



Welling

威靈控股有限公司
WELLING HOLDING LIMITED

Stock Code 股份代號: 0382

Annual
Report 2010
年報

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CORPORATE INFORMATION

集團資料

DIRECTORS

Executive Directors

Mr. CAI Qiwu (*Chairman*)
Mr. JIANG Deqing (*Chief Executive Officer*)
Mr. QU Fei
Mr. CHEN Jianhong
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang

Independent Non-executive Directors

Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

AUDIT COMMITTEE

Mr. TAN Jinsong (*Chairman*)
Mr. LAM Ming Yung
Ms. CHEN Chunhua

REMUNERATION COMMITTEE

Ms. CHEN Chunhua (*Chairman*)
Mr. TAN Jinsong
Mr. LAM Ming Yung
Mr. CAI Qiwu
Mr. ZHENG Weikang

EXECUTIVE COMMITTEE

Mr. CAI Qiwu
Mr. JIANG Deqing
Mr. QU Fei
Mr. CHEN Jianhong
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang

COMPANY SECRETARY

Ms. TANG Wai Ying, Tracy *CPA FCCA*

董事

執行董事

蔡其武先生(*主席*)
姜德清先生(*首席執行官*)
瞿飛先生
陳建紅先生
袁利群女士
栗建偉先生
鄭偉康先生

獨立非執行董事

譚勁松先生
林明勇先生
陳春花女士

審核委員會

譚勁松先生(*主席*)
林明勇先生
陳春花女士

薪酬委員會

陳春花女士(*主席*)
譚勁松先生
林明勇先生
蔡其武先生
鄭偉康先生

行政委員會

蔡其武先生
姜德清先生
瞿飛先生
陳建紅先生
袁利群女士
栗建偉先生
鄭偉康先生

公司秘書

鄧惠英女士 *CPA FCCA*

CORPORATE INFORMATION

集團資料

REGISTERED OFFICE

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The Gateway, Harbour City
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Tsim Sha Tsui
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Hong Kong

LEGAL ADVISERS

Paul, Hastings, Janofsky & Walker
21-22/F, Bank of China Tower
1 Garden Road
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor Prince's Building
Central
Hong Kong

PRINCIPAL BANKERS

Bank of China Ltd.
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Ltd.
Foshan Shunde Rural Credit Union
China Merchants Bank Co., Ltd.
Bank of Communications Co., Ltd.

SHARE REGISTRAR

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STOCK CODE

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普衡律師事務所
香港
花園道1號
中銀大廈21-22樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈二十二樓

主要銀行

中國銀行股份有限公司
中國農業銀行股份有限公司
中國工商銀行股份有限公司
佛山市順德區農村信用合作聯社
招商銀行股份有限公司
交通銀行股份有限公司

股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心17M樓

公司網址

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股份代號

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Annual Profit

The audited profit attributable to the owners of the Company and earnings per share of Welling Holding Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2010 (the "Year") amounted to approximately HK\$532,230,000 (2009: approximately HK\$353,775,000) and HK3.82 cents (2009: HK2.62 cents) respectively. Profit grew significantly by 50.4%, which was mainly attributable to rapid growth in sales driven by a series of favourable policies of the PRC government, such as the policies of "Home Appliances Subsidy for Rural Areas", "Home Appliances Replacement Subsidy" and "Subsidy for Energy Efficient Appliances." Another factor contributing to profit growth has been the Group's ongoing efforts to adjust its product mix, implement cost reduction initiatives and increase the proportion of self-made key components, which resulted a significant reduction in unit costs of sales. However, our gross profit margin for 2010 decreased to 12.6% (2009: approximately 14.5%), reflecting the impact of rising raw material prices during the reporting period.

Overview

The global economy regained composure in 2010 as the impact of the international financial crisis had gradually faded away. Major economic entities or countries reported strong economic growth underpinned by resurgent external demand and rising export orders. The power of domestic consumption was fully unleashed under the economic stimulus policies launched by the government in 2009 to counter the financial crisis, evidenced by growth in domestic sales orders that rebounded to the level prior to the financial crisis. Taking advantage of such favourable conditions, the Group expanded its manufacturing bases and increased its production capacity in a pre-emptive move to seize the opportunities emerging in the market and further consolidate its market share. Such expansion enabled the Group to snatch additional market share for its principal products, which contributed to the remarkable growth in sales and profit of the Year.

全年盈利

威靈控股有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一零年十二月三十一日止年度(「本年度」)經審核本公司擁有人應佔溢利為約港幣532,230,000元(二零零九年:約港幣353,775,000元),及每股盈利為3.82港仙(二零零九年:2.62港仙)。盈利大幅上升50.4%,主要原因為一方面繼續受惠於國內「家電下鄉」、「家電以舊換新」及「節能補貼」等一系列利好政策影響帶動銷售規模的快速發展,另一方面集團繼續加大產品結構調整,推行降成本工作,提高核心部件自製比例,單位產品銷售成本明顯下降;但報告期內受原材料價格上漲影響,本集團二零一零年之毛利率下降至12.6%(二零零九年:約14.5%)。

業務概覽

二零一零年,國際金融危機對實體經濟的衝擊影響漸去,全球經濟企穩向好,主要經濟體或國家經濟增長強勁,外需持續回暖,出口訂單明顯增加;內需在二零零九年政府推出了一系列應對金融危機的刺激消費政策背景下得到完全釋放,內銷訂單增長恢復到金融危機前水平。為充分搶佔市場先機及鞏固市場份額,本集團抓住此利好機遇增加產能、擴充基地,令主導產品的市場佔有率得以繼續提升,全年銷售規模及盈利水平因此得到可觀的增長幅度。

2010 was a crucial year marking the nation's transition from the 11th Five Year Plan to the 12th Five Year Plan. The Group continued to leverage opportunities presented by the favourable government policies including the "Home Appliances Subsidy for Rural Areas", the "Home Appliances Replacement Subsidy" and the "Subsidy for Energy Efficient Appliances" and achieved rapid sales growth by closely tracking the expanding coverage of these policies, identifying growth potentials and optimising the regional layout of its production bases according to their locations and advantages for development. Meanwhile, the Group also reported rapid growth in sales of its key strategic products, including energy-saving refrigerator compressor motors, direct current air-conditioning motors, commercial air-conditioning motors, high-speed series motors and vehicle motors which were developed over the years with focused efforts in line with the government policies that vigorously promoted adjustment of product mix and the development of energy-saving and eco-friendly products. Our refrigerator compressor motors have gained strong market recognition with sales doubling on an annual basis over the years. There is strong demand for our direct current air-conditioning motors which shows great potential for future development. Further progress has been achieved for our commercial air-conditioning motors in export sales to the American markets, while commercial production has started for the high-end products, vehicle motors and servo motors. All in all, the Group's initiatives in overall product mix adjustment have achieved notable results. During the Year, the Group continued to witness positive outcome of its efforts in organisational reforms, the development of distribution channels, resources integration, lean production process and in-depth cost reduction measures, which had been ongoing for some years, The benefits of these initiatives were reflected in the dynamism of our corporate development and enhanced operating efficiency.

二零一零年是國家「十一五」及「十二五」規劃發展承前啟後的關鍵之年，本集團一方面繼續抓住國家實施的「家電下鄉」、「家電以舊換新」及「節能補貼」等利好政策帶來的機遇，密切緊貼國家政策覆蓋面的擴充步伐，深度挖掘增長潛力，根據區位及發展優勢，適度優化基地佈局，實現銷售規模快速發展；另一方面，在國家全面貫徹推行產品結構調整、加強節能環保產品發展的背景下，本集團重點發展的戰略產品如節能冰箱壓縮機電機、直流空調電機、商用空調電機、高轉速串激電機、汽車電機等，經過過去幾年的培育現已獲得快速發展，其中冰箱壓縮機電機拓展已取得市場認可，銷量年復翻番；直流空調電機需求強勁，後續發展潛力巨大；商用空調電機外銷美洲市場取得一定進度；高端產品、汽車電機、伺服電機已實現批量生產的突破。集團整體產品結構調整取得明顯效果。另外，本集團最近幾年推進組織結構調整、重視營銷渠道建設、致力於加強資源整合、推行精益生產、深度開展降成本等各項工作在本年度繼續得到呈現，企業的發展活力及運營效率獲得更進一步提升。

Outlook

2011 marks the commencement of the 12th Five Year Plan, for which the government has set the “Adjustment of Economic Structure and Reinforcement of Economic Growth” as the theme of development, with the expansion of domestic demand, strengthening of energy-saving and eco-friendly initiatives and implementation of green development being some of the priorities. Meanwhile, in view of government policies to stimulate retail consumption for the expansion of domestic demand during the time under the 12th Five Year Plan as well as continued robust demand for home appliances in rural areas and ongoing home appliance upgrades in the cities, we believe there will be bright prospects for the growth and development of the industry which will present new business opportunities for us. Moreover, the Group has consistently increased its investment in the research and development of technology in line with its emphasis on this aspect. In this connection, our principal self-developed energy-saving products have been launched to the market in vigorous response to the requirements of the government policies. Preparations are underway for the establishment of our Shanghai Research and Development Centre in a bid to enhance our research and development of products embodying high-efficiency, high-technology and high value-added. The research centre will also facilitate the expansion of our product scope and provide a stronger foundation for the Group's technology upgrade and development. The Group will continue to explore opportunities for tapping into new sectors with strong potentials for future development, while prudently look for other suitable opportunities for investment or merger and acquisition, which could help develop the Group's business range and create conditions for sustainable development of the Group in the future.

展望未來

二零一一年是「十二五」發展規劃的開局之年，國家在「十二五」期間確定了「調結構、穩增長」等發展方針，全面擴大內部需求，加強節能環保，實施綠色發展。同時，由於「十二五」期間國家將努力擴大內需，採取各種政策措施鼓勵消費，加之農村市場對家電的需求依然強勁，城市保有家電逐步升級；因此，行業的發展及增長前景依然可觀，本集團將面臨新的發展機遇。此外，本集團注重科技研發，不斷加強研發投入，主力開發的節能產品已進入市場，大力響應了國家政策要求；正式籌建上海研發中心，努力加強「三高」（高效率、高技術、高附加值）產品研究與開發，切入其他產品領域，切實支撐本集團技術提升與發展。本集團亦不斷尋找機會進入未來有較大發展空間的領域，審慎地發掘其他合適的投資、併購機會，伺機佈局，為本集團的可持續性發展創造條件。

The development direction of the Group was set towards better alignment with the requirements of our customers. Our refrigerator compressor motors developed over the past years are now well received by the market, while our commercial air-conditioning motors recorded strong performance in export sales to the American market. Commercial production has started for direct current air-conditioning motors and vehicle motors. With strong input of technological and other resources, these strategic products hold out enormous growth potential and are expected to provide a new niche for future profit growth. Meanwhile, the Group will step up with its development of three-phase converter motors and DD motors (Direct Drive motors) in line with the trend of technological changes, with a view to providing the best products to its customers. Priority will also be given to the research and development of new products such as servo motors through additional input of technological, human and other resources, in order to drive progress of the development of high value-added products.

Looking ahead, in view of the ongoing global economic recovery, stable economic growth of the PRC and relocation of manufacturing operations for intermediary and end products to emerging markets (such as the PRC, India and Vietnam), the Group will pursue business growth by actively seizing opportunities arising from the restructuring of the industry and the requirement for products upgrade and replacement. On the back of product mix adjustment and technology upgrade, the Group will further extend its presence to overseas markets in a drive to become one of the world's leading suppliers of home-appliance motors and related solutions, providing sustainable return to shareholders, career development opportunities for its staff and greater value for the community.

Acknowledgement

Last but not least, I would like to express sincere gratitude to the shareholders, customers and partners for their support, and to the members of the Board, the management team and all employees for their admirable work and contributions in the Group's business development over the past year that have assured its ongoing growth. With concerted efforts from our staff under the able leadership of the management, I am sure we will take on any future challenges with confidence and continue to excel from strength to strength.

CAI Qiwu
Chairman

21 March 2011

本集團以貼近客戶為發展導向，經過幾年努力開發培育的冰箱壓縮機電機已獲得市場認可，商用空調電機外銷美洲市場取得一定突破，直流空調電機及汽車電機已形成批量生產，這些戰略產品在技術及資源的牽引下增長潛力巨大，預計將會成為集團未來新的盈利增長點。同時，集團根據產品技術發展變化趨勢，將加快三相變頻電機、DD電機(直接驅動電機)開發，不斷為客戶提供最佳的產品需求。通過一定技術、人力、資源傾斜，重點推動伺服電機等全新產品研究與開發，推進集團產品朝高附加值方向發展。

展望未來，在全球經濟持續回暖，國內經濟不斷企穩向好，全球中間、終端產品產能繼續向新興國家市場(如中國、印度、越南等)轉移的前提下，本集團將積極抓住產業重組和產品結構升級換代的機遇，推動業務增長，通過調整產品結構、升級技術將本集團在國內市場領域地位延伸至海外市場，務求成為全球優秀的家電電機和解決方案供應商之一，為股東提供可持續性回報，為員工提供良好的職業發展機會，為社會創造更大的價值。

致謝

最後，本人謹借此機會感謝股東們、客戶及合作夥伴的支持，感謝各董事，各管理人員及全體員工為本集團的業務發展於過去一年所作出的努力和貢獻，使集團的業務蒸蒸日上。希望管理層與全體員工繼續共同努力，迎向未來挑戰，再創佳績。

主席
蔡其武

二零一一年三月二十一日

Business Review

The Group's profit attributable to the owners of the Company and earnings per share for the year ended 31 December 2010 amounted to approximately HK\$532,230,000 (2009: approximately HK\$353,775,000) and HK3.82 cents (2009: HK2.62 cents) respectively, representing growth of approximately 50.4% as compared to the same period in last year. The substantial increase in profit was attributable to the positive effects of continuous favourable government policies, which stimulated the demand for home appliances to the benefit of our industry. The Group benefited from the further broadening in scope and increase in magnitude of such policies and reported significant year-on-year growth in the volume and amount of product sales for the Year.

For the year ended 31 December 2010, the Group recorded a turnover of approximately HK\$7,798,886,000 (2009: approximately HK\$4,824,116,000), which represented an increase of approximately 61.7%. The Group's gross profit margin was approximately 12.6% (2009: approximately 14.5%), decrease in the gross profit margin was mainly due to rise in raw material prices. Net asset value per share of the Group was HK13.5 cents as at 31 December 2010 (2009: HK8.4 cents).

Analysis of Major Business Operations

The global economy started to pick up in 2010, as the leading national economies in the emerging markets reported strong economic growth, while GDP growth in certain developed countries also took a positive turn. Demand in the external markets of the industry began to show a positive growth trend, while domestic sales continued to benefit from the favourable government policies of "Home Appliances Subsidy for Rural Areas", "Home Appliances Replacement Subsidy" and "Subsidy for Energy Efficient Appliances", such that the home appliance industry as a whole sustained stable growth. Moreover, factors such as the rapid and significant growth in demand for home appliances in rural areas in tandem with the broadening of the scope of favourable government policies, the ongoing substitution, replacement and upgrade of home appliances in urban areas and the continued growth in property sales combined to drive ongoing growth of the industry.

業務回顧

截至二零一零年十二月三十一日止年度，本公司擁有人應佔本集團利潤為約港幣532,230,000元(二零零九年：約港幣353,775,000元)，及每股盈利為3.82港仙(二零零九年：2.62港仙)，利潤同比增長約50.4%。利潤大幅增長因行業繼續受惠於國內一系列利好政策的釋放，受惠政策覆蓋面及力度進一步加大，本集團於年內產品銷量及銷售金額同比均錄得大幅增長。

於截至二零一零年十二月三十一日止年度，本集團營業額為約港幣7,798,886,000元(二零零九年：約港幣4,824,116,000元)，同比上升約61.7%，本集團的毛利率為約12.6%(二零零九年：約14.5%)，毛利率下降主要受原材料價格上漲影響。於二零一零年十二月三十一日，本集團之每股資產淨值為13.5港仙(二零零九年：8.4港仙)。

主要業務經營情況分析

二零一零年，全球經濟開始回暖，主要新興經濟體國家經濟增長強勁，部分發達國家經濟增長出現好轉，行業外部市場需求開始步入良性發展軌道。國內銷售則繼續受惠於「家電下鄉」、「家電以舊換新」及「節能補貼」等利好政策刺激，家電行業整體保持了穩定的增長態勢；此外，隨著該等政策覆蓋面的進一步推廣，農村家電需求量大幅快速增長，加上城市家電持續推行更新、換代、升級，及房地產市場銷售持續增長等多重利好因素影響下，行業展現持續增長的動力。

In 2010, the Group worked vigorously under the direction of its strategic planning to facilitate changes in development patterns, optimise product mix and further materialise manufacturing potentials of principal products for its motor business. This involved integration of competitive resources, thorough implementation of standardisation, as well as the enhancement of its lean production process and lean management system, which resulted in notable improvements in our manufacturing capabilities and operating efficiency. With increased investments in research and development, high value-added strategic products with features in energy conservation, eco-friendliness and low-carbon discharge were developed at opportune timing to optimise our product mix. We actively procured the improvement of our regional deployment of each business division, modify marketing approaches and carry on the practice of operations on a company basis. Sales were increased as a result of our decisive move to capitalise on opportunities in swift response to market demand. The Group reported strong results of operations for the Year, underpinned by the significant year-on-year growth in the level of revenue and profit.

In connection with the development of our traditional products, the Group sustained rapid year-on-year growth in 2010 in the production and sales of its principal products, such as household air-conditioning motors, series motors, wave-wheel motors and dishwasher pumps, the market position of the Group was further reinforced as a result. In terms of global market share, we continued to be firmly established as the world's top supplier of household air-conditioning motors, while assuming the world's No. 1 ranking for our washing motor supplies during the year. Regarding the development of strategic products, notable results were achieved in the expansion of our product scope to refrigerator compressor motors, direct current motors, commercial motors, small series motors and high-speed series motors, which were gradually developing into important growth niches for us on the back of strong market recognition. Our endeavours to develop high-end products other than motors for home appliances have also produced positive results, underpinned by a breakthrough achieved in the commercial production started for high-end products, vehicle motors and servo motors that have paved the way for better product mix, stronger profitability and sustainable development for the Group.

二零一零年，本集團在戰略規劃的牽引下，積極推動下屬電機產業轉變發展模式，優化產品結構，進一步深挖主導產品製造潛能，其中包括整合優勢資源，深入推行標準化，強化精益生產、精益管理能力，企業製造能力水準、運營效率等得到明顯改善；通過加強研發投入，伺機開發節能、環保、低碳等高附加值戰略產品，產品結構調整不斷優化。積極推進各事業部完善區域佈局，促進行銷模式變革，繼續推行產品公司化運作；勇抓市場機遇，快速回應市場需求，擴大銷售規模。全年本集團之營業收入與盈利結構水平與去年同期相比大幅提升，經營業績良好。

二零一零年，在傳統產品開發方面，本集團產品之家用空調電機、串激電機、波輪電機、洗碗機電泵等主導產品產銷同比繼續保持快速增長，市場地位得到進一步鞏固，其中家用空調電機市場佔有率牢固保持全球第一的行業地位，洗衣機電機市場佔有率已躍居全球第一。戰略產品拓展方面，冰壓機電機、直流電機、商用電機、小串激電機、高轉速串激電機拓展效果明顯，已獲得市場認可，逐步成為業務主要增長點；嘗試在家電領域之外開發的高端產品、汽車電機、伺服電機已實現批量生產的突破，為改善集團產品結構，提升產品盈利水準，為集團可持續發展創造條件。

(1) Micro Motors Business

The domestic air-conditioner market started recovery in full-swing in 2010 under the combined effect of global economic recovery, economic stimulus policies launched by the PRC government in the second half of 2009, continued high temperature in most parts of China and a red-hot property market. For the full year, the sales volume of household air-conditioners in the PRC increased by 44.4% over the same period last year, while the sales volume of commercial air-conditioner had basically returned to the level prior to the financial crisis. The refrigerator sector has also benefited from the favourable policies of the State, evidenced by 22.7% growth in sales volume as compared to the same period last year (Source: www.chinalOL.com).

For the micro motors business, the Group recorded approximately 67,666,000 units of domestic sales and 10,238,000 units of export sales of micro motors for the year ended 31 December 2010. The aggregate sales volume increased by 49.3% as compared to the same period last year. The micro motors business recorded a turnover of HK\$4,395,039,000 for the full year of 2010, which represented an increase of approximately 79.8% as compared to HK\$2,444,272,000 for the same period in 2009. Profit for the micro motors business during 2010 amounted to HK\$342,555,000, which was approximately 104.5% higher as compared to HK\$167,521,000 recorded for the same period in 2009. The growth was primarily attributable to the positive effect of a string of economic stimulus policies introduced by the government, as well as our efforts during the period to adjust our product mix, implement cost reduction initiatives and increase the proportion of self-made key components.

Our micro motors business sustained rapid growth in 2010 as sales of household air-conditioning motors, our traditional products, continued to grow at a rate above the industry average to further expand our market share. Regarding the development of strategic products, sales of compressor motors, direct current motors and commercial motors grew rapidly after we have implemented the lean production process, standardisation and resources integration, optimisation of the plan management system and ongoing recruitment and training of key technical personnel, which contributed to steady improvements in our manufacturing capability and operating efficiency of these strategic products. The key high-end products, including ECM (electronically commutated motor) systems, direct current motors for high output blowers and servo motors have achieved a stage results, with commercial production having been started for some of these products.

(1) 微電機業務

二零一零年，受全球經濟回暖、中國政府在二零零九年下半年推出的一系列刺激消費政策、中國大部分地區出現持續高溫天氣、房地產行業持續火爆等綜合因素作用下，空調市場開始全面復甦。全年，中國家用空調銷量同比上升44.4%，商用空調銷量基本恢復到金融危機前水準。冰箱受益於國家推出的利好政策，全年銷量同比增長22.7%（資料來源自產業在綫）。

截至二零一零年十二月三十一日止年度，微電機業務內銷之電機銷量為約67,666,000台，出口之電機銷量為約10,238,000台，總銷量較去年同期上升49.3%。微電機業務於二零一零之營業額為約港幣4,395,039,000元，比二零零九年同期之營業額為約港幣2,444,272,000元，增幅約79.8%。微電機業務於二零一零年利潤為約港幣342,555,000元，比二零零九年同期約港幣167,521,000元，增幅約104.5%。增長主要因為行業繼續受惠於國內一系列刺激消費政策，以及期內加大產品結構調整，推行降成本工作，提高核心部件自製比例。

二零一零年，微電機業務繼續保持快速發展，傳統產品家用空調電機銷量增長繼續領先於行業增長水準，市場佔有率得到繼續提升。戰略產品拓展方面，通過深入推行精益生產、標準化與資源整合、優化計劃管理體系、持續引進及培養關鍵技術人才建設軟實力等，使壓縮機類電機、直流電機、商用電機的銷量增長迅速，而該等戰略產品的製造能力、運營效率等均得到穩定提升。ECM電機系統（電子換向電機系統）、大功率風機直流電機、伺服電機專項等重點高端產品已取得階段性突破，部分已進入量產。

With regard to our business expansion in compressor motors, through our strengthened cooperation with three major customers, we have reached agreement with them for long-term strategic supply in different aspects. With annual sales doubled in 2010 as compared to 2009, we are now positioned among the forerunners in the domestic market. Meanwhile, in order to further expand our market coverage, we proactively developed businesses with other potential corporations with proven strengths in the industry, endeavored to expand our product scope to other types of compressor motors including water pump motors and air compressor motors and focused on brand building to highlight our expertise, as ongoing drivers for the Group's continuous growth. In respect of commercial air-conditioning motors, further progress has been achieved for the development of the American market, while our sales office in America has further approached mainstream air-conditioner manufacturers in America for business cooperation. With an initial foothold in America, we will next be looking at opportunities for mergers and acquisitions, which is expected to speed up the expansion of our market share. In connection with the development of direct current motors, we vigorously developed the market for high-output direct current motors on the basis of our strengths in existing air-conditioning direct current motors, and further strengthened our development in refrigerator fan direct current motors, water heater direct current motors, air purifier direct current motors, dryer direct current motors and other direct current motors for home appliances, which represent an extensive coverage of different types of products that drives continuous sales growth.

二零一零年，壓縮機電機的領域拓展方面，通過深化與三大主力客戶合作，從多種途徑建立長期戰略供貨協議，全年銷量相比二零零九年翻番，進入國內同行業前列。同時，為繼續擴大市場範圍，積極向行業其他有實力企業拓展業務，亦向水泵電機、空壓機電機等其他壓縮機電機品種延伸，主力打造專業品牌，持續成為集團增長動力。商用空調電機領域，美洲市場拓展已取得一定突破，依託美洲辦事處正進一步開拓其他主流空調廠商；現已初步打入美洲銷售市場；其後會著手開展行業企業收購兼併，冀快速擴大銷售市場份額。直流電機的領域拓展方面，在現有空調DC電機拓展基礎上，大力拓展大功率直流電機市場，進一步推進冰箱風扇DC電機、熱水器DC電機、空氣清新機DC電機、乾衣機DC電機及其他家用電器用DC電機專案，形成多產品領域覆蓋的格局，推動銷量的持續攀升。

(2) Washing Motors Business

Export sales of washing machines in PRC grew by 30.2% in 2010 amidst gradual recovery of the external market, where economic growth resumed in Europe and the United States. Domestic sales of washing machines increased by 28.1% as compared to the same period last year. The increase was attributable to economic stimulus policies introduced by the PRC government, the growing mature of second- and third-tier domestic markets, as well as replacements and upgrades of washing machines by domestic consumers. The overall sales volume of washing machines in 2010 increased by approximately 28.8% and performance of the industry was generally stable (Source: www.chinalOL.com).

For the year ended 31 December 2010, the Group recorded approximately 19,423,000 units of domestic sales and approximately 9,950,000 units of export sales for its washing motors. Total sales volume grew approximately 40.9% as compared to the same period last year. The aggregate turnover for the washing motors business increased by approximately 52.4% (approximately HK\$1,694,340,000 for the same period in 2009) to approximately HK\$2,582,432,000. Profit for the washing motors business during 2010 amounted to HK\$186,694,000, compared to HK\$172,175,000 recorded for the same period in 2009. The slowdown in profit growth was mainly attributable to our sales strategy for the washing motor business, which involved adjustment in the product mix for sales to meet real market demand and our strategy to speed up the expansion of our market share of wave-wheel washing motors, so as to attain our strategic goal of assuming the position of the world's top supplier of wave-wheel washing motors in terms of market share. As a result, there was a decline in our overall gross profit for the year.

In 2010, our washing motor business continued to focus on the strategy of in-depth development of new washing motor products. The Group continued to report strong growth in sales of washing motors for the full year, being ranked number one in terms of global market share of washing machine motors which further consolidated its dominant position in the industry. Rapid growth in the sales of series motors for washing machines was driven by replacement and upgrades of the end-products; while our market share in wave-wheel motors for washing machines also grew to make us the world's top supplier. Commercial production in large volume has commenced for the VMW motor (for use in vertical modular fully automated washing machines), a new product

(2) 洗滌電機業務

二零一零年，受外部市場逐步回暖影響，歐美經濟發展漸漸恢復，全年中國洗衣機出口銷量同比增長30.2%。國內市場因中國政府推出的一系列刺激消費政策效應逐步顯現，同時國內二三級市場的成熟及國內洗衣機更新換代等因素帶動，洗衣機內銷同比增長28.1%。二零一零年洗衣機整體銷量同比上升約28.8%，行業總體表現相對穩定(資料來源自產業在線)。

截至二零一零年十二月三十一日止年度，本集團之內銷洗滌類電機數量為約19,423,000台，出口洗滌類電機數量為約9,950,000台，總銷量較去年同期上升約40.9%。洗滌電機業務於二零一零之營業額為約港幣2,582,432,000元，二零零九年同期之營業額為約港幣1,694,340,000元，同比上升約52.4%。洗滌電機業務於二零一零年之利潤為約港幣186,694,000元，二零零九年同期之利潤為約港幣172,175,000元。利潤增幅低主要歸因於洗滌電機業務的銷售策略，一方面為配合市場的實際需求而作出了產品銷售結構調整，另一方面亦為加快實現提升波輪電機的市場份額躍升至全球第一位的戰略部署，因而令本年的整體毛利下降。

二零一零年，洗滌電機業務繼續以新型洗滌類電機產品的深度拓展為戰略發展思路，全年本集團之洗滌類電機銷量持續大幅增長，行業優勢地位繼續鞏固，洗衣機電機市場佔有率躍居全球第一。洗衣機用串激電機受終端產品換代升級驅動影響增長迅速；洗衣機用波輪電機市場佔有率上升全球第一，新開發供應美洲市場的VMW電機(頂開門全自動洗衣機電機)已大批量生產。

developed for supply to the American market. Through our sales offices in Europe and America, we achieved encouraging results in our vigorous development of the local markets in these regions, and has built up stronger strategic partnerships with large customers such as Whirlpool and Electrolux who are accounted for increasing proportions of our supply.

To further strengthen our management in strategic products, we introduced project-based responsibilities in our management system. As a result, we achieved good results in the development of small series motors and high-speed series motors. Commercial production has commenced for vehicle motors. Small- to medium-batch commercial production for direct current products (including direct current washing machine motors and direct current dishwasher motors) has started after we achieved technological breakthroughs. Meanwhile, we introduced the practice of operations on a company basis to facilitate the development of small series motors and its rapid growth in business scale.

Moreover, to optimize the strategic deployment in its regional layout of production bases, the Group has established a new production plant in Hefei, which is expected to facilitate timely development of new products and optimisation of product mix, accelerate production capacity expansion, attain economies of scale and enhance profitability.

(3) Investment in Associate

Shanxi Huaxiang Investment Co., Ltd. ("Huaxiang", an associate owned as to 49% by the Group) initiated creative and in-depth organisational reforms through the implementation of sub-divided management functions and tentative delegation of management duties, resulting in steady improvements in operational efficiency and an enhanced management system. Notable reduction in the unit cost of production was achieved following vigorous cost reduction measures adopted during the year. The rapid growth in revenue with significant improvements in profitability for the year has put the business operations of Huaxiang on a right track of development. In addition, Huaxiang has started the construction of a new industrial park in Shanxi Province to expand its production plant and facilities for casting products for the purpose of increasing production capacity and improving production efficiency. It is also expected to enhance the development of high-end precision casting products such as precision casting products applicable to vehicles and high-speed rail.

Share of profit of Huaxiang for the year ended 31 December 2010 amounted to approximately HK\$9,269,000.

依託歐洲及美洲辦事處，本集團大力開拓當地市場，取得明顯效果：大客戶如惠而浦、伊萊克斯供貨比例持續提升，戰略合作關係更加穩固。

通過進一步強化戰略產品管理，推進專案責任制管理模式，小串激電機、高轉速串激電機拓展取得良好效果，汽車電機已實現批量生產，直流化產品(包括直流洗衣機電機及直流洗碗機電機)實現技術突破，進入小批或中批量生產。同時，為推進小串激電機發展，推進實施產品公司化運作，促進規模快速發展。

另外，集團啟動新建的合肥工廠專案正式投產，戰略性區域佈局更趨合理，對於及時開發新產品、調整優化產品結構，快速提升產能，強化規模優勢，提升盈利能力起著助推劑作用。

(3) 聯營公司投資

二零一零年，山西華翔投資有限公司(「華翔」，本集團應佔49%股權的聯營公司)通過深入推進組織結構創新，細化管理職能，探索性推進管理重心下移，營運管理效率得到穩步提升，管理體制更趨完善。全年大力開展降成本工作，單位產品製造成本明顯下降。華翔全年營業收入增長快速，盈利能力顯著提升，業務運作步入良性發展軌道。此外，華翔於山西省興建新工業園，擴充鑄件廠房及生產設施，提高產能及生產效率，亦加強開發高端精密鑄件產品，如汽車鑄件及高鐵鑄件產品等。

截至二零一零年十二月三十一日止年度，應佔華翔利潤為約港幣9,269,000元。

Financial Review

Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 118% as at 31 December 2010 (2009: 106%).

As at 31 December 2010, the Group was in a net cash position of HK\$529,639,000 (2009: HK\$94,039,000), representing cash and cash equivalents and pledged bank deposits of approximately HK\$875,449,000 less total bank borrowings of approximately HK\$345,810,000 (comprising approximately HK\$241,446,000 would be due within one year and approximately HK\$104,364,000 would be due over one year). Hence, the gearing ratio (defined as total borrowings less cash and cash equivalents and pledged bank deposits divided by total equity) is not applicable.

Financial Ratios

The following are certain financial ratios of the Group as at the consolidated statement of financial position date:

財務回顧

流動資金及財務資源

本集團之財政及流動資金狀況穩健，於二零一零年十二月三十一日之流動比率為118%（二零零九年：106%）。

於二零一零年十二月三十一日，集團處於淨現金狀態，淨現金盈餘達港幣529,639,000元（二零零九年：約港幣94,039,000元），由現金及現金等價物及已抵押銀行存款約港幣875,449,000元減去總借款約港幣345,810,000元（包括約港幣241,446,000元於一年內到期及約港幣104,364,000元於超過一年後到期）組成。為此，資本負債比率（總借款減現金及現金等價物及已抵押銀行存款除以總權益）並不適用。

財務比率

下表載列於所示綜合財務狀況表日本集團的若干財務比率：

		2010 二零一零年	2009 二零零九年 (Restated) (重列)
Trade receivables turnover (Note 1)	貿易應收賬周轉期(附註1)	31 days 31日	32 days 32日
Trade payables turnover (Note 2)	貿易應付賬周轉期(附註2)	87 days 87日	105 days 105日
Current ratio (Note 3)	流動比率(附註3)	1.18 times 1.18倍	1.06 times 1.06倍

Notes:

- Trade receivables turnover is calculated based on the average of the opening trade receivables and closing trade receivables, divided by the revenue of the year, and multiplied by the total number of days of the year.
- Trade payables turnover is calculated based on the average of the opening trade payables and closing trade payables, divided by the cost of goods sold of the year, and multiplied by the total number of days of the year.
- Current ratio is calculated based on the year-end current assets divided by the year-end current liabilities.

附註：

- 貿易應收賬周轉期是根據年初應收賬與年終應收賬平均數除以當年收益，再乘以該年的總日數計算。
- 貿易應付賬周轉期是根據年初應付賬與年終應付賬平均數除以當年銷售貨品成本，再乘以該年的總日數計算。
- 流動比率是根據年終的流動資產除以年終流動負債。

Pledge of Assets

As at 31 December 2010, short-term borrowings of the Group were secured by certain property with net book value of approximately HK\$97,891,000 (2009: approximately HK\$125,081,000) and certain leasehold land and land use rights with net book value of approximately HK\$60,429,000 (2009: approximately HK\$84,026,000) of the Group.

Contingent Liabilities

Save as the financial guarantees discussed in below, as at 31 December 2010 and 2009, the Group and the Company did not have any material contingent liabilities.

Financial Guarantees

As at 31 December 2010, the Group has given guarantee to banks in respect of banking facilities extended to associates of approximately HK\$532,965,000 (2009: approximately HK\$27,825,000). As at 31 December 2010, bank loans of approximately HK\$304,971,000 (2009: approximately HK\$27,825,000) being guaranteed by the Group to associates have been drawn down.

Capital Expenditure

For the year ended 31 December 2010, the Group has invested approximately HK\$270,876,000 (2009: approximately HK\$225,124,000) in the addition of property, plant and equipment.

Derivative Financial Instruments

As at 31 December 2010, the Group's outstanding derivative financial instrument assets under various copper and aluminium future contracts and foreign exchange forward contracts amounted to approximately HK\$25,922,000 (2009: derivative financial instrument assets and liabilities of approximately HK\$25,708,000 and HK\$902,000 respectively).

資產抵押

於二零一零年十二月三十一日，本集團的短期借款以本集團帳面淨值約港幣97,891,000元(二零零九年：約港幣125,081,000元)之若干物業以及帳面淨值約港幣60,429,000元(二零零九年：約港幣84,026,000元)之若干租賃土地及土地使用權作為抵押。

或然負債

除下述的融資擔保外，本集團及本公司於二零一零年及二零零九年十二月三十一日並無任何重大或然負債。

融資擔保

於二零一零年十二月三十一日，本集團為銀行向聯營公司提供銀行融資作出約港幣532,965,000元擔保(二零零九年：約港幣27,825,000元)。於二零一零年十二月三十一日，本集團所擔保的聯營公司銀行貸款約港幣304,971,000元(二零零九年：約港幣27,825,000元)已被提取。

資本開支

於截至二零一零年十二月三十一日止年內，本集團投資約港幣270,876,000元(二零零九年：約港幣225,124,000元)，作添置物業、廠房及設備之用。

衍生金融工具

於二零一零年十二月三十一日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期衍生金融工具資產約港幣25,922,000元(二零零九年：衍生金融工具資產約港幣25,708,000元及衍生金融工具負債約港幣902,000元)。

Exposure to Exchange Rate Fluctuations

During the Year, approximately 20% of the Group's turnover was derived from export trading settled in Euro and US dollars. In the meantime, the Group has also imported raw materials from the suppliers which were paid in Euro and US dollars for settlement. As a result, foreign exchange risks associated with these currencies were partially offset. On the other hand, the Group has made arrangements to purchase foreign exchange forward contracts to hedge against foreign exchange exposure arising from export trading. There were wide fluctuations in exchange rate of Euro during the Year. As only 6% of the Group's total sales for the Year was derived from countries in Europe with Euro for settlement, and the financial risk associated with the fluctuation in exchange rate for Euro has been mitigated through our proper hedging arrangement in foreign currencies, there was no significant exposure to the fluctuation in exchange rate for Euro during the Year. The Group has strengthened its control over the risk of exchange rate fluctuation, and will review from time to time the sufficiency and appropriateness of the financial instruments which were currently used to hedge significant foreign currency risks.

Capital Commitments

As at 31 December 2010, the Group has contracted capital commitments in respect of the purchase of property, plant and equipment and leasehold land and land use rights amounting to approximately HK\$139,757,000 (2009: approximately HK\$35,396,000).

Placing and Subscription of Shares of the Company

On 29 March 2010, Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)"), the controlling shareholder of the Company, entered into a placing agreement with the Company and the placing agent, pursuant to which Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company owned by Midea (Cayman Islands) to not less than six independent places at the placing price of HK\$0.42 per share (the "Placing").

On 29 March 2010, Midea (Cayman Islands) entered into a subscription agreement with the Company, pursuant to which Midea (Cayman Islands) agreed to subscribe for 600,000,000 new shares of the Company at the subscription price of HK\$0.42 per share (the "Subscription").

The completion of the Placing and the Subscription took place on 1 April 2010 and 9 April 2010 respectively. The Company received the net proceeds of approximately HK\$245 million.

匯率波動風險

於本年內，本集團營業額中約佔兩成來自外銷之出口貿易，交易以歐元及美元結算，與此同時，本集團亦有進口原材料是以歐元及美元向供應商付款，因此，由該等外幣引起的匯兌風險彼此能作部分抵銷。另一方面，本集團已安排為部分出口貿易購買遠期外匯合約，以對沖所產生的匯兌風險。歐元匯率於年內出現大幅波動。由於本集團來自歐洲國家並以歐元作為結算貨幣的銷售額僅佔本年內本集團總銷售額6%，且與歐元匯率波動有關之金融風險因本公司進行合適外匯對沖安排已有所減低，因此，本年內並無歐元匯率波動之重大風險。本集團已加強了對外匯匯率波動的監控，並不時檢討現時所使用以對沖重大外幣風險之金融工具是否足夠及適當。

資本承諾

於二零一零年十二月三十一日，本集團就購買物業、廠房及設備以及租賃土地及土地使用權已訂約的資本承擔約港幣139,757,000元(二零零九年：約港幣35,396,000元)。

配售及認購本公司股份

於二零一零年三月二十九日，本公司之控股股東美的控股(開曼群島)有限公司(「美的(開曼群島)」)與本公司及配售代理訂立配售協定，據此，美的(開曼群島)同意通過配售代理按配售價每股股份港幣0.42元，向不少於六名獨立承配人配售美的(開曼群島)所擁有的1,200,000,000股本公司現有股份(「配售」)。

於二零一零年三月二十九日，美的(開曼群島)與本公司訂立認購協議，據此，美的(開曼群島)同意按認購價每股股份港幣0.42元認購600,000,000股本公司的新股份(「認購」)。

配售及認購已分別於二零一零年四月一日及二零一零年四月九日完成。本公司收到所得款項淨額約港幣245,000,000元。

Human Resources

As at 31 December 2010, the Group had approximately 17,123 full time employees in Hong Kong and in the PRC. While the Company was supported by a team of young and highly competent staff, it does not ignore the importance of the development, management and future planning of its human resources. With the use of open recruitment, job rotation, internal promotion and professional training for the recruitment, deployment and nurture of employees, it is intended to ensure the selection and deployment of employees to be carried out in an open, fair and equitable manner. Besides, it could also provide staff with a platform for their further promotion and development. Through the implementation of comprehensive human resources management, it is aimed at achieving the objectives of enhancing employees contributions to the Group and shaping the Group's strategic advantages in human resources.

The Group has adopted a share option scheme for employees as an incentive to motivate employees by linking their interests to the future development and expansion of the Group. The Group currently provides staff with competitive remuneration packages (comprising salary, bonus and benefits in kind), adequate insurance cover (including pension, medical insurance, unemployment compensation insurance, work injury compensation insurance and maternity insurance) and housing provident fund. In addition, the Group also provides its staff with other benefits including on-the-job training, meal subsidy, housing subsidy, cooperative medical scheme services, support fund and recreational activities etc.

Business Prospects

Confronted with profoundly volatile market conditions both in China and abroad, economic recovery in major developing countries looks feeble, while uncertainties remain as to whether external demand will continue to grow stably. Given gradual depletion of the world's non-renewable resources and the effect of global warming, the energy conservation and eco-friendliness became important development themes for our industry. On the other hand, industry players have to focus on technological innovations and product mix adjustment for their future development, given rising costs of raw materials and the gradual loss of their advantage in low labour costs. In view of the above, the Group will expedite industrial development with its focus shifting from quantity to quality. Furthermore, the Group will speed up its pace of breaking the bottleneck currently experienced in production-based services such as research and development, design, standardisation, marketing, supply chain and brand building, which have restrained its attempts in industrial transformation and upgrade. Greater efforts will also be made to cultivate new strategic sectors and expedite the adjustment of our product mix.

人力資源

於二零一零年十二月三十一日，本集團於香港及國內共聘用約17,123名全職僱員。公司在擁有一支年輕、優秀的員工隊伍同時，亦充分重視人力資源開發、管理及發展規劃，通過公開招聘、崗位輪換、內部升遷、專業培訓等用人、育人機制，以其通過公開、公平、公正的選才、用才機制，為公司員工提供了一個晉升、發展的平台，通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

本集團採用購股權計劃，用以鼓勵員工為本集團之未來發展及擴展出力。本集團目前為員工提供具競爭力的薪酬(含崗位工資、獎金及福利)、保險(含養老保險、醫療保險、失業保險、工傷保險和生育保險)及住房公積金。另外集團為員工提供其他福利，包括在職學歷教育、膳食補助、住房補貼、員工合作醫療、扶助基金、團隊活動等。

業務展望

面對複雜多變的國際國內環境，主要發展國家實體經濟的恢復仍很薄弱，外需持續穩定增長依舊存在不確定性；隨著全球不可再生資源的逐步耗盡、全球氣候變暖，節能、環保成為行業主題；原材料價格上漲、低勞工成本優勢逐步消失，因此，加強技術創新、調整產品結構成為行業發展的必然趨勢。有見及此，本集團將加快推進產業發展從規模擴張為主轉向素質提升為主，加快突破制約產業轉型升級的研發、設計、標準、行銷、供應鏈、品牌培育等生產型服務環節，加快培育戰略性新興產業，加快推進產品結構調整。

Taking advantage of the major historic opportunity presented by the PRC government's move to increase domestic demand on all fronts and actively accelerate the development of energy-saving and low-carbon products and the ongoing market needs for product upgrades and replacement, we will continue to focus on electric motors, seeking to further improve our business relating to leading-edge products and materialise our potential and strengths in production scale, manufacturing capabilities and other advantages. In line with our emphasis on technological innovation, we will expedite the research and development of new products with ongoing investments in technology. In particular, we will focus on the transformation of manufacturing capabilities and creation of new growth niches to raise investment efficiency for the Group. To procure the building of core teams of technical staff and the fostering of key technologies, it is important for us to step up with the recruitment of key technical professionals. The implementation of lean production process and other cost management measures will be further enhanced, with a view to assuring long-term and stable development on the back of our strong core competitiveness and market position. We will strive to become a world-class expert in motor manufacturing that provides systematic motor solutions for customers, sustainable and incremental reward for shareholders, sound career development opportunities for our employees and greater value for the community in general.

For our micro motor business, we will further develop our air-conditioning motors in terms of sophistication and specialisation to assure our leading position in the global market. Focused efforts will also be made in the development of strategic products such as commercial motors, direct current motors and servo motors to broaden the scope of applications of these products and their related technologies. We will continue to increase the investment of resources in these products to enhance their competitiveness.

For our washing motor business, efforts will be made to further realise the market potentials of our core products including series motors, wave-wheel motors and dishwasher pumps. We intend to foster competitive edge on the basis of our overall operating capabilities and strengths in quality control and market service, reinforcing and enhancing our market position and business scale by increasing our share in market sub-segments. As the Group has become the largest washing motor manufacturer in the PRC commanding rapid growth in its washing motor business, it has established its third production base for washing motors in Hefei in 2010 in addition to its two existing production bases in Shunde, Foshan of Guangdong and Huaian, Jiangsu. This strategic move was in line with the growing number of major domestic home appliance manufacturers who have extended their business chain to East China and Central China.

本集團將抓住中國政府全面擴大內需、積極推進環保節能、低碳及產品升級換代重大歷史機遇，持續專注於電機領域，繼續深化經營好現有優勢產品，不斷挖掘現有規模、製造潛力及優勢，同時，重視科技創新，持續技術投入，加快全新產品的研究與開發，重點關注製造能力轉型以及新增長點的挖掘與創新，提升投資效率；強化關鍵技術人才引進力度及加快核心人才梯隊建設，積極培育關鍵技術；深入推行精益生產，優化成本管理，提升企業核心競爭力，進一步強化市場地位，確保長期穩健發展。力爭成為全球卓越的電機製造專家，為客戶提供系統的電機解決方案，為股東提供可持續的增長性回報，為員工提供良好的職業發展機遇，為社會創造更大的價值。

微電機業務將進一步做深、做專空調電機，確保其全球第一的市場地位，重點拓展商用電機、直流電機、伺服電機等戰略產品，不斷延伸技術及產品應用領域，持續加大資源投入，提高產品競爭力。

洗滌電機業務將深入挖掘以串激電機、波輪電機、洗碗機電泵為代表的核心產品市場，發展以整體生產運作能力、品質控制水準、市場服務水準為核心的競爭力，持續提高細分市場佔有率，鞏固並提升市場地位與規模。洗滌電機業務正步入高速成長期，本集團現已成為國內最大的洗滌電機製造商。基於國內主要家電製造商的產業鏈逐步向華東及華中地區拓展的趨勢，除現有廣東佛山順德、江蘇淮安兩個生產基地，本集團於二零一零年在合肥建設洗滌電機第三個生產基地。

The Group has devoted strong efforts to the market development for its strategic products, such as motors for small home appliances, vehicle motors and direct current motors, with the investment of increasing resources to strengthen our competitive advantages in terms of technological edge and scale. Such efforts are expected to expand the Group's market share in these strategic products and provide a driving force for sustainable growth.

The Group's Shanghai Research and Development Centre, located in the core zone of Zhangjiang Hi-tech Park, a national-grade hi-tech development zone in Shanghai, will be officially unveiled in late March 2011. The Shanghai Research and Development Centre was built to further enhance the Group's competitiveness in product development by facilitating the integration of its technological resources, raising its overall standard and capabilities in research and development, as well as increasing the technological level of its products. The primary functions of the research centre include the development of key technologies and building up a team of professional technicians, so as to improve the Group's internal system of proprietary research and development. The centre will focus on the research and development of products commanding high-efficiency, high-technology and high value-added, in a bid to enhance the technological competitiveness of our products to fulfil the market requirements, which will provide a solid foundation for our sustainable development in the long run.

With regard to the casting business, we will continue to focus on the development of high-end casting products. In this connection, our team of high-calibre professionals will be further expanded, while high-end equipment and new technologies will also be introduced. On the basis of our existing business operations, we will swiftly enhance our ability to produce large-sized, light-weight, high-precision and digitalised casting products from clean production processes, using premium casting technologies with strong performance in precision, efficiency and cleanliness. These efforts are expected to improve the core competitiveness and strengthen the market position in the casting industry.

本集團亦大力發展以小家電電機、汽車電機、直流電機為代表的戰略產品市場，持續加大資源投入，逐步實現技術領先和規模發展的競爭優勢，提高市場份額，為本集團提供持續增長的動力。

為實現整合本集團現有的技術資源，進一步提升整體研發能力及水準，不斷提高產品科技力，加強培育產品的競爭力，本集團選址上海國家級高新技術開發區張江高科技園核心區域，將於二零一一年三月底正式設立上海研發中心。研發中心的主要職責是負責企業關鍵技術開發及技術人才梯隊建設，以完善自主研發體系，其工作主要集中在三高(高效能、高技術及高附加值)產品的研發，從技術層面提升產品的競爭力以有效銜接市場需求，為實現本集團長期可持續發展奠定堅實基礎。

鑄件業務將立足高端鑄件行業，持續加大高素質人才的建設，大力發展高端裝備、新興技術裝備，在不斷深化現有規模的基礎上，加快大型化、輕量化、精密化、數位化及清潔化的鑄造水準，發展優質、精密、高效、清潔鑄造技術，提升企業的核心競爭力，強化市場地位。

The Company has always endeavoured to achieve a high standard of corporate governance so as to enhance the transparency and accountability to the shareholders of the Company. The board of Directors of the Company (the “Board”) believes that good corporate governance will contribute to maximize the corporate value of the Company to its shareholders.

The Company has adopted the Code on Corporate Governance Practices (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance practices.

The Company has fully complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2010.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the “Model Code”) as its code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry with each of the Directors, all of the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2010.

The Board

The Board is responsible for laying down the Group’s future development direction, overall strategies and policies, the evaluation of the performance of the Group and the management and approval of matters that are of material and substantial in nature. Senior management of the Company was delegated with the authority and responsibility by the Board for the day-to-day management, administration and operations of the Group. Senior management of each division is responsible for different businesses and functions of the Group in accordance with its particular area of expertise. The Board has also delegated various responsibilities to the Board committees. Details of these Board committees are set out below in this report.

本公司一直致力達致高水平之企業管治，藉此提高本公司透明度及對股東之問責性。本公司之董事會（「董事會」）相信，良好企業管治將有助本公司為其股東帶來最高之企業價值。

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」），作為本公司之企業管治常規守則。

截至二零一零年十二月三十一日止年度，本公司一直遵守企業管治守則之所有守則條文。

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易之標準守則（「標準守則」），作為本公司董事進行證券交易之操守守則。經向各董事作出特定查詢後，全體董事確認，彼等已於截至二零一零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。

董事會

董事會負責確立本集團之未來發展方向、整體戰略及政策，評估本集團之業績表現，以及管理及批准性質重大之事宜。董事會授權本公司之高級管理人員，負責主管本集團之日常管理、行政及營運。各分部之高級管理人員按其專業範疇負責本集團之不同業務及職能。董事會亦指派各董事委員會承擔特定責任。該等董事委員會之詳情載於本報告下文。

During the year ended 31 December 2010, the Board held five meetings, Directors participated these meetings either in person or through electronic means of communication. The attendance records of each Director at the Board meetings held during the year ended 31 December 2010 are as follows:

截至二零一零年十二月三十一日止年度，董事會已舉行五次會議，董事可親身或以電子通訊方式參與該等會議。各董事於截至二零一零年十二月三十一日止年度出席董事會會議之記錄如下：

Directors	董事	Number of meetings attended/ held during the tenure of the respective Directors 各董事於在任期間 出席次數／各董事於 在任期間舉行會議次數
Executive Directors		
Mr. Cai Qiwu	蔡其武先生	5/5
Mr. Jiang Deqing	姜德清先生	5/5
Mr. Qu Fei	瞿飛先生	5/5
Mr. Gao Fazhong	郜發忠先生	5/5
Ms. Yuan Liqun	袁利群女士	4/5
Mr. Li Jianwei	栗建偉先生	5/5
Mr. Zheng Weikang	鄭偉康先生	5/5
Non-executive Director		
Ms. Tan Xuemei (resigned on 18 April 2010)	譚雪梅女士(於二零一零年四月十八日辭任)	2/2
Independent non-executive Directors		
Mr. Tan Jinsong	譚勁松先生	5/5
Mr. Lam Ming Yung	林明勇先生	5/5
Ms. Chen Chunhua	陳春花女士	4/5

For each of the Board meetings held during the year ended 31 December 2010, each Director had been consulted beforehand and served with prior notice to enable him/her to include matters in the agenda of the forthcoming Board meeting.

於截至二零一零年十二月三十一日止年度舉行之每次董事會會議，各董事均於會前獲得諮詢並獲發會前通告，使其可於將要舉行的董事會會議議程加入討論事項。

The Board will hold four regular meetings every year. The Company generally gives at least 14 days notice in advance for regular Board meetings and gives reasonable notice for all other Board meetings in order to give all Directors opportunity to attend the meetings. During the year ended 31 December 2010, the Company had complied with the said notice requirements for Board meetings by giving all Directors adequate time to plan their schedules to attend.

董事會每年舉行四次定期會議。本公司一般最少於十四日前預先發出董事會定期會議通告，並就所有其他董事會會議發出合理通告，讓全體董事均有機會出席有關會議。截至二零一零年十二月三十一日止年度，本公司已遵守上述董事會會議通告規定，讓全體董事有充裕時間撥冗出席。

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are complied with applicable rules and regulations and corporate governance practices.

The Company Secretary is responsible for taking minutes of Board meetings which shall record in sufficient detail the matters considered by the Board, decisions reached, concerns raised and divergent views expressed at the meetings. For each of the Board meetings held during the year ended 31 December 2010, draft and final versions of the minutes of Board meetings were sent to all Directors within reasonable time (generally within 14 days for both cases) after the Board meeting had been held for their comments and records. All Board minutes are available for inspection by all Directors.

The Company's corporate governance guidelines give all Directors the rights, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense, and in such circumstances, the Board shall resolve to provide separate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

The provisions of the articles of association of the Company (the "Articles") have set out a list of matters that should not be dealt with by way of circulation of written resolution by Directors and such list includes the circumstances where a Director has a conflict of interest in a matter to be considered by the Board which the Board considered to be material.

For the year ended 31 December 2010, appropriate insurance cover in respect of legal action against the Directors was arranged.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer of the Company are performed by separate individuals so as to enhance the division of responsibilities between them and to ensure a balance of power and authority. The positions of the Chairman and the Chief Executive Officer are held by Mr. Cai Qiwu and Mr. Jiang Deqing respectively. The Chairman is responsible for taking the lead of the Board in determining the strategic direction of the Group, ensuring that all Directors are properly briefed on business contemplated at Board meetings and receive timely, adequate, complete and reliable information. The Chief Executive Officer of the Company with the support of other executive Directors is responsible for strategic planning of different business functions and day-to-day management and operations of the Group.

全體董事均可向公司秘書取得意見及服務，公司秘書乃負責確保董事會程序符合適用規則、規例及企業管治常規。

公司秘書負責記錄董事會會議之會議紀錄，其須充分詳細記錄董事會所考慮之事項、所達致之決定及會上所表達之關注及分歧。於截至二零一零年十二月三十一日止年度舉行之每次董事會會議，董事會會議紀錄之草稿及定稿已於董事會會議舉行後合理時間內(兩者一般為十四日內)送交所有董事，以供彼等提出意見及存檔。所有董事會會議紀錄均可隨時供全體董事查閱。

本公司之企業管治指引賦予全體董事權利，可按合理要求，並在適當情況下，尋求獨立專業意見，費用由本公司支付，在該等情況下，董事會須決定向董事提供獨立專業意見，以協助有關董事履行職責。

本公司之組織章程細則(「組織章程」)條文已載有不應以董事傳閱書面決議案之方式處理之事項列表，而該列表包括當董事於董事會將予考慮之事項中存有董事會認為重大之利益衝突之情況。

截至二零一零年十二月三十一日止年度，已就針對董事採取之法律行動安排適當之保險保障。

主席及首席執行官

本公司之主席及首席執行官由不同人士擔任，以加強彼等之責任分工及確保權力均衡。主席及首席執行官之職位分別由蔡其武先生及姜德清先生擔任。主席負責領導董事會釐定本集團之戰略方向，確保全體董事獲恰當知會於董事會會議擬進行之事宜，並確保全體董事及時獲得充足、全面及可靠之資料。本公司之首席執行官在其他執行董事之支持下，負責為不同業務職能制定戰略，並負責本集團之日常管理及營運。

Board Composition

The Board currently comprises ten Directors, including seven executive Directors, namely, Mr. Cai Qiwu (Chairman), Mr. Jiang Deqing, Mr. Qu Fei, Mr. Chen Jianhong (appointed on 15 March 2011), Ms. Yuan Liqun, Mr. Li Jianwei and Mr. Zheng Weikang and three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, in order to maintain a balanced composition with a strong independent element on the Board.

Ms. Tan Xuemei resigned as a non-executive Director with effect from 18 April 2010.

Mr. Gao Fazhong resigned as an executive Director, the Chief Financial Officer and a member of the Executive Committee of the Company on 15 March 2011.

The biographies of each of the current Directors are set out in pages 33 to 36 in this annual report, which demonstrate a diversity of skills, expertise, experience and qualifications appropriate for the requirements of the business of the Company.

The Directors, including the Chairman and the Chief Executive Officer, have no financial, business, family or other material or relevant relationships with each other.

The Company has received annual confirmation of independence from each of the three independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive Directors are independent within the definitions of the Listing Rules.

Appointments, Re-Election and Removal of Directors

The Articles require that (i) every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and (ii) the managing Director of the Company (if any) shall whilst holding office as such be subject to retirement by rotation at least once every three years and shall be taken into account in determining the number of Directors to retire by rotation in each year.

董事會之組成

董事會現時由十名董事組成，包括七名執行董事蔡其武先生(主席)、姜德清先生、瞿飛先生、陳建紅先生(於二零一一年三月十五日獲委任)、袁利群女士、栗建偉先生及鄭偉康先生及三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士，以維持董事會之均衡組合及充足獨立元素。

譚雪梅女士於二零一零年四月十八日起辭任非執行董事。

郜發忠先生於二零一一年三月十五日辭任本公司執行董事、首席財務官及行政委員會委員。

現任董事之個人履歷載於本年報第33頁至36頁，其中顯示出符合本公司業務要求之多元化技能、專業知識、經驗及資歷。

各董事(包括主席及首席執行官)相互間概無財務、業務、家庭或其他重大或相關之關係。

本公司已收到三名獨立非執行董事各自根據上市規則第3.13條而發出之年度獨立性確認書。董事會已評估彼等之獨立性，結論為全體獨立非執行董事按上市規則界定均屬獨立人士。

委任、重選及罷免董事

組織章程規定(i)每名董事(包括按特定任期獲委任之董事)須最少每三年輪席退任一次；及(ii)本公司董事總經理(倘有)在任期間須最少每三年輪席退任一次及須計入釐定每年輪席退任之董事人數內。

The Articles provide that at every annual general meeting of the Company, and notwithstanding any contractual or other terms on which a Director may be appointed or engaged, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that, notwithstanding anything therein, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Board is of the view that such mechanism helps to ensure orderly succession to the appointments to the Board and that changes to its composition can be managed without undue disruption.

During the year ended 31 December 2010, the Company had entered into letters of appointment with Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an independent non-executive Director for a term commencing on 18 May 2010 and ending on the date of the Company's next annual general meeting, as their respective then existing letters of appointment expired on 18 May 2010. All these letters of appointment shall be terminable by either party upon one month's written notice to the other party or the payment to other party of a sum equal to the relevant Director's monthly remuneration.

The Company has not established a nomination committee. The Board as a whole is responsible for appointment of new Directors. According to the Articles, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board, subject to re-election by the shareholders at the next annual general meeting. Consideration would be taken, among other things, to the nominee's qualifications, experience and ability relevant to the requirements of the Company's business. It is believed that the Board collectively is able to identify and select suitable candidates to be appointed to the Board and ensure the Board has a balanced composition of skills and experience appropriate for the requirements of the business of the Company.

The Board has examined and gave advice on the employment terms of senior management for the year ended 31 December 2010. The Board has also reviewed and assessed the independence of independent non-executive Directors.

組織章程規定於本公司每屆股東週年大會上，不論董事獲委任或聘任之任何合約條款或其他條款，當時三分之一之董事（或倘董事人數並非三之倍數，則以最接近但不少於三分之一之人數為準）須輪席退任，惟不論當中所載內容，每名董事（包括按特定任期獲委任之董事）須最少每三年輪席退任一次。董事會認為有關機制有助確保董事會之委任作有秩序之更替，從而可管理其組成變更，避免不適當干擾。

於截至二零一零年十二月三十一日止年度內，本公司與譚勁松先生、林明勇先生及陳春花女士（各人均為獨立非執行董事）訂立委任書，任期由二零一零年五月十八日開始至本公司下屆股東週年大會日期止，因彼等各自當時之委任書已於二零一零年五月十八日屆滿。所有該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。

本公司並無成立提名委員會。董事會集體負責委任新董事。根據組織章程，董事會有權不時及隨時委任任何人士出任董事，以填補臨時空缺或作為新增董事會成員，惟有關董事須於下屆股東週年大會上經由股東重選。委任董事之考慮因素包括候選人在有關本公司業務之資歷、經驗及能力。本公司相信，董事會全體成員均有能力物色及挑選適合人選加盟董事會，並確保董事會因應本公司業務之要求由具備適當技能及經驗之人士組成。

截至二零一零年十二月三十一日止年度，董事會已審閱高級管理人員之聘用條款，並就此提出意見。董事會亦已檢討及評估獨立非執行董事之獨立性。

Responsibilities of Directors

To ensure that every newly appointed Director has a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities as a Director of the Company, each of the newly appointed Director will receive a formal and tailored induction and a comprehensive orientation package containing the information with regard to the duties and responsibilities of Directors under the Listing Rules, related ordinances and relevant regulatory requirements and the business and corporate governance policies of the Company. Updates will also be given to all Directors when necessary to keep them abreast of the latest changes and development in legal, regulatory and corporate governance requirements to facilitate the discharge of their responsibilities.

The non-executive Directors (including the independent non-executive Directors) are active in participating in Board meetings to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They will take lead where potential conflicts of interests of other Directors arise. They serve as members of various Board committees and will scrutinize the performance of the Group in achieving agreed corporate goals and objectives and monitor the reporting of performance.

Supply of and Access to Information

In respect of regular Board meetings, an agenda and accompanying Board papers are sent in full to all Directors at least three days before the date of a Board or Board committee meeting.

Management has an obligation to supply the Board and the Board committees with adequate information in a timely manner to enable members of the Board and the Board committees to make informed decisions. Where any Director requires more information than is volunteered by management, each Director may contact senior management through individual and independent channel to make further enquires if necessary and such enquiries will be responded to by management within a reasonable time with sufficient details. Furthermore, Board papers and minutes are available for inspection by Directors and Board committee members.

董事之責任

為確保每名新任董事對本集團之運作及業務均有恰當瞭解，並確保彼已完全知悉作為本公司董事之責任，每名新任董事均會獲得正式兼特為其而設的就任須知及一套全面迎新資料，內載有董事根據上市規則、相關條例及相關監管規定之職責，以及本公司之業務及企業管治政策。另外，在需要讓董事知道法律、監管及企業管治規定之最新變動及發展時，亦會知會全體董事，以協助彼等履行責任。

非執行董事(包括獨立非執行董事)於董事會會議中擔當積極主動之角色，就戰略、政策、業績表現、問責性、資源、主要委任及操守準則等事宜作出獨立判斷。倘其他董事出現潛在利益衝突時，彼等將作出領導。彼等為不同董事委員會成員，負責監督本集團之業績表現以達致協定之企業目的及目標，同時亦監察業績表現之報告。

提供及使用資料

就董事會定期會議而言，議程及隨附之董事會會議文件會於董事會或董事委員會會議日期最少三日前送交全體董事。

管理層有責任向董事會及其委員會適時提供充足資料，以使董事會及其委員會成員能夠作出知情決定。倘任何董事所需之資料較管理層自願提供者為多，每名董事均可使用個別及獨立途徑接觸高級管理人員，以於有必要時作進一步查詢，而管理層將於合理時間內詳盡回應有關查詢。另外，董事會會議文件及會議紀錄可供董事及董事委員會成員隨時查閱。

Board Committees

The Board has established three Board committees with defined scope of duties in written form. These Board committees are the Audit Committee, the Remuneration Committee and the Executive Committee.

The written terms of reference of each of the Audit Committee, the Remuneration Committee and the Executive Committee are available on the Company's website <http://www.welling.com.cn>.

Remuneration Committee

The Company has established its remuneration committee (the "Remuneration Committee") in September 2005. Chairman and majority of the members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee currently comprises three independent non-executive Directors, namely, Ms. Chen Chunhua (Chairman), Mr. Tan Jinsong and Mr. Lam Ming Yung and two executive Directors, namely Mr. Cai Qiwu and Mr. Zheng Weikang.

The primary duties of the Remuneration Committee include the followings:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and
- (ii) to determine the remuneration packages of all executive Directors and senior management and make recommendations to the Board the remuneration of non-executive Directors.

董事委員會

董事會已成立三個訂有書面特定職權範圍之董事委員會。該等董事委員會為審核委員會、薪酬委員會及行政委員會。

審核委員會、薪酬委員會及行政委員會各自之職權範圍刊載於本公司網站<http://www.welling.com.cn>。

薪酬委員會

本公司於二零零五年九月成立薪酬委員會（「薪酬委員會」）。薪酬委員會主席及大部分成員為獨立非執行董事。

薪酬委員會現時由三名獨立非執行董事包括陳春花女士（主席）、譚勁松先生及林明勇先生以及兩名執行董事蔡其武先生及鄭偉康先生所組成。

薪酬委員會之主要職務包括：

- (i) 就本公司董事及高級管理人員之整體薪酬政策及架構並就制訂此等薪酬政策設立正規而具透明度之程序，向董事會提出推薦意見；及
- (ii) 釐定全體執行董事及高級管理人員之薪酬待遇，並就非執行董事之薪酬向董事會提出推薦意見。

The Remuneration Committee held two meetings during the year ended 31 December 2010, members participated these meetings either in person or through electronic means of communication. The attendance record of each member at the Remuneration Committee meetings is set out as follows:

截至二零一零年十二月三十一日止年度，薪酬委員會已舉行兩次會議，委員會成員可親身或以電子通訊方式參與該會議。各委員會成員出席薪酬委員會會議之記錄如下：

Members of Remuneration Committee 薪酬委員會成員		Number of meetings attended 出席次數
Ms. Chen Chunhua (<i>Chairman</i>)	陳春花女士(主席)	2/2
Mr. Tan Jinsong	譚勁松先生	2/2
Mr. Lam Ming Yung	林明勇先生	2/2
Mr. Cai Qiwu	蔡其武先生	2/2
Mr. Zheng Weikang	鄭偉康先生	2/2

During the year ended 31 December 2010, the Remuneration Committee had performed the following works:

截至二零一零年十二月三十一日止年度，薪酬委員會已進行下列工作：

- | | |
|--|--|
| (i) reviewed and approved the remuneration packages of executive Directors (except the Chairman) and senior management after consultations with the Chairman; | (i) 經諮詢主席後，審閱及批准執行董事(主席除外)及高級管理人員之薪酬待遇； |
| (ii) reviewed and approved the remuneration packages of the Chairman in a committee meeting at which the Chairman abstained from voting in respect of the resolutions approving his own remuneration packages; and | (ii) 於一次委員會會議中審閱及批准主席之薪酬待遇，主席已就批准其本身薪酬待遇之決議案放棄表決；及 |
| (iii) reviewed and made recommendations to the Board on the remuneration and terms of appointment of independent non-executive Directors. | (iii) 審閱獨立非執行董事之薪酬及委任條款，並向董事會提出推薦意見。 |

The Company's remuneration policy for the Directors and senior management are set on the basis that the remuneration level of the Directors and senior management will be linked with their responsibilities and their contributions to the achievement of corporate performance target of the Company as resolved by the Board from time to time. For the purpose of determining the level of remuneration of Directors and senior management, appraisal of the work performance of Directors and senior management had been conducted during the year ended 31 December 2010. Such work performance of Directors and senior management was judged by the extent to which the Company's budget target was met and the financial performance of the Company in terms of sales revenue and net profits as disclosed in the audited financial statements was achieved. No Director is involved in deciding his/her own remuneration.

本公司對董事及高級管理人員之薪酬政策乃實行薪酬與績效掛鉤，即董事及高級管理人員之薪酬水平應根據彼等之職責及對於完成董事會不時制定之公司績效目標所作之貢獻而釐定。為釐定董事及高級管理人員之薪酬水平，於截至二零一零年十二月三十一日止年度內已對董事及高級管理人員之工作表現進行評估。董事及高級管理人員之有關工作表現乃透過本公司預算目標之完成程度，以及本公司按經審核財務報表所披露之銷售收益及淨利潤釐定之財務表現而作出判斷。董事不得參與釐定其本身之薪酬。

Details of the Directors' emoluments for the year ended 31 December 2010 are set out in note 24 (b) to the consolidated financial statements.

The Remuneration Committee is provided with sufficient resources, including the advice of professional firms, to discharge its duties, if necessary.

Audit Committee

The Company has established its audit committee (the "Audit Committee") in August 1999. All members of the Audit Committee are independent non-executive Directors, one of whom has possessed professional qualifications and accounting and financial management related expertise.

The Audit Committee currently comprises all three independent non-executive Directors, namely, Mr. Tan Jinsong (Chairman), Mr. Lam Ming Yung and Ms. Chen Chunhua.

The Audit Committee is responsible for, among other things, reviewing and monitoring the integrity of the consolidated financial statements of the Group, reviewing the effectiveness of the systems of internal control and risk management of the Group, reviewing the findings from the works carried out by internal audit department and monitoring the effectiveness of the Group's internal audit function. The Audit Committee is also responsible for making recommendation to the Board on the appointment of the external auditor and approving the remuneration and terms of engagement of the external auditor. Before commencement of annual audit, the Audit Committee will discuss with the external auditor the nature and scope of audit, the significant risk analysis and the impact of the change in accounting policies on the financial statements of the Group. The Audit Committee is required to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

The Audit Committee held three meetings during the year ended 31 December 2010, members participated these meetings either in person or through electronic means of communication. The attendance record of each member at the Audit Committee meetings is set out as follows:

Members of Audit Committee	審核委員會成員	Number of meetings attended	出席次數
Mr. Tan Jinsong (<i>chairman</i>)	譚勁松先生(主席)		3/3
Mr. Lam Ming Yung	林明勇先生		3/3
Ms. Chen Chunhua	陳春花女士		2/3

截至二零一零年十二月三十一日止年度，董事之酬金詳情載於綜合財務報表附註24(b)。

薪酬委員會在有需要時會獲提供足夠資源(包括專業公司意見)以履行職責。

審核委員會

本公司於一九九九年八月成立審核委員會(「審核委員會」)。審核委員會所有成員均為獨立非執行董事，其中一名具有專業資格及會計與財務管理相關專業知識。

審核委員會現時由全體三名獨立非執行董事包括譚勁松先生(主席)、林明勇先生及陳春花女士所組成。

審核委員會負責(其中包括)檢討及監察本集團綜合財務報表之完整性；檢討本集團內部監控及風險管理制度之成效；檢討內部審核部之工作結果及監察本集團內部審核功能之成效；審核委員會亦負責就委任外聘核數師向董事會作出推薦及批准外聘核數師之薪酬及聘用條款。審核委員會在年度審核開始前將與外聘核數師討論審核性質及範疇、重大風險分析及會計政策改變對本集團之財務報表之影響。審核委員會須按適用之標準檢討及監察外聘核數師是否獨立客觀及核數程序之成效。

截至二零一零年十二月三十一日止年度，審核委員會已舉行三次會議，委員會成員可親身或以電子通訊方式參與該等會議。各委員會成員出席審核委員會會議之記錄如下：

Minutes of Audit Committee meetings are kept by the Company Secretary who also serves as secretary of the Audit Committee. Draft and final versions of the minutes of Audit Committee meetings are sent to all members of the Audit Committee for their comments and records respectively, in both cases generally within 14 days after the meeting.

公司秘書(同時擔任審核委員會之秘書)負責保存審核委員會之會議紀錄。審核委員會會議紀錄之草稿及定稿一般於會議舉行後十四日內送交審核委員會全體成員，草稿供成員表達意見，定稿作紀錄之用。

During the year ended 31 December 2010, the Audit Committee had performed the following works:

截至二零一零年十二月三十一日止年度，審核委員會已進行下列工作：

- | | |
|--|--|
| (i) reviewed the Company's 2009 annual report and the preliminary announcement of final results; | (i) 審閱本公司之二零零九年年報及初步全年業績公告； |
| (ii) reviewed the Company's 2010 interim report and the preliminary announcement of interim results; | (ii) 審閱二零一零年中期報告及初步中期業績公告； |
| (iii) approved the remuneration and terms of engagement of the external auditor for 2010 audit and other matters; | (iii) 批准就二零一零年之核數及其他事項聘用之外聘核數師之薪酬及聘用條款； |
| (iv) reviewed the 2010 internal control report prepared by the internal audit department and reviewed the effectiveness of the internal control system and risk management of the Group; | (iv) 審閱內部審核部編製之二零一零年內部監控報告及檢討本集團之內部監控系統及風險管理之成效； |
| (v) reviewed the connected and continuing connected transactions entered into by the Group during the Year; | (v) 審閱於本年度本集團所訂立之關連交易及持續關連交易； |
| (vi) reviewed and monitored the external auditor's independence and the non-audit services provided by the external auditor; and | (vi) 檢討及監察外聘核數師之獨立性及其所提供之非核數服務；及 |
| (vii) advised on significant events of the Company and highlighted the related risks to the management. | (vii) 就本公司之重大事項提出意見，並向管理層指出有關風險。 |

The Audit Committee is provided with sufficient resources to discharge its duties.

審核委員會獲提供足夠資源以履行職責。

The Audit Committee has reviewed the Group's 2010 consolidated financial statements, including the accounting principles and policies adopted by the Group, in conjunction with the Company's external auditor and recommended to the Board for approval of the consolidated financial statements for the year ended 31 December 2010. The annual report of the Company for the year ended 31 December 2010 has been reviewed by the Audit Committee.

審核委員會已聯同本公司外聘核數師審閱本集團之二零一零年綜合財務報表，包括本集團採用之會計原則及政策，並向董事會建議，以批准截至二零一零年十二月三十一日止年度之綜合財務報表。審核委員會已審閱本公司截至二零一零年十二月三十一日止年度之年報。

The Board agreed with the Audit Committee's proposal for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's external auditor for the year 2011. The recommendation will be put forward for shareholders' approval at the forthcoming annual general meeting of the Company.

董事會同意審核委員會建議重新委任羅兵咸永道會計師事務所為本公司於二零一一年之外聘核數師。該建議將於本公司之應屆股東週年大會上提呈供股東批准。

During the year ended 31 December 2010, the remuneration paid to the Company's external Hong Kong auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

截至二零一零年十二月三十一日止年度，向本公司外聘香港核數師羅兵咸永道會計師事務所支付之酬金載列如下：

Fee paid/payable
已付／應付費用
HK\$'000
港幣千元

Audit services and review of continuing connected transactions

核數服務及審閱持續關連交易

2,400

Executive Committee

The Executive Committee comprises all executive Directors of the Board from time to time. Under its terms of reference, the Executive Committee shall be responsible for determination on the matters relating to the Group's day-to-day operations and administration.

行政委員會

行政委員會由董事會不時之所有執行董事組成。根據其職權範圍，行政委員會負責釐定有關本集團日常運作及行政之事宜。

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

The Directors acknowledged their responsibility for the preparation of the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Group on a going concern basis in accordance with Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance.

董事及核數師就綜合財務報表所承擔之責任

董事知悉彼等之責任，為根據香港財務報告準則及香港公司條例，按持續經營之基準，編製本集團之綜合財務報表，以真實及公平地反映本集團之財政狀況。

The statements of the Directors and the Auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 55 to 56 of this annual report.

董事及本公司核數師就本集團綜合財務報表所作之申報責任聲明載於本年報第55頁至56頁之獨立核數師報告內。

Internal Control

The Board is responsible for maintaining an adequate and effective internal control system in the Company and reviewing its effectiveness through the Audit Committee. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement, fraud or loss and to manage, but not to eliminate, risks of failure in achieving the Company's objective.

內部監控

董事會負責確保本公司之內部監控系統完善且行之有效，並透過審核委員會檢討系統之成效。內部監控系統旨在提供合理(但非絕對)保證，避免出現重大錯誤陳述、欺詐或損失，以及管理(但非消除)未能達致本公司目標之風險。

The internal control system, which includes a defined management structure with specified limits of authority, is designed to (a) help the achievement of business objectives, and safeguard the Company's assets; (b) ensure proper maintenance of accounting records; and (c) ensure compliance with relevant legislation and regulations.

Management and internal audit department regularly review the Group's internal control system which covers financial, operational and compliance controls as well as risk management functions to ensure that it remains efficient and effective.

The Company has a full set of Internal Control System Manual ("Manual") which was approved by the Board. This Manual contains a comprehensive overview and description of the objectives, content, methods and duties of the internal control system, and facilitates the ongoing examination and evaluation of the Company's compliance with existing rules and regulations and of the effectiveness of internal controls. During the year ended 31 December 2010 and up to the date of this annual report, the Company consistently applied the full set of Manual which covers the control of high-risk areas of operations, suppliers, sales, finance and personnel management. The Board has, through the Audit Committee, carried out ongoing examination and monitoring of the Group's internal control system.

During the Year, the Group based on the internal audit findings and improvement plans submitted by the internal audit department to the Audit Committee continued to enhance and improve the internal control system of the Group.

The Board has reviewed and is satisfied with the effectiveness of the Group's internal control system and believes that, such system is sufficient to provide reasonable assurances that the Group's assets are safeguarded against loss from unauthorized use or disposition, transactions are properly authorized and proper accounting records are maintained.

內部監控系統包括一套設有特定權限之界定管理架構，旨在(a)協助達致業務目標，保障本公司資產；(b)確保妥善存置會計記錄；及(c)確保遵照相關法例及法規。

管理層及內部審核部定期檢討本集團之內部監控系統，包括財務、業務、合規監控及風險管理功能，以確保其維持高效率及高效能。

本公司備有整套經由董事會批准之內部監控系統手冊(「手冊」)。此手冊載有內部監控系統各項目標、內容、方法及職責之綜合概覽及描述，有助持續審查及評估本公司是否符合現行規則及法規，以及內部監控系統之成效。於截至二零一零年十二月三十一日止年度及截至本年報日期，本公司貫徹應用整套手冊，涵蓋業務、供應商、銷售、財務及人事管理等高風險範疇之監控。董事會已透過審核委員會持續審查及監察本集團之內部監控系統。

於本年度，根據由內部審核部提交予審核委員會之內部審核結果及改善計劃，本集團已繼續提升及改進內部監控系統。

董事會已審閱並滿意本集團內部監控系統之效能，且董事會相信，該系統足以提供合理保證，確保本集團資產免受因未經授權挪用或處置而出現之損失、交易經適當授權，且維持適當會計記錄。

Communication With Shareholders

The Board believes that general meeting can provide an open forum for communication between the Board and the shareholders of the Company. Sufficient notice for general meetings will be given by the Company to the shareholders pursuant to the Articles and the requirements of the Listing Rules. Shareholders are encouraged to attend the general meetings of the Company. The Chairman of the Board and other Directors being members of Audit Committee or Remuneration Committee will be available at annual general meeting to answer questions raised by shareholders. Members of the independent board committee will be available to answer questions at general meeting to approve connected transaction which is subject to independent shareholders' approval. To facilitate enforcement of shareholders' rights, substantially different issues are dealt with under separate resolutions at general meetings of the Company.

Annual and interim reports and any significant events of the Company fall to be disclosed in accordance with the disclosure requirements under the Listing Rules and other applicable regulatory requirements will be published in a timely manner through the Company's website so as to safeguard the shareholders' rights of information.

The Company's website at www.welling.com.cn provides timely and updated information on investor relations, corporate governance and other latest news of the Company to enable shareholders and investors to have timely access to information about the Group.

The investor relations department of the Company is responsible for handling the communications with our investors. It will regularly organize road shows and one-on-one meetings with institutional investors and financial analysts to promote better understanding of the Company and keep continuous dialogues with investors.

與股東之溝通

董事會相信，股東大會為董事會與本公司股東提供一個開放溝通場所。本公司將根據組織章程及上市規則之規定向股東給予充足的股東大會通知。本公司鼓勵股東出席股東大會。董事會主席及其他身為審核委員會或薪酬委員會之董事將於股東週年大會上解答股東提問。獨立董事委員會成員將於批准須獲獨立股東批准之關連交易之股東大會上解答相關提問。本公司將於本公司之股東大會上分別以個別決議案處理內容迥異之議題，以促進股東行使其權利。

本公司網站將適時刊載年報、中期報告及本公司須根據上市規則之披露規定及其他適用監管規定披露之任何重大事件，以保障股東之知情權。

本公司網站 www.welling.com.cn 會適時登載有關投資者關係、企業管治及本公司其他最新訊息之更新資料，以確保股東及投資者可及時得知有關本集團之資訊。

本公司設有投資者關係部專責處理與投資者之溝通，投資者關係部門將定期舉行路演，以及與機構投資者及財務分析師之一對一會談，藉此加促外界瞭解本公司及維持與投資者之持續對話。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Directors

Executive Directors

Mr. CAI Qiwu, aged 47, was appointed as a non-executive Director and the Chairman of the Company on 31 March 2008 and re-designated as executive Director and the Chairman on 1 January 2009. Mr. Cai is a member of the Remuneration Committee and the Executive Committee of the Company. He joined the Midea Group in 1992 and has held various senior management positions in the Midea Group. He has considerable experience in strategic management, risk management and research and development activities. Mr. Cai is the chief executive officer of a member group of Midea Group. He was a director of GD Midea Holding Co., Ltd. ("GD Midea"), a company controlled by Midea and the shares of which are listed on the Shenzhen Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. Cai holds a Master of Technology Mechanical Manufacturing Degree from the Huazhong University of Science and Technology.

Mr. JIANG Deqing, aged 41, was appointed as an executive Director and the Chief Executive Officer of the Company on 31 August 2008. Mr. Jiang is a member of the Executive Committee of the Company. He joined the Group in May 1995. He has been the General Manager of washing motor division of the Group since January 2005 and responsible for overall management of washing motor division. He has held various senior management positions in the Group and has over 15 years of experience in the washing motor industry and years of managerial experience. Mr. Jiang serves as a vice-chairman in certain subsidiaries of the Company. Mr. Jiang holds a Bachelor's Degree in Business Administration (Industrial Trade) from Chongqing University.

Mr. QU Fei, aged 37, was appointed as an executive Director and the Chief Operating Officer of the Company on 31 March 2008. Mr. Qu is a member of the Executive Committee of the Company. He joined the Midea Group in 1998. He has held various senior management positions in the Midea Group and has considerable experience in operations and strategic management, information technology, and purchasing activities. Mr. Qu is the chief operating officer of a member group of Midea Group. Mr. Qu is also a director of certain subsidiaries of the Company. Mr. Qu holds a Bachelor's Degree in Economics from Zhongnan University of Finance and Economics.

董事

執行董事

蔡其武先生，47歲，於二零零八年三月三十一日獲委任為本公司之非執行董事及主席，並於二零零九年一月一日調職為執行董事及主席。蔡先生為本公司薪酬委員會及行政委員會委員。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位。彼對戰略管理、風險管理及研發活動擁有豐富經驗。蔡先生現為美的集團轄下成員集團的首席執行官。彼曾任廣東美的電器股份有限公司（「廣東美的」）董事，廣東美的為一間由美的控制之公司，其股份於深圳證券交易所上市。彼亦為本公司多間附屬公司之董事。蔡先生持有由華中理工大學頒發的工學碩士學位。

姜德清先生，41歲，於二零零八年八月三十一日獲委任為本公司之執行董事及首席執行官。姜先生為本公司行政委員會委員。彼於一九九五年五月加盟本集團，自二零零五年一月起出任本集團洗滌電機事業部之總經理，負責洗滌電機事業部之整體管理工作。彼於本集團內先後擔任多個高級管理職位，於洗滌電機行業擁有超過十五年的經驗以及多年的管理經驗。姜先生亦為本公司多間附屬公司之副董事長。姜先生持有由重慶大學工商管理學院頒發的工業外貿學士學位。

瞿飛先生，37歲，於二零零八年三月三十一日獲委任為本公司之執行董事及首席營運總監。瞿先生為本公司董事會轄下之行政委員會委員。彼於一九九八年加盟美的集團，先後擔任美的集團多個高級管理職位，對營運及戰略管理、資訊科技及採購活動擁有豐富經驗。瞿先生現為美的集團轄下成員集團的首席營運總監。瞿先生亦為本公司多間附屬公司之董事。瞿先生持有由中南財經大學頒發的經濟學學士學位。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Mr. CHEN Jianhong, aged 41, was appointed as an executive Director, the Chief Financial Officer and a member of the Executive Committee of the Company on 15 March 2011. Mr. Chen joined the Midea Group in 1993. He has held various senior positions of financial management in Midea Group and has considerable experience in financial management. Mr. Chen is the chief financial officer of a member group of Midea Group. Mr. Chen holds a Bachelor's Degree in Economics awarded by the Jiangxi University of Finance and Economics and a Master's Degree in Administration awarded by the Fuzhou University. He is an accountant accredited by the Ministry of Finance People's Republic of China.

Ms. YUAN Liqun, aged 41, was appointed as a non-executive Director of the Company on 17 November 2004 and re-designated as an executive Director of the Company on 4 January 2007. Ms. Yuan is a member of the Executive Committee of the Company. She joined the Midea Group in 1992. She has held various senior management positions in the Midea Group and has considerable experience in finance, audit and overall management. Ms. Yuan is a director and vice-president of Midea and the chief financial officer of Midea Group. She is a director of GD Midea. She previously was a supervisor of GD Midea. She is also a director of certain subsidiaries of the Company. Ms. Yuan holds a Master of International Management Degree from The Australian National University.

Mr. LI Jianwei, aged 44, was appointed as a non-executive Director of the Company on 17 November 2004 and re-designated as an executive director of the Company on 14 June 2005. Mr. Li is a member of the Executive Committee of the Company. He joined the Midea Group in 1994 and has held various senior management positions in the Midea Group. Mr. Li has considerable experience in strategic development activities. Mr. Li is a director and vice president of Midea and the chief strategic development officer of Midea Group. He is also a director of GD Midea. He is also a director of certain subsidiaries of the Company. Mr. Li holds a Master of Business Administration Degree from Fudan University.

Mr. ZHENG Weikang, aged 42, was appointed as an executive Director and the Chief Director of the International Offices of the Company on 31 March 2008. Mr. Zheng is a member of the Remuneration Committee and the Executive Committee of the Company. He joined the Midea Group in 1986. He has held various senior management positions in the Midea Group and has considerable experience in financial and overall management. Mr. Zheng is currently a director of Midea International Corp. Co., Ltd and certain non-listed subsidiaries of the Midea Group. He is also a director of certain subsidiaries of the Company. Mr. Zheng holds a Master of International Management Degree from The Australian National University.

陳建紅先生，41歲，於二零一一年三月十五日獲委任為本公司執行董事、首席財務官及行政委員會委員。陳先生於一九九三年加盟美的集團。陳先生於美的集團曾擔任多個財務管理的高級職位，擁有豐富的財務管理經驗。陳先生現為美的集團轄下的成員集團的首席財務官。陳先生持有由江西財經大學頒發的經濟學學士學位及由福州大學頒發的管理學碩士學位。彼為中華人民共和國財政部認可註冊的會計師。

袁利群女士，41歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零七年一月四日調任為執行董事。袁女士為本公司行政委員會委員。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務審計及整體管理擁有豐富經驗。袁女士現時為美的之董事兼副總裁，以及美的集團之財務總監。彼為廣東美的之董事。彼之前曾任廣東美的之監事長。彼亦為本公司多間附屬公司之董事。袁女士持有由澳洲國立大學頒發的國際管理學碩士學位。

栗建偉先生，44歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零五年六月十四日調任為執行董事。栗先生為本公司行政委員會委員。彼於一九九四年加盟美的集團，先後於美的集團擔任多個高級管理職位。栗先生對戰略開發活動擁有豐富經驗。栗先生現時為美的之董事兼副總裁，以及美的集團之戰略發展部總監。彼亦為廣東美的之董事。彼亦為本公司多間附屬公司之董事。栗先生持有由復旦大學頒發的工商管理學碩士學位。

鄭偉康先生，42歲，於二零零八年三月三十一日獲委任為本公司之執行董事及國際辦事處總監。鄭先生為本公司薪酬委員會及行政委員會委員。彼於一九八六年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務及整體管理擁有豐富經驗。鄭先生現時為美的國際控股有限公司及美的集團其他非上市附屬公司董事。彼亦為本公司多間附屬公司之董事。鄭先生持有由澳洲國立大學頒發的國際管理學碩士學位。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Mr. GAO Fazhong, aged 42, was appointed as an executive Director and the Chief Financial Officer of the Company on 31 March 2008. Mr. Gao is a member of the Executive Committee of the Company. He joined the Midea Group in 1994. He has held various senior management positions in the Midea Group and has considerable experience in financial management. Mr. Gao is also a director of certain subsidiaries of the Company. Mr. Gao holds a Bachelor's Degree in Economics from the Beijing Technology and Business University. He is an accountant accredited by the PRC Ministry of Finance. Mr. Gao resigned as an executive Director, the Chief Financial Officer and a member of the Executive Committee of the Company on 15 March 2011.

鄧發忠先生，42歲，於二零零八年三月三十一日獲委任為本公司之執行董事及首席財務官。鄧先生為本公司行政委員會委員。彼於一九九四年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務管理擁有豐富經驗。鄧先生亦為本公司多間附屬公司之董事。鄧先生持有由北京工商大學頒發的經濟學學士學位，並為中國財政部註冊的會計師。鄧先生於二零一一年三月十五日辭任本公司執行董事、首席財務官及行政委員會委員。

Independent Non-executive Directors

Mr. TAN Jinsong, aged 46, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee of the Company on 1 August 2009. Mr. Tan is a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants. He was approved as a PRC registered accountant in June 1995 and has become a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants since January 2003. He possesses over 25 years of experience in the profession of accounting and financial management. Mr. Tan is currently a professor of the School of Management of Sun Yat-sen University and was the Head of Department of the Faculty of Accountancy and the Vice Dean of the School of Management of Sun Yat-sen University.

獨立非執行董事

譚勁松先生，46歲，於二零零九年八月一日獲委任為本公司獨立非執行董事、審核委員會主席及薪酬委員會委員。譚先生現為廣東省註冊會計師協會的非執業會員。彼於一九九五年六月獲批准為中國註冊會計師，並由二零零三年一月起為廣東省註冊會計師協會的非執業會員。彼於會計及財務管理方面擁有逾二十五年經驗。譚先生現為中山大學管理學院教授，並曾任中山大學會計系主任及管理學院副院長。

Mr. Tan is an independent director of Sundiro Holding Co., Ltd. and Yihua Real Estate Co., Ltd. (both companies are listed on the Shenzhen Stock Exchange) and Cosco Shipping Co., Ltd. (a company listed on the Shanghai Stock Exchange). He was an independent director of a number of PRC listed companies, including Huafa Industrial Share Co., Ltd. and Guangdong Guanhao High-Tech Co., Ltd., both companies are listed on the Shanghai Stock Exchange, and GD Midea Holding Co., Ltd. and Guangdong Ronsen Super Mirco-Wire Co., Ltd., both companies are listed on the Shenzhen Stock Exchange.

譚先生現時為新大洲控股股份有限公司及宜華地產股份有限公司(均於深圳證券交易所上市)以及中遠航運股份有限公司(於上海證券交易所上市)的獨立董事。彼亦曾於多間中國上市公司擔任獨立董事，包括於上海證券交易所上市的珠海華發實業股份有限公司及廣東冠豪高新技術股份有限公司，以及於深圳證券交易所上市的廣東美的電器股份有限公司及廣東蓉勝超微線材股份有限公司。

Mr. LAM Ming Yung, aged 47, was appointed as an independent non-executive Director of the Company on 1 December 1999. Mr. Lam is a member of the Audit Committee and Remuneration Committee of the Company. He graduated from the School of Law of Shanghai Eastern Chinese College of Politics and Jurisprudence with a Bachelor of Law Degree in 1986. Mr. Lam started practicing law in 1987 in the province of Fujian in the PRC, and moved to Hong Kong in mid-1993. He was registered as a foreign lawyer with The Law Society of Hong Kong in July

林明勇先生，47歲，於一九九九年十二月一日獲委任為本公司之獨立非執行董事。林先生為本公司審核委員會及薪酬委員會委員。彼於一九八六年畢業於華東政法學院，取得法律學士學位。林先生於一九八七年開始在中國福建省執業，並於一九九三年中遷往香港。林先生於一九九五年七月向香港法律學會註冊為海外律師，現時於盛德律師事務所香港辦事處執業為中國企業融資部

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

1995, and is now practicing as Chief PRC Consultant, Corporate Finance, and Foreign Legal Consultant (PRC), in the Hong Kong office of Sidley Austin LLP. Mr. Lam is also currently an independent non-executive director of China Agrotech Holdings Limited (listed on the Stock Exchange of Hong Kong) and a non-executive director of China Mining Resources Group Limited (listed on the Stock Exchange of Hong Kong).

Ms. CHEN Chunhua, aged 47, was appointed as an independent non-executive Director of the Company on 22 December 2004. Ms. Chen is the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Ms. Chen holds a Postdoctorate Degree in Business Administration from Nanjing University. She was a professor, tutor of doctoral candidates and Vice Dean of the Faculty of Business Administration of South China University of Technology. She was a visiting professor for the Asia-Pacific EMBA Program of The National University of Singapore and is a part-time professor of Nanjing University. Ms. Chen's research speciality was enterprise management, particularly enterprise organisation and operational management. Ms. Chen was a president and a director of Shandong Liuhe Company Limited and has considerable experience in enterprise operational management. Ms. Chen is presently an independent director of China Merchants Fund Management Co. Ltd. and Shunde Rural Commercial Bank.

Senior Management

Mr. ZHOU Xiangyang, aged 38, joined the Group in July 1996. Mr. Zhou is the general manager of the micro motors division of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. Mr. Zhou holds a Bachelor's Degree in Electrical Engineering from Harbin Institute of Technology.

Mr. ZENG Yong, aged 39, joined the Group in June 1999. Mr. Zeng is the general manager of the electronic and electric component division of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. Mr. Zeng holds a Bachelor's Degree in Electrical Engineering from Zhejiang University.

首席顧問及境外法律顧問(中國)。林先生亦為於香港聯合交易所上市之浩倫農業科技集團有限公司之獨立非執行董事，以及於香港聯合交易所上市之中國礦業資源集團有限公司之非執行董事。

陳春花女士，47歲，於二零零四年十二月二十二日獲委任為本公司之獨立非執行董事。陳女士為本公司薪酬委員會主席及審核委員會委員。彼持有由南京大學頒發的工商管理博士後學位。陳女士曾任華南理工大學工商管理學院教授、博士生導師及工商管理學院副院長。彼曾擔任新加坡國立大學管理學院亞太高層企業主管碩士課程客座教授，現為南京大學兼職教授。陳女士的研究領域為企業管理，且特別擅長企業組織及經營管理。陳女士曾任山東六和集團有限公司總裁及董事，並對企業經營管理擁有豐富經驗。陳女士現時為招商基金管理有限公司的獨立董事，以及順德農村商業銀行的獨立董事。

高級管理人員

周向陽先生，38歲，於一九九六年七月加盟本集團。周先生現時擔任本集團微電機事業部總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的銷售、推廣及業務運作管理擁有豐富經驗。周先生持有由哈爾濱工業大學頒發的電機及控制電器專業工學學士學位。

曾勇先生，39歲，於一九九九年六月加盟本集團。曾先生現時擔任本集團電子電器事業部總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的銷售、推廣及業務運作管理擁有豐富經驗。曾先生持有由浙江大學頒發的電機及其控制專業學士學位。

REPORT OF THE DIRECTORS

董事會報告

The Directors hereby present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2010.

董事謹此呈報本公司及本集團截至二零一零年十二月三十一日止年度之報告及經審核綜合財務報表。

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are set out in Note 9 to the consolidated financial statements.

主要業務及營運地區之分析

本公司之主要業務為投資控股，而本公司之附屬公司主要業務則載於綜合財務報表附註9。

An analysis of the Group's performance for the Year by business and geographical segments is set out in Note 5 to the consolidated financial statements.

本集團於本年度按業務及地區分部之業績表現分析載於綜合財務報表附註5。

Final Results

The final results of the Group for the Year are set out in the consolidated income statement on page 61.

全年業績

本集團於本年度之全年業績載於第61頁之綜合收益表內。

Dividend

The Directors recommended the payment of a final dividend of HK0.8 cent per share for the Year (2009: HK0.5 cent) to the shareholders of the Company whose names appear on the register of members of the Company on 26 May 2011. Subject to the approval from shareholders of the Company at the annual general meeting of the Company to be held on 26 May 2011 ("AGM"), the proposed final dividend will be paid on 17 June 2011.

股息

董事建議派發本年度末期股息每股0.8港仙(二零零九年: 0.5港仙)予於二零一一年五月二十六日在本公司股東名冊上已登記之本公司股東。經本公司股東於二零一一年五月二十六日舉行之股東週年大會(「股東週年大會」)上批准後，建議末期股息將於二零一一年六月十七日派發。

Closure of Register of Members

For the purpose of determining the identity of members who are entitled to attend and vote at the AGM and the payment of a proposed final dividend, the register of members of the Company will be closed from 23 May 2011 to 26 May 2011 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to be qualified for attending the AGM and the payment of the proposed final dividend, all holders of the shares of the Company whose transfers have not been registered are requested to deposit the transfer documents together with the relevant share certificates to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4: 30 p.m. on 20 May 2011.

暫停辦理股份過戶登記

本公司將於二零一一年五月二十三日至二零一一年五月二十六日(包括首尾兩日)暫停辦理股份過戶登記手續，以便確定有權出席並於股東週年大會上投票及收取建議末期股息的股東，期間不接受任何股份轉讓登記。為符合資格出席股東週年大會及收取建議末期股息，所有持有本公司股份的人士倘其過戶並未登記，須於二零一一年五月二十日下午四時三十分前，將一切過戶文件連同有關股票交回本公司的股份過戶登記香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716室。

Reserves

Details of movements in reserves of the Company and the Group during the Year are set out in Note 17 to the consolidated financial statements.

Property, Plant and Equipment

Details of movements in property, plant and equipment of the Company and the Group during the Year are set out in Note 7 to the consolidated financial statements.

Share Capital

Details of the movements in share capital of the Company during the Year are set out in Note 16(a) to the consolidated financial statements.

Distributable Reserves

As at 31 December 2010, the Company had distributable reserves amounting to HK\$124,940,000 (2009: HK\$104,785,000).

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, is set out on page 184. This summary does not form part of the audited consolidated financial statements.

Purchase, Sale or Redemption of Securities

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

Share Option Scheme

Details of the share option scheme of the Company adopted on 27 June 2003 (the "Share Option Scheme") are disclosed in Note 16(b) to the consolidated financial statements.

儲備

本公司及本集團於本年度之儲備變動詳情載於綜合財務報表附註17。

物業、廠房及設備

本公司及本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註7。

股本

本公司於本年度之股本變動詳情載於綜合財務報表附註16(a)。

可供分派之儲備

於二零一零年十二月三十一日，本公司可供分派之儲備為港幣124,940,000元(二零零九年：港幣104,785,000元)。

五年財務摘要

本集團於過往五個財政年度經適當重列及重新歸類之業績、資產及負債摘要載於第184頁。本摘要並不構成經審核綜合財務報表之一部分。

購買、出售或贖回證券

本公司於本年度並無贖回本身之股份。本公司或其任何附屬公司於本年度亦無購買或出售任何本公司之股份。

購股權計劃

本公司於二零零三年六月二十七日採納之購股權計劃(「購股權計劃」)之詳情於綜合財務報表附註16(b)披露。

Directors

The Directors during the Year and up to the date of this annual report were:

Executive Directors

Mr. CAI Qiwu (*Chairman*)
Mr. JIANG Deqing
Mr. QU Fei
Mr. CHEN Jianhong (appointed on 15 March 2011)
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang
Mr. GAO Fazhong (resigned on 15 March 2011)

Non-executive Director

Ms. TAN Xuemei (resigned on 18 April 2010)

Independent non-executive Directors

Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

In accordance with article 87 of the Company's articles of association, Mr. Chen Jianhong will retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company.

In accordance with article 91 of the Company's articles of association, Mr. Jiang Deqing, Mr. Li Jianwei and Ms. Chen Chunhua will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Directors' Service Contracts

On 18 May 2010, the Company entered into the letters of appointment with three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua for a term commencing on 18 May 2010 and ending on the date of the Company's next annual general meeting as their respective letters of appointment had expired on 18 May 2010.

董事

於本年度及截至本年報日期在任之董事如下：

執行董事

蔡其武先生(主席)
姜德清先生
瞿飛先生
陳建紅先生(於二零一一年三月十五日獲委任)
袁利群女士
栗建偉先生
鄭偉康先生
郜發忠先生(於二零一一年三月十五日辭任)

非執行董事

譚雪梅女士(於二零一零年四月十八日辭任)

獨立非執行董事

譚勁松先生
林明勇先生
陳春花女士

根據本公司之組織章程第87條，陳建紅先生將於本公司應屆股東週年大會退任，並符合資格且願意於會上膺選連任。

根據本公司之組織章程第91條，姜德清先生、栗建偉先生及陳春花女士將於本公司應屆股東週年大會退任，並符合資格且願意於會上膺選連任。

董事服務合約

於二零一零年五月十八日，本公司與三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士各自訂立委任書，任期由二零一零年五月十八日開始至本公司下屆股東週年大會日期止，因彼等各自之委任書已於二零一零年五月十八日屆滿。

The above-mentioned letters of appointment provide that the remuneration of the Directors shall be determined in accordance with the remuneration policy as approved by the Board from time to time. Such letters of appointment are terminable by either party upon one month's written notice to the other party or the payment to the other party of a sum equal to the relevant Director's monthly remuneration. These letters of appointment are exempt from the shareholders' approval requirement under Rule 13.68 of the Listing Rules.

Save as disclosed herein, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation, other than statutory compensation.

Independence of Independent Non-Executive Directors

The Company had received from each of the independent non-executive Directors an annual confirmation of his/her independence and considered that each of the independent non-executive Directors to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

Emolument Policy

The emolument policy of the employees of the Group is set by the Group's Human Resources Department based on the duties, responsibilities, work performance, qualifications and competence of employees and prevailing market conditions.

The emoluments of all executive Directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance of the relevant Directors and comparable market statistics. No Director will be involved in deciding his/her own remuneration.

The Company has adopted the Share Option Scheme for the purpose of providing incentives to the Directors and eligible employees.

Pension Schemes

Details of the pension schemes operated by the Group are set out in Note 24(a) to the consolidated financial statements.

上述委任書列明董事之薪酬將根據董事會不時批准之薪酬政策釐定。該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。根據上市規則第13.68條，該等委任書獲豁免遵守股東批准規定。

除本報告所披露者外，所有擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂有本公司不可於一年內免付補償(法定補償除外)而終止之服務合約。

獨立非執行董事之獨立性

根據上市規則第3.13條所載之指引，本公司已收訖各獨立非執行董事就其獨立性而作出之年度確認書，並認為各獨立非執行董事均屬獨立人士。

薪酬政策

本集團僱員之薪酬政策由本集團人力資源部門根據僱員之職責、責任、工作表現、資歷及能力及市場環境而訂立。

本公司所有執行董事之薪酬由薪酬委員會經考慮本集團之經營業績、有關董事之個人表現及市場比較數據而決定。董事不得參與釐定其本身之薪酬。

本公司已採納購股權計劃，旨在向董事及合資格僱員提供獎勵。

退休金計劃

本集團管理的退休金計劃詳情載於綜合財務報表附註24(a)。

Directors' Interests in Contracts

Save as disclosed in Note 34 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and Senior Management of the Company are set out on pages 33 to 36.

Directors' and Chief Executive's Interests in Equity or Debt Securities

As at 31 December 2010, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register required to be kept by the Company under Section 352 of the SFO or which have 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 any such Director or chief executive is taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

董事之合約權益

除綜合財務報表附註34所披露者外，於本年度結束時或本年度任何時間內，本公司、其同系附屬公司或其控股公司概無訂立任何與本集團業務有重大關係而本公司董事直接或間接在其中擁有重大權益之合約。

董事及高級管理人員之個人履歷

董事及本公司高級管理人員之個人簡歷載於第33頁至36頁。

董事及最高行政人員於股本證券或債務證券之權益

於二零一零年十二月三十一日，董事及本公司最高行政人員在本公司或其相聯法團(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，擁有須記入本公司根據證券及期貨條例第352條所述而存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例該董事或最高行政人員擁有或被當作視為擁有之權益及淡倉)，及根據聯交所證券上市規則(「上市規則」)中上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

Interests in share options of the Company (long position) 於本公司之購股權權益(好倉)

During the Year, the movement of the share options granted to the Directors under the Share Option Scheme were as follows:

於本年度，根據購股權計劃授予董事之購股權變動如下：

Name	Date of grant	Options held at 1 January 2010	Options exercised during the Year	Options lapsed during the Year	Options held at 31 December 2010	Exercise price per option	Exercisable period	Closing price immediately before the date of grant
								緊接授出日期前股份收市價
姓名	授出日期	於二零一零年一月一日持有之購股權	於本年度內行之購股權	於本年度內失效之購股權	於二零一零年十二月三十一日持有之購股權	每份購股權行使價	可行使期限	緊接授出日期前股份收市價
						HK\$ 港幣		HK\$ 港幣
Directors	董事							
Mr. Cai Qiwu	蔡其武先生	09/01/2009	68,000,000	—	—	68,000,000	0.157	0.151
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Mr. Jiang Deqing	姜德清先生	09/01/2009	36,000,000	—	—	36,000,000	0.157	0.151
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Mr. Qu Fei	瞿飛先生	09/01/2009	22,000,000	—	—	22,000,000	0.157	0.151
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Mr. Gao Fazhong	鄒發忠先生	09/01/2009	25,000,000	—	—	25,000,000	0.157	0.151
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Mr. Lam Ming Yung	林明勇先生	30/07/2007	2,000,000	—	—	2,000,000	0.78	0.77
		09/01/2009	5,000,000	—	—	5,000,000	0.157	0.151
							30/07/2007–29/07/2017	
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Ms. Chen Chunhua	陳春花女士	30/07/2007	2,000,000	—	—	2,000,000	0.78	0.77
		09/01/2009	5,000,000	—	—	5,000,000	0.157	0.151
							30/07/2007–29/07/2017	
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Mr. Chan Wai Dune (Note b)	陳維端先生(附註b)	30/07/2007	2,000,000	—	(2,000,000)	—	0.78	0.77
		09/01/2009	5,000,000	—	(5,000,000)	—	0.157	0.151
							30/07/2007–29/07/2017	
							01/04/2010– 31/03/2017 (Note a)	(附註 a)
Ms. Tan Xuemei (Note c)	譚雪梅女士(附註c)	09/01/2009	5,000,000	(1,250,000)	(3,750,000)	—	0.157	0.151
							01/04/2010– 31/03/2017 (Note a)	(附註 a)

Notes:

(a) The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

1. the first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
2. the second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. the third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. the remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

(b) Mr. Chan Wai Dune resigned as an independent non-executive Director on 31 July 2009, 7,000,000 share options of Mr. Chan were lapsed on 1 February 2010.

(c) Ms. Tan Xuemei resigned as a non-executive Director on 18 April 2010, 3,750,000 share options of Ms. Tan were lapsed on 19 October 2010.

Details of the Share Option Scheme are disclosed in Note 16(b) to the consolidated financial statements.

附註：

(a) 上述授出購股權之代價為港幣1元。於二零零九年一月九日授出的購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；
2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

(b) 陳維端先生於二零零九年七月三十一日辭任獨立非執行董事，陳先生的7,000,000股購股權於二零一零年二月一日失效。

(c) 譚雪梅女士於二零一零年四月十八日辭任非執行董事，譚女士的3,750,000股購股權於二零一零年十月十九日失效。

購股權計劃之詳情於綜合財務報表附註16(b)披露。

Save as disclosed above, at no time during the Year was the Company, its subsidiaries, its associated corporations (within the meaning of the SFO), its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of the shares in, or debentures of, the Company or its associated corporation (within the meaning of the SFO), or had exercised any such right during the Year.

Other than those interests disclosed above, as at 31 December 2010, none of the Directors and the chief executive of the Company (including their spouses or children under the age of 18 years old) had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which is required to be recorded and kept in the register in accordance with section 352 of the SFO, or notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Interest in Competing Businesses

As at 31 December 2010, none of the Directors was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

除上文所披露者外，於本年度內，本公司、其附屬公司、其相聯法團(定義見證券及期貨條例)、其同系附屬公司或其控股公司概無參與任何安排，致使董事或本公司最高行政人員藉購入本公司或其相聯法團(定義見證券及期貨條例)之任何股份或債券而獲益，或於本年度內行使任何該等權利。

除上文所披露之權益外，於二零一零年十二月三十一日，董事及本公司最高行政人員(包括彼等之配偶或十八歲以下子女)並無擁有本公司或其相關法團(定義見證券及期貨條例)之股份、相關股份或債券之任何權益或淡倉而須根據證券及期貨條例第352條記入及存置於登記冊內，或須根據標準守則知會本公司及聯交所。

董事於競爭業務之權益

截至二零一零年十二月三十一日，概無董事於本集團業務以外之任何業務中擁有與本集團業務直接或間接構成或可能構成競爭之權益。

Substantial Shareholders' Interests

As at 31 December 2010, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

主要股東權益

根據證券及期貨條例第336條須存置之登記冊顯示，於二零一零年十二月三十一日，下列人士（董事或本公司最高行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉：

Name of shareholder 股東姓名／名稱		Number of shares held 持有股份數目	Approximate percentage of shareholding 持股概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (Note 1) 美的控股(開曼群島)有限公司(「美的(開曼群島)」)(附註1)	Long position 好倉	9,506,023,897	67.46%
Midea Investment Holding (BVI) Limited ("Midea Holding") (Note 2) 美的控股(BVI)有限公司(「美的控股」)(附註2)	Long position 好倉	9,506,023,897	67.46%
Midea Group Co., Ltd. ("Midea") (Note 3) 美的集團有限公司(「美的」)(附註3)	Long position 好倉	9,506,023,897	67.46%
Foshan Shunde Midea Investment Holding Co., Ltd. (formerly known as Foshan Shunde Tiantuo Investment Co., Ltd.) ("Shunde Midea") (Note 4) 佛山市順德區美的投資控股有限公司(前稱佛山市順德區 天拓投資有限公司)(「順德美的」)(附註4)	Long position 好倉	9,506,023,897	67.46%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Long position 好倉	9,506,023,897	67.46%
Ms. Liang Fengchai (Note 6) 梁鳳釵女士(附註6)	Long position 好倉	9,506,023,897	67.46%

Notes:

1. These 9,506,023,897 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
2. Midea Holding was deemed to be interested in the 9,506,023,897 shares of the Company in which Midea (Cayman Islands) was interested by virtue of its holding 100% equity interest in Midea (Cayman Islands).
3. Midea was deemed to be interested in the 9,506,023,897 shares of the Company in which Midea Holding was deemed to be interested by virtue of its holding 100% equity interest in Midea Holding.
4. The registered capital of Midea is owned as to 84% by Shunde Midea. Accordingly, Shunde Midea was deemed to be interested in the 9,506,023,897 shares of the Company in which Midea was deemed to be interested by virtue of its holding 84% equity interest in Midea.
5. The registered capital of Shunde Midea is owned as to 94.55% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the 9,506,023,897 shares of the Company in which Shunde Midea was deemed to be interested by virtue of his holding 94.55% equity interest in Shunde Midea.
6. Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the 9,506,023,897 shares of the Company in which Mr. He Xiangjian was deemed to be interested.

Save as disclosed above, as at 31 December 2010, the Company is not aware of any other person who has an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company pursuant to section 336 of the SFO.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

附註：

1. 美的(開曼群島)以其名義登記並實益擁有該等9,506,023,897股本公司股份。
2. 美的控股藉持有美的(開曼群島)100%股權而被視為於美的(開曼群島)擁有權益之9,506,023,897股本公司股份中擁有權益。
3. 美的藉持有美的控股100%股權而被視為於美的控股被視為擁有權益之9,506,023,897股本公司股份中擁有權益。
4. 順德美的擁有美的註冊資本之84%。因此，順德美的藉持有美的84%股權而被視為於美的被視為擁有權益之9,506,023,897股本公司股份中擁有權益。
5. 何享健先生擁有順德美的註冊資本之94.55%。因此，何享健先生藉持有順德美的94.55%股權而被視為於順德美的被視為擁有權益之9,506,023,897股本公司股份中擁有權益。
6. 梁鳳釵女士為何享健先生之配偶，因此，被視為於何享健先生被視為擁有權益之9,506,023,897股本公司股份中擁有權益。

除上文披露者外，於二零一零年十二月三十一日，本公司並不知悉任何其他人士於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部知會本公司及記入本公司根據證券及期貨條例第336條須存置之登記冊內。

管理合約

於本年度，本公司並無就整體業務或任何重要業務之管理及行政工作簽訂或訂有任何合約。

Major Customers and Suppliers

Sales to the Group's five largest customers together accounted for 38.1% of the Group's total sales during the Year. The five largest customers are set out below:

1. 10.5% from Guangdong Midea Refrigeration Appliances Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.
2. 7.9% from Foshan Shunde Midea Microwave Electrical Appliances Manufacturing Co., Ltd., which is a company controlled by a substantial shareholder of Midea.
3. 7.6% from Guangdong Midea Group Wuhu Air-conditioning Equipment Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.
4. 6.6% from Midea Group Wuhan Refrigeration Equipment Co., Ltd. of which a Director of the Company is director and it is controlled by Midea.
5. The remaining largest customers accounted for 5.5% of the total sales during the Year and none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the said major customers.

Purchases from the Group's five largest suppliers together were accounted for less than 30% of the Group's total purchase during the Year.

主要客戶及供應商

本集團五大客戶之銷售額共佔本集團於本年度之銷售總額38.1%。五大客戶載列如下：

1. 10.5%來自廣東美的製冷設備有限公司，本公司一名董事為該公司董事，該公司受美的的控制。
2. 7.9%來自佛山市順德區美的微波電器製造有限公司，其為美的一名主要股東控制的公司。
3. 7.6%來自廣東美的集團蕪湖製冷設備有限公司，本公司一名董事為該公司董事，該公司受美的的控制。
4. 6.6%來自美的集團武漢製冷設備有限公司，本公司一名董事為該公司董事，該公司受美的的控制。
5. 餘下最大客戶佔本年度之銷售總額5.5%，且概無董事、其聯繫人士或任何股東(根據董事所知擁有本公司之已發行股本5%以上者)在該等主要客戶中擁有權益。

本集團五大供應商之採購額共佔本集團於本年度內之採購總額低於30%。

Connected Transactions and Continuing Connected Transactions

During the Year, the Group had the following connected and continuing connected transactions which were disclosed by published announcements:

Connected Transactions

- (1) On 13 April 2010, the Company through its wholly-owned subsidiary, Foshan Welling Washer Motor Manufacturing Co., Ltd. (“Welling Washer”) entered into an equity transfer agreement (“Equity Transfer Agreement”) with Wuxi Little Swan Co., Ltd. (“Wuxi Little Swan”) for the acquisition of 100% equity interest in Wuxi Little Swan Huayin Electrical Appliances Co., Ltd. (“Huayin”) at a cash consideration of RMB75 million. Details were disclosed in the Company’s announcement dated 13 April 2010.

On 22 April 2010, the Company further announced that the Equity Transfer Agreement was terminated by Welling Washer entering into a termination agreement with Wuxi Little Swan on 22 April 2010 due to the uncertainty of Wuxi Little Swan in acquiring the remaining 25% interest of Huayin from two other minority shareholders before Wuxi Little Swan can transfer the 100% equity interest in Huayin to Welling Washer.

As Wuxi Little Swan is accounted for as a subsidiary of GD Midea Holding Co., Ltd. (“GD Midea”, a company in which Midea has a 42.49% interest), therefore Wuxi Little Swan being an associate of Midea, the controlling shareholder of the Company, is a connected person of the Company under the Listing Rules.

- (2) In connection with the acquisition of Huayin, on 15 December 2010, the Company announced that Welling Washer entered into another equity transfer agreement (“New Equity Transfer Agreement”) with Wuxi Little Swan on 15 December 2010 for the acquisition of the 100% equity interest in Huayin at a cash consideration of RMB75 million as Wuxi Little Swan had completed the acquisition of the remaining 25% interest of Huayin from two other minority shareholders and were able to transfer its 100% equity interest in Huayin to Welling Washer. According to the New Equity Transfer Agreement, the acquisition of Huayin was completed on 17 January 2011 upon the approval being obtained from the Administration Department for Industry and Commerce of Wuxi for the registration of transfer of 100% equity interest of Huayin from Wuxi Little Swan to Welling Washer.

關連交易及持續關連交易

於本年度，本集團進行了以下關連交易及持續關連交易(已披露於刊發的公告內)：

關連交易

- (1) 於二零一零年四月十三日，本公司透過全資擁有的附屬公司佛山市威靈洗滌電機製造有限公司(「威靈洗滌」)與無錫小天鵝股份有限公司(「無錫小天鵝」)訂立股權轉讓協議(「股權轉讓協議」)，以現金代價人民幣75,000,000元收購無錫小天鵝華印電器有限公司(「華印」)100%股權。詳情披露於本公司二零一零年四月十三日的公告內。

基於無錫小天鵝須向另外兩名小股東收購華印餘下的25%權益，才可將華印100%股權轉讓予威靈洗滌，當中涉及不確定因素，故威靈洗滌於二零一零年四月二十二日與無錫小天鵝訂立終止協議，終止股權轉讓協議，本公司亦於二零一零年四月二十二日就此發出公告。

由於無錫小天鵝為廣東美的電器股份有限公司(「廣東美的」，一家由美的擁有42.49%權益的公司)的附屬公司，所以無錫小天鵝為本公司控股股東美的的聯繫人，根據上市規則為本公司的關連人士。

- (2) 關於收購華印，由於無錫小天鵝成功從另外兩名小股東收購華印餘下的25%權益，可將華印100%股權轉讓予威靈洗滌，故威靈洗滌於二零一零年十二月十五日與無錫小天鵝訂立另外一項股權轉讓協議(「新股權轉讓協議」)，以現金代價人民幣75,000,000元收購華印100%股權，本公司亦於二零一零年十二月十五日就此發出公告。根據新股權轉讓協議，由無錫小天鵝轉讓予威靈洗滌100%華印股權的轉讓登記於二零一一年一月十七日取得無錫工商行政管理部門批准後，收購華印事項正式完成。

Continuing Connected Transactions

- (1) On 13 April 2010, the Company entered into the renewed Midea framework agreement with Midea (“Renewed Midea Framework Agreement”) for the renewal of the Midea Framework Agreement dated 22 February 2008. The Renewed Midea Framework Agreement set out the basis for the sale of motors and electronic and electrical components for electrical household appliances and raw materials by the Group to Midea Group and the purchase of raw materials and processed raw materials and motor samples by the Group from Midea Group and the relevant annual caps of transaction amount for the three years ending 31 December 2012.

The Renewed Midea Framework Agreement, the transactions contemplated thereunder and the relevant annual caps, were approved by independent shareholders of the Company at an extraordinary general meeting of the Company held on 18 May 2010 (“EGM”).

- (2) On 13 April 2010, the Company entered into the Wellkey framework agreement (“Wellkey Framework Agreement”) with Foshan City Wellkey Electrical Material Co., Ltd. (“Wellkey”, a company controlled by Mr. He Jianfeng who is the son of Mr. He Xiangjian, the controlling shareholder of Midea) which set out the basis for the purchase of raw materials by the Group from Wellkey and the annual caps of transaction amount for the three years ending 31 December 2012.

The Wellkey Framework Agreement, the transactions contemplated thereunder and the relevant annual caps were approved by independent shareholders of the Company at the EGM.

持續關連交易

- (1) 於二零一零年四月十三日，本公司與美的訂立重續美的框架協議（「重續美的框架協議」），重續二零零八年二月二十二日訂立的美的框架協議。重續美的框架協議載列有關本集團向美的集團銷售家電電機及電子電器產品及原材料，及本集團向美的集團採購原材料及經加工原材料及電機樣本之基準，以及訂定截至二零一二年十二月三十一日止三個年度相關的年度交易額上限。

本公司獨立股東已於二零一零年五月十八日舉行之股東特別大會（「股東特別大會」）上，批准重續美的框架協議、其項下擬進行之交易及有關年度上限。

- (2) 於二零一零年四月十三日，本公司與佛山市威奇電工材料有限公司（「威奇」，一家由美的控股股東何享健先生之子何劍鋒先生控制的公司）訂立威奇框架協議（「威奇框架協議」），該協議載列本集團向威奇採購原材料的基準及訂定截至二零一二年十二月三十一日止三個年度的年度交易額上限的基準。

本公司獨立股東已於股東特別大會上，批准威奇框架協議、其項下擬進行之交易及有關年度上限。

(3) On 13 April 2010, the Company entered into the renewed logistic service agreement (“Renewed Logistic Service Agreement”) with Wuhu Annto Logistics Co., Ltd. (“Annto”, a subsidiary of Midea) for renewal of the logistic service agreement, which was entered into between the Company and Annto on 17 April 2009 and expired on 31 December 2009, in order to continue the provision of logistic services by Annto or its subsidiaries to the Group and set out the annual caps of logistic service fees payable for the three years ending 31 December 2012. The Renewed Logistic Service Agreement and the transactions contemplated thereunder were exempt from the requirement of independent shareholders’ approval pursuant to the Listing Rules.

(4) On 13 April 2010, Guangdong Welling Motor Manufacturing Co., Ltd. (“Guangdong Welling”, a wholly-owned subsidiary of the Company) entered into the financial services framework agreement (“Financial Services Framework Agreement”) with Midea Group Finance Co., Ltd. (“Finance Company”, a company owned as to 5% by Guangdong Welling, 55% by Midea and 40% by GD Midea) in respect of the provision of certain financial services, including deposit, loan, bills discounting, foreign exchange, guarantee services and other financial services by the Finance Company to the Guangdong Welling and its subsidiaries for a term commencing on the date of approval by the independent shareholders of the Company at the EGM and ending on 31 December 2012.

The Financial Services Framework Agreement, the transactions contemplated thereunder and the relevant annual caps were approved by the independent shareholders of the Company at the EGM.

The Finance Company was granted approval to commence business by the China Banking Regulatory Commission in June 2010 and it has commenced its business since November 2010.

(3) 於二零一零年四月十三日，本公司與蕪湖安得物流股份有限公司（「安得」，美的的附屬公司）訂立重續物流服務協議（「重續物流服務協議」），重續本公司與安得於二零零九年四月十七日訂立而已於二零零九年十二月三十一日屆滿的物流服務協議，確保安得或其附屬公司可繼續向本集團提供物流服務，並載列截至二零一二年十二月三十一日止三個年度物流服務費的年度上限。重續物流服務協議及其項下擬進行之交易根據上市規則豁免獨立股東批准的規定。

(4) 於二零一零年四月十三日，廣東威靈電機製造有限公司（「廣東威靈」，本公司全資擁有的附屬公司）與美的集團財務有限公司（「財務公司」，一家由廣東威靈擁有5%、美的55%及廣東美的40%的公司）訂立財務服務框架協議（「財務服務框架協議」），自本公司獨立股東於股東特別大會上批准當日起計，截至二零一二年十二月三十一日止期間財務公司將向廣東威靈及其附屬公司提供若干財務服務，包括存款、貸款、票據貼現、外匯、擔保服務及其他財務服務。

本公司獨立股東已於股東特別大會上，批准財務服務框架協議、其項下擬進行之交易及有關年度上限。

財務公司已於二零一零年六月獲得中國銀行業監督管理委員會批准開始業務，並自二零一零年十一月起開始其業務。

The following table sets out the transaction amount of each of the aforesaid continuing connected transactions of the Group during the Year and the relevant approved annual caps for 2010:

下表載列上述本集團年內各持續關連交易的交易額及二零一零年有關獲批的年度上限：

Transactions		Transaction amount for the year ended 31 December 2010 截至二零一零年 十二月三十一日 止年度的交易額 (RMB'000) (人民幣千元)	Annual caps for 2010 二零一零年 年度上限 (RMB'000) (人民幣千元)
Sale of motors and electronic and electric components for electrical household appliances and raw materials to Midea Group	向美的集團銷售家電電機及電子電器產品及原材料	3,478,882	3,523,000
Purchase of raw materials and processed raw materials and motors samples from Midea Group	向美的集團採購原材料及經加工原材料及電機樣本	236,431	320,000
Purchase of raw materials from Wellkey	向威奇採購原材料	—	215,000
Logistic services fees paid to Annto	向安得支付物流服務費	34	10,000
Financial services provided by the Finance Company	財務公司提供的財務服務		
— Deposit (daily maximum outstanding balance including accrued interest and handling fees)	— 存款(包括應計利息及手續費的每日最高結餘)	175,606	461,000
— Loan (daily maximum outstanding balance including accrued interest and handling fees)	— 貸款(包括應計利息及手續費的每日最高結餘)	—	609,000
— Bills discounting (face value of the bills discounted)	— 票據貼現(經貼現的票據面值)	—	1,590,000
— Guarantee	— 擔保	—	500,000
— Foreign exchange (US\$'000)	— 外匯(千美元)	—	164,000

Details of the significant related party transactions entered into by certain members of the Group during the year ended 31 December 2010 pursuant to the agreements mentioned above, which constituted connected transactions under Chapter 14A of the Listing Rules, are disclosed in Note 34 to the consolidated financial statements.

本集團若干成員公司根據上述協議於截至二零一零年十二月三十一日止年度訂立之重大關聯方交易(該等交易根據上市規則第14A章構成關連交易)詳情，於綜合財務報表附註34披露。

The independent non-executive Directors have reviewed the continuing connected transactions of the Group during the Year and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions of the Group disclosed above in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditor's letter on the continuing connected transactions of the Group for the year ended 31 December 2010 has been provided by the Company to the Stock Exchange.

The Company confirmed that it has complied with the disclosure requirements with respect to the above-mentioned continuing connected transactions of the Group in accordance with Chapter 14A of the Listing Rules.

獨立非執行董事已審閱本集團年內之持續關連交易，並確認該等持續關連交易：

- (1) 於本集團日常及正常業務過程中訂立；
- (2) 乃按一般商業條款；及
- (3) 按照規管該等交易之相關協議進行，其條款乃公平及合理，且符合本公司股東的整體利益。

董事會聘請本公司核數師根據香港會計師公會發出的香港鑒證業務準則第3000號「歷史財務資料審核或審閱以外的鑒證工作」，及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，以匯報本集團的持續關連交易。核數師已根據上市規則第14A.38條發出具無保留意見函件，函件載有對本集團已披露的持續關連交易的發現和總結。本公司已將截至二零一零年十二月三十一日止年度持續關連交易有關的核數師函件副本送呈聯交所。

本公司確認已就上文所述之本集團持續關連交易遵守上市規則第14A章之披露規定。

Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 31 December 2010, the aggregate amount of guarantees given for the loan facilities granted to the associates by the Group amounted to HK\$533 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules. A pro-forma combined statement of financial position of the associates, in which the Group has a 49% equity interest, as at 31 December 2010 is presented below:

		Pro-forma combined statement of financial position 備考綜合財 務狀況表	Group's attributable interest (49%) 本集團應 佔權益(49%)
		HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current assets	非流動資產	516,366	253,019
Current assets	流動資產	655,056	320,978
Current liabilities	流動負債	(371,030)	(181,805)
Non-current liabilities	非流動負債	(343,962)	(168,541)
Net assets	資產淨額	456,430	223,651

Non-Competition Deed

On 22 February 2008, Midea entered into a non-competition deed in favour of the Company ("Non-Competition Deed") to undertake that Midea and other members of Midea Group (except the Group) will not engage in any business of the manufacturing and distribution of motors and electronic and electric components for all electrical household appliances and any business activities carried on or proposed to be carried on by the Group which would directly or indirectly compete with the business of the Group.

In compliance with the requirement of the Non-Competition Deed, Midea has submitted to the Company the annual declaration confirming that Midea and its associates (as defined in the Listing Rules) have complied with all the provisions of the Non-Competition Deed throughout the year ended 31 December 2010 ("Declaration"). The independent non-executive Directors have reviewed the Declaration and are satisfied with the compliance by Midea and its associates with the provisions of the Non-competition Deed and the enforcement of the Non-competition Deed during the year ended 31 December 2010.

根據上市規則第13.22條作出披露

於二零一零年十二月三十一日，本集團就聯營公司獲得貸款融資而提供之擔保合共總額為港幣533,000,000元，超過上市規則第14.07(1)條所界定資產比率之8%。於二零一零年十二月三十一日，該由本集團擁有49%股權的聯營公司之備考綜合財務狀況表呈列如下：

不競爭契據

於二零零八年二月二十二日，美的以本公司為受益人訂立不競爭契據（「不競爭契據」），藉此承諾，美的及美的集團之其他成員公司（本集團除外）將不會從事一切家電電機及電子電器產品之製造及分銷業務，以及任何可能直接或間接與本集團業務或擬進行之業務構成競爭之任何業務活動。

為符合不競爭契據之規定，美的已向本公司提呈年度聲明，確認美的及其聯繫人士（定義見上市規則）已於截至二零一零年十二月三十一日止年度內一直遵守不競爭契據之所有規定（「有關聲明」）。獨立非執行董事已審閱有關聲明，並信納美的及其聯繫人士已於截至二零一零年十二月三十一日止年度內一直遵守不競爭契據之規定，及履行不競爭契據。

Compliance with The Model Code for Securities Transactions by Directors and the Code on Corporate Governance Practices

Please refer to the Corporate Governance Report set out on pages 20 to 32 for the compliance with the Model Code for Securities Transactions by the Directors and the Code on Corporate Governance Practices.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirmed that the Company has maintained, during the Year, sufficient public float as required under the Listing Rules.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
Welling Holding Limited
CAI Qiwu
Chairman

Hong Kong, 21 March 2011

遵守董事進行證券交易之標準守則及企業管治常規守則

有關遵守董事進行證券交易之標準守則及企業管治常規守則，請參閱載於第20頁至32頁之企業管治報告。

足夠公眾持股量

根據可供本公司公開查閱且其董事亦知悉之資料，董事確認本公司於本年度內一直維持上市規則所規定之足夠公眾持股量。

核數師

羅兵咸永道會計師事務所已審核綜合財務報表，該核數師任滿告退，並符合資格且願意膺聘連任。一項續聘羅兵咸永道會計師事務所為本集團核數師之決議案將於應屆股東週年大會上提呈。

代表董事會
威靈控股有限公司
蔡其武
主席

香港，二零一一年三月二十一日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

PRICEWATERHOUSECOOPERS 

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Independent Auditor's Report To the shareholders of Welling Holding Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Welling Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 57 to 183, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立核數師報告 致威靈控股有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第57至183頁威靈控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一零年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

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

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照香港《公司條例》第141條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 March 2011

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非為對公司內部控制的有效性發表意見。審計亦包括評價董事所採用的會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證是充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一一年三月二十一日

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2010

於二零一零年十二月三十一日

			As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
ASSETS	資產				
Non-current assets	非流動資產				
Leasehold land and land use rights	租賃土地及土地使用權	6	125,509	124,496	127,436
Property, plant and equipment	物業、廠房及設備	7	875,804	699,543	571,345
Goodwill	商譽	8	23,188	22,408	22,410
Investments in associates	聯營公司投資	10	223,651	206,966	—
Deferred income tax assets	遞延所得稅資產	21	30,736	21,856	7,887
Available-for-sale financial assets	可供出售金融資產	11	29,381	28,393	—
Prepayment for investments in associates	預付聯營公司投資款項	13	—	—	82,463
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	13	18,335	3,816	22,392
			1,326,604	1,107,478	833,933
Current assets	流動資產				
Inventories	存貨	12	1,938,905	669,192	243,888
Trade and other receivables	貿易及其他應收款	13	1,720,175	958,041	648,385
Due from related companies	應收關聯公司款項	34(c)	368,590	617,880	574,456
Derivative financial instruments	衍生金融工具	20	25,922	25,708	—
Pledged bank deposits	已抵押銀行存款	14	118,000	49,081	61,020
Cash and cash equivalents	現金及現金等價物	15	757,449	257,478	217,124
			4,929,041	2,577,380	1,744,873
Total assets	總資產		6,255,645	3,684,858	2,578,806
EQUITY	權益				
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備				
Share capital	股本	16	1,409,056	1,347,931	1,347,931
Other reserves	其他儲備	17	570,471	272,043	227,921
Accumulated losses	累計虧損				
— Proposed final dividend	— 建議末期股息	29	112,725	67,397	—
— Others	— 其他		(184,486)	(552,655)	(805,210)
Total equity	權益總額		1,907,766	1,134,716	770,642

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AS AT 31 DECEMBER 2010

於二零一零年十二月三十一日

			As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
LIABILITIES	負債				
Non-current liabilities	非流動負債				
Borrowings	借款	18	104,364	100,000	—
Deferred income tax liabilities	遞延所得稅負債	21	50,773	25,235	6,305
			155,137	125,235	6,305
Current liabilities	流動負債				
Trade and other payables	貿易及其他應付款	19	3,409,937	2,212,592	1,322,309
Due to related companies	應付關聯公司款項	34(c)	485,020	68,048	82,069
Derivative financial instruments	衍生金融工具	20	—	902	30,635
Current income tax liabilities	即期所得稅負債		56,339	30,845	1,300
Borrowings	借款	18	241,446	112,520	365,546
			4,192,742	2,424,907	1,801,859
Total liabilities	總負債		4,347,879	2,550,142	1,808,164
Total equity and liabilities	權益及負債總額		6,255,645	3,684,858	2,578,806
Net current assets/(liabilities)	流動資產/(負債)淨額		736,299	152,473	(56,986)
Total assets less current liabilities	總資產減流動負債		2,062,903	1,259,951	776,947

The notes on pages 67 to 183 are an integral part of these consolidated financial statements.

於第67至183頁之附註為此綜合財務報表之一部分。

The consolidated financial statements on pages 57 to 183 were approved by the board of Directors on 21 March 2011 and were signed on its behalf.

董事會於二零一一年三月二十一日批准於第57至183頁之綜合財務報表，並代表董事會簽署。

Director
董事
CAI Qiwu
蔡其武

Director
董事
CHEN Jianhong
陳建紅

STATEMENT OF FINANCIAL POSITION 財務狀況表

AS AT 31 DECEMBER 2010

於二零一零年十二月三十一日

		As at 31 December 於十二月三十一日	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	23	44
Investments in subsidiaries	附屬公司投資	5,106,440	4,764,049
Loan to a subsidiary	貸款予一家附屬公司	100,940	98,000
		5,207,403	4,862,093
Current assets	流動資產		
Prepayments and other receivables	預付款及其他應收款	1,302	1,335
Dividend receivable	應收股息	120,000	15,000
Cash and cash equivalents	現金及現金等價物	1,560	217
		122,862	16,552
Total assets	總資產	5,330,265	4,878,645
EQUITY	權益		
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備		
Share capital	股本	1,409,056	1,347,931
Other reserves	其他儲備	3,794,085	3,423,894
Retained profits	保留利潤		
— Proposed final dividend	— 建議末期股息	112,725	67,397
— Others	— 其他	12,215	37,388
Total equity	權益總額	5,328,081	4,876,610

STATEMENT OF FINANCIAL POSITION 財務狀況表

AS AT 31 DECEMBER 2010

於二零一零年十二月三十一日

		As at 31 December 於十二月三十一日	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	Note 附註		
LIABILITIES	負債		
Current liabilities	流動負債		
Accruals and other payables	預提費用及其他應付款	2,184	2,035
Total liabilities	總負債	2,184	2,035
Total equity and liabilities	權益及負債總額	5,330,265	4,878,645
Net current assets	流動資產淨額	120,678	14,517
Total assets less current liabilities	總資產減流動負債	5,328,081	4,876,610

The notes on pages 67 to 183 are an integral part of these consolidated financial statements.

於第67至183頁之附註為此綜合財務報表之一部分。

The consolidated financial statements on pages 57 to 183 were approved by the board of Directors on 21 March 2011 and were signed on its behalf.

董事會於二零一一年三月二十一日批准於第57至183頁之綜合財務報表，並代表董事會簽署。

Director
董事
CAI Qiwu
蔡其武

Director
董事
CHEN Jianhong
陳建紅

CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2010

截至二零一零年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	Note 附註		
Revenue	5	7,798,886	4,824,116
Cost of goods sold		(6,816,402)	(4,124,667)
Gross profit		982,484	699,449
Other gains — net	22	29,023	39,717
Selling and marketing costs		(106,418)	(101,739)
Administrative expenses		(227,698)	(200,507)
Operating profit		677,391	436,920
Finance costs	25	(30,546)	(23,035)
Finance income	25	4,307	4,341
Finance costs — net	25	(26,239)	(18,694)
Share of profits of associates	10	9,269	4,808
Profit before income tax		660,421	423,034
Income tax expense	26	(128,191)	(69,259)
Profit for the year attributable to the owners of the Company		532,230	353,775
Earnings per share for profit attributable to the owners of the Company, expressed in HK cents per share			
— basic	28	3.82	2.62
— diluted	28	3.78	2.61

Details of proposed final dividend payable to the owners of the Company are set out in note 29.

應付本公司擁有人建議末期股息之詳情載於附註29。

The notes on pages 67 to 183 are an integral part of these consolidated financial statements.

於第67至183頁之附註為此綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2010

截至二零一零年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Profit for the year	年度利潤	532,230	353,775
Other comprehensive income:	其他全面收益：		
Currency translation differences	貨幣匯兌差異	58,218	30
Other comprehensive income for the year	年度其他全面收益	58,218	30
Total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年度全面收益總額	590,448	353,805

The notes on pages 67 to 183 are an integral part of these consolidated financial statements.

於第67至183頁之附註為此綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2010

截至二零一零年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔			
		Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
Balance at 1 January 2009	於二零零九年一月一日之結餘	1,347,931	227,921	(805,210)	770,642
Comprehensive income:	全面收益：				
Profit for the year	年度利潤	—	—	353,775	353,775
Other comprehensive income:	其他全面收益：				
Currency translation differences	貨幣匯兌差異	—	30	—	30
Total comprehensive income	全面收益總額	—	30	353,775	353,805
Transaction with owners:	與擁有人進行的交易：				
Transfer to statutory reserves	轉撥至法定儲備	—	33,823	(33,823)	—
Employee share option scheme — value of services provided	僱員購股權計劃 — 所提供服務之價值	—	10,269	—	10,269
Total transaction with owners	與擁有人進行的交易總額	—	44,092	(33,823)	10,269
Balance at 31 December 2009	於二零零九年十二月三十一日之結餘	1,347,931	272,043	(485,258)	1,134,716
Representing:	相當於：				
2009 proposed final dividend	二零零九年建議末期股息			67,397	
Others	其他			(552,655)	
Accumulated losses at 31 December 2009	於二零零九年十二月三十一日之累計虧損			(485,258)	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2010

截至二零一零年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔			
		Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
Balance at 1 January 2010	於二零一零年一月一日之結餘	1,347,931	272,043	(485,258)	1,134,716
Comprehensive income:	全面收益：				
Profit for the year	年度利潤	—	—	532,230	532,230
Other comprehensive income:	其他全面收益：				
Currency translation differences	貨幣匯兌差異	—	58,218	—	58,218
Total comprehensive income	全面收益總額	—	58,218	532,230	590,448
Transaction with owners:	與擁有人進行的交易：				
Transfer to statutory reserves	轉撥至法定儲備	—	48,311	(48,311)	—
Issue of ordinary shares	發行普通股份				
— proceeds from shares issued	— 發行股份所得款項	60,000	192,000	—	252,000
— share issuance expenses	— 發行股份開支	—	(6,557)	—	(6,557)
Employee share option scheme	僱員購股權計劃				
— value of services provided	— 所提供服務之價值	—	5,841	—	5,841
— proceeds from shares issued	— 發行股份所得款項	1,125	615	—	1,740
Dividend relating to 2009	二零零九年度股息	—	—	(70,422)	(70,422)
Total transaction with owners	與擁有人進行之交易總額	61,125	240,210	(118,733)	182,602
Balance at 31 December 2010	於二零一零年 十二月三十一日之結餘	1,409,056	570,471	(71,761)	1,907,766
Representing:	相當於：				
2010 proposed final dividend	二零一零年建議末期股息			112,725	
Others	其他			(184,486)	
Accumulated losses at 31 December 2010	於二零一零年十二月三十一日之 累計虧損			(71,761)	

The notes on pages 67 to 183 are an integral part of these consolidated financial statements.

於第67至183頁之附註為此綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2010

截至二零一零年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元 (Restated) (重列)
		Note 附註	
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	經營產生之現金	30(a)	636,497
Interest paid	已付利息		(30,895)
Interest received	已收利息		4,307
Income tax paid	已付所得稅		(86,414)
Net cash generated from operating activities	經營活動產生之現金淨額		523,495
Cash flows from investing activities	投資活動之現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備		(147,920)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	30(b)	13,488
Increase in construction-in-progress	在建工程增加		(122,956)
(Increase)/decrease in prepayment for property, plant and equipment	預付物業、廠房及設備款項(增加)/減少		(14,519)
Decrease in prepayment for investments in associates	預付聯營公司投資款項減少		—
Purchase of available-for-sale financial assets	購買可供出售金融資產		—
Acquisition of associates	收購聯營公司		—
Net cash used in investing activities	投資活動所用之現金淨額		(271,907)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2010

截至二零一零年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元 (Restated) (重列)
	Note 附註		
Cash flows from financing activities	融資活動之現金流量		
Proceeds from borrowings	借款所得款項	285,423	371,608
Repayments of borrowings	償還借款	(152,133)	(524,634)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(68,919)	11,939
Dividends paid to the owners of the Company	付予本公司擁有人之股息	(70,422)	—
Proceeds from issuance of ordinary shares	發行普通股所得款項	253,740	—
Shares issuance expenses	發行股份開支	(6,557)	—
Net cash generated from/(used in) financing activities	融資活動產生/(所用)之現金淨額	241,132	(141,087)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	492,720	40,354
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	257,478	217,124
Exchange gain on cash and cash equivalents	現金及現金等價物匯兌收益	7,251	—
Cash and cash equivalents at end of the year	年終之現金及現金等價物	757,449	257,478
	15		

The notes on pages 67 to 183 are an integral part of these consolidated financial statements.

於第67至183頁之附註為此綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 General Information

Welling Holding Limited (the “Company”) and its subsidiaries (together the “Group”) manufacture, distribute and sell motors and electronic and electric components for electrical household appliances and trade raw materials in the People’s Republic of China (the “PRC”) and overseas.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of Directors on 21 March 2011.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivatives financial instruments.

2.1.1 Compliance with HKFRS

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

1 一般資料

威靈控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)及海外製造、分銷及出售家用電器之電機及電子電器產品，以及買賣原材料。

本公司為於香港註冊成立之有限責任公司，註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司主板上市。

除另有註明外，本綜合財務報表以港幣(「港幣」)呈列。本綜合財務報表已於二零一一年三月二十一日獲董事會批准刊發。

2 主要會計政策概要

編製該等綜合財務報表所應用之主要會計政策載列如下。除另有註明外，該等政策於所有呈列之年度中均已貫徹應用。

2.1 編製基準

本集團之綜合財務報表根據香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本法編製，並就重估可供出售金融資產及衍生金融工具作出修訂。

2.1.1 遵守香港財務報告準則

編製符合香港財務報告準則之綜合財務報表需要使用若干關鍵會計估計。管理層在運用本集團會計政策過程中亦須行使判斷。涉及很大程度之判斷或複雜性之範圍，或對綜合財務報表有重大影響之假設及估計之範圍乃於附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures

(a) *Business combination and transaction with non-controlling interests*

HKFRS 3 (revised), 'Business combinations', and consequential amendments to Hong Kong Accounting Standard ("HKAS") 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

Above changes in accounting policy had no impact to the Group, as the Group has no non-controlling interests, nor had any business combination in 2010.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動

(a) *業務合併及非控股權益的交易*

香港財務報告準則第3號(經修訂)「業務合併」, 以及對香港會計準則(「香港會計準則」)第27號「綜合及單獨財務報表」、香港會計準則第28號「聯營投資」及香港會計準則第31號「合營中之權益」之相應修訂, 以未來適用法應用於收購日期為二零零九年七月一日或之後開始的首個年度報告期間或之後的業務合併。

此項修訂準則繼續對業務合併應用購買法, 但與香港財務報告準則第3號比較, 有若干重大更改。例如, 收購業務的所有付款必須按收購日期的公平值記錄, 而分類為債務的或有付款其後須在全面收益表重新計量。個別收購基準有不同選擇方案, 可按公平值或按非控股權益應佔被收購方淨資產的比例, 計量被收購方的非控股權益。所有收購相關成本必須支銷。

香港會計準則第27號(經修訂)規定, 如控制權沒有改變, 則與非控股權益進行的所有交易的影響必須在權益中列報, 而此等交易將不再導致商譽或盈虧。此項準則亦列明失去控制權時的會計處理方法。在實體內的任何剩餘權益按公平值重新計量, 並在利潤表中確認盈虧。

由於本集團於二零一零年並無非控股權益及業務合併, 上述會計政策的變動對本集團概無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(b) Lease of land

HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases. As a result of the reassessment, the Group has not reclassified any leasehold land and land use rights. All leasehold land and land use rights held by the Group are in the PRC and are classified as operating lease, which is the same to the Group's accounting policy before the adoption of HKAS 17 (amendment).

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(b) 土地租賃

香港會計準則第17號(經修訂)[租賃]刪除有關土地租賃分類之特定指引，從而消除與租賃分類之一般指引的不一致性。因此，土地租賃應根據香港會計準則第17號之一般原則分類為融資或經營租賃，即視乎租賃是否將資產擁有權附帶之絕大部分風險及回報轉移至承租人。於修訂前，土地權益(其所有權預期不會於租賃期完結時轉移至本集團)分類為經營租賃，呈列為「租賃土地及土地使用權」，並於租賃期內攤銷。

香港會計準則第17號(經修訂)已根據該項修訂之生效日期及過渡性條文而對二零一零年一月一日開始之年度期間追溯應用。本集團已根據租賃開始時之現有資料，重新評估在二零一零年一月一日未屆滿租賃土地及土地使用權之分類。經重新評估後，本集團並無對任何租賃土地及土地使用權重新分類。本集團持有的所有租賃土地及土地使用權均在中國，歸類為經營租賃，與採納香港會計準則第17號(經修訂)前本集團的會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(c) Classification of term loans

In November 2010, Hong Kong Institute of Certified Public Accountants ("HKICPA") issued Hong Kong Interpretation 5, 'Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause'. The interpretation is effective immediately and is a clarification of an existing standard, HKAS 1, 'Presentation of Financial Statements'. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of Hong Kong Interpretation 5, the Company has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Company had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1 January 2009, with consequential reclassification adjustments to comparatives for the year ended 31 December 2009. The reclassification has no effect on reported profit or loss, total comprehensive income or equity for any period presented.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(c) 有期貸款分類

香港會計師公會(「香港會計師公會」)已於二零一零年十一月公佈香港詮釋第5號「財務報表之列報 — 借款人對有償還要求條款之有期貸款之歸類」並即時生效。此詮釋澄清已存在之準則香港會計準則第1號「財務報表的呈列」。此詮釋說明香港會計師公會之結論：根據香港會計準則第1號，不管貸款人無原因執行條款的可能性之高低，有期貸款協議如包含凌駕一切的按要還款條款，給予貸款人清晰明確之無條件權利可隨時全權酌情要求還款，則借款人應將有期貸款分類為流動負債。

為遵守香港詮釋第5號所載之規定，本公司已更改包含按要還款條文之有期貸款分類之會計政策。根據新政策，包含給予貸款人清晰明確之無條件權利可隨時全權酌情要求還款之有期貸款均於財務狀況表分類為流動負債。過往，該等有期貸款乃按貸款協議所載經協定之編定還款日期予以分類，除非本公司於報告日有違反任何載於協議上之貸款條款或有其他原因相信貸款人會於可預見將來執行其按要還款條文之權利。

此新會計政策已被追溯應用並已重列於二零零九年一月一日之期初結餘，及相應於截至二零零九年十二月三十一日止年度之比較數字重列調整。該重新分類對任何呈報期間之報告損益、全面收益總額或權益均無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(d) *Derecognition of bank accepted bills*

In prior years, the Group, before it being acquired by Midea Group Co., Ltd (“Midea”), now its ultimate holding company, used the cash flow variability model under HKAS 39, ‘Financial Instruments: Recognition and Measurement’ to analyse whether the Group has transferred or retained substantially all risks and rewards for the transferred financial instruments. Under the cash flow variability model, the bank accepted bills, including those discounted to commercial banks, or endorsed to suppliers of the Group for settling trade payables, were derecognised upon maturity.

Having undertaken a comprehensive review of the policies of the other businesses in the home appliance industry, and the fellow subsidiaries of Midea, particular those operating in China, the Group’s management decided to change the accounting policy to the fair value variability model, which is another acceptable method under HKAS 39. The Group believes that this change will bring the policy in line with other major home appliance companies operating in the same market with similar operating environment; align more closely the public available financial information to those used by the management.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(d) *終止確認銀行承兌匯票*

本集團在最終控股公司美的集團有限公司(「美的」)收購前，採納香港會計準則第39號「金融工具：確認及計算」下的現金流量變化模式以分析本集團是否充分轉移或保留轉移金融工具的所有風險及回報。根據現金流量變化模式，銀行承兌票據包括已貼現予商業銀行的票據，或背書予供應商以結算貿易應付款項的票據，該等票據於到期時終止確認。

經全面檢討於家電工業其他企業的政策，以及美的之附屬公司(特別於中國經營)，本集團管理層決定更改會計政策，採納香港會計準則第39號下另一認受的方法公平值變化模式。本集團相信該變動將令該政策與市場內其他主要家電公司於類似經營環境下的政策趨於一致，方便管理層參考公開可參閱的財務資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(d) *Derecognition of bank accepted bills (Continued)*

Accordingly the accounting policy has been changed during the year ended 31 December 2010 to the fair value variability model under HKAS 39 in analysing the derecognition of bank accepted bills, to reflect on how the management views the substance of the risk of default related to the bank accepted bills and therefore to provide more relevant information to the users of the consolidated financial statements.

After the change of the accounting policy to use the fair value variability model to analyse whether the Group has transferred or retained substantially all the risks and rewards of the transferred financial instruments, the bank accepted bills would be derecognised upon being discounted to commercial banks, or upon being endorsed to the suppliers of the Group for settling trade payables. That is the time that the management believes the primary risks and rewards have been transferred with the assessment using fair value variability model.

This change in accounting policy has been applied retrospectively. Certain adjustments have been made to the comparative information to reflect this change in accounting policy. The effect of the change, for each financial statement line items affected, is summarised in note 2.1.2 (e) below.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(d) *終止確認銀行承兌匯票(續)*

因此，截至二零一零年十二月三十一日止年度內，會計政策改為採納香港會計準則第39號下的公平值變化模式來分析銀行已承兌票據的終止確認，以反映管理層對銀行已承兌票據拖欠風險的看法，從而向綜合財務報表的使用者提供更相關的資料。

變更會計政策(採納公平值變化模式分析本集團是否充分轉移或保留轉移金融工具的所有風險及回報)後，銀行已承兌票據將於貼現予商業銀行或背書予本集團供應商以結算貿易應付款項時終止確認。就公平值變化模式的評估，管理層認為此時主要的風險及回報已經轉移。

該等會計政策的變動已被追溯應用。比較資料已作出若干調整以反映該等會計政策的變動。該等變動影響財務報表的每一項概述於下文附註2.1.2(e)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued) 2 主要會計政策概要(續)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(e) As a result of the changes in accounting policies mentioned above in notes 2.1.2(c) and (d), certain adjustments have been made to the comparative information. The effect of the changes, for each financial statement line items affected, are summarised below:

(i) Effect on the consolidated statement of financial position as at 1 January 2009

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(e) 基於上述附註2.1.2(c)及(d)的會計政策變動，比較資料已作出若干調整。該等變動影響財務報表的每一項概述如下：

(i) 對二零零九年一月一日綜合財務狀況表的影響

		Changes in accounting policy 會計政策的變動			
		As previously reported 之前報告	Classification of term loan 有期貸款分類 (note 2.1.2(c)) (附註2.1.2(c))	Derecognition of bank accepted bills 終止確認銀行承兌票據 (note 2.1.2(d)) (附註2.1.2(d))	As restated 重列
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Trade and other receivables	貿易及其他應收款	929,579	—	(281,194)	648,385
Due from related companies	應收關聯公司款項	1,074,328	—	(499,872)	574,456
Current assets	流動資產	2,525,939	—	(781,066)	1,744,873
Total assets	總資產	3,359,872	—	(781,066)	2,578,806
Trade and other payables	貿易及其他應付款	1,705,350	—	(383,041)	1,322,309
Due to related companies	應付關聯公司款項	174,032	—	(91,963)	82,069
Borrowings — current	借款 — 流動	611,608	60,000	(306,062)	365,546
Current liabilities	流動負債	2,522,925	60,000	(781,066)	1,801,859
Borrowings — non-current	借款 — 非流動	60,000	(60,000)	—	—
Non-current liabilities	非流動負債	66,305	(60,000)	—	6,305
Total liabilities	總負債	2,589,230	—	(781,066)	1,808,164
Total equity and liabilities	權益及負債總額	3,359,872	—	(781,066)	2,578,806
Net current assets/(liabilities)	流動資產/(負債)淨額	3,014	(60,000)	—	(56,986)
Total assets less current liabilities	總資產減流動負債	836,947	(60,000)	—	776,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies 2 主要會計政策概要(續)

(Continued)

2.1 Basis of preparation (Continued)

2.1 編製基準(續)

2.1.2 Changes in accounting policy and disclosures (Continued)

2.1.2 會計政策及披露之變動(續)

(e) (Continued)

(e) (續)

(ii) Effect on the consolidated statement of financial position as at 31 December 2009

(ii) 對二零零九年十二月三十一日綜合財務狀況表的影響

		Changes in accounting policy 會計政策的變動			
		As previously reported 之前報告 HK\$'000 港幣千元	Classification of term loan 有期貸款分類 (note 2.1.2(c)) (附註2.1.2(c)) HK\$'000 港幣千元	Derecognition of bank accepted bills 終止確認銀行 承兌票據 (note 2.1.2(d)) (附註2.1.2(d)) HK\$'000 港幣千元	As restated 重列 HK\$'000 港幣千元
Trade and other receivables	貿易及其他應收款	1,241,138	—	(283,097)	958,041
Due from related companies	應收關聯公司款項	1,248,138	—	(630,258)	617,880
Current assets	流動資產	3,490,735	—	(913,355)	2,577,380
Total assets	總資產	4,598,213	—	(913,355)	3,684,858
Trade and other payables	貿易及其他應付款	2,598,798	—	(386,206)	2,212,592
Due to related companies	應付關聯公司款項	178,615	—	(110,567)	68,048
Borrowings — current	借款 — 流動	469,102	60,000	(416,582)	112,520
Current liabilities	流動負債	3,278,262	60,000	(913,355)	2,424,907
Borrowings — non-current	借款 — 非流動	160,000	(60,000)	—	100,000
Non-current liabilities	非流動負債	185,235	(60,000)	—	125,235
Total liabilities	總負債	3,463,497	—	(913,355)	2,550,142
Total equity and liabilities	權益及負債總額	4,598,213	—	(913,355)	3,684,858
Net current assets	流動資產淨額	212,473	(60,000)	—	152,473
Total assets less current liabilities	總資產減流動負債	1,319,951	(60,000)	—	1,259,951

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued) 2 主要會計政策概要(續)

2.1 Basis of preparation (Continued)

2.1 編製基準(續)

2.1.2 Changes in accounting policy and disclosures (Continued)

2.1.2 會計政策及披露之變動(續)

(e) (Continued)

(e) (續)

(iii) Effect on the consolidated statement of financial position as at 31 December 2010

(iii) 對二零一零年十二月三十一日綜合財務狀況表的影響

		Changes in accounting policy 會計政策的變動	
		Classification of term loan 有期貸款分類 (note 2.1.2(c)) (附註2.1.2(c)) HK\$'000 港幣千元	Derecognition of bank accepted bills 終止確認銀行 承兌票據 (note 2.1.2(d)) (附註2.1.2(d)) HK\$'000 港幣千元
Decrease in trade and other receivables	貿易及其他應收款減少	—	(239,936)
Decrease in due from related companies	應收關聯公司款項減少	—	(1,356,794)
Decrease in trade and other payables	貿易及其他應付款減少	—	(949,595)
Decrease in due to related companies	應付關聯公司款項減少	—	(97,208)
Decrease in borrowings — current	借款 — 流動減少	—	(549,927)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(e) (Continued)

- (iv) These changes do not have any impact on the consolidated income statement, the consolidated statement of comprehensive income, or the earnings per share information, relating to the periods presented and those before.

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*

- HK(IFRIC) 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(e) (續)

- (iv) 該等變動對有關呈列期間及之前的綜合收益表、綜合全面收益表或每股盈利資料並無任何影響。

(f) *於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)*

- 香港(國際財務報告詮釋委員會)第17號「向擁有人分派非現金資產」(於二零零九年七月一日或之後生效)。該項詮釋於二零零八年十一月頒佈。此項詮釋就實體向股東分配非現金資產作為儲備分派或股息的安排的會計處理提供指引。香港財務報告準則第5號亦已被修改，規定資產只能在其現有狀況下及可能分配時才可分類為持作分派。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*

(Continued)

- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of HKFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)

(續)

- 香港(國際財務報告詮釋委員會)第18號「自客戶轉讓資產」, 對二零零九年七月一日或之後自轉讓所收取的資產生效。該項詮釋闡明香港財務報告準則對實體向客戶收取物業、廠房及設備項目, 而該實體其後必須使用該項目為客戶接駁至網絡或向客戶持續提供貨品或服務供應(如供應電、氣體、水)的協議的規定。在若干情況下, 倘實體向客戶收取現金則必須只可用作收購或建設物業、廠房及設備, 從而為客戶接駁至網絡或向客戶持續提供貨品或服務供應(或兩者)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*

(Continued)

- HKAS 1 (amendment), 'Presentation of financial statements' effective 1 January 2009. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)

(續)

- 香港會計準則第1號(修訂本)「財務報表之呈列」(自二零零九年一月一日起生效)。該項修訂闡明透過發行權益的潛在償債方式的分類與其流動或非流動的分類方式並不相關。於修訂流動負債的定義後，該修訂本允許將負債分類為非流動負債，前提是該實體有權無條件透過轉讓現金或其他資產將還款期延遲至會計期後至少十二個月，惟該實體的對手方可能要求其隨時以股份償還負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*

- HKFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective from 1 January 2010. In addition to incorporating HK(IFRIC) 8, 'Scope of HKFRS 2', and HK(IFRIC) 11, 'HKFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in HK(IFRIC) 11 to address the classification of group arrangements that were not covered by that interpretation.
- First annual improvements project issued in October 2008 in respect of HKFRS 5 'Non-current assets held for sale and discontinued operations' and consequential amendment to HKFRS 1 'First-time adoption' regarding the plan to sell the controlling interest in a subsidiary.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) *於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)*

- 香港財務報告準則第2號(修訂本)「集團以股份為基礎及以現金結算之交易」自二零一零年一月一日起生效。除編入香港(國際財務報告詮釋委員會)第8號「香港財務報告準則第2號之範圍」及香港(國際財務報告詮釋委員會)第11號「香港財務報告準則第2號 – 集團及庫務股份交易」外，該等修訂擴大有關香港(國際財務報告詮釋委員會)第11號之指引範圍，涉及處理詮釋未能涵蓋之集團安排分類。
- 首批財務報告改善措施於二零零八年十月頒佈，有關香港財務報告準則第5號「持作出售非流動資產及已終止業務」以及香港財務報告準則第1號「首次採納」有關計劃出售於附屬公司之控股權益的其後修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*
(Continued)

- Second annual improvement project issued in May 2009, in respect of:
 - HK(IFRIC) 9, 'Reassessment of embedded derivatives' and HKAS 39, 'Financial instruments: Recognition and measurement', effective 1 July 2009. This amendment to HK(IFRIC) 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remain classified as at fair value through profit or loss in its entirety.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)
(續)

- 第二批財務報告改善措施於二零零九年五月頒佈，關於：
 - 香港(國際財務報告詮釋委員會)第9號「重新評估嵌入式衍生工具」及香港會計準則第39號「金融工具：確認及計量」，由二零零九年七月一日起生效。香港(國際財務報告詮釋委員會)第9號的修訂規定實體在將混合金融資產從「按公平值計入損益」類別重新劃分為其他類別時，對是否應將嵌入式衍生工具從主合同中分拆出來作出評估。該評估應在實體成為合同的一方及合同條款發生變化從而使合同現金流量產生重大改變當日(以較後者為準)進行。倘實體無法進行該評估，則混合金融工具須全部繼續分類為按公平值計入損益的金融工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*
(Continued)

- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009. This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the Group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of HKAS 39 that relate to a net investment hedge are satisfied. In particular, the Group should clearly document its hedging strategy because of the possibility of different designations at different levels of the Group.

- HKAS 38 (amendment), 'Intangible assets', effective 1 January 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)
(續)

- 香港(國際財務報告詮釋委員會)第16號「海外業務淨投資對沖」, 於二零零九年七月一日生效。該項修訂列明, 為海外業務淨投資對沖時, 合資格對沖工具可能為集團內任何實體持有, 包括海外業務本身, 只要其指示、程序文件及有效性滿足與淨投資對沖相關的香港會計準則第39號的要求。尤其是, 集團須清楚記錄其對沖策略, 理由是集團內可能存在不同層次的不同名稱。

- 香港會計準則38號(修訂本)「無形資產」(自二零一零年一月一日起生效)。該修訂釐清在企業合併中購買的無形資產的公平值的計量指引, 而倘每項資產的可使用經濟年期相近, 則允許將無形資產組合為單一資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*
(Continued)

- HKAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of HKFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).
- HKFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarified that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)
(續)

- 香港會計準則第36號(修訂本)[資產減值]，於二零一零年一月一日生效。此修訂釐清了就減值測試目的，商譽分配之最大現金產生單位(或單位組別)，應為香港財務報告準則第8號[經營分類]第5段定義之經營分類(即在總匯類似經濟特質之分類之前)。
- 香港財務報告準則第5號(修訂本)[持作銷售非流動資產及已終止業務]。此修訂釐清香港財務報告準則第5號註明就非流動資產(或出售組別)分類為持作銷售或已終止業務規定之披露，亦釐清香港會計準則第1號之一般規定仍然適用，特別是香港會計準則第1號第15段(達到公平呈報)及第125段(估計不確定因素之來源)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*
(Continued)

- Other change in the second annual improvement project issued in May 2009, in respect of:
 - HKAS 39 regarding treating loan prepayment penalties as closely related derivatives, cash flow hedge accounting, and scope exemption for business combination contracts;

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)
(續)

- 於二零零九年五月頒佈的第二批財務報告改善措施之其他變動，關於：
 - 香港會計準則第39號以相關衍生工具的方式處理貸款還款罰金、現金流對沖的會計處理及企業併購合同的免除範圍；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(f) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)*

(Continued)

- HKFRS 8 regarding the disclosure of information about segment assets;
- HKAS 1 (Amendment) regarding the current/non-current classification of convertible instruments; and
- HKAS 7 regarding the classification of expenditures on unrecognised assets.

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning 1 January 2010 and have not been early adopted by the Group*

- HKFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace HKAS 39, 'Financial instruments: recognition and measurement'. HKFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is not yet to assess HKFRS 9's full impact.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(f) 於二零一零年一月一日開始之財政年度首次強制採納但目前與本集團無關之新訂及經修訂準則以及詮釋(儘管彼等可能影響日後交易及事項之會計方法)

(續)

- 香港財務報告準則第8號分部資產信息披露；
- 香港會計準則第1號(修訂)可轉換工具流動/非流動性分類；及
- 香港會計準則第7號未確認資產費用的分類。

(g) 已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納

- 香港財務報告準則第9號「金融工具」，於二零零九年十一月頒佈。該準則是取代香港會計準則第39號「金融工具：確認及計量」進程之第一步。香港財務報告準則第9號對分類及計量金融資產提出了新要求並可能影響本集團對其金融資產之會計方法。該準則在二零一三年一月一日前並不適用，但可提早採納。本集團暫不會評估採納香港財務報告準則第9號的全面影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning 1 January 2010 and have not been early adopted by the Group*
(Continued)

- HKAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes HKAS 24, 'Related party disclosures', issued in 2003. HKAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the revised standard from 1 January 2011. When the revised standard is applied, the Group and the Company will need to disclose any transactions between its subsidiaries and its associates. The Group is currently putting systems in place to capture the necessary information. It is, therefore, not possible at this stage to disclose the impact, if any, of the revised standard on the related party disclosures.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(g) *已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納(續)*

- 香港會計準則第24號(經修訂)「關聯方之披露」，於二零零九年十一月頒佈，取代於二零零三年頒佈之香港會計準則第24號「關聯方之披露」。香港會計準則第24號(經修訂)於二零一一年一月一日或之後開始之期間應用。容許提早應用該準則之全部或部分。

經修訂準則闡釋及精簡有關方的涵義，撤銷政府關聯實體披露與政府或其他政府關聯實體所有交易詳情的規定。本集團將自二零一一年一月一日起應用經修訂準則。倘經修訂準則被應用，本集團及本公司將須披露與其附屬公司及聯營公司的任何交易。本集團目前正籌備系統記錄所需資料。因此現階段無法披露經修訂準則對有關方之披露的影響(如有)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning 1 January 2010 and have not been early adopted by the Group (Continued)*

- 'Classification of rights issues' (amendment to HKAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with HKAS 8 'Accounting policies, changes in accounting estimates and errors'. The Group will apply this amended standard from 1 January 2011.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(g) *已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納(續)*

- 「供股之分類」(對香港會計準則第32號之修訂)，於二零零九年十月頒佈。該修訂自二零一零年二月一日或之後開始之年度期間生效，容許提早應用。該修訂解決供股用一種貨幣而非發行人之功能貨幣計值時之會計問題。假設該供股符合若干條件，則現應分類為權益，而不論行使價以何種貨幣為單位。之前規定此等供股必須作為衍生負債入賬。該修訂根據香港會計準則第8號「會計政策、會計估計變動及誤差」進行追溯應用。本集團將自二零一一年一月一日起應用此經修訂準則。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning 1 January 2010 and have not been early adopted by the Group (Continued)*

- HK (IFRIC) – Int 19, ‘Extinguishing financial liabilities with equity instruments’, effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The Group will apply this interpretation from 1 January 2011. It is not expected to have a material impact on the Group’s or the Company’s financial statements.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(g) *已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納(續)*

- 香港(國際財務報告詮釋委員會) – 詮釋第19號「以權益工具抵銷金融負債」，自二零一零年七月一日起生效。該詮釋澄清了實體重新商討金融負債條款並導致實體向其債權人發行權益工具以全部或部分消除該金融負債(債券轉股權)時之會計問題。該詮釋要求在損益表中確認收益或虧損，以此計量金融負債賬面值與所發行權益工具公平值二者之差異。倘所發行權益工具之公平值無法進行可靠計量，則應計量權益工具以反映所消除金融負債之公平值。本集團將自二零一一年一月一日起應用該詮釋。應用該詮釋預期不會對本集團或本公司實體之財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures

(Continued)

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning on or after 1 January 2010 and have not been early adopted by the Group*

(Continued)

- ‘Prepayments of a minimum funding requirement’ (amendments to HK (IFRIC) — Int 14). The amendments correct an unintended consequence of HK (IFRIC) — Int 14, ‘HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction’. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when HK (IFRIC) — Int 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The Group will apply these amendments for the financial reporting period commencing on 1 January 2011. It is not expected to have a material impact on the Group’s or the Company’s financial statements.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(g) 已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納(續)

- 「最低資金要求之預付款項」(對香港(國際財務報告詮釋委員會) — 詮釋第14號之修訂)。該修訂更正了香港(國際財務報告詮釋委員會) — 詮釋第14號「香港會計準則第19號 — 界定福利資產限額、最低資金要求及其相互關係」中非其詮釋意向之後果。在沒有此等修訂的情況下，實體不可就最低資金供款之自願性預付款項確認任何資產。在香港(國際財務報告詮釋委員會) — 詮釋第14號頒佈時，原意非如此，該修訂已對此作出修正。此等修訂自二零一一年一月一日開始之年度期間生效，容許提早應用。此等修訂須追溯應用於所呈列之最早比較期間。本集團將自二零一一年一月一日開始之財務報告期間應用此等修訂，預期對本集團或本公司財務報表不會有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning 1 January 2010 and have not been early adopted by the Group*
(Continued)

- Annual improvements project issued in May 2010, that are to be effective from accounting periods on or after 1 July 2010 or 1 January 2011, in respect of:
 - HKFRS 3 (Revised) 'Business combinations', regarding Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised HKFRS, Measurement of non-controlling interests and Un-replaced and voluntarily replaced share-based payment awards;
 - HKFRS 1 'First time Adoption of International Financial Reporting Standards', regarding accounting policy changes in the year of adoption, revaluation basis as deemed cost, and use of deemed cost for operations subject to rate regulation;
 - HKFRS 7 'Financial instruments: Disclosures' regarding clarifications of disclosures;

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(g) *已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納(續)*

- 於二零一零年五月頒佈的財務報告改善措施(自二零一零年七月一日或二零一一年一月一日或之後會計期間生效)，關於：
 - 香港財務報告準則第3號(經修訂)「業務合併」，有關經修訂香港財務報告準則生效日前發生的業務合併或然代價的過渡性規定、非控股權益的計量及尚未取代及自願取代的以股份為基礎的支付獎勵；
 - 香港財務報告準則第1號「首次採納國際財務報告準則」，有關採納年度的會計政策變更、將重估基準作為認定成本，以及受費率規管的經營對認定成本的使用；
 - 香港財務報告準則第7號「金融工具：披露」，有關對披露的澄清；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(g) *New standards, amendments and interpretations have been issued but are not yet effective for the accounting periods beginning 1 January 2010 and have not been early adopted by the Group*
(Continued)

- HKAS 1 'Presentation of financial statements' regarding clarification of statement of changes in equity;
- HKAS 27 'Consolidated and separate financial statements' regarding transition requirements for amendments made as a result of HKAS 27 'Consolidated and Separate Financial Statements';
- HK(IFRIC) — Int 13 'Customer loyalty programmes' regarding fair value of award credit.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 會計政策及披露之變動(續)

(g) *已發出新準則、修訂及詮釋，但於二零一零年一月一日的會計期間並未生效，本集團亦無提早採納(續)*

- 香港會計準則第1號「財務報表的列報」，有關對權益變動表的澄清；
- 香港會計準則第27號「綜合及獨立財務報表」，有關因香港會計準則第27號「綜合及獨立財務報表」的修訂產生的過渡性規定；
- 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」，有關忠誠獎勵積分之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(i) Application of acquisition method

Except for the acquisitions under common control, the Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement (note 2.6).

2 主要會計政策概要(續)

2.2 綜合賬目

(a) 附屬公司

附屬公司指本集團有權規管其財務及經營政策之所有實體(包括特別用途實體)，一般附帶超過半數投票權之股權。於評估本集團是否控制另一實體時，會考慮現時可行使或可兌換之潛在投票權之存在及影響。附屬公司在控制權轉移至本集團當日起全數綜合入賬。附屬公司在控制權終止當日起不再綜合入賬。

(i) 應用收購法

除共同控制下的收購外，本集團使用會計收購法作為業務合併的入賬方法。收購一家附屬公司轉移的代價為轉移的資產、產生的負債及本集團發行的股權的公平值。轉移的代價包括或然代價安排產生的任何資產或負債之公平值。相關收購成本在產生時支銷。於業務合併中所收購之可識別資產與所承擔之負債及或然負債，初始按於收購日期之公平值計量。本集團根據逐項收購基準確認被收購方的非控股權益時，按公平值或非控股權益應佔被收購方淨資產的比例計量。

所轉讓代價的差額、被收購方任何非控股權益數額，以及被收購方任何原有權益在收購日的公平值超過所收購可辨認淨資產的公平值的差額計為商譽。倘該數額低於所購入附屬公司淨資產的公平值，該差額直接在綜合收益表中確認(附註2.6)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(ii) Application of merger accounting

For acquisition under common control, the Group has been using the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 'Merger Accounting for Common Control Combinations' issued by the HKICPA ('HKAG 5'). The net assets of the subsidiaries acquired under common control were combined using the existing book values from the controlling parties' perspective. No amount was recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustment to eliminate the share capital of entities acquired under common control and the investment cost has been recorded as merger reserve in the consolidated financial statements. The consolidated financial statements include the financial position, results and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the year, or since their respective dates of incorporation/establishment.

(iii) Consolidation of subsidiaries

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

(ii) 應用合併會計法

對於共同控制下的收購，本集團使用香港會計師公會頒佈之香港會計指引第5號「共同控制合併之合併會計法」(「香港會計指引第5號」)規定的合併會計原則。購入共同控制下的附屬公司的淨資產已按控制方預期之現有賬面值綜合入賬。在控制方仍持有相關權益之情況下，並無就商譽或共同控制合併時收購方於被收購方之可識別資產、負債及或然負債公平淨值之權益超逾成本之差額確認任何金額。對銷共同控制下所購實體股本之調整及投資成本已於綜合財務報表記為合併儲備。綜合財務報表包括組成本集團之公司之財務狀況、業績及現金流量，猶如目前本集團的架構存在於整個年度，或自各自註冊成立／成立日期起已經存在。

(iii) 附屬公司綜合賬目

集團內公司間之交易、結餘及未變現收益予以對銷。未變現虧損亦予以對銷。

附屬公司之會計政策已按需要作出變動，以確保與本集團採納之政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(iv) Accounting for subsidiaries in separate financial statement

In the Company's statement of financial position the investments in subsidiaries are stated at cost less provision for impairment losses (note 2.7). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 主要會計政策概要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

(iv) 附屬公司以不同財務報表入賬

在本公司之財務狀況表內，附屬公司投資乃按成本扣除減值虧損撥備列賬(附註2.7)。成本經調整以反映或然代價修訂產生的代價變動。成本亦包括投資直接應佔成本。本公司將附屬公司之業績按已收及應收股息入賬。

(b) 與非控股權益的交易

集團與非控股權益的交易作為與集團權益持有人的交易處理。對於向非控股權益之收購，已付代價與所收購附屬公司淨資產賬面值之相關部分的差額於權益賬中入賬。出售予非控股權益所產生的收益或虧損亦列入權益賬中。

當本集團不再有控股權或重大影響，任何留存收益以其公允價值計量，賬面價值的變動在損益表裏確認。其公允價值是最初的賬面價值，以後續計量為目的的聯營公司留存收益，合資企業或金融資產。除此之外，當集團直接處置相關資產或債務時，以前確認在綜合收益表的款項即入賬。這表明以前確認在綜合收益表的款項被重新計入損益表。

如果對聯營公司的所有權減少但仍保留重大影響，只有一部分原來確認在其他綜合收益表的金額重新計入損益表中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.2 Consolidation (Continued)

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the Company's statement of financial position the investments in associates are stated at cost less provision for impairment losses (note 2.7). The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2 主要會計政策概要(續)

2.2 綜合賬目(續)

(c) 聯營公司

聯營公司為本集團可對其施加重大影響力但非控制權之所有實體，一般持有其投票權20%至50%。聯營公司投資採用權益會計法列賬，並初步按成本值確認。本集團之聯營公司投資包括收購時辨識之商譽(經扣除任何累計減值虧損)。

本集團分佔聯營公司收購後利潤或虧損於收益表確認，而其應佔收購後其他全面收益變動則於其他全面收益內確認。累計收購後變動就投資賬面值作出調整。倘本集團分佔聯營公司虧損等於或多於其於聯營公司之權益(包括任何其他無抵押應收款)，本集團不會進一步確認虧損，除非其已產生負債或代聯營公司付款。

本集團與其聯營公司間交易之未變現收益予以對銷，並以本集團於聯營公司之權益為限。未變現虧損亦作對銷，除非交易提供所轉讓資產出現減值之證據。聯營公司之會計政策已在必要情況下作出變動，以確保與本集團所採納之政策一致。

聯營公司投資所產生之攤薄收益及虧損於收益表確認。

在本公司之財務狀況表中，聯營公司投資以成本減除減值虧損撥備入賬(見附註2.7)。聯營公司之業績由本公司按已收及應收股息基準列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is different from the Company's functional currency of Renminbi ("RMB"), in view of the shares of the Company listed on the Hong Kong Stock Exchange.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains — net'.

2 主要會計政策概要(續)

2.3 分部報告

營運分部之報告方式須與主要營運決策者獲提供之內部報告之方式一致。作出決策之董事會是主要經營決策者，其負責分配資源並且評核營運分部之表現。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體之財務報表所列項目均以該實體經營所在主要經濟環境之通行貨幣(「功能貨幣」)計量。基於本公司股份於香港聯交所上市，綜合財務報表以港幣(「港幣」)(與本公司之功能貨幣人民幣(「人民幣」)不同)呈列。

(b) 交易及結餘

外幣交易按交易日期或估值日期(重新計量項目)之通行匯率換算為功能貨幣。因繳付該等交易及按結算日匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損，均於收益表中確認，惟符合資格作現金流量對沖或淨投資對沖之項目，則在權益內遞延入賬。

與借款及現金及現金等價物相關之外匯收益及虧損列入收益表「融資收入或成本」。所有其他外匯收益及虧損列入收益表「其他收益 — 淨額」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available for sale reserve in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of end of the reporting period;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.4 外幣換算(續)

(b) 交易及結餘(續)

以外幣列值及分類為可供出售之貨幣證券之公平值變動，將在其證券攤銷成本變動所產生之換算差額與證券賬面值變動之間予以分析。與攤銷成本變動相關之換算差額，會在損益內確認，而其他賬面值之變動則在其他全面收益中確認。

非貨幣金融資產及負債(例如按公平值透過損益記賬之權益)之換算差額，將於損益確認為公平值盈虧之一部分。非貨幣金融資產(例如分類為可供出售之權益)之換算差額於其他全面收益之可供出售儲備內列賬。

(c) 集團公司

集團所有實體之功能貨幣如與呈列貨幣不一致(其中並無任何公司使用通脹嚴重經濟體系之貨幣)，其業績及財務狀況均按以下方法換算為呈列貨幣：

- (i) 每份財務狀況表之資產及負債均按報告期間完結日期之收市匯率換算；
- (ii) 每份收益表之收入及開支均按平均匯率換算(除非該平均匯率並非合理反映按交易日期之通行匯率計算之累計結果，在此情況下，則按交易日期之匯率換算收入及開支)；及
- (iii) 所有產生之匯兌差異均於其他全面收益呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings
Fixture and furniture
Plant and machinery
Motor vehicles
Electronic and other equipment

樓宇
裝修及家具
廠房及機器
汽車
電子及其他設備

2 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司(續)

於綜合賬目時，換算海外業務之投資淨額、借款及其他用作對沖有關投資之貨幣工具所產生之匯兌差額均計入其他全面收益。當部分出售或出售海外業務時，有關匯兌差額於收益表之權益內確認，入賬列為出售收益或虧損之一部分。

收購海外實體所產生之商譽及公平值調整均視為海外實體之資產及負債，並按收市匯率換算。

2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在與該項目相關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，方會包括在資產之賬面值或確認為獨立資產(如適用)。被更換部分之賬面值將不再確認。所有其他維修及保養均需於產生之財政期間內於收益表扣除。

物業、廠房及設備之折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

Estimated useful lives 估計可使用年期

Buildings	樓宇	10–30 years 年
Fixture and furniture	裝修及家具	3–5 years 年
Plant and machinery	廠房及機器	10–20 years 年
Motor vehicles	汽車	5–10 years 年
Electronic and other equipment	電子及其他設備	3–5 years 年

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.5 Property, plant and equipment (Continued)

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

Construction-in-progress represents the direct costs of construction incurred and machinery pending to installation plus interest capitalised up to date of completion of the construction of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains — net' in the consolidated income statement.

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

2 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

資產之剩餘價值及可使用年期在每個報告期終進行檢討及在適當時進行調整。

在建工程乃指興建物業、廠房及設備及有待安裝之機器所引起之直接成本並加上完工日期前之資本化利息減去任何減值虧損。在建工程不予折舊，直至相關資產完成及可供使用為止。在建工程於完成並準備投入使用時重新分類為適當類別之物業、廠房及設備。

若資產之賬面值高於其估計可收回金額，其賬面值會即時撇減至可收回金額(附註2.7)。

出售收益及虧損會透過比較所得款項與賬面值而釐定，並於綜合收益表「其他收益 — 淨額」中確認。

2.6 商譽

商譽指收購成本超過本集團應佔所收購附屬公司於收購日期之可識別資產淨值公平值之數額。商譽就減值進行年度測試，並按成本減累計減值虧損列賬。商譽之減值虧損不會撥回。出售實體之盈虧包括與該已出售實體有關之商譽之賬面值。

就減值測試而言，商譽會分配至現金產生單位。商譽會分配至預期可自根據營運分部所識別之商譽產生之業務合併中獲益之現金產生單位或現金產生單位組別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.7 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment testing of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2 主要會計政策概要(續)

2.7 附屬公司、聯營公司投資及非金融資產之減值

沒有確定使用年期之資產(如商譽)毋須攤銷，並須每年進行減值測試。一旦事件發生或情況改變顯示資產之賬面值可能未能收回時，則會就資產減值進行檢討。

倘附屬公司投資或聯營公司投資收取之股息超過附屬公司或聯營公司於股息宣派期間之全面收益總額，或獨立財務報表中之投資賬面值超過投資公司資產淨值(包括商譽)於綜合財務報表中之賬面值，須對附屬公司或聯營公司之投資進行減值測試。

減值虧損按資產賬面值超過其可收回金額之數額確認。可收回金額以資產公平值減銷售成本及使用價值兩者間之較高者為準。就評估減值而言，資產按可獨立識別之現金流量(現金產生單位)之最小單位劃分。倘商譽以外之非金融資產出現減值，則會於每個報告日期檢討是否可撥回減值。

2.8 金融資產

2.8.1 分類

本集團將其金融資產分為以下類別：按公平值透過損益記賬之金融資產、貸款及應收款以及可供出售金融資產。分類視乎收購金融資產之目的而定。管理層於初始確認時決定其金融資產之分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.8 Financial assets (Continued)

2.8.1 Classification (Continued)

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes 2.13 and 2.14).

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 主要會計政策概要(續)

2.8 金融資產(續)

2.8.1 分類(續)

(a) *按公平值透過損益記賬之金融資產*

按公平值透過損益記賬之金融資產指持有作買賣用途之金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。除被指定作對沖項目外，衍生工具亦會被分類為持有作買賣用途。在此類別之資產歸類為流動資產。

(b) *貸款及應收款*

貸款及應收款指設有固定或可確定付款金額，且於活躍市場並無報價之非衍生金融資產。此等項目均計入流動資產內，惟由報告期終起計十二個月後方到期之項目則列作非流動資產。本集團之貸款及應收款均計入財務狀況表之「貿易及其他應收款」及「現金及現金等價物」(附註2.13及2.14)。

(c) *可供出售金融資產*

可供出售金融資產為指定為此類別或並無歸入任何其他類別之非衍生工具。該類別資產乃列入非流動資產，惟投資到期或管理層有意於報告期終起計十二個月內出售之投資則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'Other gains — net', in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2 主要會計政策概要(續)

2.8 金融資產(續)

2.8.2 確認與計量

金融資產之定期方式購入及出售，均於交易日期(即本集團承諾購入或出售該資產當日)確認入賬。對於並非按公平值透過損益記賬之所有金融資產，其投資初始按公平值加交易成本確認入賬。按公平值透過損益記賬之金融資產，初始按公平值確認入賬，而交易成本則在收益表內支銷。倘自投資收取現金流量之權利已到期或已轉讓，而本集團已將擁有權帶來之絕大部分重大風險及回報轉讓時，則金融資產會被終止確認。可供出售金融資產及按公平值透過損益記賬之金融資產其後則按公平值列賬。貸款及應收款期後利用實際利息法按攤銷成本列賬。

來自「按公平值透過損益記賬之金融資產」類別之公平值變動所產生之盈虧，乃列入其產生期間之綜合收益表「其他收益 — 淨額」中。

分類為可供出售的貨幣性及非貨幣性證券的公平值變動在其他全面收益中確認。

分類為可供出售之證券在售出或減值時，則於權益確認之累計公平值之調整將列入收益表之「投資證券收益及虧損」內。

當本集團確立收款之權利時，可供出售股權工具之股息在收益表確認為其他收入之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.9 Offsetting financial instruments

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

2.10 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

2 主要會計政策概要(續)

2.9 抵銷金融工具

金融資產及負債於擁有法律可強制權抵銷已確認金額及於擬按淨值基準結算或同時變現資產及結算負債時予以抵銷；有關淨額則於財務狀況表內列賬。

2.10 金融資產減值

(a) 以攤銷成本列賬之資產

本集團在各報告期終評估是否有客觀證據顯示一項或一組金融資產出現減值。於初始確認資產後，必須要發生一件或多件事件導致產生減值之客觀證據(「虧損事件」)，而該等虧損事件對可靠地估計該項或該組金融資產之估計未來現金流量構成影響，則該項或該組金融資產將被視作減值及出現減值虧損。

本集團用作釐定是否出現減值虧損之客觀證據之標準包括：

- 發行人或欠債人遇到嚴重財政困難；
- 違約，例如逾期或拖欠利息或本金還款；
- 借款人有可能破產或進行其他財務重組。

本集團首先評估是否出現減值之客觀證據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.10 Impairment of financial assets (Continued)

(a) *Assets carried at amortised cost (Continued)*

For loans and receivable category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated income statement.

2 主要會計政策概要(續)

2.10 金融資產減值(續)

(a) *以攤銷成本列賬之資產(續)*

對貸款及應收類別，虧損金額按資產賬面值與估計未來現金流量(不包括未產生之未來信貸虧損)，並經該金融資產原有實際利率貼現之差額計量。資產之賬面值調低，則於綜合收益表內確認虧損金額。倘一項貸款或持有至到期日投資按可變動利率計算，用於計量任何減值虧損之貼現率則為合約下釐定之現時實際利率。實務上，本集團可採用可觀察之市值作為工具之公平值基準計量減值。

若在其後期間，減值虧損之金額減少，而該減少是可客觀地與確認減值後發生之事件相關(例如債務人信貸評級有所改善)，則之前確認之減值虧損撥回會於綜合收益表中確認。

(b) *分類為可供出售之資產*

本集團在各報告期終評估是否有客觀證據顯示一項或一組金融資產出現減值。倘分類為可供出售之股權證券，證券之公平值大幅或持續下跌至低於其成本值亦為資產出現減值之證據。倘有證據顯示可供出售金融資產出現減值，其累計虧損(以收購成本與現時公平值之差額計量)減該金融資產以往於損益內確認之任何減值虧損則於權益撤銷，並於獨立綜合收益表內確認。於獨立綜合收益表內確認之股權工具減值虧損不會透過獨立綜合收益表撥回。倘於其後期間，被分類為可供出售之債務工具之公平值增加，而該增加可客觀地與減值虧損於損益確認後出現之事件有關，減值虧損則可透過獨立綜合收益表中撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.11 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated income statement within 'other gains — net'.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 主要會計政策概要(續)

2.11 衍生金融工具

衍生工具初步按衍生工具合約訂立日之公平值確認，其後按公平值重新計量。該等衍生工具之公平值變動，即時於綜合收益表中「其他收益 — 淨額」內確認。

2.12 存貨

存貨以成本值及可變現淨值兩者之較低者列帳，成本值按加權平均法釐定。製成品及在製品成本值包括設計成本、原材料、直接人工、其他直接成本及相關製造費用(按正常產能計算)，但不包括借款費用。可變現淨值為於日常業務過程中之估計售價扣除適用可變銷售開支。

2.13 貿易及其他應收款

貿易應收款是在一般營業過程中銷售商品而應收客戶之款項。倘貿易及其他應收款預期將在一年或一年以內收回(或倘更長期間，則在業務正常營運週期內之時間)，則分類為流動資產。否則，則呈列為非流動資產中。

貿易及其他應收款初始按公平值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。

2.14 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款及原定於三個月或以下到期之其他短期高流動性投資。

2.15 股本

普通股分類為權益。

發行新股份或購股權直接應佔之增加成本在權益內列為所得款項(除稅)之扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2 主要會計政策概要(續)

2.16 貿易應付款

貿易應付款是在日常業務過程中自供應商購買商品或接受服務而支付之責任。倘貿易應付款在一年或一年內到期付款(倘更長期間，則在業務正常營運週期內)，則分類為流動負債。否則，呈列為非流動負債。

貿易應付款初始按公平值確認，其後以實際利率法按攤銷成本計量。

2.17 借款

借款初始按公平值減去所產生之交易成本確認。借款其後按攤銷成本列賬。所得款項(減去交易成本)與贖回價值之差額，乃以實際利率法於借款期間在收益表中確認。

在貸款很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債項之償還日期延長至報告期間完結後最少十二個月，否則借款分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.18 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 主要會計政策概要(續)

2.18 即期及遞延所得稅

本年度之稅項開支包括即期及遞延稅項。稅項在收益表中確認，但與在其他全面收益或直接在權益中確認之項目有關者則除外。在此情況下，稅項亦分別在其他全面收益或權益中確認。

即期所得稅支出根據本公司之附屬公司及聯營公司經營及產生應課稅收入之國家於報告期間完結時已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅以負債法就資產及負債之稅基與在綜合財務報表所列賬面值間之暫時差異予以確認。然而，若遞延所得稅來自業務合併以外之交易中初始確認資產或負債，而在交易時不影響會計或應課稅損益，則不作記賬。遞延所得稅以於報告期間完結時已頒佈或實質頒佈並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時應用之稅率(及法例)而釐定。

倘日後應課稅利潤可能抵銷可動用之暫時差異，方會確認遞延所得稅資產。

遞延所得稅按附屬公司及聯營公司投資所產生之暫時差異作出撥備，惟若本集團可以控制撥回暫時差異之時間，而暫時差異在可預見將來可能不會撥回則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.18 Current and deferred income tax (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) Retirement benefits obligation

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee.

The Group's subsidiaries incorporated in the PRC make contributions to a state-sponsored defined contribution scheme for the Group's local staff on a monthly basis pursuant to laws of the PRC and relevant regulations issued by local social security authorities.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group has no further payment obligations once the contributions have been paid.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 主要會計政策概要(續)

2.18 即期及遞延所得稅(續)

當有依法強制執行權將即期稅項資產與即期稅項負債互相抵銷，且遞延所得稅資產及負債與同一稅務機關對同一應繳稅實體或者不同應繳稅實體徵收之所得稅有關，且有意按淨額基準將結餘結算，則可將遞延所得稅資產與負債相互抵銷。

2.19 僱員福利

(a) 退休金責任

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理之既定供款計劃。

按照中國法律及當地社會保障機構頒佈之有關法規，本集團於中國註冊成立之附屬公司須為本集團當地員工向國家資助之既定供款計劃按月供款。

本集團向既定供款退休計劃之供款於供款產生時支銷。

本集團一經繳付供款後再無進一步付款責任。

(b) 終止服務福利

終止服務福利於僱用在正常退休日期前被本集團終止，或當僱員接受自願遣散以換取此等福利時支付。倘實體有詳細正式計劃終止現有僱員之僱用(沒有撤回可能)而可證明承諾終止，本集團會確認終止服務福利。在提出一項要約以鼓勵自願遣散的情況下，終止服務福利以預期接納要約的僱員數目計量。在報告期終後超過十二個月支付之福利貼現至現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.20 Share-based payments

The Group operates an equity-settled, share-based compensation scheme, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted;

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity.

2 主要會計政策概要(續)

2.20 以股份支付支出

本集團推行按權益結算、以股份支付酬金之計劃，據此，實體獲僱員提供服務並以本集團之股本工具(購股權)作為代價。就僱員提供服務而授予購股權之公平值乃確認為開支。支銷總金額乃參照已授出購股權之公平值釐定；

- 包括任何市場表現狀況；
- 不包括任何服務及非市場表現歸屬條件(例如盈利能力、銷售增長目標及於指定時期留用實體僱員)之影響；及
- 包括任何非歸屬條件(例如挽留僱員之規定)之影響。

非市場歸屬條件包括在有關預期可予歸屬購股權數目之假設內。總支銷將於歸屬期間確認，於該期間內，所有指定歸屬條件必須達成。於各報告期終，實體會根據非市場歸屬條件修訂其估計預期可予歸屬之購股權數目，並於收益表內確認修改原來估計數字之影響(如有)，並對權益作相應調整。

本公司於購股權被行使時發行新股份。當購股權獲行使時，已收取之所得款項扣除任何直接涉及交易之成本後，均列入股本(賬面值)及股份溢價內。

本公司向本集團附屬企業之僱員授出股本工具購股權，應視為注資。就僱員提供服務之公平值(參照授出日期之公平值)乃於歸屬期確認為附屬公司投資增加，並相應計入權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued) 2 主要會計政策概要(續)

2.21 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

2.21 撥備

倘本集團因過往事件而有負上法定或推定責任，並且可能須動用資源履行有關責任，而相關金額能可靠估計，則會確認撥備。未來經營虧損不會確認撥備。

倘有多項類似責任時，解除該等責任導致損失之可能性按責任之類別作整體釐定。即使在同一類別責任內任何一項目導致損失之可能性可能會很小，亦需就此確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算之現值計量，其反映當時市場對金錢之時間值及該責任之特定風險之評估。因時間之流逝而增加之撥備確認為利息開支。

2.22 融資擔保合同

融資擔保合約為發行人支付特定款項以補償持有人因一名特定債務人於到期時未能根據債務工具之條款支付款項而引起之損失之合約。該等融資擔保是代表附屬公司或聯營公司向銀行、金融機構及其他組織發出，以取得貸款、透支及其他銀行融資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

2 Summary of Significant Accounting Policies (Continued)

2.22 Financial guarantee contracts (Continued)

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the company's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the consolidated income statement within other operating expenses.

Where guarantees in relation to loans of the associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2 主要會計政策概要(續)

2.22 融資擔保合同(續)

融資擔保初步按發出擔保當日之公平值在財務報表確認。由於所有擔保均在正常商業關係下協定，而所協定之溢價價值與所擔保之責任的價值亦相符，因此融資擔保於簽訂時之公平值為零。概不會確認未來溢價之應收款項。經初步確認後，本公司在該等擔保下之負債，乃按初始金額減去根據香港會計準則第18號確認之費用之攤銷與清償有關擔保所需之金額之最佳估計兩者中之較高者計量。該等估計乃根據同類交易經驗及過往虧損歷史，輔以管理層作出的判斷而釐定。所得之費用收入於擔保期內以直線法確認。任何有關擔保之負債增加，一概在綜合收益表內呈列為其他經營開支。

若按無償代價就聯營公司之貸款而作出擔保，有關公平值則作為注資，並在本公司的財務報表內確認為投資成本的一部分。

2.23 收益確認

收益包括本集團在日常業務過程中就出售貨品已收或應收代價之公平值。收益於扣除增值稅、退貨、回扣及折扣，以及撇除本集團內部銷售後入賬。

當收益金額能可靠計量、未來經濟利益可能流入該實體，而本集團每項活動均符合具體條件(如下文所述)，本集團便會確認收益。本集團會根據其往績並考慮客戶類別、交易種類及每項安排之特點作出估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 Summary of Significant Accounting Policies

(Continued)

2.23 Revenue recognition (Continued)

(a) Sales of finished goods and raw materials

Sales of finished goods and raw materials are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2 主要會計政策概要(續)

2.23 收益確認(續)

(a) 製成品及原材料銷售

製成品及原材料銷售於集團實體向客戶交付產品，客戶接收產品且可合理確保可收回相關應收款時確認。

(b) 利息收入

利息收入採用實際利息法確認。倘應收款出現減值，本集團會將賬面值減至其可收回金額(即按工具之原定實際利率貼現之估計未來現金流量)，並繼續解除貼現作為利息收入。減值貸款及應收款之利息收入使用原定實際利率確認。

(c) 股息收入

股息收入於收取股息之權利確定時確認。

2.24 經營租賃

凡擁有權之絕大部分風險及回報由出租人保留之租賃，均列作經營租賃。根據經營租賃(扣除出租人給予之任何優惠)作出之付款按租期以直線法於收益表支銷。

2.25 政府補貼

當能夠合理保證將可獲取政府補貼，而本集團符合所有附帶條件時，則會按公平值確認政府提供之補貼。

與成本有關之政府補貼遞延入賬，並於與擬補償之成本配合之所需期間在收益表中確認。

2.26 股息分派

分派予本公司股東之股息在股息獲得本公司股東批准之期間內，在本公司之財務報表中確認為本集團之負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group exposes to foreign exchange risks as certain portion of its business activities are denominated in foreign currencies, primarily with respect to HK\$, United States dollar ("USD") and Euro ("EUR").

To manage their foreign exchange risks arising from future commercial transactions, entities in the Group enter into forward contracts, transacted with the commercial banks. The directors are in the opinion that the Group's exposure to foreign exchange risk is manageable.

At 31 December 2010, if HK\$ has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$5,890,000 (2009: HK\$3,016,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of HK\$-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

At 31 December 2010, if USD has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$1,958,000 (2009: HK\$2,332,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

3 財務風險管理

3.1 財務風險因素

本集團之業務承受多種財務風險：市場風險(包括外匯風險、現金流量及公平值利率風險，以及價格風險)、信貸風險及流動資金風險。本集團之整體風險管理政策集中關注難以預測之金融市場，並致力將對本集團財務表現造成之潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

(a) 市場風險

(i) 外匯風險

由於本集團部分業務活動以外幣(主要是港幣、美元(「美元」)及歐元(「歐元」))列值，故本集團面對外匯風險。

為管理來自未來商業交易之外匯風險，本集團之實體與商業銀行訂立遠期合約。董事認為，本集團面對之外匯風險屬在可控制範圍以內。

於二零一零年十二月三十一日，如港幣兌人民幣轉弱/轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會增加/減少港幣5,890,000元(二零零九年：港幣3,016,000元)，主要由於換算以港幣列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯收益/虧損。

於二零一零年十二月三十一日，如美元兌人民幣轉弱/轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少/增加港幣1,958,000元(二零零九年：港幣2,332,000元)，主要由於換算以美元列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯虧損/收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At 31 December 2010, if EUR has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$8,439,000 (2009: HK\$2,112,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of EUR-denominated cash and cash equivalents, trade and other receivables and trade and other payables.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. All the borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2010 and 2009, the Group's long-term borrowings at variable rate were denominated in HK\$ and USD.

The Company's loans to subsidiaries and amounts due from/(to) subsidiaries were issued at fixed rates and interest free respectively, and expose the Company to fair value interest rate risk.

The Directors are of the opinion the interest rate risk is not material as at 31 December 2010.

At 31 December 2010, if interest rates on long-term borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK\$199,000 (2009: HK\$58,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零一零年十二月三十一日，如歐元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣8,439,000元(二零零九年：港幣2,112,000元)，主要由於換算以歐元列值之現金及現金等價物、貿易及其他應收款以及貿易及其他應付款所產生之外匯虧損／收益。

(ii) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量基本上不受市場利率變動影響。

本集團利率風險因長期借款而產生。由於所有借款按浮動利率計息，故此本集團面對現金流量利率風險。於二零一零年及二零零九年期間，本集團浮動利率長期借款以港幣及美元計值。

由於本公司借予附屬公司貸款及應收／(付)附屬公司款項分別以固定利率及免利息計量，故本公司面對公平值利率風險。

董事認為，於二零一零年十二月三十一日，利率風險並不重大。

於二零一零年十二月三十一日，倘長期借款之利率上升／下跌50個基點，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣199,000元(二零零九年：港幣58,000元)，主要由於浮息借款之利息開支增加／減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group exposes to commodity price risk, mainly due to the fluctuations in prices of copper and aluminium, which are key raw materials to the Group's products. The price risk due to copper and aluminium is reduced through the derivatives market, and through certain clause in contracts with our customers to enable the Group to have the flexibility to pass the increases in raw material costs to the customers.

At 31 December 2010, if the copper and aluminium price had been 5% higher/lower with other variables held constant, the pre-tax profit for the year would have been of HK\$5,196,000 (2009: HK\$9,915,000) higher/lower, representing the change in fair value of copper and aluminium derivatives at the end of the reporting period.

The Group is not exposed to equity securities price risk.

(b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, pledged bank deposits, derivative financial instruments, due from related parties and trade and other receivables.

For cash and cash equivalent, pledged bank deposits and derivative financial instruments, management manages the credit risk by transacting with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions. The maximum exposure to the credit risk before collateral held or other credit enhancements relating to cash and cash equivalent, pledged bank deposits and derivative financial instruments were their carrying value as disclosed in note 15, note 14 and note 20 respectively as at 31 December 2010 and 2009.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 價格風險

本集團承受商品價格風險，主要由於銅及鋁價格波動。銅及鋁為本集團業務產品之主要原材料。透過衍生市場及與客戶訂立之合約所載之若干條款，可減低銅及鋁所帶來之價格風險，並使本集團具有將原材料成本漲價轉嫁給客戶之靈活性。

於二零一零年十二月三十一日，倘銅及鋁價格上升／下跌5%，而所有其他變數均不變，本年度之業務稅前利潤將增加／減少港幣5,196,000元（二零零九年：港幣9,915,000元），即銅及鋁衍生產品於報告期間完結時之公平值變動。

本集團並無面臨股本證券價格風險。

(b) 信貸風險

本集團並無高度集中之信貸風險。信貸風險來自現金及現金等價物、已抵押銀行存款、衍生金融工具、應收關聯方款項及貿易及其他應收款。

在現金及現金等價物、已抵押銀行存款及衍生金融工具方面，管理層透過與國有金融機構及信譽良好之商業銀行（全部均為獲高信貸評級之金融機構）進行交易來管理信貸風險。信貸風險於持有抵押品前，或與現金及現金等價物、有抵押銀行存款及衍生金融工具相關的信貸條件改善前，其最高風險乃於二零一零年及二零零九年十二月三十一日分別披露於附註15、附註14及附註20的賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

For trade and other receivables and due from related parties, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are in the opinion that the risk of default by these counterparties is low.

For financial guarantees contracts provided for the associates, the Group monitors the credit quality of the associates by taking into account their financial position and business development plan. As at 31 December 2010, the directors are in the opinion that the risk of default by the associates is low. The maximum exposure to the credit risk before collateral held or other credit enhancements relating to financial guarantee was the face value as disclosed in note 33 as at 31 December 2010 and 2009.

(c) Liquidity risk

Liquidity risk management includes maintaining sufficient cash balance, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

在貿易及其他應收款以及應收關聯方款項方面，對方之信貸質素經計及其財務狀況、信貸記錄及其他因素後作出評估。個別信貸限額乃根據信貸質素之評估而設立。鑒於定期還款記錄，董事認為該等對方拖欠還款之風險甚微。

有關本集團向聯營公司提供的融資擔保合約，本集團評核彼等的財務狀況及業務發展計劃，以此監管其信貸質素。於二零一零年十二月三十一日，董事認為聯營公司拖欠的風險為低。信貸風險於持有抵押品前，或與融資擔保相關的信貸條件改善前，其最高風險乃於二零一零年及二零零九年十二月三十一日披露於附註33的面值。

(c) 流動資金風險

流動資金風險管理包括維持充足現金結餘、從可靠之信貸融資獲取足夠資金及規避市場風險之能力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities and net-settled financial derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group	本集團	Less than	Between	
		1 year	1 and 2 years	Over 2 years
		一年以下	一年至兩年	兩年以上
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 31 December 2010	於二零一零年十二月三十一日			
Borrowings	借款	246,035	98,812	7,037
Trade and other payables	貿易及其他應付款	3,409,937	—	—
Due to related companies	應付關聯公司款項	485,020	—	—
At 31 December 2009 (restated)	於二零零九年十二月三十一日 (重列)			
Borrowings	借款	116,069	1,629	101,497
Trade and other payables	貿易及其他應付款	2,212,592	—	—
Due to related companies	應付關聯公司款項	68,048	—	—
Derivative financial instruments	衍生金融工具	902	—	—
At 1 January 2009 (restated)	於二零零九年一月一日(重列)			
Borrowings	借款	382,639	—	—
Trade and other payables	貿易及其他應付款	1,322,309	—	—
Due to related companies	應付關聯公司款項	82,069	—	—
Derivative financial instruments	衍生金融工具	30,635	—	—

Of the HK\$60,000,000 borrowings disclosed in the 31 December 2009 time band "less than 1 year", the Group intended to repay in the fourth quarter 2011 in according to the bank loan repayment schedule.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表分析本集團於報告期間完結至合約到期日的餘下期間按有關到期組別之非衍生金融負債及淨結算金融衍生財務負債淨額。表中所披露之金額乃合約未貼現現金流量。

本集團擬根據銀行貸款償還時間表，於二零一一年第四季償還二零零九年十二月三十一日「一年以下」時段披露之港幣60,000,000元借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Company	本公司	Less than	Between	Over 2 years
		1 year 一年以下 HK\$'000 港幣千元	1 and 2 years 一年至兩年 HK\$'000 港幣千元	兩年以上 HK\$'000 港幣千元
At 31 December 2010	於二零一零年十二月三十一日			
Accruals and other payables	預提費用及其他應付款	2,184	—	—
At 31 December 2009	於二零零九年十二月三十一日			
Accruals and other payables	預提費用及其他應付款	2,035	—	—

For the drawn down component of the guarantee bank loans of the Group, the contractual maturity dates of the maximum amount that can be called is that HK\$58,761,000 being less than 1 year, HK\$75,802,000 between 1 and 5 years and HK\$170,408,000 over 5 years (2009: HK\$27,825,000 between 1 and 5 years).

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

本集團擔保銀行貸款於合約到期日可獲提取最大金額為港幣58,761,000元(一年以下)、港幣75,802,000元(一年至五年)及港幣170,408,000元(五年以上)(二零零九年：港幣27,825,000元(一年至五年))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The Group's strategy for the year ended 31 December 2010 was to maintain a gearing ratio under 75% or had a net cash position. This ratio was calculated as net debt divided by total equity. Net debt is calculated as total borrowings less pledged bank deposits and cash and cash equivalents. As the Group was in a net cash position as at 31 December 2010 and 2009, gearing ratio was not applicable.

3 財務風險管理(續)

3.2 資本風險管理

本集團之資本管理政策，乃保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資本成本。

為維持或調整資本結構，本集團可能發行新股份或出售資產以減低債務。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。本集團截至二零一零年十二月三十一日止年度的策略為保持資本負債比率低於75%或達至淨現金狀況。此比率按照債項淨額除以權益總額計算。債項淨額為借款總額減去已抵押銀行存款和現金及現金等價物。由於本集團於二零一零年及二零零九年十二月三十一日處於淨現金狀況，資本負債比率並不適用。

		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (restated) (重列)
Total borrowings (note 18)	借款總額(附註18)	345,810	212,520	365,546
Less: Pledged bank deposits (note 14)	減：已抵押銀行存款 (附註14)	(118,000)	(49,081)	(61,020)
Cash and cash equivalents (note 15)	現金及現金等價物 (附註15)	(757,449)	(257,478)	(217,124)
(Net cash)/net debt	(現金淨額)/ 債項淨額	(529,639)	(94,039)	87,402
Total equity	權益總額	1,907,766	1,134,716	770,642
Gearing ratio (%)	資本負債比率(%)	N/A	N/A	11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value as at 31 December 2010.

3 財務風險管理(續)

3.3 公平值估計

下表是根據估值方法，分析金融工具之公平價值。不同分級定義如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除包括在第一級之報價外，資產或負債之可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定之資產或負債之輸入資料(即不可觀察之輸入資料)(第三級)。

下表呈列本集團於二零一零年十二月三十一日按公平值計量之資產。

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Assets	資產				
Derivative financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	9,808	—	—	9,808
— Foreign exchange forward contracts	— 遠期外匯合約	—	16,114	—	16,114
Available-for-sale financial assets	可供出售金融資產				
— Equity investment	— 股權投資	—	—	29,381	29,381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2009.

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Assets	資產				
Derivatives financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	21,270	—	—	21,270
— Foreign exchange forward contracts	— 遠期外匯合約	—	4,438	—	4,438
Available-for-sale financial assets	可供出售金融資產				
— Equity investment	— 股權投資	—	—	28,393	28,393
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
— Foreign exchange forward contracts	— 遠期外匯合約	—	902	—	902

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise future commodity contracts.

The fair value of financial instruments that are not traded in an active market (for example, the forward foreign exchange contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3 財務風險管理(續)

3.3 公平值估計(續)

下表呈列本集團於二零零九年十二月三十一日按公平值計量之資產及負債。

在活躍市場買賣之金融工具之公平值，是根據報告期間完結時之市場所報價格為基準。倘報價可隨時及可定期從交易市場、交易商、經紀、產業集團、股價服務機構或監管機關獲得，並且該等價格指真實、按公平基準之定期市場交易，則該市場被視為活躍市場。本集團持有之金融資產所用之市場報價為當時買入價。該等工具獲納入第一級。獲納入第一級之工具包括期貨商品合約。

並非在活躍市場買賣之金融工具(例如遠期外匯合約)之公平值，則利用估值技術釐定。該等估值技術盡用可獲得之可觀察市場數據，從而盡量減少對實體特定估計之依賴程度。倘按公平值計量一項工具之所有重大輸入數據均可觀察獲得，則該項工具獲納入第二級。

倘一個或多個重大輸入數據並非根據可觀察市場數據釐定，則該項工具獲納入第三級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

The financial assets of level 3 fair value hierarchy classification as at 31 December 2010 and 2009 were the available-for-sale financial asset, of which the changes for the year ended 31 December 2010 and 2009 are presented in note 11.

The available-for-sale financial asset represents the capital contribution made by the Group into a private finance company as detailed in note 11. As this company started business on 22 November 2010, its current operation only limited to attraction of customer deposit and placement in banks which are all in short term. The directors assessed the fair value of the equity investment and are in the opinion that the fair value approximates its carrying value as at 31 December 2010 and 2009.

4. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

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

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of certain key assumptions (note 8). Changing such key assumptions selected by management, including the discount rates or the growth rate assumptions, could materially affect the net present value used in the impairment test.

3 財務風險管理(續)

3.3 公平值估計(續)

概無任何金融資產於第一級與第二級公平值架構類別間進行重大轉移。

於二零一零年及二零零九年十二月三十一日，第三類公平值架構類別之金融資產為可供出售金融資產，其截至二零一零年及二零零九年十二月三十一日止年度之變動呈列於附註11。

可供出售金融資產乃本集團向一家私人財務公司作出之注資，詳情載於附註11。由於該公司於二零一零年十一月二十二日開始業務，其現時業務僅限於吸納客戶存款及存進銀行，全皆為短期性質。董事評核股權投資的公平值，並認為於二零一零年及二零零九年十二月三十一日其公平值相當於其賬面值。

4 重要會計估計及判斷

估計及判斷之評估會不斷進行，並且依據過往經驗及其他因素作為基礎，其中包括按現況對未來事件之合理預期。

4.1 重要會計估計及假設

本集團對未來作出估計及假設。所得之會計估計根據涵義甚少等同於相關的實際結果。具有重大風險可導致資產及負債之賬面值於下一個財政年度中出現重大調整之估計及假設闡述如下。

商譽減值

本集團每年按照附註2.6所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干主要假設(附註8)。改變管理層挑選之主要假設(包括貼現率或增長率假設)，足以對減值測試中使用之淨現值構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. Critical Accounting Estimates and Judgments (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Impairment of goodwill (Continued)

If the estimated pre-tax discount rate applied to the discounted cash flows for the micro motors business had been 1% higher than management's estimates (i.e. 16% instead of 15%), the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

If the estimated gross margin of the micro motors business had been 1% lower than management's estimates (i.e. 9% instead of 10%), the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

If the growth rate of the micro motors business had been 1% lower than management's estimates (i.e. 0% instead of 1%), the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

商譽減值(續)

倘適用於微電機業務貼現現金流量之估計稅前貼現率較管理層所估計者增加1%(即16%代替15%)。商譽可收回值仍高於賬面值，並無商譽減值確認。

倘微電機業務之估計毛利率較管理層所估計者減少1%(即9%代替10%)。商譽可收回值仍高於賬面值，並無商譽減值確認。

倘微電機業務之增長率較管理層所估計者減少1%(即0%代替1%)。商譽可收回值仍高於賬面值，並無商譽減值確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Segment Information

The principal activities of the Group are manufacturing, distribution and selling motors and electronic and electric components for electrical household appliance and trading of raw materials in the PRC and overseas.

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, the board of Directors, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the management considers the business from both business and geographic perspective. From business perspective, the Group organised into the following main business segments:

Micro motors business	—	manufacture and distribution of motors for air-conditioner and refrigerator compressor
Washing motors business	—	manufacture and distribution of motors for washing machine, dish washer and food processing
Raw material business	—	trading of raw materials
Others (previously known as the electronic and electric component business, the name is changed as the chief operating decision-makers' internal report has changed)	—	manufacture and distribution of transformers, resistors, shaded pole motors and electric bicycle motors

The chief operating decision-maker assesses the performance of the operating segments based on the profit before income tax for the year.

5 分部資料

本集團之主要業務為在中國及海外製造、分銷及出售家用電器之電機及電子電器產品，以及從事買賣原材料。

根據本集團提交予負責分配資源、評估營運分部表現及作出策略性決定之主要經營決策的董事會之內部財務報告，管理層認為可從業務及地域兩方面考慮業務狀況。在業務方面，本集團經營以下主要業務分部：

微電機業務	—	製造及分銷空調及冰箱壓縮機之電機
洗滌電機業務	—	製造及分銷洗衣機、洗碗碟機及食品加工之電機
原材料業務	—	買賣原材料
其他(前稱電子電器產品業務，隨主要經營決策者內部報告之改動而更改)	—	製造及分銷變壓器、電抗器、罩極電機及電動自行車電機

主要經營決策者根據年內扣除所得稅前利潤評估營運分部之表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Segment Information (Continued)

5 分部資料(續)

5.1 Primary reporting format – business segments

The segment information for the year ended 31 December 2010 are as follows:

5.1 主要報告形式 – 業務分部

截至二零一零年十二月三十一日止年度之分部資料如下：

		Micro motors business	Washing motors business	Raw material business	Others	Segment Total	Corporate function	Group Total
		微電機業務 HK\$'000 港幣千元	洗滌電機業務 HK\$'000 港幣千元	原材料業務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	分部總額 HK\$'000 港幣千元	總部職能 HK\$'000 港幣千元	本集團 合計 HK\$'000 港幣千元
Gross segment revenue	總分部收益	4,399,496	2,584,810	3,835,557	817,099	11,636,962	–	11,636,962
Inter-segment revenue	分部間收益	(4,457)	(2,378)	(3,829,569)	(1,672)	(3,838,076)	–	(3,838,076)
Revenue (from external customers)	收益(來自外來客戶)	4,395,039	2,582,432	5,988	815,427	7,798,886	–	7,798,886
Operating profit/(loss)	經營利潤/(虧損)	389,518	216,432	42,443	37,138	685,531	(8,140)	677,391
Interest expense (note (a))	利息開支(附註(a))	(20,095)	(2,837)	(34,397)	–	(57,329)	(4,202)	(61,531)
Interest income (note (a))	利息收入(附註(a))	34,151	556	140	13	34,860	83	34,943
Exchange (loss)/gain – net	匯兌(虧損)/收益 – 淨額	(2,100)	7,729	–	(128)	5,501	(5,152)	349
Finance income/(cost) – net	融資收入/(成本) – 淨額	11,956	5,448	(34,257)	(115)	(16,968)	(9,271)	(26,239)
Share of profits of associates	佔聯營公司利潤	–	–	–	–	–	9,269	9,269
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	401,474	221,880	8,186	37,023	668,563	(8,142)	660,421
Income tax expense	所得稅開支	(58,919)	(35,186)	(2,493)	(7,777)	(104,375)	(23,816)	(128,191)
Profit/(loss) for the year	年度利潤/(虧損)	342,555	186,694	5,693	29,246	564,188	(31,958)	532,230
Segment assets	分部資產	3,455,536	1,733,099	461,129	348,483	5,998,247	3,011	6,001,258
Deferred income tax assets	遞延所得稅資產	–	–	–	–	–	–	30,736
Investments in associates	聯營公司投資	–	–	–	–	–	–	223,651
Total assets	總資產	–	–	–	–	–	–	6,255,645
Segment liabilities	分部負債	2,588,400	1,090,675	430,099	185,747	4,294,921	2,185	4,297,106
Deferred income tax liabilities	遞延所得稅負債	–	–	–	–	–	–	50,773
Total liabilities	總負債	–	–	–	–	–	–	4,347,879
Addition of property, plant and equipment	添置物業、廠房及設備	127,514	127,837	–	15,499	270,850	26	270,876
Material non-cash expenses/ (income)	重大非現金開支/(收入)	–	–	–	–	–	–	–
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	1,689	1,328	–	225	3,242	–	3,242
Depreciation of property, plant and equipment	物業、廠房及設備折舊	51,601	32,460	–	7,052	91,113	47	91,160
Provision for inventory obsolescence	存貨跌價及殘次準備撥備	3,467	2,397	–	676	6,540	–	6,540
Reversal for impairment of trade and other receivables	貿易及其他應收款減值撥回	(1,268)	(4,434)	–	(994)	(6,696)	–	(6,696)
Fair value gain on derivative financial instruments – not settled	衍生金融工具公平值收益 – 未結算	(6,164)	(19,758)	–	–	(25,922)	–	(25,922)

Note:

附註：

(a) Inter-segment interest income and inter-segment interest expense amounted to HK\$30,636,000 were included in the amounts presented.

(a) 分部間利息收入及分部間利息開支港幣30,636,000元已包括在呈列金額內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Segment Information (Continued)

5 分部資料(續)

5.1 Primary reporting format – business segments (Continued)

5.1 主要報告形式 – 業務分部(續)

The segment information for the year ended 31 December 2009 are as follows:

截至二零零九年十二月三十一日止年度之分部資料如下：

		Micro motors business	Washing motors business	Raw material business	Others	Segment Total	Corporate function	Group Total
		微電機業務	洗滌電機業務	原材料業務	其他	分部總額	總部職能	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Gross segment revenue	總分部收益	2,445,370	1,695,186	1,943,627	681,706	6,765,889	–	6,765,889
Inter-segment revenue	分部間收益	(1,098)	(846)	(1,937,598)	(2,231)	(1,941,773)	–	(1,941,773)
Revenue (from external customers)	收益(來自外來客戶)	2,444,272	1,694,340	6,029	679,475	4,824,116	–	4,824,116
Operating profit/(loss)	經營利潤/(虧損)	199,492	192,748	17,058	44,730	454,028	(17,108)	436,920
Interest expense	利息開支	(6,489)	(1,809)	(12,950)	–	(21,248)	(1,621)	(22,869)
Interest income	利息收入	2,784	1,537	1	16	4,338	3	4,341
Exchange loss – net	匯兌虧損 – 淨額	–	(41)	–	–	(41)	(125)	(166)
Finance (cost)/income – net	融資(成本)/收入 – 淨額	(3,705)	(313)	(12,949)	16	(16,951)	(1,743)	(18,694)
Share of profits of associates	佔聯營公司利潤	–	–	–	–	–	4,808	4,808
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	195,787	192,435	4,109	44,746	437,077	(14,043)	423,034
Income tax expense	所得稅開支	(28,266)	(20,260)	(1,532)	(3,635)	(53,693)	(15,566)	(69,259)
Profit/(loss) for the year	年度利潤/(虧損)	167,521	172,175	2,577	41,111	383,384	(29,609)	353,775
Segment assets (restated)	分部資產(重列)	1,655,816	1,154,552	369,461	274,352	3,454,181	1,855	3,456,036
Deferred income tax assets	遞延所得稅資產							21,856
Investments in associates	聯營公司投資							206,966
Total assets (restated)	總資產(重列)							3,684,858
Segment liabilities (restated)	分部負債(重列)	1,225,350	789,242	357,185	151,097	2,522,874	2,033	2,524,907
Deferred income tax liabilities	遞延所得稅負債							25,235
Total liabilities (restated)	總負債(重列)							2,550,142
Addition of property, plant and equipment	添置物業、廠房及設備	139,205	78,127	–	7,786	225,118	6	225,124
Material non-cash expenses/ (income)	重大非現金開支/(收入)							
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	1,389	1,313	–	221	2,923	–	2,923
Depreciation of property, plant and equipment	物業、廠房及設備折舊	38,623	27,881	–	9,010	75,514	54	75,568
(Reversal)/provision for inventory obsolescence	存貨跌價及殘次準備(撥回)/撥備	(902)	274	(609)	(105)	(1,342)	–	(1,342)
Provision/(reversal) for impairment of trade and other receivables	貿易及其他應收款減值撥備/(撥回)	1,496	1,751	–	(685)	2,562	–	2,562
Fair value gain on derivative financial instruments – not settled	衍生金融工具公平值收益 – 未結算	(4,661)	(20,126)	–	–	(24,787)	–	(24,787)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Segment Information (Continued)

5.2 Secondary reporting format – geographical segments

The Group is domiciled in the PRC. The Group's revenue from external customers located in the PRC and outside the PRC are presented as follows:

		Micro motors business	Washing motors business	Raw material business	Others	Group Total
		微電機業務 HK\$'000 港幣千元	洗滌電機業務 HK\$'000 港幣千元	原材料業務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	本集團 合計 HK\$'000 港幣千元
Year ended 31 December 2009	截至二零零九年 十二月三十一日 止年度					
Revenue from external customers in the PRC	來自中國境內外來 客戶之收益	2,027,556	912,658	6,029	637,703	3,583,946
Revenue from external customers outside the PRC	來自中國境外外來 客戶之收益	416,716	781,682	—	41,772	1,240,170
		2,444,272	1,694,340	6,029	679,475	4,824,116

		Micro motors business	Washing motors business	Raw material business	Others	Group Total
		微電機業務 HK\$'000 港幣千元	洗滌電機業務 HK\$'000 港幣千元	原材料業務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	本集團 合計 HK\$'000 港幣千元
Year ended 31 December 2010	截至二零一零年 十二月三十一日 止年度					
Revenue from external customers in the PRC	來自中國境內外來客 戶之收益	3,745,254	1,498,884	5,988	758,900	6,009,026
Revenue from external customers outside the PRC	來自中國境外外來客 戶之收益	649,785	1,083,548	—	56,527	1,789,860
		4,395,039	2,582,432	5,988	815,427	7,798,886

No geographical segment analysis on non-current assets is prepared as substantially all of the Group's assets were located in the PRC, except for financial instruments and deferred income tax assets.

Turnover represented revenue from external customers and is the same as revenue in the consolidated income statement.

5 分部資料(續)

5.2 從屬報告形式 — 地區分部

本集團駐於中國。本集團來自中國境內及境外之外來客戶之收益，呈列如下：

由於惟金融工具及遞延所得稅資產外，本集團絕大部份資產皆位於中國，故並無編製非流動資產之地區分部分析。

營業額指來自外來客戶的收益，與綜合收益表的「收益」相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 Segment Information (Continued)

5.3 Information about a major customer

Revenue of approximately HK\$816,323,000 (2009: HK\$534,374,000) is derived from a single customer, contributed to the revenue of the operating segment of micro motors business and others business.

6 Leasehold Land And Land Use Rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

5 分部資料(續)

5.3 有關一名主要客戶之資料

收益中約港幣816,323,000元(二零零九年: 港幣534,374,000元)來自一名客戶, 列入微電機業務及其他業務的營運分部的收益。

6 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為預付經營租賃款項, 其賬面淨值分析如下:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Outside Hong Kong, held on leases of 10 to 50 years	香港以外, 以10至50年之租賃持有	125,509	124,496

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Opening net book amount	年初賬面淨值	124,496	127,436
Amortisation of prepaid operating lease payments	預付經營租賃款項攤銷	(3,242)	(2,923)
Exchange difference	匯兌差異	4,255	(17)
Closing net book amount	年終賬面淨值	125,509	124,496

At 31 December 2010, leasehold land and land use rights with net book value of approximately HK\$60,429,000 (2009: HK\$84,026,000) have been pledged as security for the Group's short-term bank borrowings (note 18).

於二零一零年十二月三十一日, 賬面淨值約港幣60,429,000元(二零零九年: 港幣84,026,000元)之租賃土地及土地使用權已作為本集團短期銀行借款之抵押(附註18)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 Property, Plant and Equipment

(a) Group

		Construction- in-progress	Buildings	Fixture and furniture	Plant and machinery	Motor vehicles	Electronic and other equipment	Total
		在建工程	樓宇	裝修及傢俬	廠房及 機器	汽車	電子及 其他設備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2009	於二零零九年一月一日							
Cost	成本	59,360	263,773	47,898	505,694	8,322	39,036	924,083
Accumulated depreciation	累計折舊	—	(49,505)	(19,355)	(259,543)	(3,417)	(20,918)	(352,738)
Net book amount	賬面淨值	59,360	214,268	28,543	246,151	4,905	18,118	571,345
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	59,360	214,268	28,543	246,151	4,905	18,118	571,345
Additions	添置	58,577	3,812	6,877	143,495	2,638	9,725	225,124
Exchange difference	匯兌差異	(7)	(33)	(7)	(65)	—	(12)	(124)
Disposals	出售	(4,495)	—	(7)	(14,528)	(249)	(1,955)	(21,234)
Transfer	轉撥	(49,738)	30,048	(15,962)	34,450	—	1,202	—
Depreciation	折舊	—	(12,630)	(5,578)	(47,077)	(1,401)	(8,882)	(75,568)
Closing net book amount	年終賬面淨值	63,697	235,465	13,866	362,426	5,893	18,196	699,543
At 31 December 2009	於二零零九年十二月三十一日							
Cost	成本	63,697	272,063	62,153	650,122	10,228	41,360	1,099,623
Accumulated depreciation	累計折舊	—	(36,598)	(48,287)	(287,696)	(4,335)	(23,164)	(400,080)
Net book amount	賬面淨值	63,697	235,465	13,866	362,426	5,893	18,196	699,543
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	63,697	235,465	13,866	362,426	5,893	18,196	699,543
Additions	添置	122,956	2,236	16,000	110,283	4,075	15,326	270,876
Exchange difference	匯兌差異	2,216	7,849	269	11,347	160	361	22,202
Disposals	出售	(5,957)	(264)	(129)	(17,544)	(108)	(1,655)	(25,657)
Transfer	轉撥	(60,047)	12,033	473	47,184	—	357	—
Depreciation	折舊	—	(14,643)	(9,127)	(53,912)	(1,941)	(11,537)	(91,160)
Closing net book amount	年終賬面淨值	122,865	242,676	21,352	459,784	8,079	21,048	875,804
At 31 December 2010	於二零一零年十二月三十一日							
Cost	成本	122,865	323,660	52,662	752,961	13,579	52,185	1,317,912
Accumulated depreciation	累計折舊	—	(80,984)	(31,310)	(293,177)	(5,500)	(31,137)	(442,108)
Net book amount	賬面淨值	122,865	242,676	21,352	459,784	8,079	21,048	875,804

Depreciation expense of HK\$83,607,000 (2009: HK\$64,467,000) has been charged in cost of sales, HK\$95,000 (2009: HK\$47,000) in selling and marketing costs and HK\$7,458,000 (2009: HK\$11,054,000) in administrative expenses.

折舊開支港幣83,607,000元(二零零九年:港幣64,467,000元)已計入銷售貨品成本,港幣95,000元(二零零九年:港幣47,000元)已計入銷售及市場推廣成本,而港幣7,458,000元(二零零九年:港幣11,054,000元)則已計入行政開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 Property, Plant and Equipment (Continued)

(a) Group (Continued)

At 31 December 2010, property, plant and equipment with net book value of HK\$97,891,000 (2009: HK\$125,081,000) were pledged as security for the Group's short-term bank borrowings (note 18).

(b) Company

7 物業、廠房及設備(續)

(a) 本集團(續)

於二零一零年十二月三十一日，賬面淨值港幣97,891,000元(二零零九年：港幣125,081,000元)之物業、廠房及設備已作為本集團短期銀行借款之抵押(附註18)。

(b) 本公司

		Electronic and other equipment 電子及其他設備
		HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	
Cost	成本	284
Accumulated depreciation	累計折舊	(197)
Net book amount	賬面淨值	87
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	87
Depreciation	折舊	(43)
Closing net book amount	年終賬面淨值	44
At 31 December 2009	於二零零九年十二月三十一日	
Cost	成本	284
Accumulated depreciation	累計折舊	(240)
Net book amount	賬面淨值	44
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	44
Additions	添置	14
Depreciation	折舊	(35)
Closing net book amount	年終賬面淨值	23
At 31 December 2010	於二零一零年十二月三十一日	
Cost	成本	299
Accumulated depreciation	累計折舊	(276)
Net book amount	賬面淨值	23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 Goodwill

8 商譽

		Group 本集團 HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	
Cost and net book amount	成本及賬面淨值	22,410
Year ended 31 December 2009	截至二零零九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	22,410
Exchange difference	匯兌差異	(2)
Closing net book amount	年終賬面淨值	22,408
At 1 January 2010	於二零一零年一月一日	
Cost and net book amount	成本及賬面淨值	22,408
Year ended 31 December 2010	截至二零一零年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	22,408
Exchange difference	匯兌差異	780
Closing net book amount	年終賬面淨值	23,188
At 31 December 2010	於二零一零年十二月三十一日	
Cost and net book amount	成本及賬面淨值	23,188

The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of the non controlling interests of Guangdong Welling Motor Manufacturing Co., Ltd., which is a cash-generating units ("CGU") in micro motor business segments located in the PRC.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

商譽來自預期於本集團收購廣東威靈電機製造有限公司非控股權益後產生之重大協同效益，廣東威靈電機製造有限公司為位於中國之微電機業務分部之現金產生單位（「現金產生單位」）。

現金產生單位之可收回金額乃按使用價值計算予以釐定。有關計算使用稅前現金流量預測（根據管理層批准之五年期財政預算）作出。五年期以外之現金流量乃按下文所述之估計增長率推斷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 Goodwill (Continued)

The key assumptions used for value-in-use calculations are as follows:

		2010 二零一零年	2009 二零零九年
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	10%	10%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	增長率(於預算期間後用於推算現金流量之加權平均增長率)	1%	1%
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	15%

Management determined the budgeted gross margin based on past performance and its expectations for the market development. The growth rates do not exceed the long-term average growth rate for the markets of micro motors business. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

8 商譽(續)

使用價值計算之主要假設如下：

管理層根據過往表現及其對市場發展之預測釐定預算毛利率。增長率並未超越微電機業務市場之長期平均增長率。所採用之貼現率為稅前比率並反映相關分部之特定風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 Investments in Subsidiaries and Loan to a Subsidiary

The details of the investments in subsidiaries and loan to a subsidiary of the Company are as follows:

(a) Investments in subsidiaries

		Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Investments in equity interests	股權投資		
– at cost, unlisted, exchanged at date of investment	– 按成本價，非上市，於投資當日匯兌	4,500,000	4,500,000
– subsequent exchange difference due to translation into presentation currency (note 2.4(c))	– 其後因換算為呈列貨幣之匯兌差異(附註2.4(c))	236,538	77,176
Investments arising from share-based payments (i)	以股份支付支出產生之投資(i)	6,553	4,048
Amounts due from subsidiaries (ii)	應收附屬公司款項(ii)	363,349	182,825
		5,106,440	4,764,049

(i) The amount represents share-based payments arising from the grant of share options of the Company to employees of the subsidiaries for their services provided to the subsidiaries.

(ii) The amounts due from subsidiaries are unsecured, interest-free and with no fixed term of repayment, non-trade related and not past due.

9 附屬公司投資及貸款予一家附屬公司

下列為本公司附屬公司投資及貸款予一家附屬公司之詳情：

(a) 附屬公司投資

(i) 該款項指就附屬公司之僱員向附屬公司提供服務而向彼等授出本公司購股權產生之以股份支付支出。

(ii) 應收附屬公司款項為無抵押、免息及無固定還款期、非貿易相關且無逾期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 Investments In Subsidiaries and Loan to a Subsidiary (Continued)

(b) Loan to a subsidiary

		Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loans to a subsidiary	貸款予一家附屬公司	100,940	98,000

The loans to a subsidiary is unsecured, interest bearing, denominated in HK\$ and repayable on 28 December 2012. The fair value of the loan to a subsidiary approximate its carrying value, which is based on cash flow discounted using a rate based on the borrowing rate of 3%, which has no material difference to the market borrowing rate determined by HIBOR plus appropriate credit rating.

9 附屬公司投資及貸款予一家附屬公司(續)

(b) 貸款予一家附屬公司

貸款予一家附屬公司為無抵押、計息、以港幣列值，並須於二零一二年十二月二十八日償還。貸款予一家附屬公司之公平值與其賬面值相若，乃根據借款利率3%，按現金流量貼現計算。貼現率與香港銀行同業拆息率另加適當之信貸評級釐定的市場借貸率並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 Investments In Subsidiaries and Loan to a Subsidiary (Continued)

The particulars of the subsidiaries as at 31 December 2010 are:

Name	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業／ 成立地點及 法定實體類別	Principal activities 主要業務	Particulars of issued share capital/registered capital 已發行股本／ 註冊資本之詳情	Interest held 所持權益
Directly held:				
直接持有：				
Welling Holding (BVI) Ltd.	British Virgin Islands, limited liability company	Investment holding	10,000 ordinary shares of USD1 each	100%
威靈控股(BVI)有限公司	英屬處女群島， 有限責任公司	投資控股	10,000股每股面值1美元之普通股	100%
Indirectly held:				
間接持有：				
Foshan Welling Electronic & Electric Co., Ltd. ("Electronic and Electric")	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors and transformers	Registered capital USD15,000,000	100%
佛山市威靈電子電器有限公司 ([「電子電器」])	中國，有限責任公司 (外資企業)	製造及買賣電機及變壓器	註冊資本 15,000,000美元	100%
Foshan Welling Material Supply Co., Ltd.	PRC, limited liability company	Trading of raw materials	Registered capital RMB20,000,000	100%
佛山市威靈材料供應有限公司	中國，有限責任公司	買賣原材料	註冊資本 人民幣20,000,000元	100%
Foshan Welling Washer Motor Manufacturing Co., Ltd. ("Welling Washer")	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD6,400,000	100%
佛山市威靈洗滌電機製造有限公司 ([「威靈洗滌」])	中國，有限責任公司 (外資企業)	製造及買賣電機	註冊資本 6,400,000美元	100%
Guangdong Welling Motor Manufacturing Co., Ltd ("Guandong Welling")	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD48,810,000	100%
廣東威靈電機製造有限公司 ([「廣東威靈」])	中國，有限責任公司 (外資企業)	製造及買賣電機	註冊資本 48,810,000美元	100%
Hefei Welling Motor Manufacturing Co., Ltd.*	PRC, limited liability company	Manufacture and trading of motors	Registered capital RMB50,000,000	100%
合肥威靈電機製造有限公司*	中國，有限責任公司	製造及買賣電機	註冊資本 人民幣50,000,000元	100%

9 附屬公司投資及貸款予一家附屬公司(續)

附屬公司於二零一零年十二月三十一日之詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 Investments In Subsidiaries and Loan to a Subsidiary (Continued)

9 附屬公司投資及貸款予一家附屬公司(續)

Name	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業/ 成立地點及 法定實體類別	Principal activities	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本之詳情	Interest held 所持權益
名稱		主要業務		
Huaian Welling Motor Manufacturing Co., Ltd. ("Huaian Welling")	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD5,000,000	100%
淮安威靈電機製造有限公司 ([淮安威靈])	中國·有限責任公司 (外資企業)	製造及買賣電機	註冊資本 5,000,000美元	100%
Welling International Hong Kong Ltd.	Hong Kong, limited liability company	Investment holding	10 ordinary shares of HK\$1 each	100%
威靈國際香港有限公司	香港·有限責任公司	投資控股	10股每股面值港幣1元之普通股	100%
Welling Macao Commercial Offshore Limited	Macao Special Administrative Region, limited liability company	Offshore trading	Registered Capital Macao Pataca 100,000	100%
威靈澳門離岸商業服務有限公司	澳門特別行政區· 有限責任公司	離岸交易	註冊資本澳門幣100,000元	100%
Welling (Wuhu) Motor Manufacturing Co., Ltd. ("Wuhu Welling")	PRC, limited liability company (foreign investment enterprises)	Manufacture and trading of motors	Registered capital USD17,680,000	100%
威靈(蕪湖)電機製造有限公司 ([蕪湖威靈])	中國·有限責任公司 (外資企業)	製造及買賣電機	註冊資本 17,680,000美元	100%

* This subsidiary was incorporated during the year ended 31 December 2010.

* 此附屬公司於截至二零一零年十二月三十一日止年度內註冊成立

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 Investments in Associates

10 聯營公司投資

		Group 本集團 HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	—
Acquisition of associates	收購聯營公司	202,158
Negative goodwill	負商譽	3,974
Share of associates' post acquisition profit after tax	佔聯營公司收購後扣除稅後利潤	834
At 31 December 2009	於二零零九年十二月三十一日	206,966
At 1 January 2010	於二零一零年一月一日	206,966
Share of associates' post acquisition profit after tax	佔聯營公司收購後扣除稅後利潤	9,269
Exchange difference	匯兌差異	7,416
At 31 December 2010	於二零一零年十二月三十一日	223,651

On 26 November 2008, two wholly-owned subsidiaries of the Company entered into a joint venture agreement in PRC ("PRC JV Agreement") and a share subscription agreement ("Subscription Agreement") in Hong Kong, through which the Group proposed to acquire 49% minority interests in four PRC companies (collectively, the "Target Companies" and the transaction as the "Acquisition").

Before the Acquisition, the Target Companies were owned by a third party independent to the Group (the "Domestic Vendor"). The Target Companies are engaged in manufacturing of casting products.

As at 31 December 2008, the Group paid a total amount of approximately HK\$82,463,000 in accordance with the PRC JV Agreement and Subscription Agreement. However, as the completion of the Acquisition was subject to the future fulfillment of certain terms stated in the PRC JV Agreement by the Group and the Domestic Vendor, the amount paid of HK\$82,463,000 (note 13) was recognised as prepayment for investments in associates in the consolidated statement of financial position as at 31 December 2008.

於二零零八年十一月二十六日，本公司兩間全資附屬公司於中國訂立合資企業協議（「中國合資企業協議」）及於香港訂立股份認購協議（「認購協議」），據此，本集團建議收購四間中國公司（統稱「目標公司」），而該項交易為「收購事項」之49%少數股東權益。

收購事項進行前，本集團之獨立第三方（「本地賣方」）擁有目標公司。目標公司從事製造鑄件產品。

於二零零八年十二月三十一日，本集團根據中國合資企業協議支付總金額約港幣82,463,000元。然而，由於收購事項須待本集團及本地賣方日後達成中國合資企業協議所述之若干條款後，方告完成，故所支付之金額港幣82,463,000元（附註13）於二零零八年十二月三十一日之綜合財務狀況表中確認為預付聯營公司投資款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 Investments in Associates (Continued)

The Acquisition was completed on 28 October 2009. The total consideration of HK\$202,158,000 was recognised as the cost for the investments in associates, and the Group's investments in associates are accounted for using the equity method of accounting as described in note 2.2(c).

The analysis of the negative goodwill and acquisition cost as at 28 October 2009, the acquisition date, are as follows:

		Fair value 公平值 HK\$'000 港幣千元
Share of fair value of net assets acquired	佔所收購資產淨值之公平值	206,132
Negative goodwill	負商譽	(3,974)
Total purchase consideration	總收購代價	202,158
Representing:	代表：	
— Consideration paid by cash	— 以現金支付之代價	202,158

The summarised financial information of the Group's principal associates as at 31 December 2010, all of which are unlisted, including the aggregated gross amounts of assets, liabilities, revenues and profit, is as follows:

10 聯營公司投資(續)

收購事項於二零零九年十月二十八日完成。港幣202,158,000元之總代價獲確認為聯營公司投資成本，而本集團於聯營公司之投資將以權益會計法(於附註2.2(c)詳述)列賬。

負商譽及收購成本於二零零九年十月二十八日(收購日期)之分析如下：

於二零一零年十二月三十一日，本集團主要聯營公司(全部均為非上市)之財務資料(包括資產、負債、收益及利潤總額)概述如下：

Name	Place of incorporation/ establishment 註冊成立/ 成立地點	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Revenues 收益 HK\$'000 港幣千元	Profit 利潤 HK\$'000 港幣千元	Effective interest held 所持有效權益
Shanxi Huaxiang Investment Co., Ltd. 山西華翔投資有限公司	PRC 中國	1,177,669	715,351	709,400	20,032	49%
Linkgo-HK Limited 香港林柯有限公司	Hong Kong 香港	22,310	94	—	8,980	49%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 Available-For-Sale Financial Assets

11 可供出售金融資產

		Group 本集團 HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	—
Addition	添置	28,393
At 31 December 2009	於二零零九年十二月三十一日	28,393
At 1 January 2010	於二零一零年一月一日	28,393
Exchange difference	匯兌差異	988
At 31 December 2010	於二零一零年十二月三十一日	29,381

In April 2009, the wholly-owned subsidiary of the Company, Guangdong Welling entered into an investment agreement with Midea and GD Midea Holding Co., Ltd. ("GD Midea", a company of which 42.49% interest is held by Midea) for the purpose of incorporation of Midea Group Finance Co., Ltd. (the "Finance Company"). The initial registered capital of the Finance Company is RMB500 million which shall be contributed by each of Guangdong Welling, Midea and GD Midea in a proportion of 5%, 55% and 40%, respectively. The Finance Company shall provide a range of financial services as approved by the China Banking Regulatory Commission ("CBRC"). Guangdong Welling has made capital contribution of HK\$28,393,000 (equivalent to RMB25,000,000) to the Finance Company on 28 December 2009. The Finance Company has commenced its operations from 22 November 2010.

At 31 December 2010, the Finance Company was only engaged in attraction of deposits from Midea and its subsidiaries and placement of short term deposits with domestic commercial banks.

於二零零九年四月，本公司之全資附屬公司廣東威靈與美的及廣東美的電器股份有限公司（「廣東美的」，美的擁有當中42.49%權益）訂立投資協議，以註冊成立美的集團財務有限公司（「財務公司」）。財務公司之初步註冊資本為人民幣500,000,000元，由廣東威靈、美的及廣東美的各按比例分別出資5%、55%及40%。財務公司可提供一系列經中國銀行業監督管理委員會（「中國銀監會」）批准之財務服務。於二零零九年十二月二十八日，廣東威靈向財務公司注資港幣28,393,000元（相等於人民幣25,000,000元）。自二零一零年十一月二十二日起，財務公司已開始營運。

於二零一零年十二月三十一日，財務公司僅從事吸納美的及其附屬公司的存款及存放短期存款於國內商業銀行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

12 Inventories

12 存貨

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Raw materials	原材料	311,644	219,867
Work-in-progress	在製品	72,695	45,294
Finished goods (note (a))	製成品(附註(a))	1,554,566	404,031
		1,938,905	669,192

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$5,828,303,000 (2009: HK\$3,607,671,000).

During the year, the Group charged a provision for inventory of HK\$6,540,000 (2009: reversal of HK\$1,342,000). The charge/reversal has been included as an increase/reduction of cost of goods sold in the consolidated income statement.

- (a) As at 31 December 2010, the Group had finished goods which were kept in stores at customers' location amounted to approximately HK\$1,147,063,000 (2009: HK\$333,224,000). No sales have been recognised for these finished goods as the risks and rewards have not been passed to the customers.

存貨成本港幣5,828,303,000元(二零零九年:港幣3,607,671,000元)已確認為開支並計入銷售貨品成本內。

於年內,本集團支銷存貨撥備港幣6,540,000元(二零零九年:撥回港幣1,342,000元)。支出/撥回已增加/減少綜合收益表之銷售貨品成本。

- (a) 於二零一零年十二月三十一日,本集團存放在客戶地點的製成品約港幣1,147,063,000元(二零零九年:港幣333,224,000元)。由於風險及回報未轉嫁予客戶,故該等製成品的銷售並未獲確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

13 Trade and Other Receivables

13 貿易及其他應收款

		Group 本集團			Company 本公司	
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)	As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元
Trade receivables (note (a))	貿易應收款(附註(a))	885,933	471,640	407,876	—	—
Less: provision for impairment (note (c))	減: 減值撥備 (附註(c))	(16,835)	(23,353)	(18,818)	—	—
Trade receivables — net	貿易應收款 — 淨額	869,098	448,287	389,058	—	—
Notes receivable (notes (a),(d))	應收票據 (附註(a)、(d))	385,131	121,252	113,435	—	—
Prepayments	預付款	173,166	259,937	119,047	—	—
Other receivables	其他應收款	195,221	97,640	92,747	1,302	1,335
Less: provision for impairment of other receivables (note (c))	減: 其他應收款 減值撥備 (附註(c))	(461)	(445)	(89)	—	—
Prepaid value-added tax — net (note (e))	預付增值稅 — 淨額 (附註(e))	116,355	35,186	39,042	—	—
		1,738,510	961,857	753,240	1,302	1,335
Less: non-current portion	減: 非即期部分					
— Prepayment for investments in associates (note 10)	— 預付聯營公司投資款項(附 註10)	—	—	(82,463)	—	—
— Prepayment for property, plant and equipment	— 預付物業、廠房及設備款 項	(18,335)	(3,816)	(22,392)	—	—
		1,720,175	958,041	648,385	1,302	1,335

As at 31 December 2010, 31 December 2009 and 1 January 2009, the fair values of trade and other receivables of the Group and the Company approximate their carrying amounts.

於二零一零年十二月三十一日、二零零九年十二月三十一日及二零零九年一月一日，本集團及本公司之貿易及其他應收款之公平值與其賬面值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Trade and Other Receivables (Continued)

As at 31 December 2010, 31 December 2009 and 1 January 2009, other receivables of the Company are denominated in HK\$. Trade and other receivables other than prepayment of the Group are denominated in the following currencies:

13 貿易及其他應收款(續)

於二零一零年十二月三十一日、二零零九年十二月三十一日及二零零九年一月一日，本公司之其他應收款以港幣列值。本集團之貿易及其他應收款除預付款外以下列貨幣列值：

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元
RMB	人民幣	1,130,952	421,816	143,807
USD	美元	301,545	184,432	363,623
EUR	歐元	131,529	94,324	125,356
HK\$	港幣	1,318	1,348	1,407
		1,565,344	701,920	634,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Trade and Other Receivables (Continued)

- (a) The majority of the Group's export sales are on letter of credit or documents against payment, or covered by customers' standby letters of credit or bank guarantees. The remaining amounts are with credit terms of 90 days. As at 31 December 2010, 31 December 2009 and 1 January 2009, the ageing analysis of the gross trade receivables and notes receivable respectively are as follows:

13 貿易及其他應收款(續)

- (a) 本集團之出口銷售大部分以信用證或付款交單方式進行，或以客戶之備用信用證或銀行擔保作保證。其餘金額之信貸期為90日。於二零一零年十二月三十一日、二零零九年十二月三十一日及二零零九年一月一日，貿易應收款及應收票據總額之賬齡分析如下：

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元
Gross trade receivables:	貿易應收款總額：			
Within 3 months	三個月以內	790,596	437,480	355,331
3 to 6 months	三至六個月	88,974	25,672	51,713
Over 6 months	六個月以上	6,363	8,488	832
		885,933	471,640	407,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Trade and Other Receivables (Continued)

(a) (continued)

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
Notes receivable:	應收票據			
Within 3 months	三個月以內	230,007	88,345	95,617
3 to 6 months	三至六個月	155,124	32,907	17,818
		385,131	121,252	113,435

As at 31 December 2010, 31 December 2009 and 1 January 2009, the trade and other receivables that are neither past due nor impaired are fully performing.

於二零一零年十二月三十一日、二零零九年十二月三十一日及二零零九年一月一日，尚未逾期亦無減值的貿易及其他應收款悉數獲得履行。

(b) As at 31 December 2010, 31 December 2009 and 1 January 2009, the ageing analysis of the past due but not impaired trade receivables were as follows:

(b) 於二零一零年十二月三十一日、二零零九年十二月三十一日及二零零九年一月一日，貿易應收款逾期但無減值之賬齡分析如下：

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元
3 to 6 months	三至六個月	68,753	233	31,166
Over 6 months	六個月以上	262	1,385	100
		69,015	1,618	31,266

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Trade and Other Receivables (Continued)

(c) As at 31 December 2010, trade and other receivables of approximately HK\$26,322,000 (2009: HK\$52,500,000; 2008: HK\$28,244,000) were potentially impaired. The provision in relation thereto was approximately HK\$17,296,000 (2009: HK\$23,798,000; 2008: HK\$18,907,000) at 31 December 2010. The individual impaired receivables mainly relate to past due receivables from customers. There is no recent history of default for most of the customers, it was assessed that a large portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

13 貿易及其他應收款(續)

(c) 於二零一零年十二月三十一日，貿易及其他應收款約港幣26,322,000元(二零零九年：港幣52,500,000元；二零零八年：港幣28,244,000元)潛在減值。於二零一零年十二月三十一日之有關撥備約港幣17,296,000元(二零零九年：港幣23,798,000元、二零零八年：港幣18,907,000元)。個別減值應收款主要與客戶過期應收款項有關。大部分客戶近期並無拖欠記錄，且評估大部分應收款預期將可收回。此等應收款之賬齡如下：

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元
Within 3 months	三個月以內	—	19,958	6,965
3 to 6 months	三至六個月	20,221	25,439	20,547
Over 6 months	六個月以上	6,101	7,103	732
		26,322	52,500	28,244

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 Trade and Other Receivables (Continued)

(c) (Continued)

Movements on the provision for impairment of trade receivables and other receivables are as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Beginning of the year	年初	23,798	18,907
Provision for impairment	減值撥備	10,068	15,755
Bad debts written off	壞賬撇銷	(466)	(176)
Provisions written back	撥回撥備	(16,764)	(13,193)
Exchange difference	匯兌差異	660	2,505
End of the year	年終	17,296	23,798

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated income statement (note 23). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The provision written back represented the subsequent collection of previously provided impaired amounts.

The other classes within trade and other receivables do not contain impaired assets.

(d) The balance represents bank acceptance notes with maturity periods within six months. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(e) The Group has paid input value-added taxes ("VAT") to the State Tax Bureau for the goods purchased from its suppliers. In accordance with the relevant PRC tax regulations, these VAT can be offset with the output VAT arising from the sales in the future but are not refundable. The balances at 31 December 2010, 2009 and 2008 represented net input VAT after offsetting the output VAT payable by the Group for the domestic sales made during the year.

13 貿易及其他應收款(續)

(c) (續)

貿易應收款及其他應收款之減值撥備變動如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Beginning of the year	年初	23,798	18,907
Provision for impairment	減值撥備	10,068	15,755
Bad debts written off	壞賬撇銷	(466)	(176)
Provisions written back	撥回撥備	(16,764)	(13,193)
Exchange difference	匯兌差異	660	2,505
End of the year	年終	17,296	23,798

新增及解除之應收款減值撥備已計入綜合收益表之行政開支內(附註23)。倘預期不能收回額外現金，則計入撥備賬之金額一般會撇銷。

撥回撥備為日後收取之過往撥備減值金額。

貿易及其他應收款之其他類別不包括已減值資產。

(d) 有關結餘為六個月內到期之銀行承兌票據。於報告日期之最大信貸風險為上述各類應收款之公平值。本集團並無持有任何抵押品作抵押。

(e) 本集團已就購自供應商的貨品向國家稅務局支付進項增值稅(「增值稅」)。根據有關中國稅務法規，該等增值稅可抵銷未來銷售產生的銷項增值稅，惟不可退還。於二零一零年、二零零九年及二零零八年十二月三十一日結餘指抵銷本集團年內就國內銷售應付的銷項增值稅後進項增值稅淨額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 Pledged Bank Deposits

Certain bank balances were pledged against bank acceptance notes issued by the Group and these deposits will be released upon the maturity of the bank acceptance notes issued. These pledged bank deposits bear interest at bank saving rates of 1.91% per annum (2009: 1.98% per annum). All pledged bank deposits are denominated in RMB.

14 已抵押銀行存款

若干銀行結餘乃作為本集團所發出之銀行承兌票據之抵押，而該等存款將於發出之銀行承兌票據到期日解除。該等已抵押銀行存款按銀行存款年利率1.91%（二零零九年：年利率1.98%）計息。所有已抵押銀行存款以人民幣計值。

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Total pledged bank deposits	已抵押銀行存款總額	232,555	141,127
Less: Maturity period within 3 months (note 15)	減：三個月以內到期(附註15)	(114,555)	(92,046)
Maturity period over 3 months and less than 9 months	三個月以上但少於九個月到期	118,000	49,081

15 Cash And Cash Equivalents

15 現金及現金等價物

		Group 本集團		Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Bank deposits and cash on hand	銀行存款及手頭現金	642,894	165,432	1,560	217
Pledged bank deposits with maturity period within 3 months (note 14)	三個月以內到期之已抵押銀行存款(附註14)	114,555	92,046	—	—
		757,449	257,478	1,560	217

At 31 December 2010, cash at banks and pledged bank deposits with maturity period within 3 months of the Group in the total amount of HK\$718,349,000 (2009: HK\$244,618,000) were kept in bank accounts of PRC banks of which the remittance of funds were subject to foreign exchange control.

於二零一零年十二月三十一日，本集團之銀行存款及三個月以內到期之已抵押銀行存款總額港幣718,349,000元（二零零九年：港幣244,618,000元），乃存放於在中國之銀行之銀行賬戶中，該等資金之匯出須受外匯管制規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 Cash And Cash Equivalents (Continued)

The effective interest rate on bank deposits was 0.88% per annum (2009: 1.25% per annum).

15 現金及現金等價物(續)

銀行存款之實際年利率為0.88% (二零零九年：年利率1.25%)。

16 Share Capital and Share Options

16 股本及購股權

(a) Share capital

(a) 股本

		Authorised Ordinary shares of HK\$0.1 each 法定股本 每股面值港幣0.1元之普通股	
		Number of shares (‘000)	HK\$’000
		股份數目 (千股)	港幣千元
At 1 January 2009, 31 December 2009 and 31 December 2010	於二零零九年一月一日、 二零零九年十二月三十一日及 二零一零年十二月三十一日	20,000,000	2,000,000
		Issued and fully paid Ordinary shares of HK\$0.1 each 已發行及繳足股本 每股面值港幣0.1元之普通股	
		Number of shares (‘000)	HK\$’000
		股份數目 (千股)	港幣千元
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	13,479,314	1,347,931
Issue of ordinary shares (i)	發行普通股(i)	600,000	60,000
Employee share option scheme — proceeds from shares issued (ii)	僱員購股權計劃 — 股份發行所得款項(ii)	11,250	1,125
At 31 December 2010	於二零一零年十二月三十一日	14,090,564	1,409,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 Share Capital and Share Options (Continued)

(a) Share capital (Continued)

- (i) On 29 March 2010, Midea Holding (Cayman Islands) Limited (“Midea (Cayman Islands)”), the parent company of the Company, entered into a placing agreement and subscription agreement with a placing agent and the Company. Pursuant to the placing agreement, Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company to not less than six independent investors at a price of HK\$0.42 per share. Pursuant to the subscription agreement, Midea (Cayman Islands) conditionally agreed to subscribe for 600,000,000 shares of the Company at a price of HK\$0.42 per share. 600,000,000 new shares of the Company were issued for the subscription on 9 April 2010 raising net proceeds of approximately HK\$245 million which were intended to be used for the development of motor business of the Group and for general working capital of the Company. The net price raised per share was approximately HK\$0.41. These shares ranked pari passu with the then existing issued shares of the Company.
- (ii) The share options exercised by a Director of the Company and certain employees of the Group during the year, resulted in 11,250,000 shares (note (b)) being issued at HK\$0.157 per share, yielding proceeds after transaction costs of approximately HK\$1,740,000. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$0.39.

16 股本及購股權(續)

(a) 股本(續)

- (i) 於二零一零年三月二十九日，美的控股(開曼群島)有限公司(「美的(開曼群島)」)(本公司之母公司)與配售代理及本公司訂立配售協議及認購協議。根據配售協議，美的(開曼群島)同意通過配售代理按每股股份港幣0.42元，向不少於六名獨立投資者配售1,200,000,000股本公司現有股份。根據認購協議，美的(開曼群島)有條件同意按每股股份港幣0.42元認購600,000,000股本公司股份。本公司600,000,000股新股份已於二零一零年四月九日發行，以供認購，籌集約港幣245,000,000元的所得款項淨額擬訂用作發展本集團的電機行業及本公司一般營運資金。每股淨集資額約為港幣0.41元。此等股份與本公司當時已發行股份的權益相同。
- (ii) 本公司一名董事及本集團部分僱員於年內行使購股權，導致11,250,000股股份(附註(b))按每股港幣0.157元的價格發行，扣除交易費後的所得款項約為港幣1,740,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣0.39元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 Share Capital and Share Options (Continued)

(b) Share options

The Company adopted a share option scheme as approved by the shareholders of the Company at an extraordinary general meeting held on 27 June 2003 (the “Share Option Scheme”).

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the Share Option Scheme include the Directors (including executive Directors and non-executive Directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of Directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the Share Option Scheme.

16 股本及購股權(續)

(b) 購股權

本公司採納經由本公司股東於二零零三年六月二十七日舉行之股東特別大會上批准之購股權計劃(「購股權計劃」)。

購股權計劃之目的，是讓本公司吸引、挽留及激勵有才幹之參與者為本集團之未來發展及擴展積極努力，並使本公司能以更靈活之方式向參與者提供獎勵、獎賞、酬勞、報酬及／或福利。購股權計劃之合資格參與者包括本集團之董事(包括執行董事及非執行董事)或僱員、本集團之顧問或專業諮詢人士、本公司之主要股東或其僱員、本公司之董事、最高行政人員或主要股東之任何聯繫人、本集團供應商或客戶之僱員或董事、本集團僱員或董事所設立之全權信託之任何全權受益人(由董事會在上述人士中全權酌情決定)。

購股權計劃及本公司採納之任何其他購股權計劃項下所有授出但尚未行使之購股權獲行使時，可予發行之最高股份數目合共不得超過本公司當時已發行股份之30%。購股權計劃及本公司任何其他購股權計劃項下所有將予授出之購股權獲行使時，可予發行之股份總數合共不得超過本公司於購股權採納日期已發行股份之10%，惟本公司可於股東大會上尋求股東批准，以更新購股權計劃下之10%限額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

The total number of shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of such limit is subject to the approval of shareholders in general meeting of the Company.

Share options granted under the Share Option Scheme to Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the Company's share.

16 股本及購股權(續)

(b) 購股權(續)

於截至授出日期止任何十二個月期間，根據購股權計劃及本公司之任何其他購股權計劃授出之購股權獲行使時，已發行及將發行予每名參與者之股份總數不得超過本公司於授出日期已發行股份之1%。進一步授出超過此限額之購股權須經股東於本公司股東大會上批准。

根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出之購股權，須獲本公司獨立非執行董事(不包括身為購股權承授人之任何獨立非執行董事)批准。此外，於截至授出日期(包括該日)止任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權，倘若超過本公司於任何時間已發行股份之0.1%，或總值(根據本公司於各授出日期之股份收市價計算)超過港幣5,000,000元，則須經股東於本公司股東大會上批准。

承授人可於授出購股權當日起計28日內，支付象徵式代價港幣1元接納有關購股權。購股權之行使期可由董事釐定，由授出購股權當日起計10年內到期。

購股權之行使價將不低於下列之最高者(i)於授出購股權日期(該日必須為營業日)，本公司股份在香港聯合交易所有限公司(「聯交所」)每日報價表中所列之收市價；(ii)緊接授出購股權日期(該日必須為營業日)前五個營業日，本公司股份於聯交所每日報價表中所列之平均收市價；及(iii)本公司股份之面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

On 30 July 2007, 9,500,000 share options were granted to certain directors and employees at an exercise price of HK\$0.78 per share. The share options were exercisable immediately on the date of grant and will expire on 29 July 2017.

Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 9 December 2008, the 10% limit under the Share Option Scheme was refreshed (“Refreshment”). Upon the approval of the Refreshment, a maximum of 1,347,931,411 shares of the Company, being 10% of the issued share capital of the Company as at the date of approval of the Refreshment, may be issued upon exercise of the share options to be granted under the Share Option Scheme and all other share option schemes of the Company.

On 9 January 2009, 375,000,000 share options were granted to certain directors and employees at an exercise price of HK\$0.157 per share subject to a vesting scale in four tranches of 25% each and the achievement of the Company’s performance target as set out in the note below and these options will expire on 31 March 2017.

For the year ended 31 December 2010, 11,250,000 share options were exercised by certain Directors of the Company or employees of the Group and 33,250,000 share options were lapsed upon termination of employment of employees and directorship of Directors. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was approximately HK\$0.39. As at 31 December 2010, a total of 315,000,000 share options granted to certain Directors of the Company and employees of the Group were outstanding (2009: 359,500,000 share options).

No share options were granted during the year ended 31 December 2010.

16 股本及購股權(續)

(b) 購股權(續)

於二零零七年七月三十日，若干董事及僱員獲授9,500,000份購股權，行使價為每股港幣0.78元。該等購股權於授出當日起即可行使，並將於二零一七年七月二十九日到期。

根據本公司股東於二零零八年十二月九日舉行之股東特別大會上通過之普通決議案，購股權計劃項下之10%限額已獲更新(「更新」)。批准更新後，本公司可於根據購股權計劃及本公司所有其他購股權計劃授出之購股權獲行使後，發行最高達1,347,931,411股本公司股份，即批准更新當日本公司已發行股本之10%。

於二零零九年一月九日，若干董事及僱員獲授375,000,000份購股權，行使價為每股港幣0.157元，惟需按四期各25%比例歸屬及達至本公司之表現目標(載於下文附註)，而該等購股權將於二零一七年三月三十一日到期。

截至二零一零年十二月三十一日止年度，本公司若干董事或本集團僱員已行使11,250,000份購股權，而33,250,000份購股權於僱傭合約及董事職位終止時失效。緊接行使該等購股權日期前本公司股份之加權平均收市價為港幣0.39元。於二零一零年十二月三十一日，本公司若干董事及本集團僱員獲授合共315,000,000份購股權(二零零九年：359,500,000份購股權)尚未行使。

截至二零一零年十二月三十一日止年度並無授出購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

16 Share Capital and Share Options (Continued) 16 股本及購股權(續)

(b) Share options (Continued)

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2010 were as follows:

(b) 購股權(續)

於截至二零一零年十二月三十一日止年度內，根據購股權計劃授出之購股權變動如下：

Name	Date of grant	Options held at 1 January 2010 於二零一零年一月一日持有之購股權	Options exercised during the Year 於本年度內行使之購股權	Options lapsed during the Year 於本年度內失效之購股權	Options held at 31 December 2010 於二零一零年十二月三十一日持有之購股權	Exercise price per option 每份購股權行使價 HK\$ 港幣	Exercisable period 可行使期限	Closing price immediately before the date of grant 緊接授出日期前股份收市價 HK\$ 港幣	
Directors	董事								
Mr. Cai Qiwu	蔡其武先生	09/01/2009	68,000,000	—	—	68,000,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Mr. Jiang Deqing	姜德清先生	09/01/2009	36,000,000	—	—	36,000,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Mr. Qu Fei	瞿飛先生	09/01/2009	22,000,000	—	—	22,000,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Mr. Gao Fazhong	鄧發忠先生	09/01/2009	25,000,000	—	—	25,000,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Mr. Lam Ming Yung	林明勇先生	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	5,000,000	—	—	5,000,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Ms. Chen Chunhua	陳春花女士	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	5,000,000	—	—	5,000,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Mr. Chan Wai Dune (resigned on 31 July 2009)	陳維端先生 (於二零零九年 七月三十一日辭任)	30/07/2007	2,000,000	—	(2,000,000)	—	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	5,000,000	—	(5,000,000)	—	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Ms. Tan Xuemei (resigned on 18 April 2010)	譚雪梅女士 (於二零一零年 四月十八日辭任)	09/01/2009	5,000,000	(1,250,000)	(3,750,000)	—	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Employees	僱員								
In aggregate	合共	30/07/2007	3,500,000	—	—	3,500,000	0.78	30/07/2007– 29/07/2017	0.77
		09/01/2009	179,000,000	(10,000,000)	(22,500,000)	146,500,000	0.157	01/04/2010– (Note) 31/03/2017 (附註)	0.151
Total	合計		359,500,000	(11,250,000)	(33,250,000)	315,000,000			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

Notes:

The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

1. The first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
2. The second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. The third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. The remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

16 股本及購股權(續)

(b) 購股權(續)

附註：

上述授出購股權之代價為港幣1元。於二零零九年一月九日授出之購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；
2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

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16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

The fair value of the options granted on 9 January 2009 are determined used the “Binomial Valuation model” (the “Model”). Key assumptions of the Model are set out below:

Risk-free rate:	1.299%
Expected dividend yield:	3%
Expected volatility of the market price of the Company's shares:	52.34%
Expected option life:	8.2 years
Fair value as at the date of grant (approximately):	HK\$25,229,000

The Model requires the input of subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the Model does not necessarily provide a reliable single measure of the fair value of share options.

16 股本及購股權(續)

(b) 購股權(續)

於二零零九年一月九日授出之購股權之公平值採用「二項式估值模型」(「該模型」)釐定。該模型所採用之主要假設載列如下：

無風險利率：	1.299%
預期股息率：	3%
本公司股份市價預期波 幅：	52.34%
預期購股權期限：	8.2年
授出日期之 公平值(約數)：	港幣25,229,000元

該模型包括股價波幅等主觀假設成份。由於主觀假設之變更會嚴重影響估計公平值，故董事認為，該模型未必能為購股權公平值提供可靠之單一計算方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 Other Reserves

(a) Group

17 其他儲備

(a) 本集團

		Share premium	Statutory reserve fund 法定儲備基金	General reserve fund 一般儲備基金	Enterprise expansion fund 企業發展基金	Share option reserve 購股權儲備	Exchange reserve 匯兌儲備	Merger reserve 合併儲備	Total
		股份溢價	儲備基金	儲備基金	發展基金	儲備	匯兌儲備	合併儲備	合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
			Note (c) 附註(c)	Note (c) 附註(c)	Note (c) 附註(c)			Note (d) 附註(d)	
Balance at 1 January 2009	於二零零九年一月一日結餘	3,336,373	663	59,192	60,367	7,578	(1,354)	(3,234,898)	227,921
Employee share option scheme — value of services provided (note 24(a))	僱員購股權計劃 — 所提供服務之價值 (附註24(a))	—	—	—	—	10,269	—	—	10,269
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	30	—	30
Transfer to statutory reserve	轉撥至法定儲備	—	1,477	21,272	11,074	—	—	—	33,823
Balance at 31 December 2009	於二零零九年十二月三十一日結餘	3,336,373	2,140	80,464	71,441	17,847	(1,324)	(3,234,898)	272,043
Balance at 1 January 2010	於二零一零年一月一日結餘	3,336,373	2,140	80,464	71,441	17,847	(1,324)	(3,234,898)	272,043
Issue of ordinary shares	發行普通股								
— proceeds from shares issued	— 股份發行所得款項	192,000	—	—	—	—	—	—	192,000
— share issuance expenses	— 股份發行開支	(6,557)	—	—	—	—	—	—	(6,557)
Employee share option scheme — value of services provided (note 24(a))	僱員購股權計劃 — 所提供服務之價值 (附註24(a))	—	—	—	—	5,841	—	—	5,841
— proceeds from shares issued	— 股份發行所得款項	615	—	—	—	—	—	—	615
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	58,218	—	58,218
Transfer to statutory reserve	轉撥至法定儲備	—	711	23,865	23,735	—	—	—	48,311
Balance at 31 December 2010	於二零一零年十二月三十一日結餘	3,522,431	2,851	104,329	95,176	23,688	56,894	(3,234,898)	570,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 Other Reserves (Continued)

(b) Company

		Share premium	Share option reserve	Exchange reserve	Total other reserve	Retained earnings	Total
		股份溢價	購股權儲備	匯兌儲備	其他儲備	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2009	於二零零九年一月一日結餘	3,336,373	7,578	70,228	3,414,179	106,094	3,520,273
Loss for the year	年度虧損	—	—	—	—	(1,309)	(1,309)
Employee share option scheme	僱員購股權計劃						
— value of services provided	— 所提供服務之價值						
(note 24 (a))	(附註24(a))	—	10,269	—	10,269	—	10,269
Currency translation differences	貨幣匯兌差異	—	—	(554)	(554)	—	(554)
Balances at 31 December 2009	於二零零九年十二月三十一日結餘	3,336,373	17,847	69,674	3,423,894	104,785	3,528,679
Representing:	相當於:						
2009 proposed final dividend	二零零九年建議末期股息					67,397	
Others	其他					37,388	
Retained earnings at 31 December 2009	於二零零九年十二月三十一日之保留盈利					104,785	
Balance at 1 January 2010	於二零一零年一月一日結餘	3,336,373	17,847	69,674	3,423,894	104,785	3,528,679
Profit for the year	年度利潤	—	—	—	—	90,577	90,577
Issue of ordinary shares	發行普通股						
— proceeds from shares issued	— 發行股份所得款項	192,000	—	—	192,000	—	192,000
— share issuance expenses	— 股份發行開支	(6,557)	—	—	(6,557)	—	(6,557)
Employee share option scheme	僱員購股權計劃						
— value of services provided	— 所提供服務之價值						
(note 24(a))	(附註24(a))	—	5,841	—	5,841	—	5,841
— proceeds from shares issued	— 股份發行所得款項	615	—	—	615	—	615
Dividend relating to 2009	二零零九年度股息	—	—	—	—	(70,422)	(70,422)
Currency translation differences	貨幣匯兌差異	—	—	178,292	178,292	—	178,292
Balances at 31 December 2010	於二零一零年十二月三十一日結餘	3,522,431	23,688	247,966	3,794,085	124,940	3,919,025
Representing:	相當於:						
2010 proposed final dividend	二零一零年建議末期股息					112,725	
Others	其他					12,215	
Retained earnings at 31 December 2010	於二零一零年十二月三十一日之保留盈利					124,940	

17 其他儲備(續)

(b) 本公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 Other Reserves (Continued)

- (c) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.
- (d) Merger reserve represents the difference between the consideration paid for the acquisition under common control, and the aggregate nominal value of share capital/paid-up capital of the subsidiaries comprising the Group contributed by the owners of the Company.

18 Borrowings

17 其他儲備(續)

- (c) 本公司在中國之附屬公司須遵守中國法律及法規，以及彼等之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自扣除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。
- (d) 合併儲備指在共同控制下收購所付之代價與本公司擁有人注入本集團成員附屬公司之股本／繳足股本之面值總額之差額。

18 借款

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
Non-current	非即期			
Long-term bank borrowings, unsecured	長期銀行借款 — 無抵押	104,364	100,000	—
Current	即期			
Short-term bank borrowings, unsecured	短期銀行借款 — 無抵押	190,346	—	—
Short-term bank borrowings, secured	短期銀行借款 — 有抵押	51,100	112,520	365,546
		241,446	112,520	365,546
		345,810	212,520	365,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 Borrowings (Continued)

At 31 December 2010, the Group's bank borrowings were repayable as follows:

		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	Group 本集團	
			As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
Within one year	一年以內	241,446	112,520	365,546
1 to 2 years	一至兩年	97,359	—	—
2 to 3 years	兩至三年	7,005	100,000	—
		345,810	212,520	365,546

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

18 借款(續)

於二零一零年十二月三十一日，本集團銀行借款之還款情況如下：

		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	Group 本集團	
			As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
Borrowings with fixed rate subject to repricing date as:	定息借款之重新定價日期：			
6 months or less	六個月或以下	—	37,345	—
6 months to 1 year	六個月至一年	—	—	159,019
		—	37,345	159,019
Borrowings with floating rate as:	浮息借款：			
6 months or less	六個月或以下	345,810	175,175	206,527
		345,810	212,520	365,546

本集團之借款面臨之利率變動風險及合約重新定價日期如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 Borrowings (Continued)

The effective interest rates of the above floating rate borrowings at the end of the reporting period were 1.90% per annum (2009: 2.51% per annum; 2008: 7.02% per annum).

Property, plant and equipment with net book value of HK\$97,891,000 (2009: HK\$125,081,000) and leasehold land and land use rights with net book value of HK\$60,429,000 (2009: HK\$84,026,000) have been pledged as security for the Group's short-term bank borrowings (note 6 and note 7).

The carrying amounts of short-term bank borrowings and the long-term borrowings approximate their fair values. The fair value of long-term borrowings is based on cash flows discounted using a rate based on the borrowings rate of 1.52% (2009: 1.63%; 2008: 2.45%). The carrying amounts of the borrowings are denominated in the following currencies.

18 借款(續)

於報告期間完結時，上述浮息借款之實際年利率為1.90%（二零零九年：年利率2.51%，二零零八年：年利率7.02%）。

賬面淨值港幣97,891,000元（二零零九年：港幣125,081,000元）之物業、廠房及設備，以及賬面淨值港幣60,429,000元（二零零九年：港幣84,026,000元）之租賃土地及土地使用權已作為本集團短期銀行借款之抵押（附註6及7）。

短期銀行借款及長期借款之賬面值與其公平值相若。長期借款之公平值乃根據借款利率1.52%（二零零九年：1.63%；二零零八年：2.45%），按現金流量貼現計算。借款之賬面值以下列貨幣列值。

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
RMB	人民幣	—	37,346	295,320
HK\$	港幣	160,000	160,000	60,000
USD	美元	185,810	15,174	10,226
		345,810	212,520	365,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 Trade and Other Payables

19 貿易及其他應付款

		Group 本集團			Company 本公司	
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)	As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元
Trade payables (note (a))	貿易應付款(附註(a))	1,713,642	1,546,511	819,716	—	—
Notes payable (notes (a),(b))	應付票據(附註(a) · (b))	1,356,659	399,994	369,342	—	—
		3,070,301	1,946,505	1,189,058	—	—
Provision for staff welfare and bonus	員工福利及花紅撥備	136,571	79,884	44,824	—	—
Accruals	預提費用	26,002	32,875	13,046	2,184	1,596
Advances from customers	預收客戶賬款	10,342	12,882	6,136	—	—
Others	其他	166,721	140,446	69,245	—	439
		3,409,937	2,212,592	1,322,309	2,184	2,035

(a) The ageing analysis of the trade payables and notes payable of the Group was as follows:

(a) 本集團之貿易應付款及應付票據之賬齡分析如下：

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
Within 3 months	三個月以內	2,303,927	1,435,133	777,250
3 to 6 months	三至六個月	756,607	506,069	398,774
Over 6 months	六個月以上	9,767	5,303	13,034
		3,070,301	1,946,505	1,189,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 Trade and Other Payables (Continued)

(b) The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than nine months. As at 31 December 2010, certain notes payable were pledged by bank deposits of approximately HK\$232,555,000 (2009: HK\$141,127,000) (note 14).

19 貿易及其他應付款(續)

(b) 有關結餘為本集團發出不計息銀行承兌票據，到期期限少於九個月。於二零一零年十二月三十一日，若干應付票據以銀行存款約港幣232,555,000元(二零零九年：港幣141,127,000元)作為抵押(附註14)。

20 Derivative Financial Instruments

20 衍生金融工具

		Group 本集團			
		2010 二零一零年		2009 二零零九年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Commodity future contracts (a)	商品期貨合約(a)	9,808	—	21,270	—
Foreign exchange forward contracts (b)	外匯遠期合約(b)	16,114	—	4,438	902
		25,922	—	25,708	902

(a) The Group has entered into various copper and aluminum future contracts to manage the fluctuation of copper and aluminum price which did not meet the criteria for hedge accounting. Changes in the fair value of the non-hedging copper and aluminum future contracts amounting to approximately HK\$6,637,000 (note 22) were credited to the consolidated income statement during the year (2009: HK\$46,520,000).

The notional principal amounts of outstanding commodity future contract as at 31 December 2010 were HK\$96,543,000 (2009: HK\$198,455,000).

(a) 本集團已訂立多項銅及鋁期貨合約，藉以管理銅及鋁價格波動，但不符合資格作對沖會計處理。非作對沖之銅及鋁期貨合約之公平值變動約港幣6,637,000元(附註22)，於年內計入綜合收益表(二零零九年：港幣46,520,000元)。

於二零一零年十二月三十一日並未結算商品期貨合約之名義本金金額為港幣96,543,000元(二零零九年：港幣198,455,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

20 Derivative Financial Instruments (Continued)

- (b) The Group has entered into various foreign exchange forward contracts to manage the fluctuation of foreign currencies which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging foreign exchange forward contracts amounting to approximately HK\$35,865,000 (note 22), were credited to the consolidated income statement during the year (2009: HK\$3,904,000).

The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2010 were HK\$831,803,000 (2009: HK\$574,874,000).

The carrying amounts of the commodity future contracts and foreign exchange forward contracts are the same as their fair values. The above transactions involving derivative financial instruments are with credit worthy banks with no recent history of default.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

21 Deferred Income Tax – Group

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates applicable to the companies comprising the Group.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

20 衍生金融工具(續)

- (b) 本集團已訂立多項外匯遠期合約，藉以管理外匯波動，但不符合資格作對沖會計處理。非作對沖之外匯遠期合約之公平值變動約港幣35,865,000元(附註22)，於年內計入綜合收益表(二零零九年：港幣3,904,000元)。

於二零一零年十二月三十一日並未結算外匯遠期合約之名義本金金額為港幣831,803,000元(二零零九年：港幣574,874,000元)。

商品期貨合約及外匯遠期合約之賬面值與其公平值相若。以上有關衍生金融工具之交易是與可信且近期無拖欠紀錄的銀行進行。

於報告日期之最大信貸風險為衍生資產於綜合財務狀況表之公平值。

21 遞延所得稅 – 本集團

遞延所得稅採用負債法就暫時差異按本集團旗下公司適用之稅率悉數計算。

遞延所得稅資產及遞延所得稅負債之分析如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Deferred income tax liabilities:	遞延所得稅負債：		
– Deferred income tax liabilities to be released after more than 12 months	– 於十二個月以上解除之遞延所得稅負債	23,077	6,317
– Deferred income tax liabilities to be released within 12 months	– 於十二個月內解除之遞延所得稅負債	27,696	18,918
		50,773	25,235
Deferred income tax assets:	遞延所得稅資產：		
– Deferred income tax assets to be recovered within 12 months	– 於十二個月內收回之遞延所得稅資產	30,736	21,856

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 Deferred Income Tax – Group (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities:

		Undistributed profits of PRC subsidiaries 中國附屬公司 之未分派利潤	Fair value gain 公平值 收益	Total
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	6,305	—	6,305
Charged to consolidated income statement	於綜合收益表內 扣除	15,565	3,350	18,915
Exchange differences	匯兌差異	12	3	15
At 31 December 2009	於二零零九年十二月三十一日	21,882	3,353	25,235
Charged to consolidated income statement	於綜合收益表內 扣除	23,817	401	24,218
Exchange differences	匯兌差異	1,194	126	1,320
At 31 December 2010	於二零一零年十二月三十一日	46,893	3,880	50,773

21 遞延所得稅 — 本集團(續)

未經考慮在相同稅務司法權區內抵銷結餘前，遞延稅項資產及負債於年內之變動如下：

遞延所得稅負債

	Undistributed profits of PRC subsidiaries 中國附屬公司 之未分派利潤	Fair value gain 公平值 收益	Total
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元

At 1 January 2009	於二零零九年一月一日	6,305	—	6,305
Charged to consolidated income statement	於綜合收益表內 扣除	15,565	3,350	18,915
Exchange differences	匯兌差異	12	3	15
At 31 December 2009	於二零零九年十二月三十一日	21,882	3,353	25,235
Charged to consolidated income statement	於綜合收益表內 扣除	23,817	401	24,218
Exchange differences	匯兌差異	1,194	126	1,320
At 31 December 2010	於二零一零年十二月三十一日	46,893	3,880	50,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 Deferred Income Tax – Group (Continued)

21 遞延所得稅 – 本集團(續)

Deferred income tax assets:

遞延所得稅資產

		Impairment losses	Fair value losses	Unpaid accruals	Total
		減值虧損	虧損	費用	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2009	於二零零九年一月一日	3,598	4,289	—	7,887
Credited/(charged) to consolidated income statement	於綜合收益表計入/(扣除)	928	(4,150)	17,181	13,959
Exchange differences	匯兌差異	—	(3)	13	10
At 31 December 2009	於二零零九年十二月三十一日	4,526	136	17,194	21,856
Credited/(charged) to consolidated income statement	於綜合收益表計入/(扣除)	239	(137)	7,833	7,935
Exchange differences	匯兌差異	163	1	781	945
At 31 December 2010	於二零一零年十二月三十一日	4,928	—	25,808	30,736

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$852,000 (2009: Nil) in respect of losses amounting to HK\$3,410,000 (2009: Nil) that can be carried forward against future taxable income. Such losses will expire in 2015.

Deferred income tax liabilities have been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of all subsidiaries.

倘日後可透過應課稅利潤變現有關稅項得益，方會確認遞延所得稅資產為結轉稅項虧損。本集團就其港幣3,410,000元(二零零九年：無)虧損可結轉抵銷應課稅收入，而沒有確認港幣852,000元(二零零九年：無)為遞延所得稅資產。該等虧損將於二零一五年逾期。

對於本集團附屬公司未匯出盈利應繳納的預扣稅及其他稅項已確認遞延所得稅負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 Other Gains – Net

22 其他收益 – 淨額

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Government grants (i)	政府補貼(i)	7,768	5,272
Derivative financial instruments:	衍生金融工具：		
– fair value gain on commodity future contracts not qualified for hedge accounting: not settled (note 20(a))	– 不符合資格作對沖會計處理之商品期貨合約公平值收益：未結算(附註20(a))	9,808	21,253
– fair value (loss)/gain on commodity future contracts not qualified for hedge accounting: settled (note 20(a))	– 不符合資格作對沖會計處理之商品期貨合約公平值(虧損)/收益：已結算(附註20(a))	(3,171)	25,267
– fair value gain on foreign exchange forward contracts not qualified for hedge accounting: not settled (note 20(b))	– 不符合資格作對沖會計處理之遠期外匯合約公平值收益：未結算(附註20(b))	16,114	3,534
– fair value gain on foreign exchange forward contracts not qualified for hedge accounting: settled (note 20(b))	– 不符合資格作對沖會計處理之遠期外匯合約公平值收益：已結算(附註20(b))	19,751	370
Exchange loss	匯兌虧損	(14,361)	(5,498)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	(12,169)	(12,760)
Penalty income	罰款收入	4,920	1,408
Others	其他	363	871
		29,023	39,717

(i) The amount represents the subsidy granted by and received from local government authorities in the PRC for encouragement of export.

(i) 有關金額指收到中國當地政府機關為鼓勵出口提供之補貼。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 Expenses by Nature

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

23 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣成本及行政開支的開支分析如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cost of inventories recognised as expense (note 12)	確認為開支之存貨成本(附註12)	5,828,303	3,607,671
Employee benefit expenses (note 24(a))	僱員福利開支(附註24(a))	665,078	414,145
Depreciation (note 7)	折舊(附註7)	91,160	75,568
Amortisation of leasehold land and land use rights (note 6)	租賃土地及土地使用權攤銷(附註6)	3,242	2,923
(Reversal)/provision for impairment of trade and other receivables — net (note 13(c))	貿易及其他應收款減值(撥回)/撥備淨額(附註13(c))	(6,696)	2,562
Provision/(reversal) for inventory obsolescence (note 12)	存貨跌價及殘次準備撥備/(撥回)(附註12)	6,540	(1,342)
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	5,015	2,765
Auditors' remuneration	核數師酬金	2,945	3,171
Research and development costs	研究及開發成本	16,640	4,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 Employee Benefit Expenses

(a)

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	552,261	330,674
Pension costs (i)	退休金成本(i)	25,429	21,617
Medical benefits	醫療福利	14,128	12,312
Share options granted to Directors and employees	授予董事及僱員之購股權	5,841	10,269
Other allowances and benefits	其他津貼及福利	67,419	39,273
		665,078	414,145

(i) The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each of the Group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

The Company's subsidiaries established in the PRC participate in the local retirement schemes of the PRC. Pursuant to the relevant regulations, the Group is currently required to make a monthly contribution equivalent to 15% to 28% of the monthly salaries in respect of its full-time and temporary employees.

24 僱員福利開支

(a)

(i) 本集團已安排其香港僱員參加強積金計劃。根據強積金計劃，集團旗下每間公司(僱主)及其僱員須按強制性公積金法例規定，每月將僱員入息之5%作為計劃供款。僱主及僱員各自之供款上限為每月港幣1,000元，其後均為自願供款。

本公司於中國成立之附屬公司均參與中國本地退休金計劃。根據有關規例，本集團現須每月支付相當於全職及臨時僱員月薪15%至28%之供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 Employee Benefit Expenses (Continued)

24 僱員福利開支(續)

(b) Directors' and senior managements' emoluments

The remuneration of the Directors for the year ended 31 December 2010 is set out below:

(b) 董事及高級管理人員酬金

董事於截至二零一零年十二月三十一日止年度之酬金載列如下：

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution	Total
					to pension scheme	
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	僱主供款 退休金計劃之	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors						
執行董事						
Mr. Cai Qiwu	—	1,020	2,297	1,140	8	4,465
Mr. Jiang Deqing	—	427	1,478	604	8	2,517
Mr. Qu Fei	—	353	504	369	8	1,234
Mr. Gao Fazhong	—	352	563	419	8	1,342
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei	—	—	—	—	—	—
Mr. Zheng Weikang	—	—	—	—	—	—
Non-executive Directors						
非執行董事						
Ms. Tan Xuemei (ii)	—	—	—	84	—	84
Independent non-executive Directors						
獨立非執行董事						
Mr. Tan Jinsong (iii)	180	—	—	—	—	180
Mr. Lam Ming Yung	180	—	—	84	—	264
Ms. Chen Chunhua	180	—	—	84	—	264
	540	2,152	4,842	2,784	32	10,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 Employee Benefit Expenses (Continued)

(b) Directors' and senior managements' emoluments (Continued)

The remuneration of the Directors for the year ended 31 December 2009 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors						
執行董事						
Mr. Cai Qiwu	—	817	1,362	2,024	8	4,211
Mr. Jiang Deqing	—	371	454	1,071	8	1,904
Mr. Qu Fei	—	305	227	655	8	1,195
Mr. Gao Fazhong	—	304	193	744	8	1,249
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei	—	—	—	—	—	—
Mr. Zheng Weikang	—	—	—	—	—	—
Non-executive Directors						
非執行董事						
Ms. Tan Xuemei (ii)	—	—	—	149	—	149
Independent non-executive Directors						
獨立非執行董事						
Mr. Tan Jinsong (iii)	75	—	—	—	—	75
Mr. Lam Ming Yung	180	—	—	149	—	329
Ms. Chen Chunhua	180	—	—	149	—	329
Mr. Chan Wai Dune (iv)	105	—	—	—	—	105
	540	1,797	2,236	4,941	32	9,546

(i) Other benefits include leave pay and share based payments.

(ii) Ms. Tan Xuemei resigned on 18 April 2010.

(iii) Mr. Tan Jinsong was appointed on 1 August 2009.

(iv) Mr. Chan Wai Dune resigned on 31 July 2009.

24 僱員福利開支(續)

(b) 董事及高級管理人員酬金(續)

董事於截至二零零九年十二月三十一日止年度之酬金載列如下：

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元

Executive Directors						
執行董事						
Mr. Cai Qiwu	—	817	1,362	2,024	8	4,211
Mr. Jiang Deqing	—	371	454	1,071	8	1,904
Mr. Qu Fei	—	305	227	655	8	1,195
Mr. Gao Fazhong	—	304	193	744	8	1,249
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei	—	—	—	—	—	—
Mr. Zheng Weikang	—	—	—	—	—	—

Non-executive Directors						
非執行董事						
Ms. Tan Xuemei (ii)	—	—	—	149	—	149

Independent non-executive Directors						
獨立非執行董事						
Mr. Tan Jinsong (iii)	75	—	—	—	—	75
Mr. Lam Ming Yung	180	—	—	149	—	329
Ms. Chen Chunhua	180	—	—	149	—	329
Mr. Chan Wai Dune (iv)	105	—	—	—	—	105

540 1,797 2,236 4,941 32 9,546

(i) 其他福利包括有薪假期及以股份支付支出。

(ii) 譚雪梅女士於二零一零年四月十八日辭任。

(iii) 譚勁松先生於二零零九年八月一日獲委任。

(iv) 陳維端先生於二零零九年七月三十一日辭任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 Employee Benefit Expenses (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three directors (2009: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2009: two) individuals during the year are as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	4,444	3,711
Contribution to pension schemes	退休金計劃供款	55	51
		4,499	3,762

The emoluments fell within the following bands:

酬金屬以下組別之人數如下：

Emolument bands 酬金組別		Number of individuals 人數	
		2010 二零一零年	2009 二零零九年
HK\$1,000,000–HK\$2,000,000	港幣1,000,000元–港幣2,000,000元	1	1
HK\$2,000,001–HK\$3,500,000	港幣2,000,001元–港幣3,500,000元	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 Finance Costs – Net

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest expense	利息開支	(30,895)	(22,869)
Exchange gain/(loss) – net	匯兌收益/(虧損) – 淨額	349	(166)
Finance cost	融資成本	(30,546)	(23,035)
Finance income – interest income on bank deposit	融資收入 – 銀行存款之利息收入	4,307	4,341
Net finance costs	融資成本淨額	(26,239)	(18,694)

25 融資成本 – 淨額

26 Income Tax Expense

No Hong Kong profits tax has been provided as the Group did not have any assessable profit in Hong Kong.

Group companies registered in the PRC are subject to PRC Corporate Income Tax (“CIT”). According to the new CIT effective from 1 January 2008, all PRC enterprises are subject to a standard enterprise income tax rate of 25%, except for enterprises under specific preferential policies and provisions as discussed as follows.

Welling Washer has been eligible to the “2-year-exemption and 3-year-50%-deduction” CIT incentive starting from year 2006. The applicable preferential tax rate after reduction is 12.5% for the year ended 31 December 2010 (2009: 12.5%).

Guangdong Welling and Wuhu Welling have been eligible to high technology enterprises CIT incentive starting from year 2008 to year 2010. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2010 (2009:15%).

26 所得稅開支

由於本集團於香港並無任何應課稅利潤，故此並無計提香港利得稅撥備。

本集團在中國註冊的公司須繳納中國企業所得稅(「企業所得稅」)。根據由二零零八年一月一日起生效的新中國企業所得稅，除企業受惠於以下所述的特定優惠稅率及規定外，所有中國公司須繳納25%標準企業所得稅率。

威靈洗滌由二零零六年起已符合企業所得稅獎勵措施中兩年豁免及三年扣減百分之五十稅款之資格。截至二零一零年十二月三十一日止年度，扣減稅款後之可用優惠稅率為12.5% (二零零九年：12.5%)。

廣東威靈與蕪湖威靈由二零零八年至二零一零年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一零年十二月三十一日止年度，高科技企業之可用優惠稅率為15% (二零零九年：15%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 Income Tax Expense (Continued)

Electronic and Electric has been eligible to the transit period CIT rate as foreign-investment enterprise. The applicable preferential tax rate after reduction is 25% for the year ended 31 December 2010 (2009: 12.5%). Electronic and Electric has been eligible to the “2-year-exemption and 3-year-50%-deduction” CIT incentive starting from year 2005 to year 2009.

Huaian Welling has been eligible to the “2-year-exemption and 3-year-50%-deduction” CIT incentive starting from year 2005 to year 2009. The applicable tax rate is 25% for the year ended 31 December 2010 (2009: 12.5%).

26 所得稅開支(續)

電子電器已符合外資企業過度期企業所得稅率資格。截至二零一零年十二月三十一日止年度，扣減稅款後之可用優惠稅率為25%（二零零九年：12.5%）。由二零零五年至二零零九年間，電子電器已符合企業所得稅獎勵措施中兩年豁免及三年扣減百分之五十稅款之資格。

淮安威靈由二零零五年至二零零九年間已符合企業所得稅獎勵措施中兩年豁免及三年扣減百分之五十稅款之資格。截至二零一零年十二月三十一日止年度，可用稅率為25%（二零零九年：12.5%）。

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	111,908	64,303
Deferred income tax	遞延所得稅項		
— Deferred income tax assets recognised (note 21)	— 已確認遞延所得稅項資產 (附註21)	(7,935)	(13,959)
— Deferred income tax liabilities recognised (note 21)	— 已確認遞延所得稅項負債 (附註21)	24,218	18,915
		16,283	4,956
Income tax expense	所得稅開支	128,191	69,259

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 Income Tax Expense (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Profit before taxation	扣除稅前利潤	660,421	423,034
Calculated at the PRC statutory tax rate of 25% (2009: 25%)	按中國法定稅率25%計算 (二零零九年：25%)	165,105	105,759
Effect of difference in applicable tax rates	適用稅率差異之影響	(41,144)	(35,588)
Income not subject to tax	毋須課稅之收入	(3,364)	(5,148)
Expenses not deductible for taxation purposes	不可扣稅之開支	6,742	4,236
Tax loss not recognised as deferred income tax assets	不可確認遞延所得稅項資產之 稅項虧損	852	—
Income tax expense	所得稅開支	128,191	69,259

PRC corporate income tax is provided for on 25% (2009: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

Profits tax for other locations has not been provided as the Group did not have any assessable profits in those locations.

27 Profit Attributable to the Owners of the Company

The profit attributable to the owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$90,577,000 (2009: loss HK\$1,309,000).

26 所得稅開支(續)

本集團扣除稅前利潤之稅項與採用實體利潤適用之加權平均稅率所計算之理論稅額之差異如下：

中國企業所得稅乃按中國法定財務呈報利潤之25% (二零零九年：25%)計算，並在對不可就中國企業所得稅目的課稅或扣減之該等項目作出調整後予以撥備。

由於本集團於其他地點並無任何應課稅利潤，故此並無計提該等地點之利得稅撥備。

27 本公司擁有人應佔利潤

計入本公司財務報表之本公司擁有人應佔利潤約為港幣90,577,000元(二零零九年：虧損港幣1,309,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 Earnings Per Share

(a) Basic

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

		2010 二零一零年	2009 二零零九年
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	532,230	353,775
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	13,922,606	13,479,314
Basic earnings per share (HK cents)	每股基本盈利(港仙)	3.82	2.62

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been issued based on the attainment of the performance target at the end of the year. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		2010 二零一零年	2009 二零零九年
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	532,230	353,775
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	13,922,606	13,479,314
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	152,500	85,343
		14,075,106	13,564,657
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	3.78	2.61

28 每股盈利

(a) 基本

每股基本盈利乃按年度利潤除以年內已發行普通股之加權平均數計算。

(b) 攤薄

每股攤薄盈利乃透過對已發行普通股之加權平均數作出調整而計算，並假設轉換所有潛在攤薄普通股。本公司之潛在攤薄普通股為以表現掛鉤之購股權。就購股權而言，已作出按照年終達到表現目標以釐定應可發行之股份數目之計算。上文計算之股份數目與假設購股權獲行使而已發行之股份數目已作出比較。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 Dividends

29 股息

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Proposed final dividend, of HK0.8 cent (2009: HK0.5 cent) per ordinary share	建議末期股息每股普通股0.8港 仙(二零零九年: 0.5港仙)	112,725	67,397

At a meeting held on 21 March 2011, the Directors proposed a final dividend of HK0.8 cent per ordinary share (2009: HK0.5 cent). This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

於二零一一年三月二十一日舉行之會議上，董事建議宣派末期股息每股普通股0.8港仙(二零零九年: 0.5港仙)。此項建議股息並未在該等綜合財務報表內反映為應付股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of profit before income tax to cash generated from operations:

30 綜合現金流量表附註

(a) 扣除所得稅前利潤與經營產生之現金對賬表：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Profit before income tax	扣除所得稅前利潤	660,421	423,034
Adjustments for:	調整：		
— Depreciation	— 折舊	91,160	75,568
— Amortisation of leasehold land and land use rights	— 租賃土地及土地使用權攤銷	3,242	2,923
— Loss on disposals of property, plant and equipment	— 出售物業、廠房及設備虧損	12,169	12,760
— Share-based payment expenses	— 以股份支付支出開支	5,841	10,269
— Share of profits of associates	— 佔聯營公司利潤	(9,269)	(4,808)
— Interest income	— 利息收入	(4,307)	(4,341)
— Interest expense	— 利息開支	30,895	22,869
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	(1,269,713)	(425,304)
— Derivative financial instruments	— 衍生金融工具	(1,116)	(55,441)
— Trade and other receivables	— 貿易及其他應收款	(746,433)	(309,656)
— Due from related companies	— 應收關聯公司款項	249,290	(43,424)
— Trade and other payables	— 貿易及其他應付款	1,197,345	890,283
— Due to related companies	— 應付關聯公司款項	416,972	(14,021)
— Exchange differences of working capital	— 營運資金匯兌差異	—	178
Cash generated from operations	經營產生之現金	636,497	580,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 Notes to the Consolidated Statement of Cash Flows (Continued)

(b) In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Net book value disposed (note 7)	出售之賬面淨值(附註7)	25,657	21,234
Loss on disposal of property, plant and equipment (note 22)	出售物業、廠房及設備虧損(附註22)	(12,169)	(12,760)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	13,488	8,474

31 Contingent Liabilities

Save as the financial guarantees discussed in note 33, as at 31 December 2010 and 2009, the Group and the Company did not have any material contingent liabilities.

30 綜合現金流量表附註(續)

(b) 於綜合現金流量表中，出售物業、廠房及設備所得款項包括：

31 或然負債

除附註33討論之融資擔保外，於二零一零年及二零零九年十二月三十一日，本集團及本公司概無任何重大或然負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 Commitments

(a) Capital commitments

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未撥備		
— purchases of property, plant and equipment	— 購置物業、廠房及設備	116,102	35,396
— purchase of leasehold land and land use right	— 購置租賃土地及 土地使用權	23,655	—
		139,757	35,396

The Company does not have any capital commitment as at 31 December 2010 and 2009.

於二零一零年及二零零九年十二月三十一日，本公司概無任何資本承擔。

(b) Operating lease commitments

The future aggregate minimum lease payments of the Group under non-cancellable operating leases are as follows:

(b) 經營租賃承擔

本集團根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Not later than one year	不超過一年	1,974	1,580
Later than one year and not later than five years	超過一年但不超過五年	403	1,120
		2,377	2,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 Commitments (Continued)

(b) Operating lease commitments (Continued)

The future aggregate minimum lease payments of the Company under non-cancellable operating leases are as follows:

		Company 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Not later than one year	不超過一年	799	959
Later than one year and not later than five years	超過一年但不超過五年	—	799
		799	1,758

33 Financial Guarantees

The Group and the controlling shareholder of the associates has guaranteed the drawn components of certain bank loans of the associates as at 31 December 2010 and 2009. Under the terms of the financial guarantee contract, the Group and the controlling shareholder of the associates will make payments to reimburse the lenders upon failure of the guaranteed associates to make payments when the bank loans are due.

Terms and face values of the liabilities guaranteed were as follows:

		Group 本集團	
		2010 二零一零年 Face value 面值 HK\$'000 港幣千元	2009 二零零九年 Face value 面值 HK\$'000 港幣千元
Year of maturity 到期年限			
Drawn bank term loans of the associates, denominated in RMB	1 year to 6 years		
聯營公司提取之銀行有期貸款，以人民幣列值	一至六年	304,971	27,825

The method used in determining the fair value of these guarantees has been disclosed in note 2.22. The fair value of these guarantees is nominal.

32 承擔(續)

(b) 經營租賃承擔(續)

本公司根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

33 融資擔保

本集團及聯營公司控股股東為聯營公司於二零一零年及二零零九年十二月三十一日之若干銀行借貸作擔保。根據融資擔保合約條款，本集團及聯營公司控股股東會就所擔保聯營公司無法在銀行貸款限期還款時，替其償還借款人。

擔保負債之條款及面值如下：

用於釐定擔保之公平值方法已於附註2.22內披露。擔保之公平值是微不足道。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 Related Party Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the year are summarised below:

(a) Transactions with related parties

The following transactions were carried out with related parties in accordance with the terms mutually agreed by the respective parties:

34 關聯方交易

本公司與其附屬公司間之交易已於綜合賬目內抵銷。本集團與其他關聯方於年內之交易概述如下：

(a) 與關聯方之交易

以下乃與關聯方按各訂約方相互協定之條款進行之交易：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Sales to related parties:	向關聯方銷售：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	3,379,252	1,970,176
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	615,788	534,635
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司 主要股東之近親控制	—	44
		3,995,040	2,504,855
Purchases from related parties:	向關聯方採購：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	13,297	4,451
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	255,878	159,678
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司 主要股東之近親控制	2,335	161
		271,510	164,290
Receives logistics services from related parties:	向關聯方獲取物流服務：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	39	2,111
Receives interest income on deposits at an average rate of 0.36% per annum (2009: nil) from the Finance Company:	向財務公司獲取以平均 年利率0.36%的 (二零零九年：零) 存款利息收入		
— Controlled by the ultimate holding company	— 由最終控股公司控制	39	—
Capital investment to a related party:	向關聯方作出之資本投資：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	—	28,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

34 Related Party Transactions (Continued)

34 關聯方交易(續)

(b) Key management compensation

(b) 主要管理人員酬金

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他僱員福利	11,160	6,658
Share-based payments	以股份支付支出	4,190	6,459
		15,350	13,117

(c) Balances with related companies

(c) 與關聯公司之結餘

		Group 本集團		
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)
(i) Due from related companies:	(i) 應收關聯公司款項：			
— Controlled by the ultimate holding company	— 由最終控股公司控制	331,222	488,374	429,423
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	36,482	129,174	145,033
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	886	332	—
		368,590	617,880	574,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 Related Party Transactions (Continued)

34 關聯方交易(續)

(c) Balances with related companies (Continued)

(c) 與關聯公司之結餘(續)

		Group 本集團			
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (Restated) (重列)	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元 (Restated) (重列)	
(ii)	Due to related companies: — Controlled by the ultimate holding company — Controlled by a substantial shareholder of the ultimate holding company — Controlled by a close family member of the ultimate holding company's substantial shareholder	(ii) 應付關聯公司款項: — 由最終控股公司控制 — 由最終控股公司之主要股東控制 — 由最終控股公司主要股東之近親控制	411,240 70,389 3,391	4,127 63,518 403	11,406 66,148 4,515
		485,020	68,048	82,069	

The balances due from/to related companies are denominated in RMB, unsecured, interest free and are repayable on demand. No balance due from related companies is past due or impaired.

應收／應付關聯公司結餘以人民幣列值，並為無抵押、免息且須於要求時償還。概無應收關聯公司結餘逾期或減值。

		Group 本集團			
		As at 31 December 2010 於二零一零年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元	As at 1 January 2009 於二零零九年 一月一日 HK\$'000 港幣千元	
(iii)	Short-term deposits in the Finance Company: — Controlled by the ultimate holding company	(iii) 於財務公司之短期存款 — 由最終控股公司控制	136,754	—	—

Save as discussed in note 9, the Company does not have other balances with related companies.

除附註9所述外，本公司與關聯公司概無其他結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 Ultimate Holding Company

The Directors regard Midea, a company incorporated in the PRC, as being the ultimate holding company.

36 Events After the Reporting Period

On 15 December 2010, Welling Washer, a wholly-owned subsidiary of the Company, entered into the equity transfer agreement with 無錫小天鵝股份有限公司 (Wuxi Little Swan Co., Ltd.) a related company, to acquire 100% equity interest in 無錫小天鵝華印電器有限公司 (Wuxi Little Swan Huayin Electrical Appliances Co., Ltd.) ("Huayin") at a cash consideration of RMB75 million (equivalent to approximately HK\$88.9 million). This acquisition was completed on 17 January 2011.

Upon completion of the acquisition, Huayin has become a wholly-owned subsidiary of the Group.

Purchase consideration:	收購代價	HK\$'000 港幣千元
— Cash paid	— 已付現金	88,905

As of the date of approval of these consolidated financial statements, the directors of the Company were still assessing the accounting implication of the transaction to the consolidated financial statements.

35 最終控股公司

董事視美的(於中國註冊成立之公司)為最終控股公司。

36 結算日後事項

於二零一零年十二月十五日，本公司全資擁有的附屬公司威靈洗滌與關連公司無錫小天鵝股份有限公司訂立股份轉讓協議，以現金代價人民幣75,000,000元(相等於港幣約88,900,000元)收購無錫小天鵝華印電器有限公司100%股權。該項收購已於二零一一年一月十七日完成。

收購事項完成後，華印便成為本公司之全資附屬公司。

於通過該等綜合財務報表日期，本公司董事仍在評核該交易對綜合財務報表的會計影響。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元 (Restated) (重列)	2008 二零零八年 HK\$'000 港幣千元 (Restated) (重列)	2007 二零零七年 HK\$'000 港幣千元 (Restated) (重列)	2006 二零零六年 HK\$'000 港幣千元 (Restated) (重列)
		Audited 經審核	Audited 經審核	Audited 經審核	Unaudited 未經審核	Unaudited 未經審核
Results	業績					
Revenue	收益	7,798,886	4,824,116	5,193,278	4,644,992	3,192,733
Profit attributable to the owners of the Company	公司擁有人應佔利潤	532,230	353,775	196,877	224,385	58,686
Assets and liabilities	資產及負債					
Total assets	總資產	6,255,645	3,684,858	2,578,806	4,209,514	4,970,632
Total liabilities	總負債	(4,347,879)	(2,550,142)	(1,808,164)	(3,936,258)	(4,929,422)
Total equity	權益總額	1,907,766	1,134,716	770,642	273,256	41,210

(i) The financial summary are restated for the classification of term loans and the decognition of bank accepted bills. Details refer to note 2.1.2 of the consolidated financial statements.

(i) 重列財務概要作為分類有期貨款及終止確認銀行承兌票據。詳情請參閱綜合財務報表附註2.1.2。

