000 千港元
		%		%	
Fixed rate borrowings:	固定利率借貸:				
Obligations under finance leases	融資租賃之債務		-	5.58%	154
Bank and other loans	銀行及其他貸款	6.12%-13%	147,184	7.29%	317,646
Convertible bonds	可換股債券	16.26%	767,427	16.32%	706,913
			<u>914,611</u>		<u>1,024,713</u>
Variable rate borrowings:	浮動利率借貸:				
Bank and other loans	銀行及其他貸款	5.31%-7.2%	39,247	5.31%-7.47%	40,929
Total interest-bearing liabilities	付息負債總額		<u>953,858</u>		<u>1,065,642</u>
Fixed rate interest-bearing assets:	定息付息資產:				
Loan receivables	應收貸款	2%-7.839%	(8,982)	2%-7.839%	(20,979)
Variable rate interest-bearing assets:	浮動利率付息資產:				
Loan receivables	應收貸款	5.76%	(883,223)	5.76%-7.47%	(882,688)
Time deposits	定期存款		-	3.15%	(5,685)
Cash at banks	銀行結存		(88,430)		(83,738)
			<u>(971,653)</u>		<u>(972,111)</u>
Total interest-bearing assets	付息資產總額		<u>(980,635)</u>		<u>(993,090)</u>
Net interest-bearing (assets)/liabilities	付息(資產)/ 負債淨額		<u>(26,777)</u>		<u>72,552</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2009, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after tax and accumulated losses by approximately HK\$779,000 (2008: HK\$778,000). Other components of consolidated equity would not be affected by the changes in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 10 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis as for 2008.

31 財務風險管理及公允值 (續)

(c) 利率風險 (續)

(ii) 敏感性分析

於二零零九年十二月三十一日，估計利率普遍上調／下調10點子，在所有其他可變動因素保持不變之情況下，本集團除稅後虧損及累計虧損將因此減少／增加約779,000港元（二零零八年：778,000港元）。綜合權益中之其他部份則不受利率變動影響。

以上敏感性分析乃假設利率變動於報告日期發生，並應用於該日存在之金融工具之利率風險而釐定。上調或下調10個點子指管理層對直至下一年度報告日期止期間可能發生之合理利率變動所進行之評估。分析按與二零零八年相同之基準進行。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Foreign currency risk

(i) Forecast transactions

The Group's presentation currency is Hong Kong dollars.

The Group has certain foreign currency sales, purchases and bank borrowings, which expose the Group to foreign currency risk. The Group currently does not have hedging policy in respect of the foreign currency risk. However, management monitors the related foreign currency risk exposure closely and will consider hedging significant foreign currency risk exposure should the need arise.

(ii) Recognised assets and liabilities

In respect of receivables, payables and bank borrowings held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

By assessing the foreign currency risk, the effect arising from reasonably possible changes in the exchange rates of Renminbi against Hong Kong dollars in the next twelve months was not material to the results for the year, on the basis that all other variables remain constant.

31 財務風險管理及公允值 (續)

(d) 外匯風險

(i) 預測交易

本集團之呈列貨幣為港元。

本集團之若干外幣銷售、購買及銀行借貸令本集團須承受外匯風險。本集團目前並無就外匯風險訂立任何對沖政策。然而，管理層密切監察有關外匯風險，並會在有需要時考慮對沖重大外匯風險。

(ii) 已確認資產及負債

就以與其營運有關之功能貨幣以外之貨幣持有之應收款項、應付款項及銀行借貸而言，本集團確保於有需要應付短期失衡情況時，透過按現貨率買入賣出外幣將風險淨額維持於可接受水平。

透過評估外匯風險，人民幣兌港元於未來十二個月之匯率合理可能變動產生之影響對本年度業績而言並不重大，基準為所有其他可變數維持不變。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Foreign currency risk (Continued)

(iii) Exposure to currency risk

The following table details the Group's and the Company's exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

31 財務風險管理及公允值 (續)

(d) 外匯風險 (續)

(iii) 貨幣風險

下表細明本集團及本公司於報告日期因以相關實體功能貨幣以外貨幣計值的已確認資產或負債所產生之貨幣風險。就呈列目的而言，風險金額以港元列示，並以年結日之現貨率換算。換算海外業務財務報表至本集團呈列貨幣產生之匯兌差額並不包括在內。

Exposure to foreign currencies
(expressed in Hong Kong dollars)
外匯風險 (以港元列示)

The Group	本集團	2009		2008	
		二零零九年		二零零八年	
		United States dollars	Renminbi	United States dollars	Renminbi
		美元	人民幣	美元	人民幣
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade and other receivables	應收賬款及其他應收款	-	75,215	-	59,452
Loan receivables	應收貸款	-	1,397,771	-	1,347,623
Amounts due from related companies	應收關連公司款項	-	250	-	-
Amount due from a director	應收董事款項	-	-	-	78
Time deposits	定期存款	-	-	-	5,685
Cash and cash equivalents	現金及現金等值項目	-	88,042	9	84,578
Trade and other payables	應付賬款及其他應付款	-	(919,064)	-	(851,496)
Amounts due to related companies	應付關連公司款項	-	(47,674)	-	(2,502)
Amount due to a director	應付董事款項	-	(135)	-	-
Bank and other loans	銀行及其他貸款	-	(267,341)	(19,456)	(339,119)
Obligations under finance leases	融資租賃之債務	-	-	-	(154)
Current taxation	本期稅項	-	(7,289)	-	(26,030)
Overall net exposure	整體淨風險	-	319,775	(19,447)	278,115

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Foreign currency risk (Continued)

(iii) Exposure to currency risk (Continued)

The Company	本公司	Exposure to foreign currencies (expressed in Hong Kong dollars) 外匯風險 (以港元列示)			
		2009 二零零九年		2008 二零零八年	
		United States dollars 美元 HK\$'000 千港元	Renminbi 人民幣 HK\$'000 千港元	United States dollars 美元 HK\$'000 千港元	Renminbi 人民幣 HK\$'000 千港元
Deposits and prepayments	按金及預付款	-	-	-	-
Amounts due from subsidiaries	應收附屬公司款項	-	-	-	-
Cash and cash equivalents	現金及現金等值項目	-	-	-	-
Accrued expenses and other payables	應計費用及其他應付款	-	-	-	-
Amounts due to subsidiaries	應付附屬公司款項	-	(1,085)	-	(1,136)
Overall net exposure	整體淨風險	-	(1,085)	-	(1,136)

(iv) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the reporting date, assuming all other risk variables remained constant.

(iv) 敏感性分析

下表列示假設所有其他風險可變數維持不變，倘本集團於報告日期有重大風險之匯率出現變動時本集團除稅後虧損（及累計虧損）之即時變動。

		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
United States dollars	美元		
- 5% strengthening of HK\$	- 強於港元5%	-	812
- 5% weakening of HK\$	- 弱於港元5%	-	(812)
Renminbi	人民幣		
- 5% strengthening of HK\$	- 強於港元5%	(13,351)	(11,611)
- 5% weakening of HK\$	- 弱於港元5%	13,351	11,611

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Foreign currency risk (Continued)

(iv) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the reporting date, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2008.

(e) Fair values

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts. Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial assets and liabilities. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

32 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2009 not provided for in the financial statements were as follows:

Contracted but not provided for: 已訂約但未撥備:
– in respect of purchases of 一購買固定資產
fixed assets

31 財務風險管理及公允值 (續)

(d) 外匯風險 (續)

(iv) 敏感性分析 (續)

敏感性分析假設已應用匯率變動以重新計量令本集團於報告日期須承受外匯風險之該等本集團所持金融工具，包括以貸款人或借款人功能貨幣以外貨幣計值之本集團內公司間應付款項及應收款項。分析不包括換算海外業務財務報表至本集團呈列貨幣產生之匯兌差額。分析按與二零零八年相同之基準進行。

(e) 公允值

本集團金融資產及負債之公允值與其賬面值並無重大差異。公允值估算於特定時間並根據有關市場資料及有關金融資產及負債之資料作出。該等估算具主觀成分，涉及不確定因素及重大判斷事項，因此不能準確釐定。假設變動可對估算造成重大影響。

32 承擔

- (a) 於二零零九年十二月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

The Group 本集團	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
5,208	6,804

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

32 COMMITMENTS (Continued)

- (b) At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

32 承擔 (續)

- (b) 於二零零九年十二月三十一日，根據不可撤銷之經營租賃在日後應付之最低租賃付款總額如下：

		The Group 本集團					
		2009 二零零九年			2008 二零零八年		
		Properties	Motor vehicles	Total	Properties	Motor vehicles	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		物業	運輸工具	總計	物業	運輸工具	總計
		千港元	千港元	千港元	千港元	千港元	千港元
Within 1 year	一年內	101,671	137	101,808	95,701	1,896	97,597
After 1 year but within 5 years	一年後但五年內	116,385	-	116,385	193,676	136	193,812
After 5 years	五年後	202,557	-	202,557	229,634	-	229,634
		420,613	137	420,750	519,011	2,032	521,043

The Group is the lessee in respect of a number of properties and motor vehicles held under operating leases. The leases typically run for an initial period of 1 to 20 years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

本集團根據經營租賃持有數項物業及運輸工具。該等租賃一般初步為期一年至二十年，屆時所有條款均可重新商定。各項租賃並不包括或有租金。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

32 COMMITMENTS (Continued)

- (c) At 31 December 2009, the total future minimum sublease payments under non-cancellable operating subleases were receivable as follows:

	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Within 1 year	13,728	7,441
After 1 year but within 5 years	44,106	18,983
After 5 years	24,513	509
	82,347	26,933

The Group subleases out shopping areas in the department stores and office premises under operating leases. The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments receivable are fixed during the lease terms. Certain leases include contingent rentals.

32 承擔 (續)

- (c) 於二零零九年十二月三十一日，根據不可撤銷之分租經營租賃在日後應付之最低分租收款總額如下：

The Group 本集團	
2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
13,728	7,441
44,106	18,983
24,513	509
82,347	26,933

本公司根據經營租賃分租百貨公司之購物區及辦公室。該等租賃一般初步為期一年至十年，並且有權選擇續期，屆時所有條款均可重新商定。租賃期內之租賃付款是固定的。若干租賃包含或有租金。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES

(a) Litigation

- (i) On 7 September 2005, Century Ginwa together with other four unrelated parties (collectively known as the "Guarantor I"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB24,000,000, which was interest-bearing at 6.138% per annum, granted to an unrelated party (the "Borrower I") for a period from 7 September 2005 to 6 June 2006. The guarantee period given by the Guarantor I was two years starting from 6 June 2006. By default of the Borrower I, a court judgement was obtained by the bank on 30 October 2006 against the Guarantor I for the repayment of the bank loan together with interest and administrative expenses thereon. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 31 December 2009, the outstanding balance of the bank loan was approximately RMB18,249,000.

The directors consider that, given the nature of the claims and the preliminary status of these proceedings, it is not possible to estimate the eventual outcome of the claims with reasonable certainty at this stage. In addition, Ginwa Investments has agreed to indemnify Century Ginwa against any loss that may arise from this guarantee and therefore, no provision for penalty interest or other damages has been made in these financial statements.

33 或有負債

(a) 訴訟

- (i) 於二零零五年九月七日，世紀金花連同其他四名無關連人士（共同稱為「擔保人I」），與一所銀行簽訂保證合同，為一無關連人士（「借款人I」）向該銀行貸款人民幣24,000,000元提供擔保，該貸款的年利率為6.138%，貸款期限自二零零五年九月七日起至二零零六年六月六日止。擔保人I給予之保證期則為從二零零六年六月六日起兩年。由於借款人I違約，該銀行於二零零六年十月三十日得到法院裁定，要求擔保人I償還拖欠之銀行貸款，相關利息以及相關行政費用。於二零零八年八月三十一日，金花投資與世紀金花訂立反彌償協議，以向其彌償本擔保可能產生之任何損失。於二零零九年十二月三十一日，銀行貸款未償還餘額約為人民幣18,249,000元。

董事認為，基於這些追索的性質以及這些訴訟尚處初步階段，於現時很難合理明確地估計出這些追索的最終結果。此外，金花投資同意對世紀金花補償本擔保可能產生之任何損失，因此該等財務報表並無撥備任何相關罰息或其他損失。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES (Continued)

(a) Litigation (Continued)

- (ii) Century Ginwa had unsettled bank loan principal of RMB100 out of an original bank loan amount of RMB80,000,000, which was interest-bearing and derived a RMB9,350,000 late settlement interest payable. By default of Century Ginwa, a court judgment was obtained by the bank against Century Ginwa for the repayment of unsettled bank loan together with late settlement interest thereon.

On 11 December 2009, the bank entered into a negotiation agreement with Century Ginwa, in which Century Ginwa agreed to settle the unsettled bank loan principal RMB100 and all legal and other fees incurred and on the same day, the amount was fully settled, while the bank waived the late settlement interest of RMB9,350,000. The case was closed on 14 December 2009.

(b) Financial guarantees issued

- (i) On 18 April 2006, Century Ginwa, together with other three unrelated parties (collectively known as the "Guarantor II"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB13,460,000 ("First Bank Loan"), which was interest-bearing at 5.22% per annum, granted to an unrelated company (the "Borrower II") for a period of six months from 27 April 2006 to 27 October 2006. The guarantee period given by the Guarantor II was two years starting from 27 October 2006.

33 或有負債 (續)

(a) 訴訟 (續)

- (ii) 世紀金花於原銀行貸款金額人民幣80,000,000元(為計息貸款並產生人民幣9,350,000元之逾期還款應付利息)中之未償付銀行貸款本金額為人民幣100元。由於世紀金花拖欠款項,銀行已獲法院裁定世紀金花須償還未償付銀行貸款連同逾期還款應付利息。

於二零零九年十二月十一日,銀行與世紀金花訂立磋商協議,據此,世紀金花同意償還未償付銀行貸款本金額人民幣100元及所有已產生和該日之法律及其他費用,有關金額已悉數償付,而銀行則豁免逾期還款利息人民幣9,350,000元。該案件於二零零九年十二月十四日結束。

(b) 財務擔保之發出

- (i) 於二零零六年四月十八日,世紀金花連同其他三名無關連人士(共同稱為「擔保人II」),與一所銀行簽訂保證合同,為一所無關連公司(「借款人II」)向該銀行貸款人民幣13,460,000元(「第一貸款」)提供擔保,該貸款的年利率為5.22%,貸款期限自二零零六年四月二十七日起至二零零六年十月二十七日止為期六個月。擔保人II給予之保證期則為從二零零六年十月二十七日起兩年。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued (Continued)

- (i) On 27 October 2006, the Borrower II negotiated with the bank for a bank loan of RMB12,000,000 ("Second Bank Loan") which was interest-bearing at 5.58% per annum, for a further six months until 26 April 2007 to repay the First Bank Loan, and the First Bank Loan was then fully settled. Under the new loan agreement, the guarantee period given by the Guarantor II was extended for a further six months until 26 April 2009.

On 23 April 2008, the Borrower II negotiated with the bank for another loan of RMB4,500,000, which was interest-bearing at 7.227% per annum, for a further eighteen months until 22 October 2008 to repay the Second Bank Loan. Under the new loan agreement, the guarantee period given by the Guarantor II was extended for a further eighteen months until 23 October 2010. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 31 December 2009, the amount was fully settled.

33 或有負債 (續)

(b) 財務擔保之發出 (續)

- (i) 二零零六年十月二十七日，借款人II與銀行協定銀行貸款人民幣12,000,000元（「第二貸款」）作為償還第一貸款，年利率5.58%，貸款期延期六個月至二零零七年四月二十六日。第一貸款已全部歸還。根據新貸款合同，擔保人II之保證期限亦同時延長六個月至二零零九年四月二十六日。

二零零八年四月二十三日，借款人II與銀行協定另一筆貸款人民幣4,500,000元作為償還第二貸款，年利率7.227%，貸款期延期十八個月至二零零八年十月二十二日。根據新貸款合同，擔保人II之保證期限亦同時延長十八個月至二零一零年十月二十三日。於二零零八年八月三十一日，金花投資與世紀金花訂立反彌償協議，以向其彌償本擔保可能產生之任何損失。於二零零九年十二月三十一日，金額已悉數償付。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued (Continued)

- (ii) On 30 June 2008, Century Ginwa, together with Ginwa Investments (collectively known as the "Guarantor III"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB90,000,000, which was interest-bearing at 9.486% per annum, granted to 陝西新世界醫藥有限公司 (the "Borrower III") for a period from 30 June 2008 to 31 July 2008. The guarantee period given by the Guarantor III was two years starting from 31 July 2008. Ginwa Investments has equity interests in 陝西新世界醫藥有限公司. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee.

33 或有負債 (續)

(b) 財務擔保之發出 (續)

- (ii) 於二零零八年六月三十日，世紀金花連同金花投資（共同稱為「擔保人III」），與一所銀行簽訂保證合同，為陝西新世界醫藥有限公司（「借款人III」）向該銀行貸款人民幣90,000,000元提供擔保，該貸款的年利率為9.486%，貸款期限自二零零八年六月三十日起至二零零八年七月三十一日止。擔保人III給予之保證期則為從二零零八年七月三十一日起兩年。陝西新世界醫藥有限公司為一所金花投資有股份的公司。於二零零八年八月三十一日，金花投資與世紀金花訂立反彌償協議，以向其彌償本擔保可能產生之任何損失。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued (Continued)

- (iii) On 29 September 2007, Century Ginwa entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB18,900,000 ("Third Bank Loan"), which was interest bearing at 9.534% per annum, granted to Ginwa Investments for a period from 29 September 2007 to 28 September 2008. The guarantee period given by Century Ginwa was two years starting from 28 September 2008. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 29 September 2008, Ginwa Investments negotiated with the bank to extend the loan period for eleven months until 28 August 2009, with interest bearing at 15.3421% per annum. The guarantee period given by Century Ginwa was extended for eleven months until 28 August 2011.

On 28 August 2009, Ginwa Investments negotiated with the bank for another loan of RMB17,000,000, which was interest bearing at 10.4274% per annum, for a further twelve months until 27 August 2010 to repay the Third Bank Loan. Under the new loan agreement, the guarantee period given by Century Ginwa was revised to be valid until 27 August 2010. On 31 December 2009, the outstanding balance of the bank loan was RMB17,000,000.

33 或有負債 (續)

(b) 財務擔保之發出 (續)

- (iii) 於二零零七年九月二十九日，世紀金花與一所銀行簽訂保證合同，為金花投資向該銀行貸款人民幣18,900,000元（「第三貸款」）提供擔保，該貸款以年利率9.534%計息，貸款期限自二零零七年九月二十九日起至二零零八年九月二十八日止。世紀金花給予之保證期則為從二零零八年九月二十八日起兩年。於二零零八年八月三十一日，金花投資與世紀金花訂立反彌償協議，以向其彌償本擔保可能產生之任何損失。於二零零八年九月二十九日，金花投資與銀行協定貸款期延長十一個月至二零零九年八月二十八日，以年利率為15.3421%計息，世紀金花之保證期限亦同時延長十一個月至二零一一年八月二十八日。

於二零零九年八月二十八日，金花投資就另一筆為數人民幣17,000,000元之貸款與銀行進行磋商以償還第三貸款，該筆貸款以年利率10.4274%計息，貸款期延期十二個月至二零一零年八月二十七日。根據新貸款協議，世紀金花給予之保證期修訂為有效期至二零一零年八月二十七日。於二零零九年十二月三十一日，銀行貸款之未償還餘額為人民幣17,000,000元。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued (Continued)

- (iii) As at 31 December 2009, the directors consider that Ginwa Investments will settle the amount in the near future and any claim made by the bank to Century Ginwa is unlikely. Therefore, a provision for penalty interest or other damages has not been made in these financial statements.

(c) Contingent liabilities in respect of income tax and business tax

- (i) Included in the interest income from Ginwa Investments as noted in note 34(c), there was an amount of RMB22,889,000 (2008: RMB9,029,000) earned for compensating interest payment to PRC banks relating to loans borrowed for lending to Ginwa Investments. According to a PRC tax circular "Guoshuifa (2002) No. 13", such interest income is exempted from the PRC business tax if the lending company, Century Ginwa, is a finance company of the Group. However, there is no clear definition of the term "finance company of the group" in the circular. Thus, there is a risk that the PRC tax bureau may interpret that Century Ginwa does not qualify as a "finance company of the group", in which case the aforesaid interest income should not be exempted from business tax at 5%, resulting in an additional business tax provision of approximately RMB1,144,000 (2008: RMB451,000).

33 或有負債 (續)

(b) 財務擔保之發出 (續)

- (iii) 於二零零九年十二月三十一日，董事認為金花投資將於不久將來償付款項，而銀行向世紀金花提出任何索償之機會不大。因此，並無於該等財務報表就罰息或其他損害計提撥備。

(c) 所得稅及營業稅之或然負債

- (i) 來自金花投資之利息收入（如附註34(c)所述）包括就彌補因借出款項予金花投資而向中國銀行借入貸款所支付之利息付款而賺取之人民幣22,889,000元（二零零八年：人民幣9,029,000元）。根據中國稅務通函「國稅發(2002)13號」，有關利息收入可豁免繳納中國營業稅，倘貸款公司世紀金花為本集團之財務公司。然而，於通函內，「集團財務公司」一詞並無清晰定義。因此存在中國稅務局可能將世紀金花詮釋為不符合「集團財務公司」資格之風險，在該情況下，上述利息收入則不可豁免按5%稅率繳納營業稅，導致須作出額外營業稅撥備約人民幣1,144,000元（二零零八年：人民幣451,000元）。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

33 CONTINGENT LIABILITIES (Continued)

(c) Contingent liabilities in respect of income tax and business tax (Continued)

- (ii) According to Article 47 of the Enterprise Income Tax Law, if an enterprise makes arrangements for unreasonable commercial purposes for reducing its taxable income, the PRC tax authority has the right to make an adjustment in accordance with reasonable methods as it thinks fit. Thus, for the interest free portion of the loan receivable from Ginwa Investments as in note 16, there is a risk that the PRC tax bureau may consider it as a provision of funding without reasonable commercial purposes which aims to reduce the Group's taxable income. The tax bureau may deem the interest income of the Group for the interest free portion of the loan at market rate and calculated as RMB22,404,000, resulting in additional enterprise income tax and business tax provision of RMB5,321,000 and RMB1,120,000 respectively.

33 或有負債 (續)

(c) 所得稅及營業稅之或然負債 (續)

- (ii) 根據企業所得稅法第47條，倘企業就不合理商業原因作出減低其應課稅收入之安排，中國稅務機關有權根據其認為合理之方法作出調整。因此，就附註16所披露之應收金花投資貸款之免息部份而言，當中存有中國稅務局可能認為是在無合理商業原因下提供資金，並旨在減少本集團應課稅收入之風險。稅務局可能就本集團貸款免息部份按市場比率計算利息收入，所得金額為人民幣22,404,000元，導致本集團須分別作出額外企業所得稅及營業稅撥備人民幣5,321,000元及人民幣1,120,000元。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

34 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS

- (a) **Transactions with key management personnel**
All key management personnel are directors of the Company and their remuneration is disclosed in note 8(a).
- (b) Certain bank borrowings of the Group secured by guarantees from certain connected parties are as follows:

34 重大關連及關聯人士交易

- (a) **與關鍵管理人員之交易**
所有的關鍵管理人員皆是本公司之董事，他們的酬金已披露於附註 8(a)。
- (b) 本集團若干銀行借貸由以下關連人士之擔保作抵押：

		2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Xian Ya Jian International Golf Company Limited ("Ya Jian")	西安亞建國際高爾夫俱樂部有限公司 (「亞建」)	–	95,628
Ginwa Enterprise (Group) Inc. ("Ginwa Enterprise") together with Mr. Wu Yijian	金花企業(集團)股份有限公司(「金花企業」)及吳一堅先生	–	15,917
Ginwa Enterprise	金花企業	39,361	71,057
Ginwa Investments together with 金花國際大酒店有限公司	金花投資及金花國際大酒店有限公司	28,874	56,142
Ginwa Investments together with Ya Jian	金花投資及亞建	39,247	40,929
Ginwa Investments	金花投資	78,949	78,902
		186,431	358,575

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

34 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

- (c) Save as disclosed elsewhere in the financial statements, the Group had the following significant connected transactions during the year:

Fixed assets sold to 西安世紀金花宜品生活 用品有限公司 (“Xian Yipin”)	向西安世紀金花宜品 生活用品有限公司 （「西安宜品」）出售之 固定資產
Interest receivable from Ginwa Investments	應收金花投資利息
Inventories sold to Xian Yipin	向西安宜品售出之存貨
Rent and management fee receivable from Xian Yipin	應收西安宜品之租金及 管理費用
Rent paid to Ginwa Enterprise	支付予金花企業之租金
Repairs and maintenance fee paid to Ginwa Hi-Tech	支付金花高新之維修及 保養費用

Ya Jian, Ginwa Enterprise, Ginwa Investments, 金花國際大酒店有限公司, Xian Yipin and Ginwa Hi-Tech are connected persons to the Group by virtue of Mr. Wu Yijian's equity interests in them. Mr. Wu Yijian resigned as the chairman and director of the Company on 28 May 2008, and remained a director of certain of the Group's subsidiaries.

34 重大關連及關聯人士交易 (續)

- (c) 除了在財務報表的其他地方所披露外，本集團於年內已訂立以下重大關連交易：

2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
114	-
50,824	19,269
4,115	-
7,307	-
-	7,268
-	673

基於吳一堅先生於亞建、金花企業、金花投資、金花國際大酒店有限公司、西安宜品及金花高新擁有股本權益，該等公司為本集團之關連人士。吳一堅先生於二零零八年五月二十八日辭任本公司主席及董事，並仍為本集團若干附屬公司董事。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

34 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

(d) Other related party transactions

On 25 September 2007, the Group's wholly-owned subsidiary, China Rich International Management Limited ("China Rich") entered into an acquisition agreement with Ginwa Investments in which China Rich agreed to acquire and Ginwa Investments agreed to dispose of a 76.43% equity interest in Century Ginwa owned by Ginwa Investments at a consideration of RMB180,000,000 (the "CG Acquisition"). On the same day, the Company also entered into an agreement with Best Mineral Resources Limited ("Best Mineral") and Mr. Wu (the "BM Agreement"), pursuant to which Best Mineral agreed to (i) assist the Company, China Rich and their agents and advisers in obtaining the right to access the books, records and other related documents of Century Ginwa; (ii) procure Century Ginwa to assist the Company, China Rich and their agents and advisers in their due diligence review; (iii) provide the relevant information and files upon request by the Company, China Rich and their agents and advisers; and (iv) assist the Company in drafting the Acquisition Agreement, and in consideration of Best Mineral's provision of the Profit Guarantee and the Repayment Guarantee, the Company agreed to issue convertible bonds in a principal amount of HK\$1,231,612,200 to Best Mineral upon the completion of the CG Acquisition.

Upon completion of the acquisition agreement, Ginwa Investments shall be obliged to repay the amount due to Century Ginwa to Century Ginwa within a period of five years commencing from the completion of the Acquisition with interest at the five-year lending rate published by the Bank of China, the PRC as at the date of completion of the CG Acquisition (see also note 16(c)(ii)).

34 重大關連及關聯人士交易 (續)

(d) 其他關聯人士交易

於二零零七年九月二十五日，本集團全資附屬公司裕華國際管理有限公司（「裕華」）與金花投資簽定一份收購協議。依據協議內容，裕華同意收購而金花投資同意出售其持有的世紀金花的76.43%股本權益，代價為人民幣180,000,000元（「CG收購」）。同日，本公司與Best Mineral Resources Limited（「Best Mineral」）及吳先生簽定一份協議（「BM協議」）。根據協議，Best Mineral同意(i)協助本公司、裕華及其代理人與顧問取得使用世紀金花帳冊、紀錄及其他有關文件的權利；(ii)促成世紀金花協助本公司、裕華及其代理人與顧問進行盡職調查；(iii)應本公司、裕華及其代理人與顧問要求提供相關資料及檔案；及(iv)協助本公司起草收購協議，而本公司考慮到Best Mineral的保證溢利及保證還款撥備，同意當CG收購完成後向Best Mineral發行一金額為1,231,612,200港元的可換股債券。

當收購協議完成，金花投資必須於收購完成日期起五年內，按CG收購完成當日中國銀行發佈的五年貸款息率向世紀金花償還應付世紀金花款項（見附註16(c)(ii)）。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

34 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

(d) Other related party transactions (Continued)

Since Ginwa Investments is 60% owned by Mr. Wu, being an executive director of the Company before he resigned on 28 May 2008, Ginwa Investments is a connected person of the Company. Therefore, the entering into of the acquisition agreement between Ginwa Investments and China Rich, a wholly-owned subsidiary of the Company, constitutes a non-exempted connected transaction. Best Mineral, is the substantial shareholder of the Company. Best Mineral is a connected person of the Company by virtue of it being a substantial shareholder, and the entering into of the BM Agreement among the Company, Best Mineral and Mr. Wu therefore constitutes a non-exempted connected transaction. Mr. Qu Jiaqi, Mr. Li Haogang and Mr. Sha Yingjie, executive directors of the Company, are also executive directors and senior staff of Century Ginwa.

These transactions were approved in the SGM held on 17 January 2008. The indirect shareholding of Mr. Wu ceased in June 2008. Approvals were granted by related China government authorities on the CG Acquisition on 31 August 2008.

- (e) Balances with related parties are disclosed in the statements of financial position and in notes 14, 16, 19 and 20.

34 重大關連及關聯人士交易 (續)

(d) 其他關聯人士交易 (續)

鑑於吳先生在彼於二零零八年五月二十八日呈辭前為本公司執行董事，擁有金花投資之60%，故金花投資為本公司的關連人士。因此，金花投資與本公司全資附屬公司裕華達成的收購協議則構成不獲豁免的關連交易。Best Mineral是本公司重要股東。Best Mineral為本公司關連人士，並視為重要股東。而本公司、Best Mineral及吳先生所簽定的BM協議因此構成不獲豁免的關連交易。本公司執行董事曲家琪先生、李郝港先生及沙英傑先生亦為世紀金花執行董事及高級職員。

這等交易於二零零八年一月十七日舉行的股東特別大會獲批准。吳先生之非直接股權於二零零八年六月終止。該CG收購已於二零零八年八月三十一日獲有關中國政府機關授出批准。

- (e) 與關聯人士的結餘於財務狀況表及附註14、16、19及20中披露。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

35 NON-ADJUSTING SUBSEQUENT EVENTS

Save as disclosed elsewhere in the financial statements, the following significant events took place subsequent to 31 December 2009.

- (a) On a special general meeting held on 22 December 2009, the Company's shareholders approved an open offer on the basis of one share for every two shares to allot and issue 584,120,426 shares at a subscription price of HK\$0.1 per share.

The open offer was completed on 18 January 2010.

- (b) On 4 January 2010, Century Ginwa reached an agreement with an independent third party for the repayment of loan in an aggregate amount of RMB71,123,000. The loan is now interest free and repayable by 18 monthly instalments to June 2011. No adjustments have been made to these financial statements as a result of this repayment agreement and therefore the loan is presented as a current liability as at the reporting date.
- (c) On 20 February 2010, China King Management Limited ("China King"), a subsidiary of the Company, entered into a memorandum of understanding ("MOU") with Ginwa Hi-Tech, a connected person of the Group, for China King's proposed acquisition from Ginwa Hi-Tech the entire equity interest in two companies and 51% of the equity interest in another company, all of them are established in the PRC and are principally engaged in operation of department stores in the PRC.

On the same day, another MOU was entered into between the Company and an independent third party, for the proposed issuance of convertible bonds by the Company and grant of warrant to the independent third party.

Details are disclosed in the Company's announcements dated 4 February 2010 and 24 February 2010.

35 報告日期後之非調整事項

除於財務報表中披露外，於二零零九年十二月三十一日後發生以下重大事件。

- (a) 於二零零九年十二月二十二日舉行之股東特別大會上，本公司股東批准以每持有兩股股份獲發一股股份之基準進行公開發售，以按每股0.1港元之認購價配發及發行584,120,426股股份。

公開發售於二零一零年一月十八日完成。

- (b) 於二零一零年一月四日，世紀金花就償還貸款合共人民幣71,123,000元與一名獨立第三方達成協議。貸款現為免息及須於二零一一年六月前分18期按月償還。並無因此還款協議而對該等財務報表作出調整，因此貸款於報告日期以流動負債呈列。

- (c) 於二零一零年二月二十日，本公司附屬公司中國管理有限公司（「中國管理」）與本集團關連人士金花高新就中國管理建議從金花高新收購兩間公司之全部股權及另一間公司51%股權（所有公司均於中國成立及主要從事中國百貨公司之經營業務）訂立諒解備忘錄（「諒解備忘錄」）。

同日，本公司與一名獨立第三方就建議本公司發行可換股債券及向獨立第三方授出認股權證訂立另一份諒解備忘錄。

有關詳情於本公司於二零一零年二月四日及二零一零年二月二十四日刊發之公佈中披露。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

36 KEY SOURCES OF ESTIMATION UNCERTAINTY

The management had made the following estimates and assumptions in the process of applying the Group's accounting policies, which are described in note 2(b), that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities as discussed below.

(a) Useful lives of fixed assets and depreciation

The Group's management determines the estimated useful lives and related depreciation for the Group's fixed assets. This estimate is based on the historical experience of the actual useful lives of fixed assets of similar nature and functions.

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature.

The net realisable value of inventories could change significantly as a result of changes in customer preferences or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at each reporting date.

36 估計的主要不明朗因素來源

管理層在應用列示於附註2(b)本集團會計政策過程中作出下述估計及假設，對以下論述的資產及負債賬面淨額構成實際調整的重大風險。

(a) 固定資產使用期及折舊

本集團管理層釐定本集團固定資產的估計使用期及有關折舊。估算是根據過往對具相同性質及功能的固定資產的實際使用年期之經驗來釐定。

(b) 存貨可變現淨值

存貨可變現淨值乃按估計日常業務過程中之售價減預計銷售成本計算。這等估算乃基於目前市場情況及過往銷售同類性質產品的經驗作出。

存貨可變現淨值可因顧客選擇改變或競爭者對嚴苛消費品行業週期的回應行動而出現重大變化。管理層於各報告日期對估算作檢討。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

36 KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(c) Allowances for doubtful debts

The policy for allowance of doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(d) Income taxes

The Group is primarily subject to income taxes in the PRC. Significant estimation and judgement are required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final outcome of tax assessment is different from the carrying amounts of tax provision, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

36 估計的主要不明朗因素來源 (續)

(c) 呆賬備抵

本集團的呆賬備抵政策是基於評估賬目的可收回能力及賬齡分析、及管理層的判斷。在評估這等應收款項的最終變現時需要大大依賴管理層的判斷，包括現時信貸價值及每名顧客過往收回款項的情況。倘若本集團顧客的財務狀況變壞，導致他們還款能力減值，便需要額外備抵。

(d) 所得稅

本集團主要在中國繳納所得稅。在釐定稅項撥備及相關稅項付款期時需要作出重大估量和判斷。以在業務正常運作中的交易及計算來釐定最終繳納稅款是不確實的。當評稅結果與稅項撥備賬面值出現差異，差額會影響所得稅及該年度釐定之遞延稅項撥備。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2009

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and Interpretations which are not yet effective for the year ended 31 December 2009 and which have not been adopted in these financial statements.

37 已經頒佈但未於截至二零零九年十二月三十一日止年度生效的修訂、新準則及詮釋的潛在影響

截至發佈該等財務報表日期，香港會計師公會頒佈了下列未於截至二零零九年十二月三十一日止年度生效及未於該等財務報表採納的修訂、新準則及詮釋：

	Effective for accounting periods beginning on or after 於下列日期或 之後開始之 會計期間生效
Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards 《香港財務報告準則》第1號之修訂，首次採用《香港財務報告準則》	1 January 2010 二零一零年 一月一日
Amendments to HKFRS 2, Share-based payment 《香港財務報告準則》第2號之修訂，股份付款	1 January 2010 二零一零年 一月一日
HKFRS 3 (Revised), Business combinations 《香港財務報告準則》第3號（經修訂），業務合併	1 July 2009 二零零九年 七月一日
HKFRS 9, Financial instruments: Classification and measurement 《香港財務報告準則》第9號，金融工具：分類及計量	1 January 2013 二零一三年 一月一日
HKAS 24 (Revised), Related party disclosures 《香港會計準則》第24號（經修訂），關連方披露	1 January 2011 二零一一年 一月一日
Amendments to HKAS 27, Consolidated and separate financial statements 《香港會計準則》第27號之修訂，綜合及獨立財務報表	1 July 2009 二零零九年 七月一日

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元計算)

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

37 已經頒佈但未於截至二零零九年十二月三十一日止年度生效的修訂、新準則及詮釋的潛在影響 (續)

	Effective for accounting periods beginning on or after 於下列日期或 之後開始之 會計期間生效
Amendments to HKAS 39, Financial instruments: Recognition and measurement – Eligible hedged items 《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 July 2009 二零零九年 七月一日
HK(IFRIC) – Int 17, Distributions of non-cash assets to owners 《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 July 2009 二零零九年 七月一日
HK(IFRIC) – Int 19, Extinguishing financial liabilities and equity instruments 《香港（國際財務報告詮釋委員會）詮釋》第19號，註銷金融負債及股本工具	1 July 2010 二零一零年 七月一日
Improvements to HKFRSs 2009 二零零九年《香港財務報告準則》之改進	1 July 2009 or 1 January 2010 二零零九年 七月一日或 二零一零年 一月一日

The Group is assessing the impact of these amendments in the period of initial application. So far it has concluded that their adoption is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團正評估該等修訂於初始應用期間之影響。目前認為採納該等修訂對本集團之經營業績及財務狀況構成重大影響之可能性不大。

38 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

38 比較數字

部份比較數字經重新分類以符合本年度之呈列方式。

Five Years Summary Financial Information (2005 – 2009)

五年財務資料摘要（二零零五年至二零零九年）

For year ended 31 December 2009 截至二零零九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元計算)

RESULTS

業績

	Year ended 31 December 截至十二月三十一日止年度			Period from 1 July 2005 to 31 December 2006 二零零五年 七月一日至 二零零六年 十二月三十一日 止期間 HK\$'000 千港元 (Restated) (重列)	Year ended 30 June 2005 截至 二零零五年 六月三十日 止年度 HK\$'000 千港元
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)		
Turnover	營業額				
- Continuing operations	- 持續經營業務	542,237	301,052	115,656	34,681
- Discontinued operations	- 終止經營業務	-	-	-	15,000
		542,237	301,052	115,656	49,681
(Loss)/profit attributable to equity shareholders	股東應佔(虧損)/溢利				
- Continuing operations	- 持續經營業務	(46,351)	(545,172)	5,330	(23,701)
- Discontinued operations	- 終止經營業務	-	-	-	(127,501)
		(46,351)	(545,172)	5,330	(151,202)

ASSETS AND LIABILITIES

資產及負債

	As at 31 December 於十二月三十一日				As at 30 June 2005 於二零零五年 六月三十日 HK\$'000 千港元
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	
NON-CURRENT ASSETS	非流動資產	1,781,377	1,732,412	106,574	74,611
CURRENT ASSETS	流動資產	196,881	204,016	354,986	53,275
DEDUCT:	減:				
CURRENT LIABILITIES	流動負債	1,245,794	1,240,816	103,719	41,650
NET CURRENT (LIABILITIES)/ASSETS	流動(負債)/資產淨額	(1,048,913)	(1,036,800)	251,267	11,625
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	732,464	695,612	357,841	86,236
DEDUCT:	減:				
NON-CURRENT LIABILITIES	非流動負債	767,427	706,913	-	21,323
NET (LIABILITIES)/ASSETS	(負債)/資產淨額	(34,963)	(11,301)	357,841	64,913

