



**China Uptown Group Company Limited**  
**中國上城集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

股份代號 Stock code: 2330

**2010**  
*Annual*  
*Report*  
年度報告

# Contents

## 目錄

2	<b>Corporate Information</b> 公司資料
4	<b>Five Years Financial Summary</b> 五年財務概要
5	<b>Management Discussion and Analysis</b> 管理層討論及分析
15	<b>Biographical Details of Directors</b> 董事簡介
23	<b>Corporate Governance Report</b> 企業管治報告
32	<b>Report of Directors</b> 董事會報告
45	<b>Independent Auditor's Report</b> 獨立核數師報告
48	<b>Consolidated Statement of Comprehensive Income</b> 綜合全面收益表
49	<b>Consolidated Statement of Financial Position</b> 綜合財務狀況表
51	<b>Consolidated Statement of Changes in Equity</b> 綜合權益變動表
53	<b>Consolidated Statement of Cash Flows</b> 綜合現金流量表
55	<b>Notes to the Consolidated Financial Statements</b> 綜合財務報表附註
167	<b>Schedule of the Properties Held as Investment Properties/Properties for Own Use/Properties Held for Sale and Under Development</b> 持有作投資物業／自用物業／待售及在建物業概覽表

# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. CHEN Xian (*Chairman*)  
Mr. LAU Sai Chung (*Chief Executive Officer*)  
Mr. XIONG Jianrui  
Ms. XIA Dan

#### Independent non-executive Directors

Mr. POON Lai Yin, Michael  
Mr. CHONG Yiu Chik  
Mr. CHOI Kai Ming, Raymond

### AUDIT COMMITTEE

Mr. POON Lai Yin, Michael (*Chairman*)  
Mr. CHONG Yiu Chik  
Mr. CHOI Kai Ming, Raymond

### REMUNERATION COMMITTEE

Mr. CHOI Kai Ming, Raymond (*Chairman*)  
Mr. POON Lai Yin, Michael  
Mr. CHONG Yiu Chik

### NOMINATION COMMITTEE

Mr. CHONG Yiu Chik (*Chairman*)  
Mr. POON Lai Yin, Michael  
Mr. CHOI Kai Ming, Raymond

### COMPANY SECRETARY

Mr. FU Lui

### AUDITORS

SHINewing (HK) CPA Limited

### PRINCIPAL BANKERS

Citic Bank International Limited  
The Industrial and Commercial Bank of China, Zhuhai Branch

### LEGAL ADVISORS

#### As to Hong Kong Law

Li & Partners

#### As to PRC Law

Guangdong Zhongsheng Law Office

### 董事

#### 執行董事

陳賢先生 (主席)  
劉世忠先生 (行政總裁)  
熊劍瑞先生  
XIA Dan女士

#### 獨立非執行董事

潘禮賢先生  
莊耀植先生  
蔡繼明先生

### 審核委員會

潘禮賢先生 (主席)  
莊耀植先生  
蔡繼明先生

### 薪酬委員會

蔡繼明先生 (主席)  
潘禮賢先生  
莊耀植先生

### 提名委員會

莊耀植先生 (主席)  
潘禮賢先生  
蔡繼明先生

### 公司秘書

府磊先生

### 核數師

信永中和 (香港) 會計師事務所有限公司

### 主要往來銀行

中信銀行國際有限公司  
中國工商銀行 (珠海市分行)

### 法律顧問

#### 有關香港法律

李偉斌律師行

#### 有關中國法律

廣東中晟律師事務所

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1501, 15/F  
Tower 1, Silvercord  
30 Canton Road  
Tsimshatsui  
Kowloon  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 75  
Grand Cayman KY1-1107  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
18th Floor  
Fook Lee Commercial Centre  
Town Place  
33 Lockhart Road  
Wanchai  
Hong Kong

### INTERNET ADDRESS

[www.chinauptown.com.hk](http://www.chinauptown.com.hk)

### STOCK CODE

2330

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 總辦事處及主要營業地址

香港  
九龍  
尖沙咀  
廣東道30號  
新港中心第一期  
15樓1501室

### 主要股份登記及過戶處

Butterfield Bank (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 75  
Grand Cayman KY1-1107  
Cayman Islands

### 香港之股份登記及過戶處

聯合證券登記有限公司  
香港灣仔  
駱克道33號  
中央廣場  
福利商業中心  
18樓

### 互聯網網址

[www.chinauptown.com.hk](http://www.chinauptown.com.hk)

### 證券代號

2330



# Five Years Financial Summary

## 五年財務概要

Results	業績	Year ended 31 December 截至 十二月三十一日 止年度	Six months ended 31 December 截至 十二月三十一日 止六個月	Year ended 30 June 截至六月三十日止年度		
		2010 二零一零年	2009 二零零九年	2009 二零零九年	2008 二零零八年	2007 二零零七年
Turnover (RMB'000)	營業額 (人民幣千元)	328,080	140,120	287,780	152,826	145,059
(Loss) profit attributable to owners of the parent (RMB'000)	控股公司之擁有人 應佔 (虧損) 溢利 (人民幣千元)	(30,853)	(63,167)	(18,547)	(112,622)	7,864
(Loss) earnings per share (RMB cents)	每股 (虧損) 溢利 (人民幣仙)					
– Basic	– 基本	(3.62)	(10.30)	(4.33)	(26.41)	2.25
– Diluted	– 攤薄	(3.62)	(10.30)	(4.33)	(26.41)	2.22
Assets and liabilities	資產及負債	At 31 December 於十二月三十一日	At 30 June 於六月三十日			
		2010 二零一零年	2009 二零零九年	2009 二零零九年	2008 二零零八年	2007 二零零七年
Total assets (RMB'000)	資產總額 (人民幣千元)	1,491,124	1,416,902	247,020	279,400	329,402
Total liabilities (RMB'000)	負債總額 (人民幣千元)	(1,004,659)	(764,881)	(235,294)	(248,565)	(212,283)
Net asset value (RMB'000)	資產淨額 (人民幣千元)	486,465	652,021	11,726	30,835	117,119
Equity attributable to owners of the parent (RMB'000)	控股公司之擁有人 應佔權益 (人民幣千元)	331,732	352,447	11,726	30,835	117,119
Non-controlling interests (RMB'000)	非控制權益 (人民幣千元)	154,733	299,574	–	–	–
Total equity	權益總額	486,465	652,021	11,726	30,835	117,119

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The review of the major business segments of the Group during the year is as follows:

#### Property Development

The Group currently holds a property development project – Zhongzhu Uptown which is situated in Zhuhai, Guangdong Province, the People's Republic of China (the "PRC"). Zhongzhu Uptown was developed in two phases. At 31 December 2010, approximately 99% of the residential units and 93% of the commercial units of the first phase of Zhongzhu Uptown (the "Phase 1") were contracted for sales, while 94% of the residential units and 72% of the commercial units were delivered to the customers and recognised as turnover of the Group.

During the year, 73 units of residential properties and 21 units of commercial properties with 9,006 square metres and 1,870 square metres were delivered to customers and recognised as sales of the Group. Total revenue (including sales of car parks) attributable to the property development business amounted to approximately RMB156,488,000 (for the six months ended 31 December 2009: RMB27,516,000).

The second phase of Zhongzhu Uptown (the "Phase 2") is still under construction and planned to be delivered with decorations starting from the second half of 2012. The pre-sales of Phase 2 began in November 2010. Approximately 212 residential units, which is more than half of the properties launched in the initial sales in late November 2010 were contracted for sales or reserved by potential customers in the year with average selling prices significantly higher than Phase 1. Pre-sales of the remaining properties of Phase 2 are scheduled to be launched in 2011 and early 2012.

#### Property Investment

Property investment business represents rental income and capital appreciation from the investment properties situated in the PRC and in Hong Kong. During the year, rental income amounted to approximately RMB12,107,000 (for the six months ended 31 December 2009: RMB5,246,000) and net gain on change in fair value of investment properties amounted to approximately RMB11,634,000 (for the six months ended 31 December 2009: RMB6,826,000).

### 業務回顧

年內本集團之主要業務分部回顧如下：

#### 物業發展

本集團目前持有一項物業發展項目－位於中華人民共和國（「中國」）廣東省珠海市之中珠上城，其共分兩期發展。於二零一零年十二月三十一日，中珠上城第一期（「第一期」）之住宅單位及商用單位分別有約99%及93%已訂約售出，而94%住宅單位及72%商用單位已向客戶交付，且已確認為本集團的營業額。

年內，本集團有73個住宅物業單位及21個商用物業單位（分別為9,006平方米及1,870平方米）已經向客戶交付並確認為銷售。物業發展業務之總收入（包括車位之銷售額）達約人民幣156,488,000元（截至二零零九年十二月三十一日止六個月：人民幣27,516,000元）。

中珠上城第二期（「第二期」）仍在興建階段，並計劃於二零一二年下半年起以帶精裝修交付。第二期之預售已於二零一零年十一月開始。於二零一零年十一月底首次銷售所推出之物業中，約212個住宅單位即超過首推單位之一半於年內已訂約售出或獲潛在客戶預留，平均售價較第一期為高。第二期餘下之物業計劃於二零一一年及二零一二年初推出進行預售。

#### 物業投資

物業投資業務即位於中國及香港之投資物業之租金收入及資本增值。年內，租金收入達約人民幣12,107,000元（截至二零零九年十二月三十一日止六個月：人民幣5,246,000元），投資物業之公允淨值增加約人民幣11,634,000元（截至二零零九年十二月三十一日止六個月：人民幣6,826,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

At 31 December 2010, the investment properties comprises of six units of office premises in Hong Kong with a total saleable area of approximately 426 square metres and the research and development centre in Shenzhen, the PRC ("R&D Centre") with gross floor area of approximately 15,084 square metres.

The Group entered into several sale and purchase agreements to dispose of certain investment properties in Hong Kong in late 2010 and 2011 which amounted to approximately HK\$40,079,000 (equivalent to approximately RMB33,155,000). The management believes by focusing its resources into PRC property development and other high growth business the Group's result could be improved in medium to long-term.

### Trading

The Group's trading business represents distribution of electronic related components, mobile phone modules and imported automation products. The total revenue from the trading business during the year amounted to RMB159,485,000 (for the six months ended 31 December 2009: RMB107,358,000).

Although the profit margin is relatively low from the trading business, the required financial and business resources are limited and the relevant risks can be mitigated by effective operation procedures and internal controls. The Group has taken various measures to diversify the product range with an objective to further increase turnover and enhance the profit margin.

### Technology

The automation and mobile handset projects involve substantial capital investments and resources while market environment in the short-term to medium-term still remain uncertain and the competition is very keen. The management will continue to take a cautious and critical review on potential business opportunities, and will engage in projects only if the business risks can be certainly managed and controlled.

於二零一零年十二月三十一日，投資物業中，有六項是位於香港的寫字樓物業單位（可出售面積約426平方米）及位於中國深圳之研發中心（「研發中心」，總樓宇面積約15,084平方米）。

本集團於二零一零年末及二零一一年訂立數項買賣協議，以出售位於香港金額約港幣40,079,000元（相等於約人民幣33,155,000元）之若干投資物業。管理層相信，透過將資源集中於中國物業發展及其他高增長業務，中長期內本集團之業績將得到改善。

### 貿易

本集團貿易業務包括電子相關元件、手機組件之分銷及進口自動化產品。年內貿易業務應佔之總收入達人民幣159,485,000元（截至二零零九年十二月三十一日止六個月：人民幣107,358,000元）。

縱使貿易業務之利潤率相對偏低，所需之財務與業務資源有限，而通過有效率運作程序及內部監控，相關風險就可減除。因此，本集團已採取多個措施，把產品組合多元化，務求進一步提高營業額及改善利潤率。

### 科技

自動化和手機項目涉及大量資本投資和資源，但短期至中期之市況仍見不明朗及競爭劇烈，因此管理層將繼續採取謹慎的態度，並嚴格審視潛在的商機。當項目之商業風險可明確管理及控制，管理層將參與其中。

# Management Discussion and Analysis

## 管理層討論及分析

### MARKET OUTLOOK AND PROSPECTS

In 2010, the Group faced increasingly complicated economic and market conditions in its property development business amid the tightening property market measures imposed by the PRC government. Since April 2010, a series of tightening policies aiming to overcome the overheating and speculation in the property market were issued by the PRC government. The measures include increasing the threshold for mortgage loans of the “second house” onward, strengthening the implementation of the existing control policies and proposal to impose property tax. To overcome the excessive liquidity and ease inflation, the People’s Bank of China raised the required capital reserve ratio and interest rate continuously in 2010 and 2011.

Looking into 2011, easing inflation will be the PRC government’s top priority. However, most of these measures and policies, including frequent interests rate hikes, purchase restrictions and mortgage restrictions, generally affecting the properties price in the tier one cities, for example in Shanghai, Beijing and Shenzhen mostly. The property market in Zhuhai is significantly less affected as the property pricing levels are substantially lower. Zhuhai is one of the fastest growing cities with pleasant living environment. After the completion of the Hong Kong-Zhuhai-Macau Bridge, it will greatly enhance the local economies and the properties market. The Board of Directors of the Company (the “Board”) is optimistic about the future prospects of the property market in Zhuhai.

Despite the fact that the property market in PRC will continue to face complicated government policy and market environment, with continuous growth in GDP and increasing wealth of individuals which leads to strong demand for housing needs, the Board is confident that the property market will continue to achieve healthy growth in medium to long-term. As such the Group will retain its focus on the property projects in PRC, particularly in the high growth cities, in the coming years. Regarding the Zhongzhu Uptown Phase 2, the remaining properties will be launched for pre-sale in 2011 and early 2012. Due to the upsurge of property prices in Zhuhai in recent years, the selling price and the profit margin of Phase 2 will be significantly higher than Phase 1.

### 市場前景及展望

二零一零年，本集團之物業發展業務面對日益複雜之經濟及市場狀況，而中國政府亦對物業市場施加緊縮政策。自二零一零年四月以來，中國政府推出一系列抑制物業市場過熱及投機之緊縮政策，包括提高「第二套房」以上按揭貸款之門檻，加強實施現有監控政策及徵收物業稅之提議。為克服流動性過剩及緩解通脹壓力，中國人民銀行分別於二零一零年及二零一一年連續提高存款準備金率及利率。

展望二零一一年，舒緩通脹壓力將為中國政府之首要任務。然而，大多數措施及政策，包括頻繁加息、購房限制及按揭限制，主要影響一線城市如上海、北京及深圳之物業價格。珠海之物業定價水平較低，故物業市場較少受此影響。珠海是發展最快城市之一，居住環境優美。港珠澳大橋建成後，預期將大大推動當地經濟及物業市場發展，本公司董事會（「董事會」）對珠海之物業市場未來前景持樂觀態度。

儘管中國物業市場將繼續面對複雜的政府政策及市況，憑藉國內生產總值不斷增長及個人財富不斷增加，致令房屋的需求殷切，董事深信，物業市場中長期將繼續取得健康增長。因此，本集團來年將繼續著重於中國之物業項目，尤其是在高速發展之城市。至於中珠上城第二期，餘下物業將於二零一一年及二零一二年初推出預售。由於近年珠海物業價格飆升，故相比第一期，第二期之售價及溢利率將大幅上升。



# Management Discussion and Analysis

## 管理層討論及分析

### MATERIAL ACQUISITION OF EQUITY INTEREST IN A SUBSIDIARY AND EVENTS AFTER REPORTING PERIOD

#### (i) Acquisition of a subsidiary

On 3 December 2010, the Company entered into a sale and purchase agreement with Seaton Limited, a connected party of the Group for the acquisition of the entire issued share capital of Armando Investments Limited ("Armando") for a consideration of HK\$230,000,000 (equivalent to approximately RMB195,500,000) to be settled by way of unsecured zero-coupon convertible bonds of the same amount. Armando is a company incorporated in the British Virgin Islands whose major asset is its 25% equity interests in Zhuhai Zhongzhu. The acquisition was completed on 1 March 2011. Following the acquisition, the Group in aggregate owned 75% of the equity interests in Zhuhai Zhongzhu.

Details of the acquisition are set out in the circular of the Company dated 22 December 2010,

#### (ii) Disposal of investment properties in Hong Kong

Subsequently after the end of the reporting period, the Group entered into several preliminary agreements for the sales of certain investment properties with a carrying value of approximately RMB21,590,000 at 31 December 2010 for a total consideration of approximately HK\$27,005,000 (equivalent to approximately RMB22,955,000) to independent third parties.

### SEGMENT INFORMATION

The details of segmental information are set out in Note 10 to the consolidated financial statements.

### FINANCIAL REVIEW

The Group's turnover for the year ended 31 December 2010 was approximately RMB328,080,000 (for the six months ended 31 December 2009: RMB140,120,000) which represented an increase of approximately 134% as compared to the last corresponding period. The increase in turnover is mainly attributable to the increase in sales of properties situated in Zhuhai in the PRC and trading of electronic components and mobile phone modules.

### 向附屬公司的股權進行重大收購及報告期結日後事項

#### (i) 收購附屬公司

於二零一零年十二月三日，本公司與本集團之關連人士成登有限公司簽訂買賣協議，以收購Armando Investments Limited (「Armando」) 的全數已發行股本，代價為港幣230,000,000元（相等於約人民幣195,500,000元），該金額將以無抵押零票息可換股債券之方式支付。Armando為一家於英屬處女群島註冊成立之公司，其主要資產為於珠海中珠之25%股權。收購事項已於二零一一年三月一日完成。於收購後，本集團合共擁有珠海中珠75%股權。

收購之詳情載列於本公司日期為二零一零年十二月二十二日之通函。

#### (ii) 出售於香港的投資物業

於期結日後，本集團就出售於二零一零年十二月三十一日賬面值約人民幣21,590,000元之若干投資物業予獨立第三方訂立多項初始協議，總代價約港幣27,005,000元（相等於約人民幣22,955,000元）。

### 分部資料

分部資料之詳情載於綜合財務報表附註10。

### 財務回顧

截至二零一零年十二月三十一日止年度，本集團營業額約人民幣328,080,000元（截至二零零九年十二月三十一日止六個月：人民幣140,120,000元），比去年同期增加約134%。營業額增加主要由於銷售位於中國珠海之物業及電子零件及手機組件貿易增加所致。

# Management Discussion and Analysis

## 管理層討論及分析

For the year ended 31 December 2010, the loss attributable to owners of the parent was approximately RMB30,853,000 (for the six months ended 31 December 2009: RMB63,167,000). The loss was mainly caused by an impairment loss of RMB28,600,000 (for the six months ended 31 December 2009: Nil) recognised in respect of the Group's properties held for sale and included in cost of sales. The gross loss was mainly attributable to the change in value of car parking spaces for Phase 1 which was caused by the PRC government's stringent control over property. The selling price of Phase 2 is substantially higher than Phase 1 and thus, barring any unforeseen circumstances, no such impairment loss is expected for Phase 2.

During the year, the Group completed its debt-restructuring of approximately RMB180,860,000 with Bank of China Limited by issuing convertible bonds with a principal amount of HK\$160,000,000 (equivalent to approximately RMB136,000,000) to a wholly-owned subsidiary of Bank of China Limited. The convertible bonds carry interest at 4% per annum and with a maturity date of 30 November 2013, at an initial conversion price of HK\$0.59 (subject to adjustments) per conversion share. A loss of RMB18,049,000 was recognised as the difference of the initial fair value of the convertible bonds and the debt outstanding as at the issue day of the convertible bonds. For the year ended 31 December 2010, a gain of RMB14,860,000 was recognised as the subsequent change in fair value of the convertible bonds. As a result of the debt-restructuring, the liquidity of the Group has further strengthened.

### Finance Costs

For the year ended 31 December 2010, the finance cost was approximately RMB27,040,000 (for the six months ended 31 December 2009: RMB7,918,000). The charge comprises mainly imputed interest expense on consideration payable in relating to the acquisition of the 50% interests in Zhuhai Zhongzhu of approximately RMB13,742,000 (for the six months ended 31 December 2009: RMB1,754,000) and accrued interest expenses on bank borrowings due to Bank of China Limited of approximately RMB12,211,000 (for the six months ended 31 December 2009: RMB5,522,000). The acquisition of 50% interests Zhuhai Zhongzhu was completed on 19 November 2009 and thus, a full year related imputed interest expense was record in the current year which lead to the significant increase in the finance costs.

截至二零一零年十二月三十一日止年度，控股公司之擁有人應佔虧損約人民幣30,853,000元（截至二零零九年十二月三十一日止六個月：人民幣63,167,000元）。虧損乃主要由於本集團就待售物業確認減值虧損並列入銷售成本人民幣28,600,000元（截至二零零九年十二月三十一日止六個月：無）。該毛損主要由於第一期因中國政府嚴格控制物業市場而令車位之價格變動。第二期售價遠高於第一期，因此，除不可見的情況外，第二期預期不會出現該減值虧損。

年內，本集團通過向中國銀行股份有限公司之一間全資附屬公司發行本金金額為港幣160,000,000元（相等於約人民幣136,000,000元）之可換股債券，以完成與中國銀行約人民幣180,860,000元之債務重組。可換股債券按年利率4厘計息，到期日為二零一三年十一月三十日，按初始轉換價為每換股股份港幣0.59元（可予調整）。本公司就可換股債券之初始公允值與可換股債券發行當日之未償還債務之差額確認虧損人民幣18,049,000元。截至二零一零年十二月三十一日止年度，就可換股債券之公允值後續變動確認收益人民幣14,860,000元。由於債務重組，本集團之流動性獲進一步加強。

### 財務成本

截至二零一零年十二月三十一日止年度，財務成本約人民幣27,040,000元（截至二零零九年十二月三十一日止六個月：人民幣7,918,000元）。費用主要包括就收購珠海中珠50%權益應付代價之估算利息開支約人民幣13,742,000元（截至二零零九年十二月三十一日止六個月：人民幣1,754,000元）及應付中國銀行股份有限公司銀行借貸之應計利息開支約人民幣12,211,000元（截至二零零九年十二月三十一日止六個月：人民幣5,522,000元）。收購珠海中珠50%權益已於二零零九年十一月十九日完成，因此全年相關估算利息開支已於本年度入賬，導致財務成本大幅上漲。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND FINANCIAL RESOURCES

In 2010, the Group's operating activities resulted in a net cash outflow of approximately RMB169,570,000 (for the six months ended 31 December 2009: RMB24,290,000) which was mainly represented by construction expenses incurred for Phase 2. At 31 December 2010, the total amount of bank balance and cash, including restricted bank deposits, was approximately RMB155,804,000 (31 December 2009: RMB161,514,000).

At 31 December 2010, the total assets of the Group were approximately RMB1,491,124,000 (31 December 2009: RMB1,416,902,000), representing an increase of approximately 5%. At 31 December 2010, the Group's total borrowings, including convertible bonds of RMB184,391,000 (31 December 2009: Nil), increased to approximately RMB570,327,000 (31 December 2009: approximately RMB116,873,000). The increase in borrowings is mainly due to the drawdown of a construction loan for the development of Phase 2 of Zhongzhou Uptown.

At 31 December 2010, the gearing ratio, expressed as a percentage of total borrowings over net assets was 117% (31 December 2009: 18%). The current ratio was 2.5 (31 December 2009: 1.7).

### CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 31 December 2009 and 2010 was HK\$85,198,000 divided into 851,980,000 shares of HK\$0.10 each. At 31 December 2009 and 2010, the issued convertible redeemable preference share capital was HK\$35,000,000 divided into 350,000,000 shares of HK\$0.10 each and the convertible redeemable preference A share capital was HK\$11,000,000 divided into 110,000,000 shares of HK\$0.10 each. None of the convertible redeemable preference shares and convertible redeemable preference A shares were converted into ordinary shares.

### 流動資金及財務資源

於二零一零年，本集團經營業務產生的現金流出淨額（主要指第二期所產生的建築開支）約人民幣169,570,000元（截至二零零九年十二月三十一日止六個月：人民幣24,290,000元）。於二零一零年十二月三十一日，本集團的銀行結存及現金總額（包括有限制銀行存款）約人民幣155,804,000元（二零零九年十二月三十一日：約人民幣161,514,000元）。

於二零一零年十二月三十一日，本集團的總資產值為約人民幣1,491,124,000元（二零零九年十二月三十一日：人民幣1,416,902,000元），增加約5%。於二零一零年十二月三十一日，本集團的總借貸（包括可換股債券人民幣184,391,000元（二零零九年十二月三十一日：無））增加至約人民幣570,327,000元（二零零九年十二月三十一日：約人民幣116,873,000元），借款增加主要為提取中珠上城第二期發展之建築貸款所致。

於二零一零年十二月三十一日，本集團的負債率（以借貸總額除以資產淨額計算）為117%（二零零九年十二月三十一日：18%）。流動比率為2.5（二零零九年十二月三十一日：1.7）。

### 資本結構

於二零零九年及二零一零年十二月三十一日，本公司的已發行普通股為港幣85,198,000元，分為851,980,000股每股港幣0.10元的股份。於二零零九年及二零一零年十二月三十一日，已發行可轉換可贖回優先股為港幣35,000,000元，分為350,000,000股每股港幣0.10元的股份及可轉換可贖回優先A股為港幣11,000,000元，為110,000,000股每股港幣0.10元的股份。可轉換可贖回優先股及可轉換可贖回優先A股仍未轉換為普通股。



# Management Discussion and Analysis

## 管理層討論及分析

### FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

### CHARGE ON ASSETS

At 31 December 2010, the Group's certain investment properties, properties under development, assets held for sale and leasehold land and buildings with an aggregate net carrying value of approximately RMB802,214,000 (31 December 2009: RMB77,891,000) were pledged to banks for securing revolving loans, general banking facilities and banking facilities of construction loan granted to certain subsidiaries of the Company. At 31 December 2010, facilities amounts of approximately RMB385,936,000 (31 December 2009: RMB45,139,000) were utilised and RMB102,314,000 (31 December 2009: RMB10,560,000) were not utilised and available for the Group's future financing.

### CAPITAL AND OTHER COMMITMENTS

The Group did not have any significant capital commitments in respect of property, plant and equipment as at 31 December 2010 and 2009.

At the end of the reporting period, the Group had the following commitments for properties under development:

### 外匯風險

本集團賺取的收入及產生的費用主要以人民幣、美元及港元計算。本集團的貨幣資產及負債均以人民幣、美元及港元結算。目前本集團並無任何外匯對沖政策。然而，管理層會密切監察外匯風險，並在有需要時考慮使用對沖工具。

### 資產抵押

於二零一零年十二月三十一日，本集團將其總賬面淨值約為人民幣802,214,000元（二零零九年十二月三十一日：人民幣77,891,000元）的若干投資物業、在建物業、持作出售資產、租賃土地及樓宇抵押給銀行，以獲取銀行提供給本公司若干附屬公司之循環貸款，一般銀行信貸及建築工程貸款。於二零一零年十二月三十一日，約人民幣385,936,000元（二零零九年十二月三十一日：人民幣45,139,000元）的融資額已動用及約人民幣102,314,000元（二零零九年十二月三十一日：人民幣10,560,000元）的融資額尚未動用，可撥作本集團日後使用。

### 資本及其他承擔

於二零一零年及二零零九年十二月三十一日，本集團就物業、機器及設備並無任何重大的資本承擔事項。

於期結日，本集團在建物業之承擔如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Contracted but not provided for	已簽約但未撥備	190,969	294,363
Authorised but not contracted for	已批准但未簽約	336,831	154,551



# Management Discussion and Analysis

## 管理層討論及分析

### RESERVES

Details of movements in the reserves of the Group during the year is presented in the consolidated statement of changes in equity on pages 51 and 52 of this Report.

### EMPLOYEE AND REMUNERATION POLICIES

At 31 December 2010, the Group employed 57 full time employees (31 December 2009: 40) in Hong Kong and the PRC. The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which are reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

### LITIGATIONS AND CONTINGENT LIABILITIES

- i) On 25 April 2008, a PRC subsidiary of the Company had been served with a writ of summons in the PRC and was being claimed for a total amount of approximately HK\$23,000,000 (equivalent to approximately RMB20,010,000) under a guarantee being allegedly issued by the PRC subsidiary. The PRC subsidiary has appointed a firm of legal counsel to represent the PRC subsidiary to defend the claim and legal proceedings. First court hearing was held on 20 October 2008 and after a series of legal proceedings, the Company received a civil judgment (the "Judgment") issued by the Intermediate People's Court in Shenzhen, the PRC on 14 June 2010. The PRC subsidiary was liable to bear 50% of any shortfall that the first defendant is unable to settle in respect of the claims amount of approximately HK\$23,000,000 (equivalent to approximately RMB20,010,000).

### 儲備

本集團於年內之儲備變動詳情載於本報告第51及52頁之綜合權益變動表中。

### 僱員及薪酬政策

於二零一零年十二月三十一日，本集團在香港及中國僱用57位（二零零九年十二月三十一日：40位）全職僱員。本集團的薪酬政策定期依據市場趨勢、未來計劃及檢討僱員的個人表現而制訂。除提供公積金計劃及國家管理社會福利計劃外，購股權將根據對個別僱員表現的評估向僱員授出，以作獎勵。

### 訴訟及或然負債

- i) 於二零零八年四月二十五日，本公司一間中國附屬公司在中國收到訴訟狀，對方就聲稱由中國之附屬公司作出之擔保，向其索償總額約港幣23,000,000元（相等於約人民幣20,010,000元）。中國附屬公司已委任一間律師事務所，代表中國附屬公司對索償及訴訟進行抗辯。首次法院聆訊於二零零八年十月二十日舉行，經過多輪訴訟後，本公司於二零一零年六月十四日收到深圳市中級人民法院作出之民事裁定書（「裁定書」）。由於第一被告未能結付索賠額約港幣23,000,000元（相等於約人民幣20,010,000元），中國附屬公司須承擔任何差額之50%。

# Management Discussion and Analysis

## 管理層討論及分析

On 30 November 2010, the PRC subsidiary entered into a settlement agreement (“Settlement Agreement”) with the plaintiff pursuant to which the PRC subsidiary shall pay HK\$4,800,000 (equivalent to approximately RMB4,080,000) to the plaintiff within five days upon entering into the Settlement Agreement for settlement of all responsibilities and claims of the Judgment. Payment was made on 1 December 2010. On 2 December 2010, the Senior People’s Court of the Guangdong Province in the PRC approved the application for the withdrawal of the Judgment by the PRC subsidiary and the plaintiff.

Details of settlement are set out in the announcement of the Company dated 3 December 2010.

- ii) On 12 December 2009, the Company received a writ of summons from Global Tide Limited (“Global Tide”). Global Tide brought civil action in the High Court of the Hong Kong Special Administrative Region against the Company for compensation and damages of approximately HK\$8,834,000 (the “Claim”) in relation to the disposal of its former wholly-owned subsidiary, Magic Gain Investments Limited. Details of the Claim are set out in the announcement of the Company dated 16 December 2009.

The Company decided to defend against the Claim and obtained legal advice in respect of the merits of the Claim. The Board considered it is difficult to predict the outcome or give an estimate of ultimate liability at this stage.

- iii) The Group had arranged for bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. At 31 December 2010, the outstanding amount of the guarantees amounted to approximately RMB22,980,000 (31 December 2009: RMB90,759,000).

於二零一零年十一月三十日，中國附屬公司與原告訂立和解協議（「和解協議」），據此中國附屬公司須於訂立和解協議後五日內向原告支付港幣4,800,000元（相等於約人民幣4,080,000元），以清償裁定書之所有責任及索償。款項已於二零一零年十二月一日支付。於二零一零年十二月二日，中國廣東省高級人民法院批准中國附屬公司及原告之撤銷裁定書申請。

和解詳情載於本公司日期為二零一零年十二月三日之公告。

- ii) 於二零零九年十二月十二日，本公司收到怡太有限公司（「怡太」）之訴訟狀。怡太就本公司出售其前全資附屬公司Magic Gain Investments Limited所產生之損失賠償約港幣8,834,000元而向香港特別行政區高等法院對本公司提出民事索償（「索償」）。索償詳情載於本公司日期為二零零九年十二月十六日之公告。

本公司決定對索償進行抗辯，並將就索償之理據尋求法律意見。董事會認為於此階段難以預測索償結果或估計最終責任。

- iii) 本集團已為若干物業單位買家安排銀行融資，並就該等買家還款之責任提供擔保。於二零一零年十二月三十一日，未償還擔保金額約為人民幣22,980,000元（二零零九年十二月三十一日：人民幣90,759,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

### FINAL DIVIDEND

The Board do not recommend the payment of a final dividend for the year ended 31 December 2010 (for the six months ended 31 December 2009: Nil).

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the shareholders for their continuous support to the Company and extend my appreciation to all management and staff members for their contribution and dedication throughout the period.

By Order of the Board  
**China Uptown Group Company Limited**

**Chen Xian**  
*Chairman*

Hong Kong, 28 March 2011

### 末期股息

董事會建議不派發截至二零一零年十二月三十一日止年度之末期股息（截至二零零九年十二月三十一日止六個月：無）。

### 致謝

本人謹代表董事會就股東一直以來對本公司之鼎力支持以及全體管理層與員工於年內之寶貴貢獻及努力致謝。

承董事會命  
**中國上城集團有限公司**

**陳賢**  
*主席*

香港，二零一一年三月二十八日

## Biographical Details of Directors 董事簡介

### EXECUTIVE DIRECTORS

**Mr. Chen Xian**, aged 47, was appointed as an executive Director and vice-chairman of the Company on 12 October 2007 and was redesignated as Chairman of the Company on 30 November 2007. He is also a director of several subsidiaries of the Company. Mr. Chen is one of the founders of a sizeable property development company in Zhuhai, the PRC and has been a member of the senior management of a subsidiary of that company. Mr. Chen was mainly responsible for the investment and development of real estate projects of such companies. Before joining those companies, Mr. Chen worked as a senior member of certain stated-owned companies and the local authority. He has more than 15 years of extensive experience in the investment and development of real estate projects. He holds a Master Degree of Business Administration from the Asia International Open University (Macau).

Mr. Chen has entered into a service contract with the Company without a fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Chen is entitled to an annual remuneration of HK\$1,560,000, which is covered by his service contract, with discretionary bonus payment as determined by the remuneration committee of the Company based on Mr. Chen's and the Company's performance. The remuneration package of Mr. Chen is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

Save as disclosed above, Mr. Chen is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Chen did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, save as to the 3,500,000 options granted to him, Mr. Chen was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (the "SFO").

### 執行董事

**陳賢先生**，四十七歲，於二零零七年十月十二日獲委任為本公司之副主席和執行董事及於二零零七年十一月三十日調任為本公司主席。彼亦為本公司部份附屬公司之董事。陳先生為中國珠海市一所具規模物業發展公司之創辦人之一及曾為該公司附屬公司的高級管理層成員，主要負責該等公司地產項目的投資及開發。於加入該等公司前，陳先生曾任若干國有企業及地方政府之高級管理人員。彼在地產項目的投資及開發方面擁有超逾十五年的經驗。彼持有亞洲（澳門）國際公開大學商業行政學碩士學位。

陳先生已與本公司簽訂服務合約但無固定任期和須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權根據服務合約獲取年度酬金港幣1,560,000元及由本公司薪酬委員會按公司及其個人表現而決定的酌情花紅。該酬金乃基於陳先生之職務、責任及對公司業務投入時間而釐定。

除上述已披露者外，陳先生並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務及並無於本公司或其任何附屬公司擔任任何職位。於報告日期，除已獲授3,500,000份購股權外，彼並無於按證券及期貨條例（「證券及期貨條例」）第XV部所界定之股份中擁有權益。



## Biographical Details of Directors 董事簡介

**Mr. Lau Sai Chung**, aged 55, was appointed as an independent non-executive Director on 15 September 2006 and was re-designated as executive Director on 30 November 2007. Mr. Lau was also appointed as chief executive officer of the Company on 30 November 2007. He is currently also a director of several subsidiaries of the Company. Mr. Lau holds a Bachelor degree in Commerce with major in Accounting from the University of Alberta, Canada and has over 20 years' experience in the field of banking and finance both in Hong Kong and North America. Mr. Lau is also a Fellow member of the Institute of Canadian Bankers and The Hong Kong Institute of Directors.

Mr. Lau has entered into a service contract with the Company without a fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Lau is entitled to an annual package of HK\$1,430,000, which is covered by his service contract, with discretionary bonus payment as determined by the remuneration committee of the Company based on Mr. Lau's and the Company's performance. The remuneration package of Mr. Lau is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

As at the report date, Mr. Lau has personal interest in 148,000 Shares, representing 0.02% of the issued share capital of the Company and he has also been granted 3,352,000 options.

Save as disclosed above, Mr. Lau is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Lau and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, Mr. Lau was not interested or deemed to be interested in any other shares or underlying shares of the Company pursuant to Part XV of the SFO.

**劉世忠先生**，五十五歲，於二零零六年九月十五日獲委任獨立非執行董事和於二零零七年十一月三十日調任為執行董事，劉先生亦於二零零七年十一月三十日獲委任為本公司的行政總裁。彼現時亦擔任本公司部份附屬公司的董事。彼持有加拿大阿爾伯塔大學商學學士學位（主修會計）及於香港及北美洲之銀行及金融方面擁有逾二十年的豐富經驗。劉先生亦是加拿大銀行家學會及香港董事學會的資深會員。

劉先生已與本公司簽訂服務合約但無固定任期和須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權根據服務合約獲取年度薪酬福利港幣1,430,000元及由本公司薪酬委員會按公司及其個人表現而決定的酌情花紅。該酬金乃基於劉先生之職務、責任及對公司業務投入時間而釐定。

於本報告日期，劉先生持有本公司148,000股股份，約佔本公司股份權益0.02%及已獲授3,352,000份購股權。

除上述已披露者外，劉先生並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務及並無於本公司或其任何附屬公司擔任任何職位。於報告日期，彼並無於其他按證券及期貨條例第XV部所界定之股份中擁有權益。

## Biographical Details of Directors 董事簡介

**Mr. Xiong Jianrui**, aged 46, was appointed as an executive Director on 31 December 2008. Mr. Xiong graduated with a bachelor degree in Information Engineering from Xi Bei Institute of Telecommunications Engineering in 1983. He is currently a director of several subsidiaries of the Company. Mr. Xiong has over 25 years experience in automation & control industry, and is extensively experienced in business investment in the PRC and Hong Kong. Mr. Xiong was a non-executive director of T S Telecom Technologies Limited, a company listed on the Growth Enterprise Market of the Stock Exchange ("GEM") (Stock Code: 8003) from 2 October 2007 to 28 December 2007. He was appointed as an executive director of the Company (formally known as Techwayson Holdings Limited) since 16 May 2003 and appointed as chairman on 30 March 2004. On 4 November 2005, due to his personal commitments, he resigned as an executive director and chairman of the Company.

Mr. Xiong has entered into a service contract with the Company without a fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Xiong is entitled to an annual remuneration of HK\$780,000, which is covered by his service contract, with discretionary bonus payment as determined by the remuneration committee of the Company based on Mr. Xiong's and the Company's performance. The remuneration package of Mr. Xiong is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

Save as disclosed above, Mr. Xiong is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Xiong did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, save as to the 3,500,000 options granted to him, Mr. Xiong was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

**熊劍瑞先生**，四十六歲，於二零零八年十二月三十一日獲委任為執行董事。熊先生彼於一九八三年畢業於中國西北電訊工程學院，取得資訊工程學學士學位。熊先生現時為本公司部份附屬公司之董事。熊先生具有逾二十五年自動化及管理工作方面之經驗，且對中國及香港的業務投資非常熟悉。由二零零七年十月二日至二零零七年十二月二十八日期間，熊先生為大誠電訊科技有限公司（香港聯合交易所有限公司之創業板（「創業板」）上市公司，股份代號：8003）之非執行董事。熊先生由二零零三年五月十六日起獲委任為本公司（前稱德維森控股有限公司）之執行董事，並於二零零四年三月三十日獲委任為主席。二零零五年十一月四日，熊先生因須專注私人事務而辭任執行董事及主席職位。

熊先生已與本公司簽訂服務合約但無固定任期和須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權根據服務合約獲取年度酬金港幣780,000元及由本公司薪酬委員會按公司及其個人表現而決定的酌情花紅。該酬金乃基於熊先生之職務、責任及對公司業務投入時間而釐定。

除上述已披露者外，熊先生並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務。於本報告日期，除已獲授3,500,000份購股權外，彼並無於按證券及期貨條例第XV部所界定之股份中擁有權益。

## Biographical Details of Directors 董事簡介

**Ms. Xia Dan**, aged 43, was appointed as a non-executive Director on 21 August 2007 and was re-designated as an executive Director on 12 October 2007. Ms. Xia was re-designated as a non-executive Director on 31 December 2008 and re-designated as executive Director on 27 October 2010. Before Ms. Xia was appointed as a non-executive Director on 21 August 2007, she had been a member of the senior management of a sizeable property development company in Zhuhai, the PRC and was responsible for its project investments analysis. Ms. Xia also worked for various companies in the PRC and North America and has over 18 years of extensive experience in strategic planning and marketing in the fields of construction, financial and foreign trading industries. Ms. Xia graduated from Shenyang University with a Bachelor of Science in Architecture and holds a Master Degree of Business Administration from the New York Institute of Technology. Ms. Xia is a member of The Hong Kong Institute of Directors. She is currently also a director of several subsidiaries of the Company.

Ms. Xia has entered into a service contract with the Company without a fixed term and is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Ms. Xia is entitled to an annual remuneration of HK\$520,000, which is covered by her service contract, with discretion bonus payment as determined by the remuneration committee of the Company based on Ms. Xia's and the Company's performance. The remuneration package of Ms. Xia is determined by reference to her duties, responsibilities and expected time commitment to the Company's affairs.

As at the report date, Ms. Xia is the beneficial owner of Mega Edge International Limited which is a substantial shareholder of the Company holding 79,500,000 ordinary shares, representing 9.33% equity interest in the capital of the Company. Ms. Xia has also been granted 3,500,000 options. Ms. Xia is deemed to be interested in 79,500,000 ordinary shares of the Company held by Mega Edge International Limited under Part XV of the SFO.

**Xia Dan女士**，四十三歲，由二零零七年八月二十一日起已獲委任為本公司非執行董事及二零零七年十月十二日起已調任為本公司執行董事。Xia女士於二零零八年十二月三十一日起已調任為本公司非執行董事並於二零一零年十月二十七日起已調任為本司執行董事。於二零零七年八月二十一日受聘為非執行董事前，彼曾為中國珠海市一所具規模物業發展公司的高級管理層成員，主要負責其項目投資分析。Xia女士亦曾任職於多間中國及北美洲的公司，在建築、財務及外國貿易行業方面擁有超逾十八年的策略規劃及市場開拓經驗。彼畢業於瀋陽大學工學院，持有建築工程學士學位，及於New York Institute of Technology取得商業行政學碩士學位。Xia女士為香港董事學會成員，彼現時亦為本公司部份附屬公司之董事。

Xia女士已與本公司簽訂服務合約但無固定任期和須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權根據服務合約獲取年度酬金港幣520,000元及由本公司薪酬委員會按公司及其個人表現而決定的酌情花紅。該酬金乃基於Xia女士之職務、責任及對公司業務投入時間而釐定。

於本報告日期，Xia女士為Mega Edge International Limited之實益擁有人，該公司為本公司之一名主要股東，持有本公司79,500,000股普通股，約佔本公司股份權益9.33%。Xia女士已獲授3,500,000份購股權。按證券及期貨條例第XV部之涵義，Xia女士被視為擁有本公司股份中，由Mega Edge International Limited所持有的79,500,000股普通股之權益。



## Biographical Details of Directors 董事簡介

Save as disclosed above, Ms. Xia is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Ms. Xia did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, Ms. Xia was not interested or deemed to be interested in any other shares or underlying shares of the Company pursuant to Part XV of the SFO.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Poon Lai Yin, Michael**, aged 39, was appointed as an independent non-executive Director on 29 November 2006. Mr. Poon is also the chairman and a member of the audit committee and a member of nomination committee and remuneration committee of the Company. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He holds a bachelor degree in administrative studies from York University in Canada and a masters degree in practicing accounting with Monash University in Australia. Mr. Poon worked for an international accounting firm and was responsible for providing business advisory and assurance services for listed companies. He has over 15 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon had acted as an executive director and the chief financial officer of Hong Kong Life Group Holdings Limited (Stock Code: 8212), a company listed on the GEM since October 2010 and June 2010 respectively. He is the independent non-executive director of Sun International Group Limited (Stock Code: 8029), a company listed on GEM since September 2008. Mr. Poon is also an independent non-executive director of Sino Dragon New Energy Holdings Limited (Stock Code: 395), a company listed on main board of Stock Exchange, since January 2010. He was previously an independent non-executive director of Enviro Energy International Holdings Limited ("Enviro") (Stock code: 1102) for the period from December 2006 to July 2008 and company secretary and authorized representative of Enviro for the period from July 2008 to October 2008. Mr. Poon was the chief financial officer, qualified accountant, company secretary and authorised representative of Sunrise (China) Technology Group Limited (formerly named as Sonavox International

除上述已披露者外，Xia女士並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務。於本報告日期，彼並無於按證券及期貨條例第XV部所界定之股份中擁有權益。

### 獨立非執行董事

**潘禮賢先生**，三十九歲，於二零零六年十一月二十九日獲委任為獨立非執行董事。潘先生亦是審核委員會主席及成員及提名委員會和薪酬委員會之成員。他為香港會計師公會資深會員、澳洲會計師公會會員；潘先生持有加拿大約克大學(York University)行政學學士學位及澳洲Monash University實務會計碩士學位。彼曾任職某國際會計師事務所，為多間上市公司提供業務顧問及審計服務。潘先生於財務報告、業務顧問、審計、稅務、會計及收購合併方面擁有逾十五年工作經驗。潘先生自二零一零年十月及二零一零年六月起分別擔任聯交所創業板上市公司香港生命集團控股有限公司(股份代號：8212)之執行董事及財務總監。彼於自二零零八年九月為聯交所創業板上市公司太陽國際集團有限公司(股份代號：8029)之獨立非執行董事。潘先生自二零一零年一月起亦擔任一間聯交所主板上市之公司－中國龍新能源控股有限公司(股份代號：395)之獨立非執行董事。彼曾於二零零六年十二月至二零零八年七月為環能國際控股有限公司(「環能」)(股份代號：1102)之獨立非執行董事和曾於二零零八年七月至二零零八年十月為環能之公司秘書及授權代表。自二零零二年三月至二零零八年六月期間，潘先生為中昱科技集團有限公司(前



## Biographical Details of Directors 董事簡介

Holdings Limited) (Stock Code: 8226), which is a company listed on GEM of the Stock Exchange, from March 2002 to June 2008.

Mr. Poon has not entered into any written service agreement with the Company. Mr. Poon is appointed for a term of two years and is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Poon is entitled to an annual remuneration of HK\$180,000 without any bonus payment. The remuneration of Mr. Poon is not covered by any service contract. The remuneration package of Mr. Poon is determined by reference to performance of the Group and of Mr. Poon with reference to prevailing market conditions.

Save as disclosed above, Mr. Poon is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Poon did not hold any positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, save as to the 200,000 options granted to him, Mr. Poon was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

**Mr. Chong Yiu Chik**, aged 71, was appointed as an independent non-executive Director on 1 March 2008. Mr. Chong is also the chairman and member of nomination committee and a member of audit committee and remuneration committee of the Company. Mr. Chong graduated from Wuhan University in China with major in Politics and Economics. He is currently the director and general manager of Eliter International Development Limited and he has over 30 years management experience in the field of China and foreign trades. He is also the vice president of China's Foreign Trade Association, Honorary president of Shantou Overseas Friendship Association, Honorary Chairman of Universal Petrol- Chemical Development Limited and member of Standing Committee of Returned Oversea Chinese Association of Guangdong.

稱上聲國際控股有限公司)(股份代號：8226)財務總監、合資格會計師、公司秘書及法定代表，該公司為於聯交所創業板上市的公司。

潘先生並無與本公司訂立書面服務合約。潘先生獲委任年期為兩年並須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權獲取年度酬金港幣180,000元但並無任何花紅，潘先生之酬金並非由任何服務合約訂明支付。該酬金乃基於潘先生之職務、責任及對公司業務投入時間而釐定。

除上述已披露者外，潘先生並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務及並無於本公司或其任何附屬公司擔任任何職位。於本報告日期，除已獲授200,000份購股權外，彼並無於按證券及期貨條例第XV部所界定之股份中擁有權益。

**莊耀植先生**，七十一歲，於二零零八年三月一日獲委任為獨立非執行董事。莊先生亦是提名委員會主席及成員及審核委員會和薪酬委員會之成員。莊先生畢業於中國武漢大學，主修政治及經濟學。莊先生現時為意利達國際發展有限公司之董事及總經理，於國內及對外貿易範疇擁有逾三十年管理經驗。莊先生現時亦為中國對外貿易協會副理事長、汕頭海外聯誼會名譽會長、環球石油化工發展有限公司之名譽董事長及廣東省歸國華僑聯合會委員會委員。

## Biographical Details of Directors 董事簡介

Mr. Chong has not entered into any written services contract with the Company. Mr. Chong is appointed for a term of two years and is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Chong is entitled to an annual remuneration of HK\$180,000 without any bonus payment. The remuneration of Mr. Chong is not covered by any service contract. The remuneration package of Mr. Chong is determined by reference to performance of the Group and of Mr. Chong with reference to prevailing market conditions.

Save as disclosed above, Mr. Chong is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Chong did not hold any positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, save as to the 348,000 options granted to him, Mr. Chong was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

**Mr. Choi Kai Ming, Raymond**, aged 61, was appointed as an independent non-executive Director on 31 December 2008. Mr. Choi is also the chairman and member of remuneration committee and member of audit committee and nomination committee of the Company. Mr. Choi graduated with a bachelor degree in Production Engineering from The University of Aston in Birmingham, UK in 1976. In 1979, he was qualified as a member of the Institute of Chartered Accountants of England & Wales, and in 1980 as a member of the Hong Kong Institute of Certified Public Accountants. In the last thirty years he had served Price Waterhouse, China Light and Power, Guangdong Nuclear Power, China Everbright Holdings, as well as running his own accounting practice in Hong Kong. Mr. Choi was previously the company secretary, authorized representative and qualified accountant of Tai-I International Holdings Limited, a company listed on the main board of the Stock Exchange (Stock Code: 1808) since November 2006, Mr. Choi resigned as company secretary and authorized representative in April 2008 and resigned as qualified accountant on 31 December 2009.

莊先生並無與本公司訂立書面服務合約。莊先生獲委任年期為兩年並須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權獲取年度酬金港幣180,000元但並無任何花紅，莊先生之酬金並非由任何服務合約訂明支付。該酬金乃基於莊先生之職務、責任及對公司業務投入時間而釐定。

除上述已披露者外，莊先生並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務及並無於本公司或其任何附屬公司擔任任何職位。於本報告日期，除已獲授348,000份購股權外，彼並無於按證券及期貨條例第XV部所界定之股份中擁有權益。

**蔡繼明先生**，六十一歲，於二零零八年十二月三十一日獲委任為獨立非執行董事。蔡先生亦是薪酬委員會主席及成員及審核委員會和提名委員會之成員。蔡先生於一九七六年畢業於英國伯明翰的University of Aston，取得生產工程學學士學位，繼後於一九七九年取得英國皇家會計師及於一九八零年取得香港執業會計師資格。過往三十年他曾任職羅兵咸會計師事務所、中華電力有限公司、廣東核電聯營有限公司、中國光大集團有限公司及在香港開辦會計師事務所。蔡先生曾於二零零六年十一月開始於台一國際控股有限公司（香港聯合交易所有限公司之主板上市公司，股份代號：1808）任職公司秘書、授權代表及合資格會計師，至二零零八年四月辭任公司秘書及授權代表及於二零零九年十二月三十一日辭任合資格會計師。

## Biographical Details of Directors 董事簡介

Mr. Choi has not entered into any written service contract with the Company. Mr. Choi is appointed for a term of two years and is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Choi is entitled to an annual remuneration of HK\$180,000 without any bonus payment. The remuneration of Mr. Choi is not covered by any service contract. The remuneration package of Mr. Choi is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

Save as disclosed above, Mr. Choi is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Choi did not hold any positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this Report. As at the report date, save as to the 348,000 options granted to him, Mr. Choi was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

蔡先生並無與本公司訂立書面服務合約。蔡先生獲委任年期為兩年並須根據公司章程細則在本公司之股東週年大會上輪值退任及膺選連任。彼有權獲取年度酬金港幣180,000元但並無任何花紅，蔡先生之酬金並非由任何服務合約訂明支付。該酬金乃基於蔡先生之職務、責任及對公司業務投入時間而釐定。

除上述已披露者外，蔡先生並無與任何其他董事、高級管理人員、主要或控股股東有任何關係。除上述已披露者外，彼於本年報日之過往三年並無擔任其他上市公司之董事職務及並無於本公司或其任何附屬公司擔任任何職位。於本報告日期，除已獲授348,000份購股權外，彼並無於按證券及期貨條例第XV部所界定之股份中擁有權益。

# Corporate Governance Report

## 企業管治報告

The Board of Directors of the Company (the “Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The Company has applied the principles and complied with the code provisions and, where applicable, the recommended practices of the Code on Corporate Governance Practices (“Code”) as set out in Appendix 14 to the Rules Governing the listing of securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2010.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code during the year under review.

本公司董事會（「董事會」）及管理層致力達致高水準之企業管治慣例及程序。

於截至二零一零年十二月三十一日止年度內，本公司一直應用及遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）之原則及所有守則條文以及（在適用情況下）建議最佳常規。

### 董事進行證券交易之標準守則

本公司採納上市規則附錄十所載有關董事進行證券交易的標準守則，作為董事進行交易事宜的守則。於年內，向全體董事作出明確查詢後，本公司確認已遵守標準守則所載之標準規定。



# Corporate Governance Report 企業管治報告

## COMPOSITION AND BOARD PRACTICES

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. As at 31 December 2010, the Board consists of seven Directors, comprising four executive Directors and three independent non-executive Directors. More than one of the independent non-executive Director possess appropriate professional accounting qualifications and financial management expertise, which complies with the requirement of the Listing Rules.

### Executive Directors

Mr. CHEN Xian (*Chairman*)  
Mr. LAU Sai Chung (*Chief Executive Officer*)  
Mr. XIONG Jianrui  
Ms. XIA Dan (*re-designated from Non-executive Director on 27 October 2010*)  
Mr. TSIM Sze Hon (*resigned on 27 October 2010*)

### Independent Non-executive Directors

Mr. POON Lai Yin, Michael  
Mr. CHONG Yiu Chik  
Mr. CHOI Kai Ming, Raymond

The directors' biographical information are set out on pages 15 to 22 of this Annual Report. All executive Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. There is no relationship among the members of the Board of Directors.

The Board has delegated the executive Directors with authority and responsibility by handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganization or scheme arrangement of the Company.

## 董事會組成及董事會慣例

董事會負責集體監督管理本集團的業務及事宜，旨在提升股東價值。於二零一零年十二月三十一日，董事會合共由七名董事組成，當中包括四名執行董事及三名獨立非執行董事。超過一名獨立非執行董事具有所須的專業資歷或上市規則規定之會計或相關財務管理專業知識。

### 執行董事

陳賢先生 (主席)  
劉世忠先生 (行政總裁)  
熊劍瑞先生  
XIA Dan女士 (於二零一零年十月二十七日由  
非執行董事調任)  
詹詩瀚先生 (於二零一零年十月二十七日辭任)

### 獨立非執行董事

潘禮賢先生  
莊耀植先生  
蔡繼明先生

董事履歷詳情載於本年報第15至第22頁。所有執行董事均就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需之足夠經驗，以有效執行彼之職務。董事會成員之間並無關係。

董事會已將處理本公司一切管理及日常營運工作轉授本公司之執行董事負責，惟若干重要事項仍需經董事會批准。需由董事會作出決定之類別包括年度及中期財務匯報及監控、股本集資、宣派中期股息及建議末期股息或其他分派、根據上市規則第十四及十四A章須予公佈之交易，以及就本公司之股本重組或計劃安排作出建議。

# Corporate Governance Report

## 企業管治報告

The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his duties as a Director may convene, or request the secretary of the Company to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company adopts the practice of holding meetings of the Board regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of meeting of the Board will be sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notice will be given to Directors for ad-hoc board meetings. Directors may participate either in person or through electronic means of communications.

During the year, four meetings of the Board were held, Directors are provided with relevant information to make informed decisions. The attendance of Directors at the Board Meetings and the Board Committees' Meetings is set out in the table below:

董事會及各董事可自行接觸本公司之高級管理層。董事如認為需要獨立專業意見，以履行其為董事之責任，可召開或要求本公司之秘書召開董事會會議，批准徵求獨立法律或其他專業意見。

本公司採納定期（一年最少四次，約每季一次）舉行董事會會議的措施。倘需要討論整體策略以及本集團的經營及財務表現，亦會召開臨時董事會會議。董事會會議通告將於最少日常董事會舉行前十四天送發予所有董事。就臨時董事會會議而言，合理通告亦會給予董事。董事可親身或透過電子通訊方式出席會議。

年內，已舉行之四次董事會會議，董事已提供相關資料以作出知情決定。董事會及董事委員會各成員之會議出席情況載列於下表：

Name of Directors 董事姓名		Meetings attended/Eligible to attend 出席會議／合資格出席之會議			
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
<b>Executive Directors</b>	<b>執行董事</b>				
Mr. CHEN Xian	陳賢先生	4/4	-	-	-
Mr. LAU Sai Chung	劉世忠先生	4/4	-	-	-
Mr. XIONG Jianrui	熊劍瑞先生	4/4	-	-	-
Ms. XIA Dan (re-designated from Non-executive Director on 27 October 2010)	XIA Dan女士 (於二零一零年十月 二十七日由非執行 董事調任)	4/4	-	-	-
Mr. TSIM Sze Hon (resigned on 27 October 2010)	詹詩瀚先生 (於二零一零年 十月二十七日辭任)	2/2	-	-	-
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>				
Mr. POON Lai Yin, Michael	潘禮賢先生	4/4	2/2	2/2	2/2
Mr. CHONG Yiu Chik	莊耀植先生	4/4	2/2	2/2	2/2
Mr. CHOI Kai Ming, Raymond	蔡繼明先生	4/4	2/2	2/2	2/2

# Corporate Governance Report 企業管治報告

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer are segregated and are held by Mr. CHEN Xian and Mr. LAU Sai Chung respectively. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the Chief Executive Officer takes the lead in the Group's operations and business development. There is a clear division of responsibilities between the Chairman and Chief Executive Officer of the Company which provides a balance of power and authority.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are appointed for a term of two years and subject to re-election on retirement by rotation at the annual general meeting in accordance with the Company's articles of association (the "Articles"). One of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received the annual confirmation of independence from each of the independent non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

## NOMINATION COMMITTEE

The Company established a Nomination Committee with written terms of reference in compliance with the code provision of the Code. The existing Nomination Committee has the following three members:

### Independent non-executive Directors

Mr. CHONG Yiu Chik (*Chairman*)  
Mr. POON Lai Yin, Michael  
Mr. CHOI Kai Ming, Raymond

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

## 主席及行政總裁

主席及行政總裁之角色已予區分及已分別由陳賢先生及劉世忠先生出任。主席負責本集團之策略規劃及管理董事會運作，而行政總裁則領導本集團之經營及業務發展。本公司主席與行政總裁之間分工清晰，以確保權力及授權分佈均衡。

## 獨立非執行董事

獨立非執行董事任期兩年並須根據本公司之公司細則（「公司細則」）之規定於股東週年大會上輪值退任及膺選連任。根據上市規則第3.10條，其中一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長。本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認書。本公司認為全體獨立非執行董事均具備獨立身份。

## 提名委員會

本公司成立提名委員會並遵守守則條文訂立書面職權範圍。提名委員會現共有以下三名成員：

### 獨立非執行董事

莊耀植先生 (*主席*)  
潘禮賢先生  
蔡繼明先生

提名委員會已採納書面提名程序，列明挑選及建議本公司董事候選人之過程及準則。

# Corporate Governance Report

## 企業管治報告

The functions of the nomination committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

Potential new Directors are identified and submitted to the Nomination Committee for approval. The nomination of Directors should take into consideration the candidate's qualification, ability and potential contribution to the Company. A candidate to be appointed as an independent non-executive Director must also satisfy the independence criteria set out in Rule 3.13 of the Listing Rules.

During the year, no Director was appointed, two meetings were held by the nomination committee to consider the changes of the Directors and to recommend the re-appointment of the Directors standing for re-election at the annual general meeting of the Company, reviewed its own size, structure as well as composition, and assessed the independence of independent non-executive Directors.

### REMUNERATION COMMITTEE

The Company established a Remuneration Committee with the written terms of reference in compliance with the code provision of the Code. The Remuneration Committee has the following three members:

#### Independent non-executive Directors

Mr. CHOI Kai Ming, Raymond (*Chairman*)  
Mr. POON Lai Yin, Michael  
Mr. CHONG Yiu Chik

The principal responsibilities of the Remuneration Committee are making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all executive Directors and senior management by reference to the corporate goals and objectives resolved by the Board from time to time.

提名委員會之功能為檢討及監督董事會之架構、規模及組成；物色合資格人士出任董事會成員；評估獨立非執行董事之獨立性，以及向董事會就委任及重選董事作出推薦建議。

候任新董事被物色後，均須提呈董事會審批。提名董事時須考慮候選人之資歷、能力及對本公司之潛在貢獻。獲委任為獨立非執行董事之候選人，亦須符合上市規則第3.13條所載之獨立性準則。

年內，沒有委任新董事，而提名委員會召開了兩次會議，藉以考慮董事變更及建議將於本公司週年大會上膺選連任之董事；檢討董事會之規模、結構及組成；以及評估獨立非執行董事之獨立性。

### 薪酬委員會

本公司成立薪酬委員會並遵守守則條文訂立書面職權範圍。薪酬委員會現共有以下三名成員：

#### 獨立非執行董事

蔡繼明先生 (*主席*)  
潘禮賢先生  
莊耀植先生

薪酬委員會之主要職責為就本公司全體董事及高級管理層之薪酬政策及架構，並審閱執行董事及高級管理層之薪酬福利，而向董事會提供建議。並參考董事會不時決議之企業目標及目的，審閱全部執行董事及高級管理層之具體薪酬方案。



# Corporate Governance Report

## 企業管治報告

Details of the remuneration of Directors are set out in Note 16 to the consolidated financial statements. During the year, two meetings for Remuneration Committee were held for, inter alia, reviewing the remuneration policy and structure for as well as the remuneration packages of all Directors and the Senior Management and to review the remuneration package of a re-designated Director during the year. No Director was involved in deciding his own remuneration.

### AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the code provisions of the Code. As at the date of this report, the Audit Committee of the Company consists of the following members:

#### Independent non-executive Directors

Mr. POON Lai Yin, Michael (*Chairman*)  
Mr. CHONG Yiu Chik  
Mr. CHOI Kai Ming, Raymond

The chief responsibilities of the audit committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of internal control system of the Group.

During the year, the Audit Committee reviewed and made recommendation to the Board for approval of the audited results of the Group for the year ended 31 December 2010 and the unaudited interim results for the six months ended 30 June 2010, discussed the accounting policies and practices which may affect the Group with the management and the Company's auditors, made recommendation on the re-appointment of external auditors for the approval of the shareholders in the annual general meeting of the Company, reviewed the fees charged by the external auditors; and reviewed the internal control system of the Group.

董事酬金之詳情載列於綜合財務報表附註16。年內，薪酬委員會召開了兩次會議，藉以（其中包括）檢討本公司全部董事及高級管理層之薪酬政策，結構及薪酬組合以及年內新委任董事之薪酬組合，亦概無董事參予釐定本身之酬金。

### 審核委員會

本公司成立審核委員會並遵守守則條文訂立書面職權範圍。於本報告日期，審核委員會現共有以下成員：

#### 獨立非執行董事

潘禮賢先生 (*主席*)  
莊耀植先生  
蔡繼明先生

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱中期報告、年報及本集團賬目；以及監察財務申報程序及本集團內部監控系統是否有效。

年內，審核委員會曾審閱並建議董事會批准本集團截至二零一零年十二月三十一日止年度之經審核業績及截至二零一零年六月三十日止六個月之未經審核中期業績與管理層及本公司之核數師討論對本集團有影響之會計政策及實務、建議股東於股東週年大會上批准續聘外聘核數師，審閱外聘核數師支取之費用，以及審閱本集團之內部監控系統。

# Corporate Governance Report 企業管治報告

## AUDITOR'S REMUNERATION

The audit works of the Group for the year ended 31 December 2010 were performed by SHINEWING (HK) CPA Limited.

The total fee paid/payable in respect of the statutory audit and non-audit services provide by external auditors is set out in the following table:

## 核數師酬金

本集團截至二零一零年十二月三十一日止年度之核數工作由信永中和(香港)會計師事務所有限公司處理。

外聘核數師所提供之法定核數及非核數服務之已付／應付之費用總數載列於下表：

Services rendered	所提供服務	Fee paid/payable 已付／應付費用	
		For the year ended 31 December 2010 截至二零一零年 十二月三十一日 止年度 HK\$'000 千港元	For the six month ended 31 December 2009 截至二零零九年 十二月三十一日 止六個月 HK\$'000 千港元
SHINEWING (HK) CPA Limited	信永中和(香港)會計師事務所有限公司		
— Audit services	— 核數服務	950	735
— Non-audit services	— 非核數服務		
Major transactions	主要交易	450	600
Interim review	中期審閱	480	—
<b>Total fee paid/payable for the year/period</b>	<b>年／期內已付／應付之費用總數</b>	<b>1,880</b>	<b>1,355</b>

# Corporate Governance Report 企業管治報告

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements at the end of the reporting period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 December 2010, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The statement by the auditors of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 45 to 47 of this Annual Report.

## INTERNAL CONTROLS

The Board has the overall responsibility for maintaining a sound and effective system of internal control and for reviewing its effectiveness, particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Company's business strategies and the Group's business operations. The Directors have adopted an internal control policy for the Group. The internal control is fundamental to the successful operation and day-to-day running of a business and to assists the Company in achieving its business objectives. The policy has been developed with the primary objective of providing general guidance and recommendations on a basic framework of internal control and risk management. The Company's internal control system comprises a well established organizational structure and policies and standards. Procedures have been designed to safeguard assets against unauthorized use or disposition, to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable laws and regulations. The purpose of the Company's internal control is to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks or failure in operational systems and achievement of the Company's objective.

## 董事對綜合財務報表之責任

董事確認彼等有責任編製各期結日之綜合財務報表，對期內本集團事務、業績及現金流量提供真實及公平之意見。在編製截至二零一零年十二月三十一日止年度之綜合財務報表時，董事已貫徹採用合適之會計政策，作出審慎、公平而合理之判斷及推測，並按持續經營基準編製綜合財務報表。本公司核數師就本集團之綜合財務報表所申報之責任載於本年報第45至47頁之獨立核數師報告書。

## 內部監控

董事會有整體責任維持一套穩健而有效之內部監控系統，並特別就財務、運作、合規及風險管理之控制檢討其效率，以達到本公司之經營策略及本集團之業務運作。董事已為本集團採納一套內部監控政策。內部監控政策乃成功運作及日常業務運作之基礎，有助本公司達到其經營目標。所發展之政策，主要目的乃為基本內部監控框架及風險管理方面提供整體指引及建議。本公司之內部監控系統包括成熟組織架構及完善政策及準則。本公司已設計程序，以保障資產免受未經授權使用或處置之影響，確保為提供作內部使用或公開發放之可靠財務資料維持妥善會計紀錄，並確保遵守適用之法律及法規。本公司之內部監控旨在就重大錯誤陳述或損失提供合理（惟並非絕對）保障，並管理（而非完全杜絕）運作系統失效之風險，以及達到本公司之目標。



# Corporate Governance Report

## 企業管治報告

During the year, the Directors have conducted an annual review of the effectiveness of the system of internal control of the Group, covering all material controls, including financial, operational and compliance controls and risk management functions.

### COMMUNICATION WITH SHAREHOLDERS

The Board makes its endeavour to maintain an ongoing and transparent communication with all shareholders and, in particular, use general meetings to communicate with shareholders and encourage their participation. The Company also uses various other means of communication with its shareholders, such as publication of annual and interim reports, announcements, circulars and additional information on the Group's business activities and development on the Company's website: [www.chinauptown.com.hk](http://www.chinauptown.com.hk).

年內，董事已就本集團內部監控系統之效率進行週年審查，當中包括所有重大監控，包括財務監控、運作監控、合規監控以及風險管理功能。

### 股東通訊

董事會致力不斷維持與全體股東之間具透明度的通訊，特別是以股東大會與股東溝通及鼓勵參與。本公司亦透過各種其他方式與股東通訊，包括刊登年報及中期報告、公佈、通函以及有關本集團業務活動及發展之其他資料於本公司之網站：[www.chinauptown.com.hk](http://www.chinauptown.com.hk)。

# Report of Directors

## 董事會報告

The directors of the Company are pleased to present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2010.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are engaged in (i) property development; (ii) property investment; (iii) trading of electronic related components, mobile phone modules and automation products; and (iv) technology automation and handsets project. Details of the principal subsidiaries are set out in Note 46 to the consolidated financial statements.

An analysis of the Group's turnover by business segments and geographical segments for the year ended 31 December 2010 is set out in Note 10 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December 2010 are set out in this annual report on pages 48 to 166. The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2010.

### FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PREPAID LEASE PAYMENTS

Details of movements in the property, plant and equipment, investment properties and prepaid lease payments of the Group during the year are set out in Notes 17 to 19 to the consolidated financial statements.

本公司董事謹此欣然提呈本集團截至二零一零年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司。本公司及其附屬公司（「本集團」）之主要業務為(i)物業發展；(ii)物業投資；(iii)電子相關元件、手機組件及自動化產品貿易；及(iv)技術自動化及手機項目。有關本公司主要附屬公司的詳情載於綜合財務報表附註46。

本集團截至二零一零年十二月三十一日止年度營業額業務分類及地區分類的分析載於綜合財務報表附註10。

### 業績及股息

本集團截至二零一零年十二月三十一日止年度之業績載於本年報第48至166頁。本公司董事不建議派發任何二零一零年十二月三十一日止年度股息。

### 五年財務摘要

本集團過去五個財政年度已公佈之業績、資產及負債及少數股東權益概要（節錄自經審核綜合財務報表）載於本年報第4頁。此概要並不構成經審核綜合財務報表之部份。

### 物業、機器及設備，投資物業及租賃預付款項

本集團於年內之物業、機器及設備，投資物業及租賃預付款項之變動詳情載於綜合財務報表附註17至19。

## ORDINARY SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's ordinary share capital and share options are set out in Notes 35 and 40 to the consolidated financial statements.

## REDEEMABLE CONVERTIBLE PREFERENCE SHARES

Details of the redeemable convertible preference shares issued by the Company during the year are set out in Note 36 to the consolidated financial statements.

## CONVERTIBLE BONDS

Details of the convertible bonds issued by the Company during the year are set out in Note 34 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association and the laws of the Cayman Islands which would oblige the Company to offer new shares of the Company on a pro rata basis to existing shareholders.

## REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

## RESERVES

Details of movement in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 51 to 52 of this annual report.

## 普通股本及購股權

本公司之普通股本及購股權變動詳情載於綜合財務報表附註35及40。

## 可轉換可贖回優先股

本公司於年內發行之可轉換可贖回優先股之詳情載於綜合財務報表附註36。

## 可換股債券

本公司於年內已發行之可換股債券之詳情載於綜合財務報表附註34。

## 優先購買權

根據本公司之公司細則及開曼群島法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行本公司之新股份。

## 購買、出售及贖回上市證券

於二零一零年十二月三十一日年度內，本公司或其任何附屬公司於年內概無購入、出售或贖回任何本公司股份。

## 儲備

本集團於年內之儲備變動詳情載於本年報第51至52頁之綜合權益變動表中。

# Report of Directors

## 董事會報告

### DISTRIBUTABLE RESERVES

At the end of the reporting period, the Company did not have any reserves available for cash/in specie dividend distribution to shareholders of the Company.

### MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers during the year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總計

At no time during the year, none of the Directors, their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's share capital) had any beneficial interest in the major customers and suppliers disclosed above.

### DIRECTORS

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

#### Executive Directors

Mr. CHEN Xian (*Chairman*)  
Mr. LAU Sai Chung (*Chief Executive Officer*)  
Mr. XIONG Jianrui  
Ms. XIA Dan (*re-designated from a Non-executive Director on 27 October 2010*)  
Mr. TSIM Sze Hon (*resigned on 27 October 2010*)

#### Independent Non-executive Directors

Mr. CHONG Yiu Chik  
Mr. POON Lai Yin, Michael  
Mr. CHOI Kai Ming, Raymond

### 可供分派儲備

於期結日，本公司概無現金／實物可用作股息分派予本公司股東之儲備。

### 主要客戶及供應商

年內，本集團主要客戶應佔銷售額及供應商應佔採購額詳情如下：

#### Percentage of the Group's total 佔本集團總額百分比

		Sales 銷售額	Purchases 採購額
The largest customer	最大客戶	12%	—
Five largest customers in aggregate	五大客戶總計	49%	—
The largest supplier	最大供應商	—	48%
Five largest suppliers in aggregate	五大供應商總計	—	64%

董事、彼等之聯繫人士或根據董事所知擁有本公司股本5%以上之任何股東概無於年內任何時間擁有上述主要客戶及供應商之任何權益。

### 董事

以下為年內及截至本報告日期之本公司董事：

#### 執行董事

陳賢先生 (*主席*)  
劉世忠先生 (*行政總裁*)  
熊劍瑞先生  
XIA Dan女士 (*於二零一零年十月二十七日  
由非執行董事調任*)  
詹詩瀚先生 (*於二零一零年十月二十七日辭任*)

#### 獨立非執行董事

莊耀植先生  
潘禮賢先生  
蔡繼明先生



In accordance with Article 87(1), Mr. CHEN Xian, Mr. Xiong Jianrui and Ms. XIA Dan will retire from office by rotation at the forthcoming annual general meeting, being eligible, offer themselves for re-election at the AGM.

## BIOGRAPHIES OF DIRECTORS

Biographical details of the directors of the Company are set out on pages 15 to 22 of this annual report.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company without fixed term. Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by the Board of Directors as its absolute discretion having regard to the operation results of the Company.

No Director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Company within one year without payment other than statutory compensation.

## DIRECTORS' INTERESTS IN CONTRACTS

No Director of the Company had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the year ended 31 December 2010.

## INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, namely Mr. POON Lai Yin, Michael, Mr. CHONG Yiu Chik, and Mr. CHOI Kai Ming, Raymond, an annual confirmation of their independence pursuant to the Listing Rules and the Company considers all of the independent non-executive Directors are independent.

## EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors of the Company and the highest paid individuals of the Group are set out in Note 16 to the consolidated financial statements.

按照公司細則第87(1)條規定，陳賢先生，熊劍瑞先生及XIA Dan女士將於應屆股東週年大會上輪值退任，並符合資格，願意於股東週年大會上膺選連任。

## 董事簡歷

本公司董事簡歷詳情載於本年報第15至22頁。

## 董事服務合約

每位執行董事已與本公司簽訂服務協議並沒有固定任期。各執行董事或可酌情收取花紅，有關金額將由董事會全權酌情按本公司之經營業績而釐定。

本公司並無與擬於應屆股東週年大會上重選連任之本公司董事訂立任何不可由本公司於一年內無償終止（法定補償除外）之服務合約。

## 董事合約權益

於本公司或其任何附屬公司截至二零一零年十二月三十一日止年度內任何時間訂立與本集團業務有重大關連之任何合約中，本公司董事概無擁有任何直接或間接之重大實益權益。

## 確認獨立性

本公司已接獲各獨立非執行董事（即潘禮賢先生、莊耀植先生及蔡繼明先生）按照上市規則發出之獨立性年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

## 董事及五位最高薪人士酬金

本公司董事及本集團最高薪人士的酬金詳情載於綜合財務報表附註16。

# Report of Directors

## 董事會報告

### EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period are set out in Note 48 to the consolidated financial statements.

### CONNECTED TRANSACTION

Details of the related party and connected party transactions are set out in Note 45 to the consolidated financial statements.

### EMOLUMENT POLICY

The emoluments of the directors of the Company are determined by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

### DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

At 31 December 2010, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (1) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (3) which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") to be notified to the Company and the Stock Exchange, were as follows:

### 報告期結日後事項

報告期結日後事項之詳情於綜合財務報表附註48刊載。

### 關連交易

關連人士交易及關連交易之詳情於綜合財務報表附註45刊載。

### 薪酬政策

本公司董事之酬金乃根據本公司之經營業績、個人表現及可比較市場數據由薪酬委員會釐定。

### 本公司董事於股份及相關股份的權益及淡倉

於二零一零年十二月三十一日，本公司之董事或主要行政人員於本公司及其相聯公司（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有(1)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；或(2)須記入根據證券及期貨條例第352條須設立的登記冊的權益及淡倉；或(3)根據上市公司董事進行證券交易的標準守則（「標準守則」）而須通知本公司及聯交所之權益及淡倉如下：

Name of Director	董事姓名	Number of Shares held		Number of options held		Total	Approximate percentage of shareholding
		Personal Interest	Corporate Interest	Personal Interest	Personal Interest		
		所持購股權數目	所持購股權數目	所持購股權數目	所持購股權數目	總數	持股概約百分比
Ms. XIA Dan (Note)	XIA Dan女士 (附註)	-	79,500,000	3,500,000	-	83,000,000	9.74
Mr. Chen Xian	陳賢先生	-	-	3,500,000	-	3,500,000	0.41
Mr. LAU Sai Chung	劉世忠先生	148,000	-	3,352,000	-	3,500,000	0.41
Mr. Xong Jianrui	熊劍瑞先生	-	-	3,500,000	-	3,500,000	0.41
Mr. Poon Lai Yin, Michael	潘禮賢先生	-	-	200,000	-	200,000	0.02
Mr. Choi Kai Ming, Raymond	蔡繼明先生	-	-	348,000	-	348,000	0.04
Mr. Chong Yiu Chik	莊耀植先生	-	-	348,000	-	348,000	0.04
Mr. Tsim Sze Hon (resigned on 27 October 2010)	詹詩瀚先生 (於二零一零年十月二十七日辭任)	-	-	2,000,000	-	2,000,000	0.23

# Report of Directors 董事會報告

Note: Ms. Xia Dan ("Ms. Xia") is taken to be interested in 79,500,000 shares held by Mega Edge International Limited which is 100% owned by Ms. Xia. By virtue of the SFO, Ms. Xia is deemed to have interest of the Shares held by Mega Edge International Limited.

附註：Xia Dan女士（「Xia女士」）被視為擁有Mega Edge International Limited所持有79,500,000股之100%權益。根據證券及期貨條例，Xia女士被視為擁有Mega Edge International Limited之實益控制權。

Save as disclosed above, at 31 December 2010, none of the Directors and chief executive of the Company nor their associates had any interest or short position in shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一零年十二月三十一日，本公司董事及行政人員概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置之登記冊或根據標準守則須知會本公司及聯交所的任何權益及淡倉。

## Substantial Shareholders

At 31 December 2010, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO.

## 主要股東

於二零一零年十二月三十一日，董事獲悉以下人士（除本公司董事或行政人員外）於本公司股份或相關股份中擁有權益或淡倉而根據證券及期貨條例第XV第2及3分部或根據證券及期貨條例第336條之規定須向本公司披露。

(i) Long position in ordinary shares

(i) 於普通股之權益

Substantial Shareholder	Capacity and nature of interest	Number of shares held	Approximate percentage of total issued ordinary shares
主要股東	身份及權益性質	所持股份數目	普通股份合計之概約百分比
Mega Edge International Limited (note)	Registered Shareholder		
Mega Edge International Limited (附註)	註冊股東	79,500,000	9.33%
Mr. Chak Joaquim Emilio Kin Man	Registered Shareholder		
翟健民先生	註冊股東	96,824,000	11.36%
Ms. Wong Sio Leng	Registered Shareholder		
黃少玲女士	註冊股東	115,000,000	13.50%
Mr. Ho Man Hung	Registered Shareholder		
何敏雄先生	註冊股東	226,800,000	26.62%

# Report of Directors

## 董事會報告

Note: Mega Edge International Limited, which is 100% owned by Ms. Xia Dan, an executive Director of the Company. By virtue of the SFO, Ms. Xia is deemed to have interest of Shares held by Mega Edge International Limited.

附註：本公司之執行董事Xia Dan女士於Mega Edge International Limited擁有100%實益控制權。根據證券及期貨條例，Xia女士被視為擁有Mega Edge International Limited之實益控制權。

### (ii) Long position in underlying shares

### (ii) 於相關股份之權益

Name	Capacity and nature of interest	Number of underlying shares held	Approximate percentage of total issued ordinary shares
名稱	身份及權益性質	所持相關股份數目	估已發行普通股份合計之概約百分比
<i>Preference shares:</i>			
<i>優先股股份：</i>			
Weina (BVI) Limited ("Weina") (note 1)	Beneficial owner		
Weina (BVI) Limited (「榮瀚」) (附註1)	實益擁有着	115,789,474	13.59%
Weina Group Limited ("Weina Group") (note 2)	Interest of a controlled corporation		
榮瀚集團有限公司 (「榮瀚集團」) (附註2)	受控制公司之權益	115,789,474	13.59%
Mr. TSIM Wing Kong ("Mr. Tsim") (note 2)	Interest of a controlled corporation		
詹榮光先生 (「詹先生」) (附註2)	受控制公司之權益	115,789,474	13.59%
Best Contact Holdings Limited ("Best Contact") (note 1 and 2)	Beneficial owner		
Best Contact Holdings Limited (「Best Contact」) (附註1及2)	實益擁有着	242,105,263	28.42%
Mr. Xu Deliang (note 2)	Interest of a controlled corporation		
Xu Deliang先生 (附註2)	受控制公司之權益	242,105,263	28.42%
<i>Convertible bonds:</i>			
<i>可換股債券：</i>			
Zilver Yuan Investment Partners Ltd. ("Zilver Yuan") (note 3)	Interest of a controlled corporation		
銀元投資有限公司 (「銀元」) (附註3)	受控制公司之權益	271,186,440	31.83%
Bank of China Group Investment Limited ("BOCGI") (note 3)	Interest of a controlled corporation		
中銀集團投資有限公司 (「中銀集團投資」) (附註3)	受控制公司之權益	271,186,440	31.83%
Bank of China Limited ("BOC") (note 3)	Interest of a controlled corporation		
中國銀行股份有限公司 (「中國銀行」) (附註3)	受控制公司之權益	271,186,440	31.83%
Central Huijin Investment Ltd. ("Huijin") (note 3)	Beneficial owner		
中央匯金投資有限責任公司 (「匯金」) (附註3)	實益擁有着	271,186,440	31.83%



### Notes:

1. The Company entered into a subscription and option agreement on 26 May 2006 with Weina and through such agreement and the exercise of option by the Company, Weina is interested in 350,000,000 convertible redeemable preference shares of the Company and has the right to convert the aforesaid shares in 350,000,000 Shares (based on its initial conversion price). On 2 June 2009, the Company and Weina entered into a first supplemental agreement to extend the conversion period for the aforesaid shares for a further 12 months from the expiry date of the conversion period under the subscription and option agreement. By a second supplemental agreement dated 23 October 2009, the conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the convertible redeemable preference shares shall become transferable. On 25 May 2010, Weina transferred 225,000,000 convertible redeemable preference shares to Best Contact. On 31 August 2010, Weina further transferred 50,000,000 convertible redeemable preference shares to certain individuals. On 17 March 2011, Weina further transferred 75,000,000 convertible redeemable preference shares to Best Contact.

Moreover, the Company entered into a sale and purchase agreement on 17 November 2006 with Weina Holdings Limited and through such agreement, Weina (as designated by Weina Holdings Limited) is interested in 110,000,000 convertible redeemable preference A shares of the Company and has the right to convert the aforesaid preference A shares into 110,000,000 Shares. Weina Group Limited owns the entire issued share capital of Weina and is therefore deemed to have interests in the underlying Shares in which Weina is interested. By a supplemental agreement dated 23 October 2009, the conversion period for the aforesaid preference A shares is extended for a further 12 months from the expiry date of the conversion period; the said conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the convertible redeemable preference A shares

### 附註：

1. 本公司已於二零零六年五月二十六日與榮瀚簽訂一份認購及選擇認股權協議，而透過協議及本公司行使選擇認股權，榮瀚擁有本公司350,000,000股可轉換可贖回優先股股份權益及有權將該等股份轉換為350,000,000普通股股份（根據初步換股價）。於二零零九年六月二日，本公司與榮瀚訂立首份補充協議，將上述股份之兌換期間由認購及選擇認股權協議項下兌換期間之屆滿日期延長另外12個月。根據日期為二零零九年十月二十三日之第二份補充協議，兌換期間將由上述兌換期間之屆滿日期起自動延長12個月，除非(i)榮瀚於上述兌換期間屆滿日期前7日向本公司發出書面通知，指出其無意將上述兌換期間延長另外12個月，及(ii)本公司於收到上述通知後同意不會將上述兌換期間延長另外12個月。亦協定可轉換可贖回優先股股份將可轉讓他人。於二零一零年五月二十五日，榮瀚轉讓225,000,000股可轉換可贖回優先股股份至Best Contact。於二零一零年八月三十一日，榮瀚進一步轉讓50,000,000股可轉換可贖回優先股股份至若干個別人士。於二零一一年三月十七日，榮瀚進一步轉讓75,000,000股可轉換可贖回優先股股份至Best Contact。

同時，本公司已於二零零六年十一月十七日與榮瀚集團有限公司簽訂一份買賣協議，透過協議，榮瀚（由榮瀚集團有限公司指定）擁有本公司110,000,000股可轉換可贖回優先A股股份權益及有權將該等優先A股股份轉換為110,000,000股股份。榮瀚集團有限公司持有榮瀚之全部已發行股本，因此被視為於榮瀚所持相關股份中擁有權益。根據日期為二零零九年十月二十三日之補充協議，上述優先A股股份之兌換期間由兌換期間之屆滿日期延長另外12個月；上述兌換期間將由上述兌換期間之屆滿日期起自動延長12個月，除非(i)榮瀚於上述兌換期間屆滿日期前7日向本公司發出書面通知，指出其無意將上述兌換期間延長另外12個月，及(ii)本公司於收到上述通知後同意不會將上述兌換期間延長另外12個月。亦協定可轉換可贖回優先A股股份將可轉讓。於二零一零年五月二十五日，榮瀚轉讓5,000,000股可轉換可贖回優先A股股份予Best Contact。於二零一零年八月三十一日，榮瀚進一步轉讓70,000,000

# Report of Directors

## 董事會報告

shall become transferable. On 25 May 2010, Weina transferred 5,000,000 convertible redeemable preference A shares to Best Contact. On 31 August 2010, Weina further transferred 70,000,000 convertible redeemable preference A shares to certain individuals. On 17 March 2011, Weina further transferred 35,000,000 convertible redeemable preference A shares to Best Contact.

In accordance with the terms and conditions of the convertible redeemable preference shares and the convertible redeemable preference A shares, the conversion price of the convertible redeemable preference shares and the convertible redeemable preference A shares will be adjusted as a result of the issue of the Convertible Bonds. The calculation of the shareholding structure above is based on the adjusted conversion price, which will only be effective upon the completion of the issue of the convertible bonds on 1 December 2010.

Weina Group Limited owns the entire issued share capital of Weina and is therefore deemed to have interests in the underlying Shares in which Weina is interested. Mr. Tsim Wing Kong is deemed to be interested in the underlying Shares by virtue of his controlling interest in Weina Group Limited. Mr. Tsim Wing Kong is the father of Mr. Tsim Sze Hon, an executive Director.

2. Best Contact is legally and beneficially owned by Mr. Xu Deliang. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Xu Deliang is an independent third party of the substantial Shareholders and Directors.
3. On 19 September 2010, the Company entered into a subscription agreement with Zilver Yuan and through such agreement and the exercise of the conversion right of the convertible bonds, Zilver Yuan is interested in 271,186,440 shares of the company (based on its initial conversion price). The subscription is completed and the convertible bonds are issued on 1 December 2010.  
  
Zilver Yuan is 100% owned by BOCGI and BOCGI is 100% owned by BOC. Huijin owned 67.53% capital of BOC. Accordingly, Huijin, BOC, BOCGI are deemed to be interested in the relevant convertible bonds issued by the Company to Zilver Yuan.
4. On 3 December 2010, the Company entered into an acquisition agreement with Seaton Limited and through such agreement and the exercise of the conversion right of the convertible bonds, Seaton Limited is interested in 283,425,754 shares of the company (based on its initial conversion price). The acquisition was completed and the convertible bonds were issued on 1 March 2011.

股可轉換可贖回優先A股股份至若干個別人士。於二零一一年三月十七日，榮瀚進一步轉讓35,000,000股可轉換可贖回優先A股股份至Best Contact。

根據可轉換可贖回優先股股份及可轉換可贖回優先A股股份之條款及條件，可轉換可贖回優先股股份及可轉換可贖回優先A股股份之換股價將會因發行可換股債券予以調整。上述股權架構根據經調整之換股價計算，而經調整之換股價僅將於二零一零年十二月一日完成發行可換股債券後生效。

榮瀚集團有限公司持有榮瀚之全部已發行股本，因此被視為於榮瀚所持相關股份中擁有權益。詹榮光先生於榮瀚集團有限公司擁有控股權益，故被視為於該等相關股份中擁有之權益。詹榮光先生乃本公司執行董事詹詩瀚先生之父親。

2. Best Contact由Xu Deliang先生合法及實益擁有。就董事所知，所得資料及所信並作出一切合理查詢，Xu Deliang先生為主要股東及董事之獨立第三方。
3. 於二零一零年九月十九日，本公司與銀元訂立認購協議，而透過該協議及行使可換股債券的轉換權，銀元於公司的271,186,440股股份中擁有權益（根據初步換股價）。認購已經完成，而可換股債券已於二零一零年十二月一日發行。  
  
銀元由中銀集團投資全資擁有，而中銀集團投資則由中國銀行全資擁有。匯金則擁有中國銀行資本的67.53%。因此，匯金、中國銀行、中銀集團投資被視為於本公司向銀元發行的相關可換股債券中擁有權益。
4. 於二零一零年十二月三日，本公司與成登有限公司訂立收購協議，而透過該協議及行使可換股債券的轉換權，成登有限公司於公司的283,425,754股股份中擁有權益（根據初步換股價）。認購已經完成，而可換股債券已於二零一一年三月一日發行。

## 4. (con't)

Seaton Limited is 100% owned by Leading Front Limited and Leading Front Limited is 100% owned by Mr. Ho Man Hung. Accordingly, Mr. Ho Man Hung and Leading Front Limited are deemed to be interested in the relevant convertible bonds issued by the Company to Seaton Limited.

Save as disclosed above, no person had registered interest in the share capital of the Company that was required to be disclosed under Division 2 and 3 of the Part XV of the SFO and the Listing Rules.

Save for the shareholders as disclosed herein, the Directors are not aware of any persons, who, at 31 December 2010, were entitled to exercise or control the exercise of 5% or more of the voting power at the general meeting of the Company and were also, a practicable matter, able to direct or influence the management of the Company.

## SHARE OPTION SCHEME

A share option scheme was adopted on 20 January 2003 and terminated on 30 November 2009, (the "Old Scheme"). A new share option scheme was adopted by the shareholders of the Company at the annual general meeting of the Company held on 30 November 2009 (the "New Scheme"). The purpose of the New Scheme is to enable the Company to grant share options to participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any invested entity as well as to provide incentives and help to the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct interest in attaining the long term business objectives of the Group.

## 4. (續)

成登有限公司由Leading Front Limited全資擁有，而Leading Front Limited則由何敏雄先生全資擁有。因此，何敏雄先生及Leading Front Limited被視為於本公司向成登有限公司發行的相關可換股債券中擁有權益。

除上文所披露者外，概無任何人士於本公司股本中擁有登記權益而須根據證券及期貨條例第XV部第2及3分部及上市規則之規定作出披露。

除本文所披露之股東外，董事並不知悉有任何人士於二零一零年十二月三十一日，有權於本公司股東大會上行使或控制行使5%或以上表決權，及實際上可直接管理本公司或影響本公司之管理。

## 購股權計劃

本公司採納於二零零三年一月二十日通過及於二零零九年十一月三十日終止之購股權計劃（「舊計劃」）。新購股權計劃已於本公司二零零九年十一月三十日舉行之股東週年大會上經本公司股東批准採納（「新計劃」）。新計劃旨在令本公司可由董事會全權酌情決定下對本集團或任何被投資實體作出或可能作出貢獻之參與者授予購股權，以及給予獎勵並協助本集團保留現有僱員及招聘額外僱員，並向其提供直接利益，為達致本集團之長遠業務目標而努力。

# Report of Directors

## 董事會報告

Particulars of the movement of the options held by each of the Directors, the employees of the Company in aggregate granted under the Old Scheme and New Scheme during the year ended 31 December 2010, were as follows:

截至二零一零年十二月三十一日止年度內，根據舊計劃及新計劃授予本公司董事及僱員之購股權變動，詳情載列如下：

Category of participants	Date of grant	Exercise period	Exercise price per share	Number of share options		
				Held at 1 January 2010	Granted during the year	Held at 31 December 2010
持有人	授予日期	行使期	每股股份行使價 HK\$ 港元	於二零一零年一月一日持有	於年內授予	於二零一零年十二月三十一日持有
<b>Share options granted under the Old Scheme</b>						
於舊計劃下授出之購股權						
Mr. Chen Xian 陳賢先生	21.8.2009	21.8.2009 – 20.8.2012	1.18	3,500,000	-	3,500,000
Mr. Lau Sai Chung 劉世忠先生	21.8.2009	21.8.2009 – 20.8.2012	1.18	3,352,000	-	3,352,000
Mr. Xiong Jianrui 熊劍瑞先生	21.8.2009	21.8.2009 – 20.8.2012	1.18	3,500,000	-	3,500,000
Ms. Xia Dan Xia Dan女士	21.8.2009	21.8.2009 – 20.8.2012	1.18	3,500,000	-	3,500,000
Mr. Poon Lai Yin, Michael 潘禮賢先生	21.8.2009	21.8.2009 – 20.8.2012	1.18	200,000	-	200,000
Mr. Choi Kai Ming, Raymond 蔡繼明先生	21.8.2009	21.8.2009 – 20.8.2012	1.18	348,000	-	348,000
Mr. Chong Yiu Chik 莊耀植先生	21.8.2009	21.8.2009 – 20.8.2012	1.18	348,000	-	348,000
Mr. Tsim Sze Hon (Note) 詹詩瀚先生(附註)	21.8.2009	21.8.2009 – 20.8.2012	1.18	2,000,000	-	2,000,000
Employee 僱員	21.8.2009	21.8.2009 – 20.8.2012	1.18	1,200,000	-	1,200,000
<b>Share options granted under the New Scheme</b>						
於新計劃下授出之購股權						
Other eligible participants 其他合資格參與者	19.2.2010	19.2.2010 – 18.2.2013	0.88	-	10,000,000	10,000,000
Total 合共				17,948,000	10,000,000	27,948,000



# Report of Directors 董事會報告

Note: Mr. Tsim Sze Hon, who was an executive director of the Company, resigned on 27 October 2010 but continued to be employed as an employee of the Company. The share options granted to Mr. Tsim on 21 August 2009 have therefore not been cancelled.

On 19 February 2010, the Company granted 10,000,000 share option to the eligible participants at a subscription price of HK\$0.88.

At 31 December 2010, the total number of outstanding share options under the Old Scheme and the New Scheme were 17,948,000 share options and 10,000,000 share options respectively.

## RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' Interests and Short Positions in the Shares and Underlying Shares of the Company" above, at no time during the year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

No Director or the management shareholders of the Company and their respective associates (as defined under the Listing Rules) had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.

## 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：詹詩瀚先生曾為本公司執行董事，於二零一零年十月二十七日辭任，但繼續受聘於本公司為僱員。於二零零九年八月二十一日授予詹先生之購股權並無因此而註銷。

於二零一零年二月十九日，本公司授出10,000,000購股權予合資格參與者，每股行使價為港幣0.88元。

於二零一零年十二月三十一日，在舊計劃及新計劃下分別授出17,948,000股購股權及10,000,000股購股權。

## 購買公司股份的權利

除上文「購股權計劃」及「本公司董事於股份及相關股份之權益及淡倉」等節所披露者外，本公司或其任何附屬公司或其任何同系附屬公司於年內任何時間概無參與訂立任何安排，讓董事或本公司行政總裁或彼等各自之聯繫人士（定義見上市規則）擁有任何權利認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

## 董事在競爭業務之權益

於年內及截至本報告日期，根據上市規則，本公司董事或管理股東及彼等各自的聯繫人士（定義見上市規則）概無於與本集團業務直接或間接競爭或可能競爭之業務中擁有權益。

## 管理合約

年內並無訂立或存在任何有關本集團業務之全部或任何重大部份之管理及行政合同。

# Report of Directors 董事會報告

## CORPORATE GOVERNANCE

In the opinion of the directors of the Company, the Company has complied throughout the year ended 31 December 2010 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge or its Directors as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

## AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. The audit committee currently comprises Mr. POON Lai Yin, Michael (Chairman), Mr. CHONG Yiu Chik and Mr. CHOI Kai Ming, Raymond. The audit committee has reviewed and discussed with the management and the external auditors the financial reporting matters including the annual results for the year ended 31 December 2010.

## AUDITORS

A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board

**CHEN Xian**  
Chairman

Hong Kong, 28 March 2011

## 企業管治

本公司董事認為，本公司於截至二零一零年十二月三十一日止年度內已遵守上市規則附錄十四之最佳應用守則（「守則」）。

## 公眾持股量

於本報告日期，根據本公司可以得悉之公開資料所示及根據董事所知，本公司已維持上市規則所規定之公眾持股量。

## 審核委員會

本公司已成立審核委員會並遵守上市規則的要求訂立書面職權範圍，其目的為審閱及監督本集團之財務申報程序及內部監控。審核委員會目前由潘禮賢先生（主席）、莊耀植先生及蔡繼明先生組成。審核委員會已與管理層及外聘核數師審閱及討論財務申報事宜，包括截至二零一零年十二月三十一日止年度之業績。

## 核數師

本公司將於應屆股東週年大會上提呈一項決議案，以續聘信永中和（香港）會計師事務所有限公司為本公司之核數師。

代表董事會

**陳賢**  
主席

香港，二零一一年三月二十八日

# Independent Auditor's Report 獨立核數師報告



SHINEWING (HK) CPA Limited  
43/F., The Lee Gardens  
33 Hysan Avenue  
Causeway Bay, Hong Kong

**TO THE MEMBERS OF  
CHINA UPTOWN GROUP COMPANY LIMITED**  
*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of China Uptown Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 48 to 166, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

致中國上城集團控股有限公司全體股東

*(於開曼群島註冊成立之有限公司)*

本核數師已審核列載於第48至166頁中國上城集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，其中包括於二零一零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

## **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之香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，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。



# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY

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

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，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上或承擔任何責任。我們已根據香港會計師公會頒佈之香港核數準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審核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核憑證。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，以設計適當的審核程序，但目的並非對公司內部控制的有效性發表意見。審核亦包括評價董事所採用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，我們所獲得的審核憑證能充足和適當地為我們的審核意見提供基礎。



# Independent Auditor's Report 獨立核數師報告

## OPINION

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

### **SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

#### **Ip Yu Chak**

Practising Certificate Number: P04798

Hong Kong

28 March 2011

## 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虧損及現金流量，並已按照香港公司條例的披露規定妥為編製。

### 信永中和（香港）會計師事務所有限公司

執業會計師

#### 葉汝澤

執業證書號碼：P04798

香港

二零一一年三月二十八日

# 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

		Notes 附註	1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Turnover	營業額	9	328,080	140,120
Cost of sales	銷售成本		(377,729)	(134,826)
<b>Gross (loss) profit</b>	<b>毛(損)利</b>		<b>(49,649)</b>	5,294
Other operating income	其他營運收入	9	6,384	7,684
Change in fair value of investment properties	投資物業公允價值之變動	18	11,634	6,826
Change in fair value of convertible bonds	可換股債券公允價值之變動		14,860	–
Selling and distribution costs	出售及分銷成本		(10,922)	(194)
Administrative expenses	行政費用		(30,816)	(11,131)
Equity-settled share-based payment expenses	以權益結算之以股份為基礎的支付開支	40	(4,315)	(10,063)
Loss on disposal of available-for-sale investment	出售可供出售投資之虧損	21(c)	–	(67,699)
Loss on debt restructuring	債務重組之虧損	32	(18,049)	–
Reversal of impairment loss recognised in respect of trade receivables	貿易應收賬款而確認之減值虧損撥回		–	10,629
Reversal of bad debts directly written off	壞賬直接撇賬撥回		–	4,794
Finance costs	財務成本	11	(27,040)	(7,918)
<b>Loss before taxation</b>	<b>除稅前虧損</b>		<b>(107,913)</b>	(61,778)
Income tax credit (expense)	所得稅收入(支出)	12	46,494	(2,070)
<b>Loss for the year/period</b>	<b>年度/期內虧損</b>	13	<b>(61,419)</b>	(63,848)
Exchange differences arising on translation of financial statements of foreign operations and total other comprehensive expenses for the year/period	因換算外國業務財務報表產生的匯兌差額及年度/期內其他全面支出總額		5,823	(129)
Total comprehensive expenses for the year/period	年度/期內全面支出總額		(55,596)	(63,977)
Loss for the year/period attributable to:	年度/期內應佔虧損:			
Owners of the parent	控股公司之擁有人		(30,853)	(63,167)
Non-controlling interests	非控制性權益		(30,566)	(681)
			(61,419)	(63,848)
Total comprehensive expenses for the year/period attributable to:	年度/期內全面支出總額應佔:			
Owners of the parent	控股公司之擁有人		(25,030)	(63,296)
Non-controlling interests	非控制性權益		(30,566)	(681)
			(55,596)	(63,977)
<b>Loss per share</b>	<b>每股虧損</b>			
Basic and diluted	基本及攤薄	14	RMB3.62 cents 人民幣3.62仙	RMB10.30 cents 人民幣10.30仙

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2010

於二零一零年十二月三十一日

		Notes 附註	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元 (Restated) (經重列)
<b>Non-current assets</b>	<b>非流動資產</b>				
Property, plant and equipment	物業、機器及設備	17	34,315	36,985	37,669
Investment properties	投資物業	18	183,830	236,206	167,765
Prepaid lease payments	租賃預付款項	19	246	252	255
Goodwill	商譽	20	184,231	184,231	–
Available-for-sale investments	可供出售投資	21	–	–	–
			<b>402,622</b>	457,674	205,689
<b>Current assets</b>	<b>流動資產</b>				
Inventories	存貨	22	12,701	–	–
Properties under development	在建物業	23	737,095	376,259	–
Properties held for sale	待售物業	24	129,220	281,626	–
Trade and other receivables	貿易及其他應收賬款	25	42,265	139,313	14,887
Prepaid lease payments	租賃預付款項	19	6	6	6
Held-to-maturity investments	持有至到期日投資	26	–	–	–
Held-for-trading investments	持作交易用途之投資	27	1,211	510	565
Restricted bank deposits	有限制銀行存款	28	32,776	–	–
Bank balances and cash	銀行結存及現金	29			
– pledged	– 已抵押		–	12,609	12,584
– unpledged	– 無抵押		123,028	148,905	13,289
			<b>1,078,302</b>	959,228	41,331
Assets classified as held for sale	分類為持作銷售之資產	30	10,200	–	–
			<b>1,088,502</b>	959,228	41,331
<b>Current liabilities</b>	<b>流動負債</b>				
Trade and other payables	貿易及其他應付賬款	31	401,808	333,757	55,837
Provision for claims	索償撥備	32	–	60,700	60,700
Income tax payable	應付所得稅		945	36,813	–
Bank borrowings	銀行貸款	33	35,936	116,873	118,757
			<b>438,689</b>	548,143	235,294
<b>Net current assets (liabilities)</b>	<b>流動資產 (負債) 淨額</b>		<b>649,813</b>	411,085	(193,963)
			<b>1,052,435</b>	868,759	11,726

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2010

於二零一零年十二月三十一日

	Notes 附註	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元 (Restated) (經重列)
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Ordinary share capital	普通股股本	35	81,232	81,232
Convertible redeemable preference shares	可轉換可贖回優先股	36	184,653	184,653
Reserves	儲備		65,847	86,562
Equity attributable to owners of the parent	控股公司之擁有人應佔權益		331,732	352,447
Non-controlling interests	非控制性權益		154,733	299,574
<b>Total equity</b>	<b>權益總額</b>		<b>486,465</b>	652,021
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行貸款	33	350,000	–
Convertible bonds	可換股債券	34	184,391	–
Consideration payable	應付代價	37	–	143,097
Deferred taxation	遞延稅項	38	31,579	73,641
			565,970	216,738
			<b>1,052,435</b>	868,759
				11,726

The consolidated financial statements on pages 48 to 166 were approved and authorised for issue by the board of directors on 28 March 2011 and are signed on its behalf by:

第48至166頁之綜合財務報表於二零一一年三月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

**Mr. Chen Xian**  
陳賢先生  
Director  
董事

**Mr. Lau Sui Chung**  
劉世忠先生  
Director  
董事



# 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 owners of the parent

控股公司之擁有人應佔

		Ordinary	Share	Convertible	Capital	Share	Exchange	General	Accumulated	Total	Non-	Total
		share	premium	redeemable		options	translation				controlling	
		capital		preference	reserve	reserve	reserve	reserve	losses		interests	
				shares								
				可轉換								
				可贖回								
		普通股股本	股本溢價	優先股	資本儲備	購股權儲備	換算儲備	一般儲備	累計虧損	總額	非控制性	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
					(Note (a))			(Note (b))				
					(附註(a))			(附註(b))				
At 1 July 2009	於二零零九年七月一日	44,031	29,414	184,653	13,841	362	(5,867)	5,309	(260,017)	11,726	-	11,726
Loss for the period and total comprehensive expenses	期內虧損及全面開支總額	-	-	-	-	-	(129)	-	(63,167)	(63,296)	(681)	(63,977)
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司(附註39)	-	-	-	-	-	-	-	-	-	300,255	300,255
Issue of shares upon – settlement of consideration in respect of acquisition of subsidiaries/available-for-sale investments	發行股份 – 交收有關收購附屬公司/可供出售投資之代價	37,113	356,478	-	-	-	-	-	-	393,591	-	393,591
– exercise of share options	– 行使購股權	88	925	-	-	(362)	-	-	-	651	-	651
– transactions costs attributable to issue of shares	– 配售股份之交易成本	-	(288)	-	-	-	-	-	-	(288)	-	(288)
Recognition of equity-settled share based payments (Note 40)	以權益結算之以股份為基礎的支付確認(附註40)	-	-	-	-	10,063	-	-	-	10,063	-	10,063
Transfers	轉讓	-	-	-	-	-	-	578	(578)	-	-	-
At 31 December 2009	於二零零九年十二月三十一日	81,232	386,529	184,653	13,841	10,063	(5,996)	5,887	(323,762)	352,447	299,574	652,021
Loss for the year and total comprehensive expenses	本年度虧損及全面開支總額	-	-	-	-	-	5,823	-	(30,853)	(25,030)	(30,566)	(55,596)
Recognition of equity-settled share based payments (Note 40)	以權益結算之以股份為基礎的支付確認(附註40)	-	-	-	-	4,315	-	-	-	4,315	-	4,315
Dividends paid to non-controlling interests of a subsidiary	支付予附屬公司非控制性權益之股息	-	-	-	-	-	-	-	-	-	(114,275)	(114,275)
Transfers	轉讓	-	-	-	-	-	-	3,600	(3,600)	-	-	-
At 31 December 2010	於二零一零年十二月三十一日	81,232	386,529	184,653	13,841	14,378	(173)	9,487	(358,215)	331,732	154,733	486,465

# 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

### Notes:

- (a) The capital reserve represents the effect of the reorganisation of the Group through which the Company became the holding company of all group companies comprising the Group and capitalisation of the shareholders' loans by a subsidiary.
- (b) As stipulated by regulations in the People's Republic of China (the "PRC"), certain subsidiaries in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) to a general reserve fund until the balance of the fund reaches 50% of its registered capital and thereafter any further appropriation is optional. The general reserve fund can be utilised to offset prior year losses, or for conversion into registered capital on the condition that the general reserve fund shall be maintained at a minimum of 25% of the registered capital after such utilisation.

### 附註：

- (a) 資本儲備包括本集團因重組（本公司因而成為組成本集團之所有集團公司之控股公司）及將一間附屬公司之前股東貸款資本化所產生之影響。
- (b) 按中華人民共和國（「中國」）法規規定，某國內附屬公司須從其除稅後溢利（經抵銷過去年度之虧損）中撥出10%列入一般儲備，直至該儲備達至其註冊資本之50%，而其後之撥款則可隨意作出。一般儲備金可用作抵銷過去年度之虧損，或轉至註冊資本，惟需在作出該等使用後，一般儲備金最少仍維持於註冊資本25%之水平。

# 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

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Loss before taxation	除稅前虧損	(107,913)	(61,778)
Adjustments for:	調整項目：		
Amortisation of prepaid lease payments	租賃預付款項之攤銷	6	3
Change in fair value of convertible bonds	可換股債券之公允值轉變	(14,860)	-
Change in fair value of held-for-trading investments	持作交易用途之投資公允值轉變	(736)	55
Change in fair value of investment properties	投資物業公允值之變動	(11,634)	(6,826)
Depreciation of property, plant and equipment	物業、機器及設備之折舊	2,023	1,066
Discount received on early settlement of consideration payable	就提早償還應付代價收取之折扣	(4,704)	-
Equity-settled share based payment expenses	以權益結算之以股份為基礎的支付開支	4,315	10,063
Finance costs	財務成本	27,040	7,918
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	(50)	-
Impairment loss recognised in respect of properties held for sale	持作銷售物業之減值虧損	28,600	-
Impairment loss recognised in respect of trade receivables	貿易應收賬款之減值虧損	1,811	7
Impairment loss recognised in respect of other receivables	其他應收賬款之減值虧損	-	1,052
Interest income	利息收入	(487)	(420)
Loss on debt restructuring	債務重組之虧損	18,049	-
Loss on disposal of available-for-sale investment	出售可供出售投資之虧損	-	67,699
Reversal of bad debts directly written off	壞賬直接撇賬撥回	-	(4,794)
Reversal of impairment loss recognised in respect of inventories	存貨之減值虧損撥回	(372)	(269)
Reversal of impairment loss recognised in respect of other receivables	其他應收賬款之減值虧損撥回	-	(176)
Reversal of impairment loss recognised in respect of trade receivables	貿易應收賬款而確認之減值虧損撥回	-	(10,629)
Waiver of trade payables	獲豁免償還之貿易應付賬	-	(6,576)
Operating cash flows before movements in working capital	計算營運資金變動前之營業現金流量	(58,912)	(3,605)
(Increase) decrease in inventories	存貨(增加)減少	(12,329)	269
Increase in properties under development	在建物業增加	(351,314)	(1,859)
Decrease in properties held for sales	待售物業減少	175,906	27,174
(Increase) decrease in trade and other receivables	貿易及其他應收賬款(增加)減少	(15,790)	11,743
Increase (decrease) in trade and other payables	貿易及其他應付賬款增加(減少)	185,005	(57,607)
Payment for provision for claim	索償撥備付款	(60,700)	-
Cash used in operations	經營活動之現金流出	(138,134)	(23,885)
Enterprise income tax paid	已付企業所得稅	(18,869)	-
Land appreciation tax paid	已付土地增值稅	(1,139)	(405)
Withholding tax paid	已付預扣稅	(11,428)	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>經營活動之現金流出淨額</b>	<b>(169,570)</b>	<b>(24,290)</b>

# 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

	Note	1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
<b>INVESTING ACTIVITIES</b>			
Payment of consideration payables		(102,879)	–
Increase in restricted bank deposits		(32,776)	–
Purchase of property, plant and equipment		(109)	(89)
Decrease (increase) in pledged bank deposits		12,609	(21)
Interest received		487	420
Proceeds from sales of property, plant and equipment		100	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	39	–	161,762
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(122,568)</b>	162,072
<b>FINANCING ACTIVITIES</b>			
New bank borrowings raised		355,100	24,640
Proceeds from issue of convertible bonds		136,000	–
Transaction costs arising from the issue of convertible bonds		(3,500)	–
Dividend paid to non-controlling interests		(114,275)	–
Repayment of bank borrowings		(83,734)	(26,535)
Interest paid		(22,356)	(642)
Proceeds from issue of ordinary shares		–	651
Transaction costs paid attributable to issue of shares		–	(288)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>267,235</b>	(2,174)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(24,903)</b>	135,608
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(974)</b>	8
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD</b>		<b>148,905</b>	<b>13,289</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD, represented by bank balances and cash</b>		<b>123,028</b>	148,905



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 1. GENERAL

China Uptown Group Company Limited (the “Company”) is incorporated in the Cayman Islands as an exempt company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company changed its financial reporting year end date from 30 June to 31 December with effect from the year ended 31 December 2009 in order to align its financial year ended date with its subsidiaries which operate in the People’s Republic of China (the “PRC”) whereby the Group’s subsidiaries have their financial year end date on 31 December. The consolidated financial statements for the current year cover the twelve months ended 31 December 2010. The corresponding comparative amounts shown for the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes to the consolidated financial statements cover the six months period from 1 July 2009 to 31 December 2009 and therefore may not be comparable with the amounts shown for the current year. The consolidated financial statements do not correspond to the period covered by the comparatives.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The functional currency of the Company and its subsidiaries (collectively referred to as the “Group”) established in Hong Kong is Hong Kong dollars (“HK\$”). The functional currency of the subsidiaries established in the PRC is Renminbi (“RMB”). For the presentation of the consolidated financial statements, the Group adopted RMB as its presentation currency.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 46.

### 1. 一般資料

中國上城集團有限公司(「本公司」)乃於開曼群島註冊成立之受豁免有限公司。其股份在香港聯合交易所有限公司(「聯交所」)上市。

為使與中華人民共和國(「中國」)經營之附屬公司之財務報告年結日(本集團附屬公司之財務報告年結日為十二月三十一日)保持一致,本公司之財務報告年結日已由六月三十日更改為十二月三十一日,由二零零九年十二月三十一日止年度起生效。本年度綜合財務報表涵蓋截至二零一零年十二月三十一日止十二個月。於綜合全面收益表,綜合權益變動表,綜合現金流量表及綜合財務報表相關附註上呈列之相應比較數字涵蓋由二零零九年七月一日至二零零九年十二月三十一日止六個月,因此可能無法比擬本期金額。綜合財務報表與比較數字涵蓋之期間並不一致。

本公司之註冊辦事處及主要營業地址已於本年報中的「公司資料」一節披露。

本公司及其附屬公司(統稱為「本集團」)之功能貨幣為港元(「港元」)。在中國成立之附屬公司之功能貨幣為人民幣(「人民幣」)。就綜合財務報表之呈列而言,本集團採納人民幣為其呈列貨幣。

本公司之主要活動為投資控股及附屬公司之主要活動已列載於附註46。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY

In the current year, the Group has applied the following new and revised standards and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRSs (Amendments)	Amendments to HKFRSs as part of Improvements to HKFRS 2009
HKFRS 1 (Amendments) Hong Kong Accounting Standard (“HKAS”) 2 (Amendments)	Additional Exemptions for First-time Adopters Group Cash-settled Share-based Payment Transactions
HK (IFRIC) – Interpretation (“INT”) 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as disclosed below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

#### Amendments to HKAS 17 – Leases

As part of improvements to HKFRSs issued in 2009, HKAS 17 “Leases” has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require the classification of leasehold land should be based on the general principles set out in HKAS 17, that is whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）／會計政策變動

本年內，本集團已採納以下香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂準則與詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	香港財務報告準則之修訂，作為改進二零零九年香港財務報告準則之一部份
香港財務報告準則第1號（修訂本）	首次採納者所獲額外豁免
香港會計準則（「香港會計準則」）第2號（修訂本）	集團以現金結算以股份支付之交易
香港（國際財務報告詮釋委員會）— 詮釋（詮釋）第5號	財務報表之呈報 — 借款人對包含按要求償還條款之有期借款之分類

除下文所述外，採納新訂及經修訂香港財務報告準則並無對本集團當前或先前會計期間之財務報表造成任何重大影響。

#### 香港會計準則第17號修訂本 — 租賃

作為二零零九年頒佈香港財務報告準則之改進的一部分，香港會計準則第17號「租賃」已就土地租賃分類作出修訂。香港會計準則第17號「租賃」修訂前，本集團須將土地租賃歸類為經營租賃，在綜合財務狀況表內將土地租賃列為租賃預付款項。香港會計準則第17號修訂本已經刪除有關要求。修訂後，土地租賃將按照香港會計準則第17號的一般原則被歸類，即視乎與租賃資產所有權相關的絕大部分風險和報酬是否轉讓予承租人。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (Cont’d)

#### *Amendments to HKAS 17 – Leases (Cont’d)*

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land at 1 January 2010 based on the information that existed at the inception of these leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments to property, plant, and equipment retrospectively. This resulted in prepaid lease payments with the carrying amounts of approximately RMB17,811,000 and RMB17,623,000 at 1 July 2009 and 31 December 2009 respectively being reclassified to property, plant and equipment.

At 31 December 2010, leasehold land that qualifies for finance lease classification with the carrying amount of approximately RMB16,645,000 has been included in property, plant and equipment. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

#### *INT 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

INT 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time (“repayment on demand clause”) should be classified by the borrower as current liabilities. The Group has applied INT 5 for the first time in the current year. INT 5 requires retrospective application.

In order to comply with the requirements set out in INT 5, the Group has changed its accounting policy on classification of mortgage loans with a repayment on demand clause. In the past, the classification of such mortgage loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under INT 5, mortgage loans with a repayment on demand clause are classified as current liabilities in the consolidation of statement of financial position.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）／會計政策變動（續）

#### *香港會計準則第17號修訂本－租賃（續）*

根據香港會計準則第17號修訂本所載之過渡性條文，本集團根據尚未屆滿之租約訂立時已存在之資料，於二零一零年一月一日重新評估該等租約之土地部分之分類。符合融資租賃類別的土地，應追溯及重新由租賃預付款項分類到物業、廠房及設備。因此，於二零零九年七月一日及二零零九年十二月三十一日，租賃預付款項的賬面值中分別約人民幣17,811,000元及人民幣17,623,000元分類到物業、廠房及設備。

於二零一零年十二月三十一日，符合融資租賃類別之租賃土地，包含在物業、廠房及設備內的賬面值約為人民幣16,645,000元。根據香港會計準則第17條修訂本之應用並未對本年度或往年度之已報告損益賬構成重大影響。

#### *詮釋第5號財務報表之呈報－借款人對包含按 要求償還條款之有期借款之分類*

詮釋第5號財務報表之呈報－借款人對包含按  
要求償還條款之有期借款之分類澄清借款人應將擁有賦予放款人無條件權利可隨時要求償還貸款之條文（「按  
要求償還條款」）之按揭貸款列為流動負債。本集團已於本年度首次應用詮釋第5號。詮釋第5號須追溯應用。

為符合詮釋第5號所載之規定，本集團已更改分類具有按  
要求償還之條款之按揭貸款之會計政策。過往有關按揭貸款之分類乃根據載於貸款協議之議定預定還款日期釐定。根據詮釋第5號，具有按  
要求償還條款之按揭貸款乃於綜合財務狀況表內列為流動負債。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (Cont’d)

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of approximately RMB11,679,000 and RMB11,279,000 have been reclassified from non-current liabilities to current liabilities at 31 December 2009 and 1 July 2009 respectively. At 31 December 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of approximately RMB11,866,000 have been classified as current liabilities. The application of INT 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities (see Note 7 for details).

#### Summary of the effects of the above changes in accounting policies

The effects of the above changes in accounting policies on the financial positions of the Group as at 1 July 2009 and 31 December 2009 is as follows:

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）／會計政策變動（續）

因此，具有按要求償還條款而賬面總值約為人民幣11,679,000元及人民幣11,279,000元之銀行貸款已分別於二零零九年十二月三十一日及二零零九年七月一日由非流動負債重新分類為流動負債。於二零一零年十二月三十一日，具有可按要求償還條款而須於報告期結日後一年後償還的銀行貸款賬面總值約為人民幣11,866,000元。應用詮釋第5號並無對本期及過往期間所呈報損益構成影響。

在財務負債到期日分析中，該等有期貨款於最早時間範圍內呈列（詳見附註7）。

#### 上述會計政策改變之影響摘要

上述會計政策改變對本集團於二零零九年七月一日及二零零九年十二月三十一日之財務狀況影響如下：

	At 1 July 2009 於二零零九年七月一日			At 31 December 2009 於二零零九年十二月三十一日			
	As originally stated	Adjustments	Restated	As originally stated	Adjustments	Restated	
	以往呈列 RMB'000 人民幣千元	調整 RMB'000 人民幣千元	經重列 RMB'000 人民幣千元	以往呈列 RMB'000 人民幣千元	調整 RMB'000 人民幣千元	經重列 RMB'000 人民幣千元	
Property, plant and equipment	物業、廠房及設備	19,858	17,811	37,669	19,362	17,623	36,985
Prepaid lease payments	租賃預付款項	18,072	(17,811)	261	17,881	(17,623)	258
Bank borrowings – due within one year	銀行貸款 – 一年內到期	107,478	11,279	118,757	105,194	11,679	116,873
Bank borrowings – due after one year	銀行貸款 – 一年後到期	11,279	(11,279)	-	11,679	(11,679)	-
Total effects on net assets	對資產淨值之全部影響	156,687	-	156,687	154,116	-	154,116



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (Cont’d)

The Group has not early applied the following new and revised standards and interpretations that have been issued but not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28 <sup>1</sup>	香港財務報告準則 (修訂本)	於二零一零年頒佈之香港財務報告準則之改進，惟不包括香港財務報告準則第3號(於二零零八年修訂)、香港財務報告準則第7號、香港會計準則第1號及香港會計準則第28號之修訂本 <sup>1</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters <sup>3</sup>	香港財務報告準則第1號(修訂本)	首次採納者就香港財務報告準則第7號披露之比較資料所獲有限豁免 <sup>3</sup>
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters <sup>5</sup>	香港財務報告準則第1號(修訂本)	嚴重高通脹及剔除首次採納者之固定日期 <sup>5</sup>
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets <sup>5</sup>	香港財務報告準則第7號(修訂本)	披露 – 轉讓財務資產 <sup>5</sup>
HKFRS 9	Financial Instruments <sup>7</sup>	香港財務報告準則第9號	金融工具 <sup>7</sup>
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>6</sup>	香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 <sup>6</sup>
HKAS 24 (As revised in 2009)	Related Party Disclosures <sup>4</sup>	香港會計準則第24號 (於二零零九年修訂)	關連人士披露事項 <sup>4</sup>
HKAS 32 (Amendment)	Classification of Rights Issues <sup>2</sup>	香港會計準則第32號(修訂本)	供股之分類 <sup>2</sup>
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement <sup>4</sup>	香港(國際財務報告詮釋委員會) – 詮釋第14號(修訂本)	最低資本規定之預付款項 <sup>4</sup>
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>3</sup>	香港(國際財務報告詮釋委員會) – 詮釋第19號	以股本工具抵銷財務負債 <sup>3</sup>

### 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變動(續)

本集團並無提早應用以下已頒佈但尚未生效之新訂或經修訂準則及詮釋。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (Cont’d)

- 1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- 2 Effective for annual periods beginning on or after 1 February 2010.
- 3 Effective for annual periods beginning on or after 1 July 2010.
- 4 Effective for annual periods beginning on or after 1 January 2011.
- 5 Effective for annual periods beginning on or after 1 July 2011.
- 6 Effective for annual periods beginning on or after 1 January 2012.
- 7 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）／會計政策變動（續）

- 1 於二零一零年七月一日或二零一一年一月一日（如適用）或之後開始之年度期間生效。
- 2 於二零一零年二月一日或之後開始之年度期間生效。
- 3 於二零一零年七月一日或之後開始之年度期間生效。
- 4 於二零一一年一月一日或之後開始之年度期間生效。
- 5 於二零一一年七月一日或之後開始之年度期間生效。
- 6 於二零一二年一月一日或之後開始之年度期間生效。
- 7 於二零一三年一月一日或之後開始之年度期間生效。

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）引入了有關金融資產分類及計量新規定。香港財務報告準則第9號「金融工具」（於二零一零年十一月經修訂）增添了有關金融負債及取消確認之規定。

- 香港財務報告準則第9號規定，在香港會計準則39號「金融工具：確認及計量」範圍內的所有已確認金融資產按攤銷成本或是公允值計量，尤其是，以旨在收取合同現金流的業務模式持有及僅為支付未償還本金及本金利息的合同現金流而擁有的債務投資，一般於其後會計期間結束時按攤銷成本計量。所有其他債務投資及權益投資於其後會計期間結束時均按公允值計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (Cont’d)

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

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company are in the process of assessing the impact from the application of the new standard on the results and the financial position of the Group.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）／會計政策變動（續）

- 關於金融負債，大幅變動與按公允值計入損益之金融負債有關。尤其是，根據香港財務報告準則第9號，就按公允值計入損益之金融負債而言，由該項負債的信貸風險變動引起之金融負債公允值變動金額於其他全面收入呈列，除非於其他全面收入確認該項負債信貸風險變動之影響將會導致或擴大損益之會計錯配。由金融負債之信貸風險引起之公允值變動其後不會於損益重新分類。而以往根據香港會計準則第39號之規定，按公允值計入損益之金融負債之所有公允值變動整體金額均於損益中呈列。

香港財務報告準則第9號於二零一三年一月一日或之後開始之年度期間生效，亦可提前應用。

本公司董事正在評估應用新準則對本集團業績及財務狀況造成之影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGE IN ACCOUNTING POLICY (Cont'd)

The amendments to HKAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors of the Company anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model. Had the amendments been adopted for the year ended 31 December 2010, the deferred tax liabilities for investment properties at 31 December 2010 would have decreased by approximately RMB16,833,000 (31 December 2009: RMB12,724,000) and the loss for the year would decrease by approximately RMB4,168,000 (six months ended 31 December 2009: RMB853,000).

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）／會計政策變動（續）

香港會計準則第12號「遞延稅項：收回相關資產」修訂本主要處理根據香港會計準則第40號「投資物業」使用公允值模式計量的投資物業遞延稅項的計量方式。根據該等修訂本，就使用公允值模式計量的投資物業遞延稅項負債及遞延稅項資產而言，除非假定在若干情況被推翻，否則，投資物業賬面值假定可透過出售收回。本公司董事預期，應用香港會計準則第12號修訂本可能會對使用公允值模式計量的已確認投資物業遞延稅項造成重大影響。倘修訂已於截至二零一零年十二月三十一日止年度採納，於二零一零年十二月三十一日投資物業之遞延稅項負債則減少約人民幣16,833,000元（二零零九年十二月三十一日：人民幣12,724,000元），而年度虧損則減少約人民幣4,168,000元（截至二零零九年十二月三十一日止六個月：人民幣853,000元）。

本公司董事預期，採納其他新訂及經修訂香港財務報告準則將不會對本集團的業績及財務狀況造成重大影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

#### Basis of consolidation

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

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

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

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

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

### 3. 重大會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定之適用披露。

綜合財務報表乃根據過往成本慣例編製，惟投資物業及若干金融工具按公允值計量（如下文會計政策所闡釋）。歷史成本通常基於交換商品時提供對價的公允價值。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表綜合計算本公司及受本公司控制之實體（其附屬公司）之財務報表。當本公司有權支配一間實體的財務及經營決策，藉此從其業務得益，即視為有控制權。

於年內／期內購入或售出之附屬公司業績，由收購生效日期起或截至出售生效日期止（視適用情況而定）計入綜合全面收益表。

如有需要，會對附屬公司之財務報表作出調整，致令其會計政策與本集團其他成員公司所採用之一致。

集團內公司間之交易、結餘、收入及支出於編製綜合財務報表時悉數抵銷。

於附屬公司之非控制性權益與本集團之權益分開呈列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Basis of consolidation (Cont'd)

##### *Allocation of total comprehensive income to non-controlling interests*

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

#### Business combinations

Acquisition of businesses is accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition were generally recognised at their fair value at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree is initially measured at the non-controlling interest proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

### 3. 重大會計政策 (續)

#### 綜合基準 (續)

##### 全面收入總額分配至非控制性權益

即使附屬公司的全面收支總額導致非控制性權益產生虧絀結餘，其仍歸屬於本公司擁有人及非控制性權益。於二零一零年一月之前，非控制性權益應佔虧損超出非控制性權益於附屬公司於該附屬公司股本權益的差額將分配至本集團權益，惟倘非控制性權益具有約束力責任及能夠作出額外投資填補有關虧損則除外。

#### 業務合併

收購業務乃以購買法列賬。收購成本乃按本集團就換取被收購公司控制權而給予之資產、產生或承擔之負債及所發行股本工具三者於交換日期之公允值總和，另加業務合併直接應佔之任何成本計量。被收購公司符合確認條件之可識別資產、負債及或然負債一般乃按收購日期之公允值確認。

收購所產生商譽乃確認為資產，並初步按成本（即收購成本高於本集團於已確認可識別資產、負債及或然負債之確認之數額）計量。倘於重新評估後，本集團於被收購公司之可識別資產、負債及或然負債之淨公允值權益高於收購成本，則高出數額會即時於損益表確認。

於被收購公司之非控制性權益初步按非控制性權益於所確認被收購公司之資產、負債及或然負債之款額比例計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

#### Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss, if any.

### 3. 重大會計政策 (續)

#### 商譽

收購業務後所產生之商譽按成本減任何累計減值虧損(如有)列賬,並於綜合財務狀況表內分開呈列。

就減值測試而言,商譽會被分配予預期會受惠於合併協同效益之各現金流量單位(或現金流量單位組別)。

獲分配商譽之現金產生單位會按年或(更常見)有跡象顯示有關單位可能出現減值時進行測檢。就於報告期內進行收購所產生商譽而言,獲分配商譽之現金產生單位會於該期結日前進行減值檢測。倘現金產生單位之可收回金額少於該單位賬面值時,減值虧損會分配至減少該單位獲分配之任何商譽賬面值,繼而以該單位內各資產之賬面值為基準按比例分配至該單位內其他資產。任何商譽減值虧損於損益表、綜合全面收益表直接確認。商譽確認之減值虧損不會於其後期間撥回。

於出售有關現金產生單位時,在釐定其出售損益時須計入應佔商譽。

#### 附屬公司之投資

附屬公司之投資已包括在本公司之財務狀況表內,按成本值扣除減值虧損列賬。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Property, plant and equipment

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

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

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

#### Investment properties

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

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

### 3. 重大會計政策 (續)

#### 物業、機器及設備

物業、機器及設備，包括用於生產或商品或服務供應或以管理為目的之租賃土地及物業，按成本扣減其後累計折舊及累計減值虧損（如有）列賬。

物業、機器及設備項目乃於扣減其估計剩餘價值後確認折舊，以於其估計可使用年內以直線法撇銷成本計算。估計可使用年期、剩餘價值於各期結日檢討，而任何估計變動的影響按預期基準入賬。

物業、機器及設備乃於出售後或預期持續使用該資產將不會產生未來經濟利益時取消確認。出售或停止使用一項物業、機器及設備所產生之損益乃按出售所得款項與資產賬面值之差額計算，並於損益表內確認。

#### 投資物業

投資物業乃持有作賺取租金及／或資本增值之物業。投資物業包括持作待日後用途土地，該土地被視作資本增值用途。

投資物業首次按成本（包括所有直接支出）計算。於首次確認後，投資物業以公允值模型按公允值計算。投資物業公允值變動所產生之收益或虧損於產生期內在損益表中入賬。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Investment properties (Cont'd)

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

The Group transfers a property from investment properties to properties held for sale when there is a change of intention to sale the property in the ordinary course of business rather than to hold the property to earn rentals or/and for capital appreciation. The property is transferred at fair value at the date of transfer.

#### Prepaid lease payments

Payment for obtaining land use rights is considered as operating lease payment. Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, amortisation is charged to the consolidated statement of comprehensive income over the period of the rights using the straight-line method.

#### Properties under development

Properties under development are stated at the lower of cost and net realisable value.

Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and applicable selling expenses.

On completion, the properties are transferred to properties held for sale.

### 3. 重大會計政策 (續)

#### 投資物業 (續)

投資物業於出售時當永久停止使用或預期不再帶來未來經濟利益時取消確認。因資產取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於項目取消確認之期內列入損益表。

當有意轉向在日常業務過程中銷售物業而非持有物業賺取租金或/及用作資本增值時,本集團會將一個項目由投資物業轉撥至持作銷售物業。該物業於轉撥日期按公允值轉撥。

#### 租賃預付款項

獲得土地使用權之付款被視為經營租賃付款。土地使用權按成本扣減累計攤銷及累計減值虧損,攤銷以直線法計入期內之綜合全面收益表。

#### 在建物業

在建物業按成本或可變現淨值兩者中的較低者列賬。

成本包括土地使用權成本、建築成本、資本化借貸成本及其他直接發展開支。

可變現淨值由日常業務中所估計之售價減去估計完成成本及可適用銷售費用。

完成後,物業會轉為待售物業。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses at the end of the reporting period, or by management estimates based on prevailing market conditions.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

#### Financial instruments

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

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

### 3. 重大會計政策 (續)

#### 待售物業

待售物業按成本或可變現淨值兩者中的較低者列賬。

成本包括未售出物業所佔土地使用權成本、建築成本、資本化借貸成本及其他直接發展開支。

可變現淨值的決定主要參考由日常業務中物業銷售之收入減去所有估計於期結日或管理層根據當時的市場情況估計之銷售費用。

#### 存貨

存貨按成本或可變現淨值兩者中的較低者列賬。成本按加權平均法計量列賬。

#### 財務工具

當一間集團實體成為有關工具合約條文之訂約方時，財務資產及財務負債會在綜合財務狀況表確認入賬。

財務資產及財務負債首先以公允值計量。首次確認時，因收購或發行財務資產及財務負債產生之直接交易成本（按公允值列賬及在損益賬處理之財務資產及財務負債除外）將視乎情況加入或扣除財務資產或財務負債之公允值。按公允值列賬及在損益賬處理之收購財務資產或財務負債產生之直接交易成本，即時在損益表確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets at fair value through profit or loss, of which interest income is included in net gains or losses.

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### 財務資產

本集團之財務資產分類為四類之一，包括透過損益以反映公允值財務資產、貸款及應收款項、持有至到期日投資及可供出售財務資產。所有財務資產之日常買賣，於交易日確認或終止確認。日常買賣乃指購買或出售根據有關市場規則或慣例設定之時限內交付之財務資產。

##### 實際利率法

實際利率法乃計算財務資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將估計日後現金收入（包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他溢價或折價）按財務資產之預期使用年期，或較短期間（倘合適）實際貼現之利率至初步認可之淨賬面值。

債務工具之利息收入乃按實際利率基準確認，惟該等分類為按公允值計入損益之財務資產除外，其利息收益於淨損益列賬。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### *Financial assets at fair value through profit or loss*

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

##### *Loans and receivables*

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

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### *透過損益表以反映公允值財務資產*

財務資產分類為持作出售如果：

- 購入之主要目的為於不久將來出售；或
- 是一組已確定之財務工具投資組合之一部分，由該集團集合管理，且有一個最近之短期獲利回吐實際格局；或
- 是一個衍生工具，並非指定為和有效之對沖工具。

財務資產乃透過損益表以反映公允值，公允值之轉變乃於產生期間在損益表中直接確認。淨收益或虧損確認入賬損益，不包括任何經財務資產所得之股息或利息的財務資產。

##### *借貸及應收款項*

借貸及應收款項指有固定或可指定還款及其於活躍市場並無報價之非衍生性財務資產。於初步確認後，貸款及應收款項（包括貿易及其他應收賬款、已抵押及無抵押銀行結存及現金）均以實際利率法按攤銷成本計算後扣除任何減值虧損（已在會計政策之財務資產減值虧損列載）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has positive intention and ability to hold to maturity. The Group designated investments in a trust fund as held-to-maturity investments. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. The Group designated investments in unlisted equity securities as available-for-sale financial assets.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### *持有至到期日投資*

持有至到期日投資為非衍生性財務資產，且有固定或可決定之還款及固定到期日，而本集團管理層有明確意向及能力持有至到期日。本集團指定信託投資為持有至到期日投資。於初次確認後，持有至到期日投資乃按實際利率法計算之攤銷成本列賬，扣除任何已識別減值虧損（已在會計政策之財務資產減值虧損列載）。

##### *可供出售財務資產*

可供出售財務資產為已指定或並無列作按公允價值列賬及在損益賬處理之財務資產、貸款及應收款項或持有至到期日投資之非衍生項目。本集團指定非上市股本證券的投資為可供出售財務資產。

可供出售財務資產按期結日之公允值計量。公允值變動於其他綜合收入及累積儲備確認，直至該財務資產售出或釐定出現減值為止，屆時以往於儲備中累計之收益或虧損會被剔除，並於損益確認。（已在會計政策之財務資產減值虧損列載）。

就可供出售權益投資而言，倘並無於活躍市場之報價及其公允值無法可靠計算且與該等非上市股本工具掛鈞並須以交付該等無報價股本工具之方式結算之衍生工具，於期結日，則可供出售股本投資按成本值減任何已識別減值虧損計量（已在會計政策之財務資產減值虧損列載）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### *Impairment loss on financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

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

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

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

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### *財務資產減值虧損*

除按公允值計入損益者除外，財務資產均於期結日進行檢討，以釐定是否出現減值客觀證據。財務資產在初步確認後，當有客觀證據證明當一個或多個事件發生，對該投資的估計未來現金流量有所影響，財務資產將會減值。

可供出售權益投資，其投資成本價值低於值得或延長之公允值，以客觀方法作出減值。

所有其他財務資產，客觀的減值證據包括：

- 發行者或交易對方出現重大財務困難；或
- 違反合約，如拖欠或無力支付利息及本金；或
- 借款方有可能破產或展開債務重組；或
- 由於財務困難，並未顯示財務資產的活躍市場。

就貿易及其他應收賬款等若干類別財務資產而言，個別評估時獲評為未有減值之資產其後將進行集體減值評估。有關應收款項組合減值之客觀證據可包括本集團過往收取款項之經驗、延誤付款數目增加，以及與拖欠應收款項相關之國家或本地經濟狀況顯著變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### *Impairment loss on financial assets (Cont'd)*

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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

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

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### *財務資產減值虧損 (續)*

就按攤銷成本入賬之財務資產而言，當有客觀證據證明資產減值，減值虧損將於損益確認而其數額為資產之賬面值及預期未來現金流量的現值的差額計算按財務資產之原有貼現率貼現。

就按成本入賬之財務資產而言，減值虧損之金額計算為資產之賬面值及預期未來現金流量的現值（以當前市場類似之財務資產回報率進行折現）的差額。該等減值虧損將不會於往後期間撥回。

除於撥備賬扣減賬面值之貿易及其他應收賬款外，所有財務資產之賬面值乃經減值虧損直接扣除。撥備賬之賬面值變動將於損益確認。當貿易及其他應收賬款被視為無法收回時，會於撥備賬撇銷。其後撥回先前撇銷之款額則計入損益。

就以攤銷成本列值之財務資產而言，倘減值虧損款額於往後期間減少，而有關減少與確認減值虧損後發生之事項客觀相關，則早前確認之減值虧損將透過損益撥回，惟資產於減值撥回當日之賬面值不得超出並無確認減值應有之攤銷成本。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### *Impairment loss on financial assets (Cont'd)*

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in other reserve. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### *Financial liabilities and equity instruments*

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities.

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liability classified as at fair value through profit or loss, of which the interest expense is included.

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### *財務資產減值虧損 (續)*

可供出售權益投資之減值虧損不會於往後期間在損益表撥回。出現減值虧損後之公允值增加直接於其他綜合收入確認及於其他儲備累計。可供出售權益投資之公允值增加客觀上與確認減值虧損後發生之事件相關，則會於其後撥回減值虧損。

##### *財務負債和股本工具*

集團實體所發行財務負債及股本工具乃根據所訂立合約安排之內容及財務負債和股本工具之定義分類。

股本工具為證明於本集團資產經扣除其所有負債後之資產剩餘權益之任何合約。本集團之財務負債分類為按公允值列賬及在損益賬處理之財務負債及其他財務負債。

##### *實際利率法*

實際利率法乃計算財務負債的攤銷成本及按相關期間攤分利息開支的方法。實際利率乃按財務負債的預計年期或適用的較短期間，準確貼現估計未來現金付款的利率。

利息開支乃按實際利率基準確認，有別按公允值列賬及在損益賬處理之財務負債分類。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are those designated at fair value through profit or loss on initial recognition.

A financial liability other than a financial liability held-for-trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

##### Other financial liabilities

Other financial liabilities including trade and other payables, bank borrowings and consideration payable are subsequently measured at amortised cost, using the effective interest method.

##### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### 按公允值列賬及在損益賬處理之財務負債

本集團按公允值列賬及在損益賬處理之財務負債可於初步確認後指定為按公允值列賬及在損益賬處理。

財務資產(持作出售財務資產除外)可於初步確認後指定為按公允值列賬及在損益賬處理, 如果:

- 有關指定對銷或大幅減少可能出現不一致之計量或確認歧異; 或
- 根據本集團既定風險管理或投資策略管理組成一組財務資產或財務負債或兩者其中部分之財務負債, 並按公允值基準評估其表現, 且有關分類之資料乃按該基準由內部提供; 或
- 財務資產組成包含一項或以上嵌入式衍生工具之合約其中部分, 且香港會計準則第39號准許整份合併合約(資產或負債)指定為以公允值計入損益賬。

按公允值列賬及在損益賬處理之財務負債乃按公允值計算, 而重新計量產生之公允值變動則直接於產生期間於損益賬確認。於損益賬確認之收益或虧損淨值不包括財務負債之任何已付利息。

##### 其他財務負債

其他財務負債(包括貿易及其他應付賬款、銀行貸款及應付代價)乃隨後採用實際利率法按已攤銷成本計量。

##### 股權工具

本公司發行的股權工具乃按已收所得款項(扣除直接發行成本)入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### *Convertible bonds designated at fair value through profit or loss*

Convertible bonds issued by the Group (including related embedded derivatives) are designated at fair value through profit or loss on initial recognition. At the end of the reporting period subsequent to initial recognition, the entire convertible bonds are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

##### *Convertible redeemable preference shares*

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends on preference share capital are classified as equity and recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. The liability is recognised in accordance with the Group's policy for interest-bearing borrowings and accordingly dividends thereon are recognised on an accruals basis in the consolidated statement of comprehensive income as part of finance costs.

For convertible preference shares which have a cumulative, non-discretionary fixed dividend payable to the holders, the fair value of the obligation to distribute the dividend is recognised as liability.

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### *指定為以公允值列賬及在損益賬處理之可換股債券*

本集團發行的可換股債券(包括相關附帶衍生工具)於初步確認時指定為以公允值列賬及在損益賬處理。於期結日,全部可換股債券按公允值計量,並於公允值出現變動的期間直接在損益表確認。

##### *可轉換可贖回優先股*

當優先股股本為不可贖回或只可按本公司選擇贖回,且任何股息乃酌情派付時,優先股股本則歸類為權益。優先股股本之股息歸類為權益並確認為權益分派。

當優先股股本為可於指定日期贖回或可按股東選擇贖回,或當股息並非酌情派付時,優先股股本則歸類為負債。負債乃根據本集團之計息借貸之政策及按累計基準經綜合全面收益表確認之有關股息確認為部分財務成本。

當可轉換優先股持有人可享有累計及非酌情派付固定股息時,派付股息之責任之公允值獲確認為負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

##### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

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

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### 財務擔保合同

財務擔保合同為合同發行者根據某項債務工具原有或經修改條款，因某特定債務人於到期日未能償還款項而須支付特定款項以補償合同持有者招致損失的一項合同。由本集團發行而非指定為按公允值計入損益表的財務擔保合同，於首次確認時以其公允值減應佔發行財務擔保合同的直接交易成本列賬。於首次確認後，本集團以下列較高者計量財務擔保合同：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定的金額；及(ii)首次確認金額減去根據香港會計準則第18號「收益」而確認的累計攤銷（如適用）。

##### 終止確認

當從資產收取現金流量的權利屆滿，或財務資產被轉讓而本集團已轉讓財務資產擁有權的絕大部分風險及回報時，則會終止確認該等財務資產。

於全面終止確認財務資產時，該項資產賬面值與已收及應收代價及於其他全面收益中確認及於權益中累計的累計盈虧的兩者差額會於損益內確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Derecognition (Cont'd)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Provisions

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

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### 終止確認 (續)

除全面終止確認財務資產外(即本集團保留購回部分已轉讓資產之選擇權或保留不會導致保留擁有權絕大部分風險及回報之餘下權益,及本集團保留控制權),於終止確認財務資產時,本集團將金融資產之過往賬面值在其仍確認為繼續參與之部分及不再確認之部分之間,按照該兩者於轉讓日期之相關公平值作出分配。不再確認部分獲分配之賬面值與該部分已收代價及其已於其他綜合收入確認獲分配之任何累計收益或虧損之總和間的差額,乃於損益內確認。已於其他綜合收入確認之累計收益或虧損乃按繼續確認部分及不再確認部分之相關公允值在該兩者間作出分配。

當有關合約訂明的責任獲解除、獲註銷或屆滿時,則會終止確認財務負債。被終止確認的財務負債的賬面值與已付及應付代價兩者的差額於損益內確認。

#### 撥備

當本集團在因過往事件導致現時產生承擔,且可能須償付有關承擔時,則予以確認撥備。撥備經計量及考慮與承擔有關的風險及不確定因素後,按於期結日償付現有承擔所須代價的最佳估計而計量。倘撥備以預計用以償付現有承擔的現金流量計量,則其賬面值為現金流量的現值(倘影響屬重大)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Impairment losses on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying value and fair value less costs to sell.

### 3. 重大會計政策 (續)

#### 除商譽以外之有形資產減值虧損 (見以上有關商譽之會計政策)

本集團於各期結日檢討其有形資產之賬面值，以釐定其資產是否可能已出現減值虧損現象；倘本集團估計某項資產之可收回價值低於其賬面值，則該項資產之賬面值須減低至其可收回價值。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值會增加至其之經修訂估計可收回金額，惟所增加之賬面值不可超過往年並無就該資產確認減值虧損而已釐定之賬面值。虧損撥回即時確認為收入。

#### 持作出售之非流動資產

倘若非流動資產的賬面值主要透過銷售交易而非持續使用而收回，該非流動資產則將分類為持作出售之非流動資產。是項條件僅於銷售極可能達成而該非流動資產可於現況下即時出售時方算符合。管理層必須致力促成出售，並預期由把該資產分類為持作出售之非流動資產之日期起計一年內完成銷售方符合確認資格。

分類為持作出售之非流動資產乃按其過往的賬面值及公允值減出售成本兩者的較低者計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Cash and cash equivalents

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

Bank deposits which are restricted to its use are included in "restricted bank deposits". Restricted bank deposits are excluded from cash and cash equivalents in the consolidated statement of cash flows.

#### Revenue recognition

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

##### (i) Sales of goods

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered and title has passed.

##### (ii) Sales of properties

Revenue from sales of properties in the ordinary course of business is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of the relevant properties have been completed, the properties have been delivered to the purchasers and collectability of related receivables is reasonably assured.

Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under receipt in advance.

### 3. 重大會計政策 (續)

#### 現金及現金等價物

綜合財務狀況表內銀行結存及現金包括於銀行及手頭現金及到期日為三個月或以下的短期存款。

受限制使用的銀行存款於「有限制銀行存款」中入賬。有限制銀行存款並無列入綜合現金流量表中的現金及現金等價物。

#### 收益確認

收益按日常業務過程中就銷售貨品之已收或應收的代價之公允值，減去折扣及相關銷售稅項後的公允值計量。

##### (i) 貨品銷售

貨品銷售的收益於所有權的風險及回報轉移時確認，一般與貨品交付及所有權之轉移同時發生。

##### (ii) 物業銷售

物業銷售的收入於日常業務過程中物業的風險及回報轉讓至買方，即有關物業竣工後並將物業交付買家，且能合理確保收取有關應收款時，方予確認。

於收入確認日期前就出售物業收取的按金及分期付款已計入綜合財務狀況表的預收賬款中。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Revenue recognition (Cont'd)

##### (iii) Interest income

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

#### Equity-settled share-based payment transactions

##### Share options granted to directors and employees

The fair value of services received is determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

### 3. 重大會計政策 (續)

#### 收益確認 (續)

##### (iii) 利息收入

財務資產所產生的利息收入於經濟利益有可能流入本集團且收益金額能可靠計量時確認。來自財務資產之利息收入是按時間基準，並參照未償還本金額及按所適用的實際利率，而實際利率為可將透過財務資產的預期年期內的現金收入精確地貼現至於初步確認的該資產賬面淨值的利率。

#### 以權益結算之以股份為基礎的支付交易

##### 授予董事及僱員之購股權

所獲服務公允值乃參考購股權授出日期之公允值所釐定，於歸屬期間按直線法支銷，權益（購股權儲備）相應增加。

於期結日，本集團修訂其預期最終歸屬之估計購股權數目。於歸屬期內修訂該估計之影響（如有）乃於損益內確認，並於購股權儲備作出相應之調整。

購股權獲行使時，先前於購股權儲備中確認之金額將轉移至股份溢價。當購股權於歸屬日期後遭沒收或於屆滿日仍未獲行使，則先前於購股權儲備中確認之金額將轉撥至累積虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Equity-settled share-based payment transactions (Cont'd)

##### Share options granted to business associates

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets until such time as the assets are substantially ready for their intended use or sale.

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

#### Taxation

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

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

### 3. 重大會計政策 (續)

#### 以權益結算之以股份為基礎的支付交易 (續)

##### 授予業務夥伴之購股權

為換取貨品或服務而發行的購股權按收到的貨品或服務的公允值確認，除非有關公允值無法可靠計量，在此情況下收到的貨品或服務參考授出的購股權的公允值計量。當本集團取得貨品或對手方提供服務時，貨品或服務的公允值確認為開支，並在權益（購股權儲備）作出相應增加，除非貨品或服務符合資格確認為資產。

#### 借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生之直接借貸成本，計入該等資產之成本中，直至該等資產已大致上可供其擬定用途或銷售。

所有其他借貸成本於產生期間的損益確認。

#### 稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內／期內應課稅溢利計算。應課稅溢利與綜合全面收益表所報溢利不同，乃由於前者不包括其他年度之應課稅或可扣稅收入或開支，並且不包括毋須課稅或不可扣稅項目。本集團之即期稅項負債乃按期結日已頒佈或實際已頒佈之稅率計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Taxation (Cont'd)

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

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

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

### 3. 重大會計政策 (續)

#### 稅項 (續)

遞延稅項指就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之差額確認，按綜合財務狀況表債務法入賬。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利以抵銷可扣稅之暫時差異確認。倘暫時性差異源自商譽或初步確認不影響應課稅溢利或會計溢利之交易（業務合併除外）中其他資產及負債，則不會確認該等資產及負債。

遞延稅項負債乃按於附屬公司及聯營公司之投資所產生應課稅暫時差額確認，惟若本集團可控制暫時差額之撥回，且暫時差額有可能於可見將來不會撥回之情況除外。從與這些投資相關的可扣除暫時差額產生的遞延稅項資產只能達到一定的程度才可確認，即有足夠的課稅利潤來應對能夠利用暫時差額利益並期待以後有所回轉。

遞延稅項資產之賬面值於期結日檢討，並於可能不再有足夠應課稅溢利恢復該項資產全部或部分之情況下調減。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Taxation (Cont'd)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

#### Foreign currencies

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

### 3. 重大會計政策 (續)

#### 稅項 (續)

遞延稅項資產和負債是按預期於償還負債或變現資產期間使用的稅率計算，基於期結日前已制定或實際制定的稅率（稅法）為準。

當擁有按法例可強制執行權利以即期稅項資產抵銷即期稅項負債，及當有關權利涉及由同一稅務當局徵收之所得稅，以及本集團計劃按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債則互相抵銷。

遞延稅項負債和資產的計量反映了稅項結果符合公司期望在期結日內彌補或結算資產和負債的賬面值的做法。遞延稅項按損益確認，除了涉及需要在其他綜合損益中或直接在權益中確認的項目，在這種情況下，遞延稅項也在其他綜合收益中或直接在各自權益中確認。

#### 外幣

編製個別集團實體之財務報告時，以該實體功能貨幣（即實體主要經營之經濟環境之貨幣）以外貨幣（外幣）進行之交易乃按其功能貨幣於交易日期當時之匯率入賬。於期結日，以外幣列值之貨幣項目以結算當日之匯率重新換算。按公允值列賬且按外幣列值之非貨幣項目，乃按釐定公允值當日匯率重新換算。以外幣歷史成本計算之非貨幣項目毋須重新換算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Foreign currencies (Cont'd)

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange translation reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange translation reserve.

#### Retirement benefit costs

Payments to state-managed retirement benefit schemes and defined contribution schemes are charged as an expense when employees have rendered service entitling them to the contributions.

### 3. 重大會計政策 (續)

#### 外幣 (續)

於結算及重新換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益帳中確認，惟組成本公司海外業務之投資淨額部分之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃確認為其他全面收益及於權益中累計，並於出售海外業務時由權益重新分類為損益。以公允值列帳之非貨幣項目經重新換算後產生之匯兌差額於該期間列作損益。

就呈列綜合財務報告而言，本集團海外業務之資產及負債均按期結日適用之匯率換算為在本集團之呈列貨幣（即：人民幣），而有關之收入及開支項目乃按年度平均匯率換算。所產生匯兌差額（如有）均於其他全面收及累計權益確認（匯兌儲備）。

因於二零零五年一月一日或之後收購海外業務而對所購入之可識別資產作出之商譽及公允值調整被視為該海外業務之資產及負債，按期結日適用之匯率換算。所產生之匯兌差額在外匯換算儲備中確認。

#### 退休福利成本

當員工提供服務而獲得國家管理之退休保障計劃及已界定供款計劃之付款獲計算為支出。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Leasing

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

##### *The Group as lessor*

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

##### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Leasehold land and building

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

### 3. 重大會計政策 (續)

#### 租約

凡租約條款將所有權的絕大部分風險及回報轉讓予承租人時，該等租約分類為融資租約。所有其他租約分類為經營租約。

##### *本集團為出租人*

經營租約的租金收入按相關租約年限以直線法於損益表確認。

##### *本集團為承租人*

經營租約的應付租金乃按租約年限以直線法確認為開支。

#### 租賃土地及建築

當租賃包括土地及樓宇，本集團需要考慮其風險與報酬是否全部轉移至本集團並把每項資產劃分為經營租賃或融資租賃。尤其是，最小應付租金（包括任何一次性預付款）在租賃期開始時，需按出租方從租賃土地、樓宇所獲取利益的公平值的比例分派。

租金能夠可靠的分配時，經營租賃的土地利益應在綜合財務狀況表中列為「租賃預付款項」，按直線基準在租賃期間攤銷，惟不包括分類及入賬列為公允值項下的投資物業。當租金不能夠在土地和樓宇間可靠的分配時，整項租賃視為融資租賃，並作為物業、機器及設備列賬，如並未能夠明確地分配則視為經營租賃。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

#### 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### Critical judgment in applying the entity's accounting policies

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

##### *Legal title of buildings*

As detailed in Notes 17 and 18, certain of the Group's buildings have not been granted legal title from the relevant government authorities yet. Although, the Group has not obtained the relevant legal title, the directors of the Company having regard to the legal opinion have recognised the buildings on the grounds that they expect the legal title to be obtained in the near future with no major difficulties and the Group in substance are controlling these buildings.

##### Key sources of estimation uncertainly

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

#### 4. 重大會計判斷及估計不明朗因素的主要來源

於應用本集團的會計政策（如附註3所述）時，本公司董事須對未能實時自其他來源取得的資產及負債賬面值作出判斷、估計及假設。估計及有關假設乃以過往經驗及被視為相關的其他因素為基礎。實際結果可能會與該等估計有所不同。

估計及相關假設乃按持續基準審閱。會計估計的修訂乃於估計被修訂的期間（倘修訂僅影響該期間），或於修訂期間及未來期間（倘修訂影響本期間及未來期間）確認。

##### 應用的會計政策之關鍵判斷

本公司董事在應用實體會計政策時所作不涉及估計（見下文）的重大判斷，且對在綜合財務報表中確認的金額影響最大。

##### *建築物的合法所有權*

誠如載於附註17和18，本集團的若干建築物沒有向有關政府當局獲得合法所有權。雖然本集團並沒有得到有關的合法所有權，但本公司董事參考法律意見後均認為建築物的合法所有權將於不久的將來可在沒有重大困難下獲得，所以本集團實質上是控制這些建築。

##### 估計不明朗之主要來源

以下為有關未來之主要假設及於期結日估計不明朗因素之其他主要來源，彼等可能有重大風險導致下個財政年度內之資產及負債之賬面值作出重大調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### *Depreciation of property, plant and equipment*

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

##### *Estimated impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Details of impairment testing on goodwill are set out in Note 20(b).

##### *Impairment loss recognised in respect of property, plant and equipment*

The impairment loss for property, plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of estimates such as the future revenue and discount rates. No impairment was provided for the year/period.

### 4. 重大會計判斷及估計不明朗因素的主要來源 (續)

#### 估計不明朗之主要來源 (續)

##### *物業、機器及設備折舊*

物業、機器及設備考慮到他們的估計剩餘價值後以直線方法按估計可使用年限折舊。在釐定可用年期和剩餘價值涉及管理層的估計。本集團每年評估物業、機器及設備的剩餘價值和可用年期，如果期望不同於原先的估計，這種差異可能影響年度／期間之折舊並在日後期間改變估計。

##### *商譽減值估算*

釐定商譽有否減值時，須要對已獲分配商譽的現金產生單位使用價值作出估計。本集團計算使用價值時，須要估計預期該現金產生單位日後所產生的現金流量及合適折現率，方可計算其現值。若日後的實際現金流量少於預期，則可能出現重大減值虧損。商譽減值測試詳情載於附註20(b)。

##### *物業、機器及設備減值虧損*

根據本集團之會計政策，就物業、機器及設備之賬面值超過彼等之可收回金額之金額，確認物業、機器及設備之減值虧損。物業、機器及設備之可收回金額乃根據使用價值計算予以釐定。該等計算要求使用估計，例如未來收入及貼現率。於年內／期內，並無作出減值撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### *PRC land appreciation tax*

The Group is subject to land appreciation tax in the PRC. The provision of the land appreciation tax is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group have not finalised its land appreciation tax calculation and payments with the tax authorities for its property development projects. The final outcome could be different from the amounts that were initially recorded.

##### *Estimated net realisable value of properties held for sale*

Management determines the net realisable value of properties held for sale by using prevailing market data such as most recent sales transactions and internal estimates of cost based on quotes from contractors. These estimates require judgment as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales), the legal and regulatory framework and general market conditions. At 31 December 2010, the carrying amount of properties held for sale was approximately RMB737,095,000 (31 December 2009: RMB376,259,000), net of impairment loss of RMB28,600,000 (31 December 2009: Nil).

### 4. 重大會計判斷及估計不明朗因素的主要來源 (續)

#### 估計不明朗之主要來源 (續)

##### *中國土地增值稅*

本集團須支付中國的土地增值稅。土地增值稅之撥備乃基於管理層根據相關中國稅務法律及規管之要求之理解所作出之最佳估算。實際土地增值稅項負債需待發展物業完成後由稅務當局決定。本集團仍未為其物業發展項目完成其土地增值稅之計算及支付。最後實際結果可能與最初紀錄金額有所不同。

##### *待售物業之估計可變現淨值*

管理層採用當時市場數據如最新銷售交易及由內部以承建商所報成本編製估算而釐定待售物業的可變現淨值。此等估算須根據附近地點的近期銷售交易、新物業銷售率、推廣費用(包括促銷的價格折扣)及法律和監管架構及一般市況，從而判斷出預期的銷售價格。於二零一零年十二月三十一日，待售物業賬面值約人民幣737,095,000元(二零零九年十二月三十一日：人民幣376,259,000元)，扣除減值虧損人民幣28,600,000元(二零零九年十二月三十一日：無)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### *Estimated net realisable value of properties under development*

In determining whether allowances should be made to the Group's properties under development, the directors of the Company takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs to sell) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value of properties under development is less than expected as a result of a change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. No impairment was provided during the year/period.

##### *Estimated fair value of investment properties*

Investment properties are carried at fair value in the consolidated statement of financial position at the end of each reporting period. The fair value was based on valuations on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of comprehensive income.

### 4. 重大會計判斷及估計不明朗因素的主要來源 (續)

#### 估計不明朗之主要來源 (續)

##### *在建物業之估計可變現淨值*

釐定本集團之在建物業是否需要撥備，本公司董事考慮此等物業之最近市場狀況及估計此物業之市值（相同於估計銷售價減估計銷售費用）減估計完成此物業之成本。若物業之估計市值低於其賬面值，則須作出撥備。倘由於市場狀況之改變致使在建物業之實際可變現值少於預期及／或預期發展成本有重大變動，則減值虧損可能作出重大撥備。年內／期內概無計提任何減值撥備。

##### *投資物業公允值估算*

投資物業於各期結日之公允值已於綜合財務狀況表反映。公允值之計算乃基於獨立估值師利用涉及特定市場情況假設作出之評估。該等假設之有利或不利之轉變可導致本集團投資物業之轉變及綜合全面收益表所報告之收益或虧損金額之調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Key sources of estimation uncertainly (Cont'd)

##### *Impairment loss recognised in respect of trade receivables*

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses. At 31 December 2010, the carrying amount of trade receivables was approximately RMB27,434,000 (31 December 2009: RMB13,247,000), net of impairment loss of RMB5,678,000 (31 December 2009: RMB4,086,000).

##### *Net realisable value of inventories*

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated selling prices. The cost of inventories is written down to the net realisable value when there is objective evidence that the cost of inventories may not be recoverable. The amount written off to the consolidated statement of comprehensive income is the difference between the carrying value and net realisable value of inventories. In determining whether the cost of inventories can be recovered, significant judgments are required. In making this judgment, the Company evaluates, amongst other factors, the duration and extent and the means by which the amount will be recovered. These estimates are based on the current market and past experience in sales of similar products. It could change significantly as a result of changes in customer preferences and competitor actions in response to changes in market condition.

At 31 December 2010, the carrying amount of inventories was approximately RMB12,701,000 (2009: Nil). No impairment was provided during the year/period.

### 4. 重大會計判斷及估計不明朗因素的主要來源 (續)

#### 估計不明朗之主要來源 (續)

##### *貿易應收賬款已確認之減值虧損*

本集團對其客戶持續進行信用評估，並根據付款記錄及客戶當前之信貸情況（通過審核其當前信貸資料而釐定）調整信用額度。本集團持續監察收款及其客戶之付款情況，並根據過往經驗保持一定撥備以應付預計之信貸虧損。信貸虧損一直符合本集團預期，並將持續監察向客戶收款之情況，以及保持適當之預計信貸虧損水平。於二零一零年十二月三十一日，貿易應收賬款之賬面值約為人民幣27,434,000元（二零零九年十二月三十一日：人民幣13,247,000元），扣除減值虧損人民幣5,678,000元（二零零九年十二月三十一日：人民幣4,086,000元）。

##### *存貨之可變現淨值*

存貨按成本與可變現淨值之較低者入賬。存貨之可變現淨值為日常業務過程中之估計售價，扣減估計完成成本及估計售價。當有客觀證據顯示存貨成本不可收回時，存貨成本乃撇減至可變現淨值。於綜合全面收入報表撇銷的數額為存貨賬面值及可變現淨值之間的差額。釐定存貨的成本能否收回時需要作出重大判斷。作出判斷時，本公司亦須評估（其中包括）盡力收回數額的期限及範圍等因素。此等估計乃根據現行市場及過往出售同類產品之經驗而作出。若客戶喜好改變，及競爭對手因應市場狀況改變而採取行動，將可能導致此等估計出現重大變動。

於二零一零年十二月三十一日，存貨之賬面值約為港幣12,701,000元（二零零九年：無）。年內／期內概無計提任何減值撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### *Fair values of convertible bonds*

The fair values of the convertible bonds involve assumptions on the Company's credit spread, discount rate, expected credit rating and future cash flows. Should these assumptions change, there would be material changes to the valuation.

##### *Income taxes*

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

At 31 December 2010, the Group had unused tax losses of approximately RMB60,878,000 (31 December 2009: RMB63,808,000) available for offset against future profits. No deferred tax asset in relation to these unused tax losses has been recognised in the Group's consolidated statement of financial position due to the unpredictability of future profit streams. In cases where there are future profits generated to utilise the tax losses, a material deferred tax asset may arise, which would be recognised in the consolidated statement of comprehensive income for the year in which such profits are recorded.

### 4. 重大會計判斷及估計不明朗因素的主要來源 (續)

#### 估計不明朗之主要來源 (續)

##### *可換股債券之公允值*

可換股債券之公允值涉及對本公司之信貸息差、貼現率、預期信貸評級及未來現金流量之假設。倘該等假設出現變動，會令估值出現重大變動。

##### *所得稅*

本集團須繳納若干司法管轄區的所得稅。釐定所得稅撥備時需要作出最大估計。許多交易及計算所涉及的最終稅項未能於日常業務明確釐定。倘該等事件的最終稅務結果與初始紀錄的金額不同，該等差額將影響作出有關釐定期間的所得稅及遞延稅撥備。

於二零一零年十二月三十一日，本集團有未動用稅項虧損約人民幣60,878,000元（於二零零九年十二月三十一日：人民幣63,808,000元）可用作抵銷未來溢利。由於未來溢利來源之不可預測性是以有關未動用稅項虧損之遞延稅項資產沒有於本集團綜合財務狀況表內確認。倘有未來溢利使用到可動用稅項虧損，則可能產生重大遞延稅項資產並於錄得該溢利所屬年度之綜合全面收益表內確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt which includes bank borrowings as disclosed in Note 33 and convertible bonds as disclosed in Note 34, net of restricted bank deposits as disclosed in Note 28, bank balances and cash as disclosed in Note 29 and equity attributable to owners of the parent, comprising issued share capital and reserves. The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from prior periods.

### 6. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

		At 31.12.2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	At 1.7.2009 於二零零九年 七月一日 RMB'000 人民幣千元
<b>Financial assets</b>	<b>財務資產</b>			
Available-for-sale investments	可供出售投資	—	—	—
Held-to-maturity investments	持有至到期日投資	—	—	—
Held-for-trading investments	持作交易用途之投資	1,211	510	565
Loans and receivables (including bank balances and cash)	貸款及應收賬款 (包括銀行結存及現金)	183,423	291,104	40,708
		<b>184,634</b>	291,614	41,273
<b>Financial liabilities</b>	<b>財務負債</b>			
At amortised cost	按攤銷成本	500,468	465,649	173,735
At fair value through profit or loss:	按公允值列賬及在 損益賬處理：			
— convertible bonds	— 可換股債券	184,391	—	—
		<b>684,859</b>	465,649	173,735

### 5. 資本風險管理

本集團資本管理之主要目標為保障旗下實體能持續經營業務，並透過更完善平衡債務及權益，為股東帶來最大回報。

本集團之資本結構包括債務（包括於附註33披露之銀行借貸及於附註34披露之可換股債券，扣除附註28披露之有限制銀行存款及於附註29披露之銀行結存及現金以及控股公司之擁有人應佔權益（由已發行股本及儲備組成）。本公司董事定期檢討資本架構。作為此檢討之一部分，本公司董事考慮資本之成本及相關風險，並採取適當行動以調整本集團之資本架構。本集團之資本管理方法跟過去期間維持不變。

### 6. 財務工具

#### 財務工具類別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, held-for-trading investments, restricted bank deposits, pledged and unpledged bank balances and cash, trade and other payables, consideration payables, bank borrowings and convertible bonds are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 49% (for the six months ended 31 December 2009: 76%) of the Group's sales for the year ended 31 December 2010 are denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 41% (for the six months ended 31 December 2009: 82%) of costs for the year ended 31 December 2010 are denominated in currencies other than the group entity's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

### 7. 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收賬款、持作交易用途之投資、有限制銀行存款、已抵押及無抵押銀行結存及現金、貿易及其他應付賬款、應付代價、銀行借貸及可換股債券。金融工具之詳情於各相關附註披露。有關該等金融工具之風險包括市場風險（貨幣風險、利率風險及其他價格風險）、信貸風險及流動資金風險。如何減輕該等風險之政策載列如下。管理層會管控該等風險承擔，確保適時有效地實施適當措施。

#### 貨幣風險

本公司部分附屬公司擁外幣買賣，令本集團面對貨幣風險。截至二零一零年十二月三十一日止年度本集團約49%銷售（截至二零零九年十二月三十一日止六個月：76%）以計價貨幣以外的功能貨幣所產生，截至二零一零年十二月三十一日止年度約41%之成本（截至二零零九年十二月三十一日止六個月：82%）為以計價貨幣以外的功能貨幣所產生。

於報告日資產或負債的計價貨幣以外的功能貨幣所產生之賬面值如下：

		At 31.12.2010 於二零一零年 十二月三十一日 United States Dollars ("US\$") US\$'000 美元（「美元」） 千美元	At 31.12.2009 於二零零九年 十二月三十一日 US\$'000 千美元
Assets	資產	1,873	933
Liabilities	負債	3,122	100

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### Currency risk (Cont'd)

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

#### Sensitivity analysis

The Group is mainly exposed to the currency of US\$.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax loss where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax loss, and the balances below would be positive. The analysis is performed on the same basis for the six months ended 31 December 2009.

	<b>At 31.12.2010</b> 於二零一零年 十二月三十一日 <b>RMB'000</b> 人民幣千元	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
Impact on loss for the year/period	<b>411</b>	(284)

This is mainly attributable to the exposure on outstanding bank balances and cash, trade and receivables and trade and other payables denominated in US\$ at the year/period end.

### 7. 財務風險管理目標及政策 (續)

#### 貨幣風險 (續)

現時，本集團並無任何外幣對沖政策。然而，管理層監察外幣風險，並於必要時考慮對沖重大外幣風險承擔。

#### 敏感度分析

本集團主要面對美元的貨幣風險。

下表詳列本集團因應對人民幣兌相關外幣升值及減值5%之敏感度。5%乃向主要管理人員內部呈報外幣風險之敏感度比率，並代表管理層對外幣匯率合理可能變動之評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於期結日調整其兌換以反映外幣匯率之5%變動。下列正數表示人民幣兌相關貨幣出現人民幣升值5%所導致之除稅後虧損增加。倘人民幣兌相關貨幣出現人民幣貶值5%，將會對除稅後虧損造成相等及相反之影響，及下列結餘將會出現正數。分析乃基於截至二零零九年十二月三十一日止六個月同一基礎進行。

這主要是年／期結時面對以美元計算未償付的銀行結存及現金、貿易及應收款及貿易及其他應付款。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### Currency risk (Cont'd)

##### Interest rate risk

The interest income is derived from the Group's current and fixed deposits that carry interest at the respective banking deposit rate of the banks located in the PRC and Hong Kong.

The Group's cash flow interest rate risk relates primarily to variable-rate bank deposits (see Note 29 for details of these deposits) and variable-rate borrowings (see Note 33 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rates of interests so as to minimise the fair value interest rate risk.

The Group's bank deposits are short-term in nature and the exposure of the interest rate risk is minimal and no sensitivity to interest rate risk is presented.

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the base lending rate published by the People's Bank of China and the Hong Kong Interbank Offered Rate.

As of 31 December 2010, it is estimated that a general 50 basis point increase or decrease in interest rates, with all other variables held constant, would increase or decrease the Group's loss for the year ended and accumulated losses by approximately RMB1,930,000 (31 December 2009: RMB163,000).

The above sensitivity analysis has been determined assuming that a change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point increase or decrease represents directors' assessment of a reasonably possible change in interest rates. The analysis was performed on the same basis for the six months ended 31 December 2009.

### 7. 財務風險管理目標及政策 (續)

#### 貨幣風險 (續)

##### 利率風險

利息收入主要來自本集團之活期及定期存款之利息，有關利率為於中國及香港之銀行存款利率。

本集團之現金流利率風險主要與可變利率銀行存款（該等存款詳見附註29）及可變利率借貸（該等借貸詳情見附註33）有關。本集團之政策保持以浮動利率借貸，從而盡量減低其公允值利率風險。

本集團之銀行存款為短期性質，本集團面對之利率風險甚微而且並無其他利率風險呈報。

本集團就財務負債面對之利率風險已於本附註流動資金風險管理部分中披露。本集團之現金流利率風險主要來自由中國人民銀行公佈之基本借貸利率及香港銀行同業拆息利率。

於二零一零年十二月三十一日，估計利率每上升或下降50個基點而所有其他變數不變，會使本集團之年度虧損及累計虧損增加或減少約人民幣1,930,000元（二零零九年十二月三十一日：人民幣163,000元）。

上述敏感度分析乃假設利率變動於期結日發生而釐定，並應用於該日存在之金融工具之利率風險承擔。50基點上升或下降代表董事對利率合理可能變動之評估。分析乃按與截至二零零九年十二月三十一日止六個月相同之基準進行。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### Currency risk (Cont'd)

##### Other price risk

The Group is exposed to equity price risk through its convertible bonds and investment in listed equity securities. The Group's exposure to other price risk for its investment in listed equity securities is minimal and no sensitivity analysis to other price risk is presented.

##### Equity price risk on convertible bonds

The Group is required to estimate the fair value of the conversion option component of the convertible bonds at the end of the reporting period which therefore exposed the Group to equity security price risk.

##### Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting dates. If the stock price inputted to the valuation model had been 5% (31 December 2009: Nil) higher/lower while all other variables were held constant, the loss for the year ended 31 December 2010 would increase/decrease by approximately RMB9,220,000 (31 December 2009: Nil), principally as a result of the changes in fair value of the convertible bonds.

##### Credit risk

At 31 December 2010 and 31 December 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in Note 43.

The Group reviews the recoverable amount of each individual trade and other debtors at the end of each reporting period to ensure that adequate impairment losses have been made for irrecoverable amounts.

### 7. 財務風險管理目標及政策 (續)

#### 貨幣風險 (續)

##### 其他價格風險

本集團因持有可換股債券及上市股本證券投資而面對股本價格風險。本集團面對其上市股本證券投資之價格風險甚微而且並無其他價格風險分析呈報。

##### 可換股債券之股本價格風險

本集團須於期結日估計可換股債券的兌換權部份的公允值，因此令本集團承受股本證券價格風險。

##### 股本價格敏感度

下列敏感度分析乃根據於報告日期所承受股本價格風險而釐定。倘輸入估值模式的股價上升/下跌5% (於二零零九年十二月三十一日：無)，而所有其他變數保持不變，則截至二零一零年十二月三十一日止年度的虧損將會增加/減少約人民幣9,220,000元 (於二零零九年十二月三十一日：無)，主要是由於可換股債券的公允值變動所致。

##### 信貸風險

於二零一零年十二月三十一日及二零零九年十二月三十一日，本集團因對手方未能履行責任而可能面臨財務虧損的最高信貸風險，乃因綜合財務狀況表中所述各項已確認財務資產的賬面值及於附註43中所披露之有關由本集團發行之財務擔保之或然負債而產生。

本集團於報告完結日持續監察每一個貿易應收賬款及其他應收賬款結餘以確保對不可收回之款項已作出足夠虧損減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### Currency risk (Cont'd)

In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC including Hong Kong. At 31 December 2010, the Group has concentration of credit risk as 65% (31 December 2009: 42%) and 81% (31 December 2009: 58%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

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

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise the rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

### 7. 財務風險管理目標及政策 (續)

#### 貨幣風險 (續)

就此，本公司董事認為本集團之信貸風險已大幅減少。

本集團之集中信貸風險（按地域計算）主要來自中國（包括香港）。本集團就本集團之最大單一客戶及最大五位客戶之貿易應收款之集中信貸風險各自分別為65%（二零零九年十二月三十一日：42%）及81%（二零零九年十二月三十一日：58%）。

因交易對手為獲國際信貸評級機構評為高級信貸評級之銀行及於中國有高級信貸評級之已授權銀行信貸評級良好，本集團之信貸風險有限。

#### 流動資金風險

在管理流動資金風險的過程中，本集團會監控並維持管理層認為足夠的現金及現金等價物，以為本集團的營運提供資金並降低現金流動的影響。管理層會監控銀行貸款之利用及確保貸款契約之遵從。

下表詳細列明根據協定的還款條款，本集團財務負債餘下的合約到期期限。該表乃按本集團須付款的最早日期並以財務負債中的未貼現現金流量為基準編製。尤其是，具有按要求償還條款的銀行貸款已計入最早時段（無論銀行是否有可能選擇行使其權利）。其他非衍生金融負債的到期日乃根據協定償還日期釐定。

該表載列了利息及本金現金流量。在利息流按浮動利率計息的前提下，未貼現金額乃自期結日的利率曲線得出。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Currency risk (Cont'd)

Liquidity risk (Cont'd)

### 7. 財務風險管理目標及政策 (續)

貨幣風險 (續)

流動資金風險 (續)

		At 31 December 2010 於二零一零年十二月三十一日					
		Within 1 year or on demand 一年內或 要求時 RMB'000 人民幣千元	More than 1 year but less than 2 years 超過一年 但兩年內 RMB'000 人民幣千元	More than 2 years but less than 5 years 超過兩年 但五年內 RMB'000 人民幣千元	More than 5 years 超過五年 RMB'000 人民幣千元	Total undiscounted cash flow 未貼現之 總現金總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
<b>Non-derivative financial liabilities</b>	<b>非衍生財政負債</b>						
Trade and other payables	貿易及其他應付賬款	59,399	-	-	-	59,399	59,399
Bank borrowings	銀行貸款	63,327	372,540	-	-	435,867	385,936
Consideration payable	應付代價	55,133	-	-	-	55,133	55,133
Convertible bonds	可換股債券	5,440	189,378	-	-	194,818	184,391
		<b>183,299</b>	<b>561,918</b>	-	-	<b>745,217</b>	<b>684,859</b>

		At 31 December 2009 於二零零九年十二月三十一日					
		Within 1 year or on demand 一年內或 要求時 RMB'000 人民幣千元	More than 1 year but less than 2 years 超過一年 但兩年內 RMB'000 人民幣千元	More than 2 years but less than 5 years 超過兩年 但五年內 RMB'000 人民幣千元	More than 5 years 超過五年 RMB'000 人民幣千元	Total undiscounted cash flow 未貼現之 總現金總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
		(restated) (經重列)	(restated) (經重列)	(restated) (經重列)	(restated) (經重列)		
<b>Non-derivative financial liabilities</b>	<b>非衍生財政負債</b>						
Trade and other payables	貿易及其他應付賬款	85,999	-	-	-	85,999	85,999
Bank borrowings	銀行貸款	126,129	-	-	-	126,129	116,873
Consideration payable	應付代價	119,680	176,037	-	-	295,717	262,777
		<b>331,808</b>	<b>176,037</b>	-	-	<b>507,845</b>	<b>465,649</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### Currency risk (Cont'd)

#### Liquidity risk (Cont'd)

### 7. 財務風險管理目標及政策 (續)

#### 貨幣風險 (續)

#### 流動資金風險 (續)

		At 1 July 2009 於二零零九年七月一日					
		Within 1 year or on demand 一年內或 要求時 RMB'000 人民幣千元 (restated) (經重列)	More than 1 year but less than 2 years 超過一年 但兩年內 RMB'000 人民幣千元 (restated) (經重列)	More than 2 years but less than 5 years 超過兩年 但五年內 RMB'000 人民幣千元 (restated) (經重列)	More than 5 years 超過五年 RMB'000 人民幣千元 (restated) (經重列)	Total undiscounted cash flow 未貼現之 總現金總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
<b>Non-derivative financial liabilities</b>	<b>非衍生財務負債</b>						
Trade and other payables	貿易及其他應付賬款	54,978	-	-	-	54,978	54,978
Bank borrowings	銀行貸款	131,362	-	-	-	131,362	118,757
		186,340	-	-	-	186,340	173,735

Bank borrowings with a repayment on demand clause are included in the "within 1 year or on demand" time band in the above maturity analysis. At 31 December 2010 and 31 December 2009, the aggregate undiscounted principal amounts of these bank loans amounted to RMB11,866,000 and RMB11,679,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid in ten years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately RMB14,233,000.

具有可按要求償還條款之銀行借貸均計入上述到期日分析「一年內或要求時」之時間範圍內。於二零一零年十二月三十一日及二零零九年十二月三十一日，該等銀行借貸之未貼現本金額分別合共為人民幣11,866,000元及人民幣11,679,000元。計及本集團之財務狀況後，本公司董事不相信銀行可能行使其要求即時還款之酌情權。本公司董事相信，該等銀行借貸將於報告日期後10年內根據貸款協議所載預定還款日期償還。屆時，本金總額及利息現金流出量將合共約為人民幣14,233,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 8. FAIR VALUE

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- For option based derivative, the fair value is estimated using option pricing model (for example, the Binomial model).

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

The directors of the Company also consider that the fair value of the long-term portion of liabilities approximates to their carrying amount as they are carried at amortised cost using the effective interest rate method.

#### Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

### 8. 公允值

財務資產及財務負債之公允值釐定如下：

- 財務資產和財務負債的公允值按標準條款及條件於交投活躍且具流通性的市場交易的財務資產及財務負債的公允值乃分別參照所報市場買入價及賣出價而釐定；
- 其他財務資產及財務負債的公允值（不包括衍生工具）乃按貼現現金流量分析根據公認的定價模型或利用來自可觀察的現有市場交易的價格或費率及類似工具的經銷商報價而釐定；及
- 期權基準之衍生工具，其公允值以期權定價模式（如二項模式）估算。

本公司董事認為，綜合資產負債表中按經攤銷成本入賬之財務資產及財務負債之其他賬面值，因到期日屬短期而與其公允值相若。

本公司董事同樣認為，負債長遠部分之公允值大致接近於其賬面值，由於負債乃採用實際利率法計算攤銷成本列賬。

#### 已於綜合財務狀況表中確認的公允值計量

下表提供按公允值初步確認後計量的金融工具分析，其按可觀察公允值程度分為一至三級。

- 第一級公允值計量乃自識別資產或負債的活躍市場中所報價格（未調整）得出。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 8. FAIR VALUE (Cont'd)

#### Fair value measurements recognised in the consolidated statement of financial position (Cont'd)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 8. 公允值 (續)

#### 已於綜合財務狀況表中確認的公允值計量 (續)

- 第二級公允值計量乃除計入第一級的報價外，自資產或負債可直接（即價格）或間接（自價格衍生）觀察輸入數據得出。
- 第三級公允值計量乃計入並非根據可觀察市場數據（無法觀察輸入數據）的資產或負債的估值技術得出。

At 31 December  
於十二月三十一日

	Level 1 第一級		Level 2 第二級		Level 3 第三級		Total 共計	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
<b>Financial assets:</b>	<b>財務資產：</b>							
Held-for-trading investments	持作交易用途之投資							
	1,211	510	-	-	-	-	1,211	510
<b>Financial liabilities at fair value through profit or loss:</b>	<b>按公允值列賬及在損益賬處理之財務負債：</b>							
Convertible bonds	可換股債券							
	-	-	184,391	-	-	-	184,391	-

There were no transfers between Level 1 and 2 in the current year and prior period.

於本期間及以往期間，第一級與第二級之間並無轉撥。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 9. TURNOVER AND OTHER OPERATING INCOME

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and discounts and sales related taxes.

An analysis of the Group's turnover for the year/period is as follows:

### 9. 營業額及其他營運收入

營業額指本集團出售予外界客戶貨品之已收及應收淨額減本年度貿易退貨及折扣及銷售有關稅款。

本集團的年內／期內營業額分析如下：

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Turnover	營業額		
Sales of automation products and electronic components	銷售自動化產品及電子零件及配件之收入	159,485	107,358
Sales of properties	物業銷售收入	156,488	27,516
Gross rental income from investment properties (Note i)	投資物業之租金收入總額(附註i)	12,107	5,246
		<b>328,080</b>	140,120
Other operating income	其他營運收入		
Interest income	利息收入		
– bank	– 銀行	112	420
– other (Note ii)	– 其他(附註ii)	375	–
Change in fair value of held-for-trading investments	持作交易用途之投資之公允值之變動	736	–
Discount received on early settlement of consideration payable (Note 37)	就提早償還應付代價收取之折扣(附註37)	4,704	–
Exchange gain, net	淨匯兌收益	–	60
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	50	–
Reversal of impairment loss recognised in respect of inventories	有關存貨之減值虧損撥回	372	269
Reversal of impairment loss recognised in respect of other receivables	有關其他應收款項之減值虧損撥回	–	176
Waiver of trade payable	貿易應付賬款之豁免	–	6,576
Sundry income	雜項收入	35	183
		<b>6,384</b>	7,684
Total revenues	總收入	<b>334,464</b>	147,804

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 9. TURNOVER AND OTHER OPERATING INCOME (Cont'd)

Notes:

(i) An analysis of the Group's net rental income is as follows:

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Gross rental income from investment properties	投資物業之租金收入總額	12,107	5,246
Less: Outgoings (included in cost of sales)	減：支出(計入銷售成本)	(633)	(341)
Net rental income from investment properties	投資物業之租金收入總額	11,474	4,905

(ii) The other interest income is derived from an advance for a co-operation agreement. Details of which are set in the announcement of the Company dated 30 June 2010.

### 10. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

Property development	–	Development of properties in the PRC.
Property investment	–	Rental income arising from investment properties situated in the PRC and in Hong Kong.
Trading	–	Trading of electronic components, mobile phone modules and automation products.
Technology	–	Provision of technical and consultancy services including the provision of automation products on a project basis.

### 9. 營業額及其他營運收入 (續)

附註：

(i) 本集團之租金收入淨額分析如下：

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Gross rental income from investment properties	投資物業之租金收入總額	12,107	5,246
Less: Outgoings (included in cost of sales)	減：支出(計入銷售成本)	(633)	(341)
Net rental income from investment properties	投資物業之租金收入總額	11,474	4,905

(ii) 其他利息收入乃按合作協議墊付。有關詳情載列於本公司日期為二零一零年六月三十日的公告中。

### 10. 分部資料

就資源分配及分類表現評估向本公司董事會(即主要營運決策者)所呈報之資料，側重於交付或提供之產品或服務之類型。

根據香港財務報告準則第8號，本集團報告分部如下所示：

物業發展	–	中國之物業發展。
物業投資	–	中國及香港之投資物業的租金收入。
貿易	–	電子零件、手機組件及自動化產品貿易。
科技	–	提供技術及顧問服務及包括工程項目所提供的自動化產品。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Cont'd)

#### (a) Segment revenues and results

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

### 10. 分部資料 (續)

#### (a) 分部收入及業績

本集團分部收入及業績之分析按報告分部呈列如下：

		Property development		Property investment		Trading		Technology		Consolidated	
		物業發展		物業投資		貿易		科技		合併	
		1.1.2010 to 31.12.2010	1.7.2009 to 31.12.2009	1.1.2010 to 31.12.2010	1.7.2009 to 31.12.2009	1.1.2010 to 31.12.2010	1.7.2009 to 31.12.2009	1.1.2010 to 31.12.2010	1.7.2009 to 31.12.2009	1.1.2010 to 31.12.2010	1.7.2009 to 31.12.2009
		二零一零年 一月一日至 二零一零年 十二月 三十一日	二零零九年 七月一日至 二零零九年 十二月 三十一日	二零一零年 一月一日至 二零一零年 十二月 三十一日	二零零九年 七月一日至 二零零九年 十二月 三十一日	二零一零年 一月一日至 二零一零年 十二月 三十一日	二零零九年 七月一日至 二零零九年 十二月 三十一日	二零一零年 一月一日至 二零一零年 十二月 三十一日	二零零九年 七月一日至 二零零九年 十二月 三十一日	二零一零年 一月一日至 二零一零年 十二月 三十一日	二零零九年 七月一日至 二零零九年 十二月 三十一日
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	156,488	27,516	12,107	5,246	159,485	107,358	-	-	328,080	140,120
Segment results	分部業績	(89,404)	350	30,426	11,342	(1,567)	3,849	-	14,794	(60,545)	30,335
Change in fair value of convertible bonds	可換股債券 公允值變動									14,860	-
Change in fair value of held-for-trading investments	持作交易用途投資 公允值變動									736	(55)
Discount received on early settlement of consideration payable	就提早償還應付 代價收取之折扣									4,704	-
Interest income	利息收入									487	420
Loss on disposal of available-for-sale investment	出售可供出售投資 之虧損									-	(67,699)
Loss on debt restructuring	債務重組之虧損									(18,049)	-
Settlement of court case	法庭案件和解清算費用									(4,080)	-
Unallocated corporate income	未分配公司收入									-	61
Unallocated corporate expenses	未分配公司開支									(18,986)	(16,922)
Finance costs	財務成本									(27,040)	(7,918)
Loss before taxation	除稅前虧損									(107,913)	(61,778)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represents the results of each segment without allocation of change in fair value of convertible bonds, change in fair value of held-for-trading investments, discount received on early settlement of consideration payable, interest income, loss on disposal of available-for-sale investment, loss on debt restructuring, settlement of court case, central administration costs, directors' emoluments and finance costs. This is the measure reported to the chief operating decision maker (board of directors) of the Group for the purposes of resource allocation and performance assessment.

可呈報分部的會計政策與本集團於附註3所載的會計政策相同。分類業績指的是每項分類未分配可換股債券公允值變動、持作交易用途投資公允值變動、就提早償還應付代價收取之折扣、利息收入、出售可供出售投資之虧損、債務重組之虧損、法庭案件和解清算費用、中央行政費用、董事薪酬及財務成本之業績。此乃報告予本集團的主要經營決策者(董事會)用於資源分配及業績評估的措施。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Cont'd)

#### (b) Segment assets and liabilities

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

### 10. 分部資料 (續)

#### (b) 分部資產及負債

本集團資產及負債之分析按報告分部呈列如下：

		Property development		Property investment		Trading		Technology		Consolidated	
		物業發展		物業投資		貿易		科技		合併	
		At	At	At	At	At	At	At	At	At	At
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
		於	於	於	於	於	於	於	於	於	於
		二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
		十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月
		三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Restated)							(Restated)	(Restated)
			(經重列)							(經重列)	(經重列)
Segment assets	分部資產	1,079,479	850,127	194,438	224,607	26,009	29,209	-	-	1,299,926	1,103,943
Unallocated corporate assets	未分配企業資產										
- Consideration receivable	- 應收代價									-	110,880
- Held-for-trading investments	- 持作交易用途之投資									1,211	510
- Restricted bank deposits	- 有限制銀行存款									32,776	-
- Bank balances and cash	- 銀行結存及現金									123,028	161,514
- Others	- 其他									34,273	40,055
Consolidated total assets	綜合資產總值									1,491,124	1,416,902
Segment liabilities	分部負債	(309,561)	(163,390)	(378)	(454)	(32,814)	(6,707)	-	-	(342,753)	(170,551)
Unallocated corporate liabilities	未分配企業負債										
- Provision for claims	- 索償撥備									-	(60,700)
- Consideration payable	- 應付代價									(55,133)	(262,777)
- Income tax payable	- 應付所得稅									(945)	(36,813)
- Bank borrowings	- 銀行貸款									(385,936)	(116,873)
- Convertible bonds	- 可換股債券									(184,391)	-
- Deferred taxation	- 遞延稅項									(31,579)	(73,641)
- Others	- 其他									(3,922)	(43,526)
Consolidated total liabilities	綜合負債總值									(1,004,659)	(764,881)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Cont'd)

#### (b) Segment assets and liabilities (Cont'd)

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

- all assets are allocated to reportable segments other than consideration receivable, held-for-trading investments, restricted bank deposits and bank balances and cash. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to reportable segments other than provision for claims, considerable payable, income tax payable, bank borrowings, convertible bonds and deferred taxation. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

### 10. 分部資料 (續)

#### (b) 分部資產及負債

為監控分部之間的分部表現和分配資源的目的：

- 除了應收代價、持作交易用途之投資、有限制銀行存款及銀行結存及現金，所有資產要分配到報告分類。可呈報分部共用之資產乃按各可呈報分部所得收入之基準作分配；及
- 除應付索償撥備、應付代價、應付所得稅、銀行貸款、可換股債券及遞延稅項外，所有負債均分配至可呈報分部。可呈報分部共用之負債乃按各可呈報分部資產比例作分配。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Cont'd)

#### (c) Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

### 10. 分部資料 (續)

#### (c) 其他分部資料

計量分部溢利或虧損及分部資產時已計入之款項：

	Property development		Property investment		Trading		Technology		Unallocated		Consolidated	
	物業發展	物業投資	物業發展	物業投資	貿易	貿易	科技	科技	未分配	未分配	合併	合併
	At	At	At	At	At	At	At	At	At	At	At	At
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	於	於	於	於	於	於	於	於	於	於	於	於
	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月	十二月
	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日	三十一日
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(Restated)							(Restated)	(Restated)
				(經重列)							(經重列)	(經重列)
Other segment information:	其他分部資料：											
Addition to non-current assets (Note)	84	-	-	-	25	89	-	-	-	-	109	89
Amortisation of prepaid lease payments	-	-	-	-	6	3	-	-	-	-	6	3
Change in fair value of investment properties	9,500	-	(21,134)	(6,826)	-	-	-	-	-	-	(11,634)	(6,826)
Other segment information:	其他分部資料：											
Change in fair value of held-for-trading investments	-	-	-	-	-	-	-	-	(736)	55	(736)	55
Depreciation of property, plant and equipment	357	8	305	195	-	-	-	-	1,361	863	2,023	1,066
Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	(50)	-	(50)	-
Impairment loss recognised in respect of trade receivables	-	-	-	-	1,811	7	-	-	-	-	1,811	7
Impairment loss recognised in respect of other receivables	-	-	-	-	-	1,052	-	-	-	-	-	1,052
Impairment loss recognised in respect of properties held for sale	28,600	-	-	-	-	-	-	-	-	-	28,600	-
Reversal of bad debts directly written off	-	-	-	-	-	-	-	(4,794)	-	-	-	(4,794)
Reversal of impairment loss recognised in respect of inventories	-	-	-	-	(372)	(269)	-	-	-	-	(372)	(269)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Cont'd)

#### (c) Other segment information (Cont'd)

	Property development 物業發展		Property investment 物業投資		Trading 貿易		Technology 科技		Unallocated 未分配		Consolidated 合併	
	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009
	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other segment information: 其他分部資料:												
Reversal of impairment loss recognised in respect of trade receivables 貿易應收賬款而確認之減值虧損撥回	-	-	-	-	-	(629)	-	(10,000)	-	-	-	(10,629)
Reversal of impairment loss recognised in respect of other receivables 其他應收賬款之減值虧損撥回	-	-	-	-	-	(176)	-	-	-	-	-	(176)
Waiver of trade payables 獲豁免償還之貿易及應付賬	-	-	-	-	-	(6,576)	-	-	-	-	-	(6,576)

Note: Non-current assets excluded financial instruments.

附註：非流動資產不包括金融工具。

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

定期向主要經營決策者撥備的款項但不計入計算分部損益或分部資產的款項：

	Property development 物業發展		Property investment 物業投資		Trading 貿易		Technology 科技		Unallocated 未分配		Consolidated 合併	
	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009	At 31.12.2010	At 31.12.2009
	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日	於 二零一零年 十二月 三十一日	於 二零零九年 十二月 三十一日
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest income 利息收入	-	-	-	-	-	-	-	-	(487)	(420)	(487)	(420)
Finance costs 財務成本	-	-	-	-	-	-	-	-	27,040	7,918	27,040	7,918

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 10. SEGMENT INFORMATION (Cont'd)

#### (d) Geographical information

For the year ended 31 December 2010, over 90% (for the six months ended 31 December 2009: over 90%) of the Group's revenue and assets were derived from customers and operations based in the PRC including Hong Kong (country of domicile) and accordingly, no further analysis of the Group's geographical information is disclosed.

- (e) Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

### 10. 分部資料 (續)

#### (d) 地理資料

截至二零一零年十二月三十一日止年度，由於本集團超過90%（截至二零零九年十二月三十一日止六個月：超過90%）來自客戶及營運之收益及資產均位於中國（包括香港）（所在國家），故並無呈列本集團之地區分類資料。

- (e) 相應年度來自客戶的營業額佔本集團總營業額超過10%的詳情如下：

		Segment		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
		分部			
Customer A	客戶A	Property development	物業發展	39,425	N/A 不適用*
Customer B	客戶B	Trading	貿易	41,112	53,719
Customer C	客戶C	Trading	貿易	41,768	40,612

\* The corresponding revenue do not contribute to over 10% of the total revenue of the Group in the respective year.

\* 相應收入佔相關年度本集團總收入不超過10%。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 11. FINANCE COSTS

### 11. 財務成本

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
Interest expenses on:	利息開支：		
– bank borrowings wholly repayable within five years	– 須於五年內全數清還之銀行借款	22,356	6,164
– imputed interest expense on consideration payable (Note 37)	– 應付代價之估算利息開支(附註37)	13,742	1,754
– convertible bonds	– 可換股債券	464	–
Total borrowing costs	總借貸成本	36,562	7,918
Less: interest capitalised (Note 23)	扣減：資本化利息(附註23)	(9,522)	–
		27,040	7,918

Note: The capitalisation ratio of borrowings for year ended 31 December 2010 is ranged from 6.21% to 6.48% per annum (for the six months ended 31 December 2009: Nil).

附註：截至二零一零年十二月三十一日止年度借貸之資本化比率介乎每年6.21%至6.48%之間(截至二零零九年十二月三十一日止六個月：無)。

### 12. INCOME TAX (CREDIT) EXPENSE

### 12. 所得稅(收入)支出

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
PRC Enterprise Income Tax	中國企業所得稅		
– Current year/period	– 本年度／本期間	4,102	1,090
PRC Land Appreciation Tax ("LAT")	中國土地增值稅 (「中國土地增值稅」)		
– Current year/period	– 本年度／本期間	6,742	5,938
– Overprovision in prior years	– 以往年度超額撥備	(26,704)	–
		(19,962)	5,938
Deferred taxation (Note 38)	遞延稅項(附註38)		
– Current year/period	– 本年度／本期間	(27,442)	(4,958)
– Effect of a change in tax rate	– 稅率變動之影響	(4,272)	–
		(31,714)	(4,958)
Withholding tax	預扣稅	1,080	–
		(46,494)	2,070

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 12. INCOME TAX (CREDIT) EXPENSE (Cont'd)

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 December 2010 and for the period from 1 July 2009 to 31 December 2009.

Hong Kong Profits Tax has not been provided for in the consolidated financial statements as the Group has sufficient tax losses brought forward to offset against the assessable profits for the year ended 31 December 2010.

Hong Kong Profits Tax has not been provided for in the consolidated financial statements as the Group has no assessable profits for the period from 1 July 2009 to 31 December 2009.

- (b) Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of certain subsidiaries of the Company, which previously ranged from 15% to 33%, was changed to 25% from 1 January 2008 onwards.

In accordance with the tax legislations applicable to foreign investment enterprises, one subsidiary is entitled to exemptions from the PRC EIT for the first two years commencing from the first profit-making year of operation and thereafter, entitled to a 50% relief from the PRC EIT for the following three years. According to the EIT Law, the first year of income tax exemption commenced for the year ended 31 December 2008 and the subsidiary enjoys the second year income tax exemption for the period from 1 July 2009 to 31 December 2009.

For the year ended 31 December 2010, the subsidiary enjoys a 50% relief from PRC EIT and is subject to tax at the rate of 11% on the estimate assessable profits for the year.

### 12. 所得稅(收入)支出(續)

- (a) 香港所得稅按截至二零一零年十二月三十一日止年度及由二零零九年七月一日至二零零九年十二月三十一日期間之估計應課稅利潤以稅率16.5%計算。

由於本集團截至二零一零年十二月三十一日止年度並沒有錄得任何應課稅利潤，故並無作香港所得稅之撥備。

由於本集團由二零零九年七月一日至二零零九年十二月三十一日期間並沒有錄得任何應課稅利潤，故並無作香港所得稅之撥備。

- (b) 根據中國人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法的執行規定，其他中國附屬公司自二零零八年一月一日起更改為25%(之前為15%至33%)的稅率繳納稅項。

根據適用於外資企業之稅務法，一間附屬公司可於首兩年獲得營運盈利開始豁免企業所得稅，其後三年則可獲50%豁免企業所得稅。根據企業所得稅法，第一年獲得豁免之年度為截至二零零八年十二月三十一日止之年度，現時該附屬公司於二零零九年七月一日至二零零九年十二月三十一日期間享有第二年之所得稅豁免。

截至二零一零年十二月三十一日止年度，該附屬公司由中國企業所得稅法中獲得50%之豁免，並按該年度之估計應課稅利潤之11%稅率繳稅。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 12. INCOME TAX (CREDIT) EXPENSE

(Cont'd)

- (c) The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.
- (d) Pursuant to the PRC EIT Law, withholding tax is imposed on dividends declared by PRC subsidiaries of the Group in respect of profits earned from 1 January 2008 onwards.

At 31 December 2010, deferred taxation of approximately RMB556,000 (31 December 2009: approximately RMB10,348,000) has been provided for the portion of profits that are expected to be distributed by the PRC subsidiaries and no deferred taxation has been provided for the remaining profits as the Group is able to control the timing of the distribution and it is probable that the amount will not be distributed in the foreseeable future. The withholding tax represents the deferred tax liability arising on undistributed profits to non-controlling interests in Zhuhai Zhongzhu Real Estate Development Co., Ltd\* (珠海中珠房地產開發有限公司) ("Zhuhai Zhongzhu").

During the year ended 31 December 2010, Zhuhai Zhongzhu declared dividends of RMB228,550,000 on its retained earnings for the year 2009 of approximately RMB206,955,000 and for the year ended 31 December 2010 of approximately RMB21,595,000 respectively and distributed to its immediate holding company and non-controlling interests, which were incorporated in the BVI and Hong Kong, respectively. The Group was subject to withholding tax at the rate of 10% and 5% on the distributions of profits accordingly.

\* The English name is for identification purpose only

### 12. 所得稅(收入)支出(續)

- (c) 土地增值稅撥備是按有關中國法例及規例所載之規定作出估計。土地增值稅乃按增值額以30%至60%的遞增稅率之幅度作出撥備，當中有若干費用包括土地成本及相關物業發展支出已作扣減。根據國家稅務總局的官方通函，於出售物業後應暫時繳納土地增值稅，之後在完成物業發展時再對有關增值數額作出最終核定。
- (d) 根據中國的企業所得稅法，自二零零八年一月一日起，對於中國的附屬公司所賺取盈利相關的已宣派股息需要徵收預扣稅。

於二零一零年十二月三十一日，本集團已就由中國附屬公司期計分派之部分盈利為遞延稅項約人民幣556,000元(二零零九年十二月三十一日：約人民幣10,348,000元)作出撥備。由於本集團能夠控制分派的時間及有關金額可能在可見未來將不會被分派，故並無就剩餘金額所產生的暫時差額作出遞延稅項撥備。預扣稅代表由未向珠海中珠房地產開發有限公司(「珠海中珠」)非控制性權益分派盈利引起之遞延稅項。

截至二零一零年十二月三十一日止年度，珠海中珠按二零零九年度之保留盈利約人民幣206,955,000元及截至二零一零年十二月三十一日止年度之保留盈利約人民幣21,595,000元宣派股息人民幣228,550,000元，並分派予直接控股公司及非控制性權益(分別於英屬處女群島及香港註冊成立)。本集團相應須分別按溢利分派之10%及5%繳納預扣稅。

\* 英文名稱僅供識別



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 12. INCOME TAX (CREDIT) EXPENSE

(Cont'd)

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

### 12. 所得稅(收入)支出(續)

於年度／期間所得稅開支可以計算綜合全面收益表中的除稅前虧損，計算如下：

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Loss before taxation	除稅前虧損	<b>(107,913)</b>	(61,778)
Tax calculated at rates applicable to profits in the respective tax jurisdiction concerned	按照在相關國家之適用所得稅稅率之稅項	<b>(24,230)</b>	(12,064)
LAT	土地增值稅	<b>6,742</b>	5,938
Tax effect of LAT	土地增值稅之稅項影響	-	(1,188)
Over-provision of LAT	土地增值稅之超額撥備	<b>(26,704)</b>	-
Effect of change in tax rate	稅率變動之影響	<b>(4,272)</b>	-
Tax effect of expense not deductible for tax purposes	不可扣減支出之稅項影響	<b>7,243</b>	13,400
Tax effect of income not taxable for tax purposes	非課稅收入之稅項影響	<b>(4,738)</b>	(1,640)
Tax effect of tax losses not recognised	未確認之稅務虧損之稅項影響	-	932
Tax exemption granted by a PRC subsidiary	一間中國附屬公司之稅項豁免	<b>(2,145)</b>	(1,090)
Withholding tax recognised (Note d, above)	已確認之預扣稅 (附註d, 上文)	<b>1,080</b>	-
Withholding tax on undistributed earnings	未分派盈利之預扣稅	<b>556</b>	980
Utilisation of tax losses previously not recognised	使用前期未確認之可抵扣稅務虧損	<b>(26)</b>	(3,198)
Income tax (credit) expense	所得稅(收入)支出	<b>(46,494)</b>	2,070

Details of the deferred taxation are set out in Note 38.

遞延稅項詳情載於附註38。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 13. LOSS FOR THE YEAR/PERIOD

### 13. 年度／期內虧損

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
Loss for the year/period has been arrived at after charging:	已扣除以下各項年度／期內虧損：		
Staff cost (including directors' emoluments):	員工成本(包括董事酬金)：		
Salaries, wages and other benefits in kind	薪金、工資及其他福利	6,551	2,224
Equity-settled share-based payment (Note 40)	以權益結算之以股份為基礎之支付(附註40)	-	10,063
Retirement benefit scheme contributions	退休福利計劃之供款	121	41
		<b>6,672</b>	<b>12,328</b>
Amortisation of prepaid lease payments	租賃預付款項之攤銷	6	3
Auditors' remuneration	核數師酬金	1,017	730
Change in fair value of held-for-trading investments	持作交易用途之投資公允值變動	-	55
Cost of inventories recognised as expenses	確認為支出的存貨成本	377,096	134,485
Depreciation of property, plant and equipment	物業、機器及設備之折舊	2,023	1,066
Equity-settled share based payment expenses – business associates (Note)	以權益結算之以股份為基礎之支付開支 – 業務夥伴(附註)	4,315	-
Impairment loss recognised in respect of trade receivables*	貿易應收款項已確認之減值虧損*	1,811	7
Impairment loss recognised in respect of other receivables*	其他應收款項已確認之減值虧損*	-	1,052
Impairment loss recognised in respect of properties held for sale**	持作出售物業已確認之減值虧損**	28,600	-
Operating lease rentals of equipment	設備之營運租金	175	8
Settlement of court case (Note 43(a))	法庭案件和解清算費用(附註43(a))	4,080	-

\* These amounts are included in administrative expenses.

\* 該金額已包括在行政費用內。

\*\* The amount is included in cost of sales.

\*\* 該金額已包括在銷售成本內。

Note:

附註：

The amount represents the fair value of consultancy services provided to the Group in the current year in relation to the exploration of new business opportunities for the Group. The consultancy service fees were settled through the issue of 10,000,000 share options in the current year are set out in Note 40.

該金額指於本年度就開拓本集團之新商機向本集團提供顧問服務之公允值。顧問服務費用乃按附註40所載透過於本年度發行10,000,000份購股權結付。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 14. LOSS PER SHARE

### 14. 每股虧損

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
<b>Loss</b>	<b>虧損</b>		
Loss for the purpose of basic loss per share for the year/period attributable to the owners of the parent	就年度／期間控股公司擁有人應佔每股基本虧損而言之虧損	30,853	63,167
Effect of dilutive potential shares:	攤薄潛在股份之影響：		
– interest on convertible bonds	– 可換股債券之利息	(464)	–
– change in fair value of convertible bonds	– 可換股債券之公允值變動	14,860	–
		45,249	63,167
		'000	'000
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	普通股加權平均數（就每股基本虧損而言）	851,980	613,080
Effect of dilutive potential shares:	攤薄潛在股份之影響：		
– share options issued by the Company (Note)	– 本公司發行之購股權（附註）	–	–
– conversion of convertible bonds	– 轉換可換股債券	271,186	–
		1,123,166	613,080

Note: The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price of the Company's shares for the year ended 31 December 2010 and for the six months ended 31 December 2009.

附註：由於截至二零一零年十二月三十一日止年度及二零零九年十二月三十一日止六個月本公司未行使購股權的行使價高於本公司股份平均市價，故計算每股攤薄虧損時並無假設該等購股權獲行使。

Diluted loss per share was the same as the basic loss per share for the year ended 31 December 2010 and six months ended 31 December 2009 as the effect of the conversion of the Company's share options, convertible bonds and convertible redeemable preference shares was anti-dilutive.

截至二零一零十二月三十一日止年度及二零零九年十二月三十一日止六個月的每股攤薄虧損與每股基本虧損相同，原因為轉換本公司購股權、可換股債券及可轉換可贖回優先股具反攤薄作用。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 15. STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS)

### 15. 員工成本（不包括董事酬金）

		1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Salaries, wages and other benefits in kind	薪金，工資及其他福利	3,609	1,071
Equity-settled share-based payment	以權益結算之以股份為基礎的支付	-	675
Retirement benefit scheme contributions	退休福利計劃供款	102	29
		<b>3,711</b>	<b>1,775</b>

#### Hong Kong

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the Group companies (the "employer") in Hong Kong and its employees makes monthly contributions to the scheme at 5% of the employee's earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employer and employees are subject to a cap of HK\$1,000 per month. During the year ended 31 December 2010, a total contribution of approximately RMB38,000 (for the six months ended 31 December 2009: RMB29,000) was made by the Group in respect of this scheme.

#### The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, PRC subsidiaries are required to contribute to a state-sponsored retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-sponsored retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-sponsored retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions. During the year ended 31 December 2010, a total contribution of approximately RMB64,000 (for the six months ended 31 December 2009: Nil) was made by the Group in respect of this scheme.

#### 香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強制性公積金計劃（「強積金計劃」）。強積金計劃屬於界定供款計劃，由獨立授託人管理。根據強積金計劃，本集團各香港成員公司（「僱主」）及其僱員每月均按有關僱員之5%之收入（定義見強制性公積金法例）作出供款。僱主及僱員之供款以每月港幣1,000元為限。截至二零一零年十二月三十一日止年度，本集團就此計劃作出總供款約人民幣38,000元（截至二零零九年十二月三十一日止六個月：人民幣29,000元）。

#### 中國，除香港外

根據中國的條例及法規規定，中國附屬公司須向為僱員而設置之國家退休福利計劃作出供款。供款額為僱員基本薪金的若干百分比。國家退休福利計劃負責向退休僱員支付所有退休金。在這個國家退休福利計劃之下，本集團除每年供款外不須對其他實際退休金支出或退休後福利作出任何承擔。截至二零一零年十二月三十一日止年度，本集團就此計劃作出總供款約人民幣64,000元（截至二零零九年十二月三十一日止六個月：無）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 16. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

#### (a) Directors' emoluments

The emoluments paid or payable to each of the eight (for the six months ended 31 December 2009: eight) directors were as follow:

### 16. 董事及僱員酬金

#### (a) 董事酬金

已向或應向八位董事（截至二零零九年十二月三十一日止六個月：八位）支付之酬金如下：

		For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度				
		Fees	Salaries, allowances and other benefits in kind	Equity-settled share-based payment	Retirement benefit scheme contributions	Total
		袍金	薪金、津貼及其他福利	以權益結算之以股份為基礎的支付	退休福利計劃供款	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Chen Xian	陳賢先生	-	696	-	-	696
Mr. Lau Sai Chung	劉世忠先生	-	766	-	10	776
Mr. Tsim Sze Hon	詹詩瀚先生					
(Resigned on 27 October 2010)	(於二零一零年十月二十七日辭任)	-	174	-	9	183
Mr. Xiong Jianrui	熊劍瑞先生	-	539	-	-	539
Ms. Xia Dan	Xia Dan女士	-	122	-	-	122
<b>Non-executive director</b>	<b>非執行董事</b>					
Ms. Xia Dan (re-designated as executive director on 27 October 2010)	Xia Dan女士 (於二零一零年十月二十七日調任為執行董事)	174	-	-	-	174
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Poon Lai Yin, Michael	潘禮賢先生	157	-	-	-	157
Mr. Chong Yin Chik	莊耀植先生	157	-	-	-	157
Mr. Choi Kai Ming, Raymond	蔡繼明先生	157	-	-	-	157
		<b>645</b>	<b>2,297</b>	<b>-</b>	<b>19</b>	<b>2,961</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 16. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

#### (a) Directors' emoluments (Cont'd)

### 16. 董事及僱員酬金 (續)

#### (a) 董事酬金 (續)

For the period from 1 July 2009 to 31 December 2009  
由二零零九年七月一日至二零零九年十二月三十一日期間

		Fees	Salaries, allowances and other benefits in kind	Equity-settled share-based payment	Retirement benefits scheme contributions	Total
	袍金	薪金、津貼及其他福利	以權益結算之以股份為基礎的支付	退休福利計劃供款	總額	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Chen Xian	陳賢先生	–	211	1,962	–	2,173
Mr. Lau Sai Chung	劉世忠先生	–	265	1,879	5	2,149
Mr. Tsim Sze Hon	詹詩瀚先生	–	106	1,121	5	1,232
Mr. Xiong Jianrui	熊劍瑞先生	–	228	1,962	2	2,192
<b>Non-executive director</b>	<b>獨立非執行董事</b>					
Ms. Xia Dan	Xia Dan女士	106	–	1,962	–	2,068
<b>Independent non-executive directors</b>	<b>非執行董事</b>					
Mr. Poon Lai Yin, Michael	潘禮賢先生	79	–	112	–	191
Mr. Chong Yin Chik	莊耀植先生	79	–	195	–	274
Mr. Choi Kai Ming, Raymond	蔡繼明先生	79	–	195	–	274
		343	810	9,388	12	10,553

No directors waived or agreed to waive any emoluments during the year ended 31 December 2010 and for the six months ended 31 December 2009.

截至二零一零年十二月三十一日止年度及截至二零零九年十二月三十一日止六個月，並無董事放棄或同意放棄酬金。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 16. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

#### (b) Senior management's emoluments

Of the five individuals with highest emoluments, four (for the six months ended 31 December 2009: All) were directors of the Company whose emoluments are set out in the above. The emoluments of the remaining one highest paid individual for the year ended 31 December 2010 was as follows:

	1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Salaries, allowances and other benefits in kind 薪金、工資及其他福利	440	-
Retirement benefits schemes contributions 退休福利計劃供款	10	-
	450	-

Their emoluments were within the following bands:

### 16. 董事及僱員酬金 (續)

#### (b) 高級管理層酬金

五名最高薪酬個別人士內，四名（截至二零零九年十二月三十一日止六個月：全部）均為董事，彼等之薪酬已於上面列載。截至二零一零年十二月三十一日止年度剩餘一名個別人士之薪酬總額如下：

彼等之薪酬均界乎以下範圍內：

	No. of individuals 員工數目	
	1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日
Nil to RMB870,000 (equivalent to HK\$1,000,000)	1	-
零至人民幣870,000元 (相等於港幣1,000,000元)		

(c) No emolument have been paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the year ended 31 December 2010 and for the six months ended 31 December 2009.

(c) 截至二零一零年十二月三十一日止年度及截至二零零九年十二月三十一日止六個月，本集團概無向本公司董事或五位最高薪僱員支付酬金作為吸引加入或加入本集團時之獎金或作為離職補償。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT

### 17. 物業、機器及設備

		Leasehold land and buildings 租賃土地 及物業 RMB'000 人民幣千元 (Restated) (經重列)	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Equipment 設備 RMB'000 人民幣千元	Furniture 傢俱 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>						
At 1 July 2009 (restated)	於二零零九年七月一日 (經重列)	34,902	4,903	2,916	172	765	43,658
Exchange realignment	匯兌差額	8	-	-	-	1	9
Additions	添置	-	89	-	-	-	89
Acquired on acquisition of subsidiaries	收購附屬公司所獲得	-	-	-	47	237	284
At 31 December 2009	於二零零九年 十二月三十一日	34,910	4,992	2,916	219	1,003	44,040
Exchange realignment	匯兌差額	(720)	(32)	(9)	(6)	(15)	(782)
Additions	添置	-	-	25	84	-	109
Disposals	出售	-	-	(410)	-	(106)	(516)
<b>At 31 December 2010</b>	<b>於二零一零年 十二月三十一日</b>	<b>34,190</b>	<b>4,960</b>	<b>2,522</b>	<b>297</b>	<b>882</b>	<b>42,851</b>
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊</b>						
At 1 July 2009 (restated)	於二零零九年七月一日 (經重列)	1,616	1,071	2,839	113	350	5,989
Provided for the period	期間撥備	383	506	29	55	93	1,066
At 31 December 2009	於二零零九年 十二月三十一日	1,999	1,577	2,868	168	443	7,055
Exchange realignment	匯兌差額	(36)	(15)	(9)	(4)	(12)	(76)
Provided for the year	年度撥備	747	1,061	35	36	144	2,023
Eliminated on disposal	出售時對銷	-	-	(410)	-	(56)	(466)
<b>At 31 December 2010</b>	<b>於二零一零年 十二月三十一日</b>	<b>2,710</b>	<b>2,623</b>	<b>2,484</b>	<b>200</b>	<b>519</b>	<b>8,536</b>
<b>CARRYING VALUES</b>	<b>賬面淨值</b>						
<b>At 31 December 2010</b>	<b>於二零一零年 十二月三十一日</b>	<b>31,480</b>	<b>2,337</b>	<b>38</b>	<b>97</b>	<b>363</b>	<b>34,315</b>
At 31 December 2009 (restated)	於二零零九年 十二月三十一日 (經重列)	32,911	3,415	48	51	560	36,985
At 1 July 2009 (restated)	於二零零九年七月一日 (經重列)	33,286	3,832	77	59	415	37,669

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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

Leasehold land and buildings	Over the shorter of the term of the leases or 2%
Leasehold improvements	Over the shorter of the term of the leases or 20%
Equipment	18% to 25%
Furniture	18% to 25%
Motor vehicles	18% to 30%

- (b) The carrying value of leasehold land and buildings shown above comprises:

### 17. 物業、機器及設備 (續)

- (a) 折舊乃按物業、機器及設備項目之估計可使用年限減去其估計餘值，以直線法攤銷其剩餘價值。折舊的年率計算如下：

租賃土地及物業	2%或按租約年期 (以較短者為準)
租賃物業裝修	20%或按租約年期 (以較短者為準)
設備	18%至25%
傢俱	18%至25%
汽車	18%至30%

- (b) 以上租賃土地及物業之賬面值包括：

	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元 (Restated) (經重列)
Medium-term lease held in:	持有中期租約於：		
– Hong Kong	– 香港	19,209	20,556
– the PRC	– 中國	12,271	12,730
		<b>31,480</b>	<b>33,286</b>

- (c) On 11 January 2006, the Group obtained a court order from the People's Intermediate Court of Shenzhen to freeze certain buildings of the Group with a carrying value of approximately RMB12,271,000 (2009: RMB12,577,000) ("Freeze Buildings") as a result of certain litigations against a subsidiary of the Group in relation to certain alleged guarantees and overdue bank borrowings ("Outstanding Amounts"). During the year ended 31 December 2010, such litigations were concluded and the Group undergone a debt restructuring in the form of issuing convertible bonds, the Outstanding Amounts were fully settled. Details of which are set out in Note 32. As of the date of approval of these consolidated financial statements, the assets were still frozen by the relevant authorities.

- (c) 於二零零六年一月十一日，本集團因一附屬公司透過相關的擔保及銀行透支借貸（「尚欠金額」）而作抵押其有關訴訟，本集團收到由深圳中級人民法院發出之法院命令要求凍結本集團賬面值約人民幣12,271,000元（二零零九年：人民幣12,577,000元）之某建築物（「凍結物業」）。截至二零一零年十二月三十一日止年度，該訴訟已經完結及本集團正透過發行可換股債券方式進行債務重組，尚欠金額已悉數支付。有關詳情列載於附註32。於批准本綜合財務報表日期，該資產仍在被相關機構凍結。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (d) As of the date of approval of these consolidated financial statements, the Group has not obtained the building ownership certificates of the Freeze Buildings, due to the seizure, the application for obtaining the building ownership certificates of the Freeze Buildings was deferred. A legal opinion provided by the Company's PRC legal advisors on 14 March 2011 confirmed that although the subsidiary has not yet obtained the building ownership certificates of the Freeze Buildings, the ownership of the Freeze Buildings vested with the subsidiary.

### 18. INVESTMENT PROPERTIES

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
<b>FAIR VALUE</b>	<b>公允值</b>			
At beginning of the year/period	於年／期初	236,206	167,765	175,768
Exchange realignment	匯兌差額	(1,710)	15	237
Acquired on acquisition of subsidiaries	收購附屬公司所獲得	-	61,600	-
Transferred to property held for sale (Note c)	轉撥至持作出售物業 (附註c)	(52,100)	-	-
Transferred to asset held for sale (Note 30)	轉撥至持作出售資產 (附註30)	(10,200)	-	-
Net increase (decrease) in fair value recognised in profit or loss	已確定損益之公允值 淨增長(減少)	11,634	6,826	(8,240)
At end of the year/period	於年／期結	183,830	236,206	167,765

- (a) The carrying value of investment properties shown above comprises:

### 17. 物業、機器及設備 (續)

- (d) 於批准本綜合財務報表日期，本集團因凍結物業仍在封查中，因此仍未取得凍結物業之房產證，房產證之申請已押後。本公司之中國法律顧問於二零一一年三月十四日發出法律意見書確認即使該附屬公司仍未獲得凍結物業之房產證，但凍結物業之擁有權仍屬於該附屬公司。

### 18. 投資物業

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
(a)	以上投資物業之賬面值包括：			
Medium-term leases held in:	持有中期租約於：			
- Hong Kong	- 香港	40,630	45,206	40,765
- the PRC	- 中國	143,200	191,000	127,000
		183,830	236,206	167,765

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 18. INVESTMENT PROPERTIES (Cont'd)

- (b) All of the Group's investment properties are held under operating leases to earn rentals or for capital appreciation purposes and are measured using the fair value model.
- (c) During the year ended 31 December 2010, there was a change of intention for certain investment properties which were transferred at fair value of approximately RMB52,100,000 to properties held for sale.
- (d) The fair values of the Group's investment properties in Hong Kong and the PRC as at 31 December 2010 were valued by Vigers Appraisal & Consulting Limited ("Vigers"), independent qualified professional valuers not connected with the Group. Vigers has appropriate qualifications and has recent experiences in the valuation of similar properties in the relevant locations. The valuations have been arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.
- (e) On 11 January 2006, the Group obtained a court order from the People's Intermediate Court of Shenzhen to freeze certain buildings of the Group which included investment properties with a carrying value of approximately RMB143,200,000 (31 December 2009: RMB129,400,000) ("Freeze Investment Properties") as a result of certain litigations against a subsidiary of the Group in relation to certain alleged guarantees and overdue bank borrowings ("Outstanding Amounts"). During the year ended 31 December 2010, such litigations were concluded and the Group undergone debt restructurings in the form of issuing convertible bonds, the Outstanding Amounts were fully settled. Details of which are set out in Note 32. As of the date of approval of these consolidated financial statements, the assets were still frozen by the relevant authorities.

### 18. 投資物業 (續)

- (b) 本集團之所有投資物業都以資本增值目的或根據營運租賃賺取租金目的持有及以公允值模型計算。
- (c) 截至二零一零年十二月三十一日止年度，有意轉向將若干投資物業按公允值約人民幣52,100,000元轉撥至持作出售物業。
- (d) 於二零一零年十二月三十一日，本集團於香港及中國之投資物業之公允值已由獨立認可專業估值師威格斯資產評估顧問有限公司（「威格斯」）評估。威格斯具備適當的資格，並擁有評估在有關地點之同類物業的經驗。估值已參照在同一地點和條件之類似物業之市場交易價格的證據。
- (e) 於二零零六年一月十一日，本集團因一附屬公司透過相關的擔保及銀行透支借貸（「尚欠金額」）而作抵押其有關訴訟，本集團收到由深圳中級人民法院發出之法院命令要求凍結本集團賬面值約人民幣143,200,000元（二零零九年十二月三十一日：人民幣129,400,000元）之某建築物（「凍結投資物業」），截至二零一零年十二月三十一日止年度，該訴訟已經完結及本集團正透過發行可換股債券方式進行債務重組，尚欠金額已悉數支付。有關詳情列載於附註32。於批准本綜合財務報表日期，該資產仍在被相關機構凍結。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 18. INVESTMENT PROPERTIES (Cont'd)

(f) As of the date of approval of these consolidated financial statements, the Group has not obtained the building ownership certificates of the Freeze Investment Properties, due to the seizure, the application for obtaining the building ownership certificates of the Frozen Investment Properties was deferred. A legal opinion provided by the Company's PRC legal advisors on 14 March 2011 confirmed that although the subsidiary has not yet obtained the building ownership certificates of the Freeze Investment Properties, the ownership of the Freeze Investment Properties vested with the subsidiary.

### 19. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments on land use rights are held under medium-term leases in the PRC and analysed for reporting purposes as:

Current assets  
Non-current assets

本集團之土地使用權之租賃預付款項乃於中國以中期租約持有並分析作報告用途如下：

流動資產  
非流動資產

### 18. 投資物業 (續)

(f) 於批准本綜合財務報表日期，本集團因凍結投資物業仍在查封中，因此仍未取得凍結投資物業之房產證，房產證之申請已押後。本公司之中國法律顧問於二零一一年三月十四日發出法律意見書確認即使該附屬公司仍未獲得凍結投資物業之房產證，但凍結投資物業之擁有權仍屬於該附屬公司。

### 19. 租賃預付款項

31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元 (Restated) (經重列)
6	6	6
246	252	255
<b>252</b>	<b>258</b>	<b>261</b>

On 11 January 2006, the Group obtained a court order from the People's Intermediate Court of Shenzhen to freeze certain land of the Group which included prepaid lease payments with a carrying value of approximately RMB252,000 at 31 December 2010 (2009: RMB258,000) as a result of certain litigations against a subsidiary of the Group in relation to certain alleged guarantees and overdue bank borrowings ("Outstanding Amounts"). During the year ended 31 December 2010, such litigations were concluded and the Group undergone debt restructurings in the form of issuing convertible bonds, the Outstanding Amounts were fully settled. Details of which are set out in Note 32. As of the date of approval of these consolidated financial statements, the assets were still frozen by the relevant authorities.

於二零零六年一月十一日，本集團因一附屬公司透過相關的擔保及銀行透支借貸（「尚欠金額」）而作抵押其有關訴訟，本集團收到由深圳中級人民法院發出之法院命令要求凍結本集團租賃預付款項於二零一零年十二月三十一日之賬面值約人民幣252,000元（二零零九年：人民幣258,000元）之若干土地。截至二零一零年十二月三十一日止年度，該訴訟已經完結及本集團正透過發行可換股債券方式進行債務重組，尚欠金額已悉數支付。有關詳情列載於附註32。於批准本綜合財務報表日期，該資產仍在被相關機構凍結。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 20. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL

#### (a) Goodwill

		RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>	
Arising on acquisition of subsidiaries (Note 39), at 31 December 2009 and 31 December 2010	因收購附屬公司(附註39), 於二零零九年十二月三十一日及 於二零一零年十二月三十一日	<b>184,231</b>
<b>CARRYING VALUE</b>	<b>賬面值</b>	
At 31 December 2009 and 31 December 2010	於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	<b>184,231</b>

#### (b) Impairment testing on goodwill

For the purpose of impairment testing, goodwill set out above has been allocated to one individual cash generating unit, the property development segment.

The directors of the Company are of the opinion that, based on the business valuation report of the property development segment as at 31 December 2010 issued by Norton Appraisals Limited, an independent valuer not connected with the Group ("Norton"), the recoverable amount of the property development segment exceeds its carrying amount in the consolidated statement of financial position and therefore, no impairment loss is necessary.

The recoverable amount of the cash generating unit is determined from the income-based approach calculation as extracted from Norton's valuation report for the recoverable amount as at 31 December 2010. The Group prepared cash flow forecast derived from the most recent available financial budgets approved by management and extrapolated over two years. In preparing the forecasts, management made references to the project area for real estate development. The key assumptions for the value-in-use calculation were those regarding discount rates and anticipated changes to future selling prices, as follows:

- Projected cashflow forecasts are based on development plans of real estate projects.
- Management used a discount rate which is derived as the Company's cost of capital, representing the expected return on the Company's capital, and assigned a discount of 18.65%.

### 20. 商譽及商譽之減值測試

#### (a) 商譽

		RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>	
Arising on acquisition of subsidiaries (Note 39), at 31 December 2009 and 31 December 2010	因收購附屬公司(附註39), 於二零零九年十二月三十一日及 於二零一零年十二月三十一日	<b>184,231</b>
<b>CARRYING VALUE</b>	<b>賬面值</b>	
At 31 December 2009 and 31 December 2010	於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	<b>184,231</b>

#### (b) 商譽之減值測試

就減值測試為目的而言，以上所列的商譽已分配到一個個別現金產生單位－物業發展分部。

本公司董事認為，根據於二零一零年十二月三十一日由普敦國際評估有限公司(「普敦」)(為獨立認可專業估值師)所發出之物業發展分部商業評估報告，物業發展分部之可回收金額高於其於綜合財務狀況表之賬面值，因為無須作出減值虧損。

現金產生單位之可回收金額乃摘錄普敦之估值報告於二零一零年十二月三十一日之可回收金額以現金基準方式計算釐訂。本集團之現金預測乃根據最近獲管理層批准及根據過以兩年之財政預算準備及編制。於準備預測時，管理層曾考慮房產發展之地區。使用價值計算之主要假設為以下項目的關折扣率及未來銷售價格的預計轉變：

- 已計劃的現金流預測基於房產項目的發展計劃。
- 管理層已使用一個由公司資本成本(等於本公司資本的預計回報)所衍生的折扣率及已指定折扣為18.65%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 20. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL (Cont'd)

#### (b) Impairment testing on goodwill (Cont'd)

- Future selling prices were estimated with reference to existing and past selling prices in the real estate industry in the PRC.

### 21. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Unlisted equity securities, at cost	於成本之非上市權益證券	51,338	51,338	51,338
Less: Impairment loss recognised	減：已確認減值虧損	(51,338)	(51,338)	(51,338)
		-	-	-

- (a) The available-for-sale investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so wide that the directors of the Company are of the opinion that their fair values cannot be measured reliably.
- (b) Available-for-sale investments amounting to approximately RMB51,338,000 (2009: RMB51,338,000) represents the Group's 18.52% unlisted equity interest in the registered capital of Goldwiz Huarui (Tongling) Electronic Material Company Limited\* (科維華瑞(銅陵)電子材料有限公司), a company incorporated in the PRC, the operation of which has been suspended since December 2005 due to critical liquidity problem. Accordingly, the investment cost had been fully impaired in previous years.

\* The English name is for identification purpose only

### 20. 商譽及商譽之減值測試 (續)

#### (b) 商譽之減值測試 (續)

- 未來銷售價格根據中國房地產市場現時及過去的銷售價格估算。

### 21. 可供出售投資

可供出售投資包括：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Unlisted equity securities, at cost	於成本之非上市權益證券	51,338	51,338	51,338
Less: Impairment loss recognised	減：已確認減值虧損	(51,338)	(51,338)	(51,338)
		-	-	-

- (a) 於期結日之可供出售投資之計算方法是以購入成本減去撥備，因為可估算的合理公允值的差異很大，故本公司董事認為其公允價值難以可靠計量。
- (b) 可供出售投資金額約為人民幣51,338,000元（二零零九年六月三十日：人民幣51,338,000元）是本集團所佔之一間於中國註冊非上市公司，利維華瑞（銅陵）電子材料有限公司的註冊資本之18.52%，因重大流動資金問題已於二零零五年十二月終止業務運作。因此，投資成本已全數於以往年度作出減值。

\* 英文名稱僅供識別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 21. AVAILABLE-FOR-SALE INVESTMENTS (Cont'd)

- (c) On 13 August 2009, Hill Light Investment Limited ("Hill Light"), a wholly owned subsidiary of the Group acquired the entire issued share capital of Ocean Vast Corporation Limited ("Ocean Vast") and its subsidiaries ("Ocean Vast Group"). The fair value of the acquisition cost was approximately HK\$203,000,000 (equivalent to approximately RMB178,579,000) which was entirely settled by way of issue and allotment of 175,000,000 new ordinary shares of HK\$0.10 each at a quoted market price of HK\$1.16 at the date of completion of the acquisition. At the date of the acquisition, the management had concluded their intentions in acquisition of Ocean Vast Group was purely for investment opportunity.

Following a sale and purchase agreement entered into with an independent third party dated 3 December 2009, Hill Light was disposed of together with Ocean Vast Group on 30 December 2009 for a consideration of HK\$126,000,000 (equivalent to approximately RMB110,880,000). A loss on disposal of approximately RMB67,699,000 was recognised during the period ended 31 December 2009.

### 22. INVENTORIES

During the year ended 31 December 2010, certain impaired inventories were sold at a gross profit. As a result of the reversal of impairment of inventories of approximately RMB372,000 (for the six months ended 31 December 2009: RMB269,000) has been recognised and included in the consolidated statement of comprehensive income for the year ended 31 December 2010.

### 21. 可供出售投資 (續)

- (c) 於二零零九年八月十三日，曉光投資有限公司(「曉光」)(本集團之全資附屬公司)收購廣海集團有限公司(「廣海」)及其附屬公司(「廣海集團」)之所有已發行股份。收購成本公允值約港幣203,000,000元(相等於約人民幣178,579,000元)，收購成本已以發行及配發本公司175,000,000股每股港幣0.10元(於收購完成日每股之市場收市價格為港幣1.16元)之普通股方式支付。於收購日，管理層已確認收購廣海集團之意向純粹基於投資機會。

於二零零九年十二月三日，與獨立第三方簽署買賣合約後，曉光及廣海集團已以代價港幣126,000,000元(相等於約人民幣110,880,000元)被出售。於二零零九年十二月三十一日止六個月內，約人民幣67,699,000元之出售虧損已確認。

### 22. 存貨

	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Merchandise 商品	12,701	-	-

截至二零一零年十二月三十一日止年度，若干已減值之存貨已售出並獲得毛利。因此，存貨之減值撥回約人民幣372,000元(截至二零零九年十二月三十一日止六個月：人民幣269,000元)已確認及已包括在截至二零一零年十二月三十一日止年度之綜合全面收益表內。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 23. PROPERTIES UNDER DEVELOPMENT

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At the beginning of the year/period	於年／期初	376,259	-	-
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司所獲得 (附註39)	-	374,400	-
Additions	添置	351,314	1,859	-
Interest capitalised (Note 11)	資本化利息(附註11)	9,522	-	-
At the end of the year/period	於年／期結	737,095	376,259	-

### 23. 在建物業

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Represented by:	代表：			
Land use rights	土地使用權	337,558	337,558	-
Construction costs and capitalised expenditure	建築成本及資本化開支	399,537	38,701	-
		737,095	376,259	-

The carrying amounts of the properties under development situated on the leasehold land in the PRC are as follows:

位於中國於租賃土地上之在建物業賬面值如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Medium-term lease	中期租約	147,404	75,244	-
Long-term lease	長期租約	589,691	301,015	-
		737,095	376,259	-

Properties under development are classified as current asset as the construction period of the relevant property development project is expected to complete in the normal operating cycle.

由於相關在建物業發展項目之建築期預計以一般營運週期完成，因此在建物業獲分類為流動資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 24. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated in the PRC. All the properties held for sale are stated at costs or net realisable value.

At 31 December 2010, properties held for sale to the amount of approximately RMB79,818,000 is stated at net realisable value (2009: Nil).

### 25. TRADE AND OTHER RECEIVABLES

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Trade receivables	貿易應收賬款	33,112	17,333	26,120
Less: impairment loss recognised	減：已確認之減值虧損	(5,678)	(4,086)	(14,707)
		27,434	13,247	11,413
Prepayments, deposits and other receivables	預付款、按金及其他應收賬款	16,392	16,752	4,164
Consideration receivable (Note e)	應收代價(附註e)	–	110,880	–
Less: impairment loss recognised	減：已確認之減值虧損	(1,561)	(1,566)	(690)
		42,265	139,313	14,887

Customers from the trading segment are normally required to settle the debts within one to two months upon issue of invoices, except for certain well established customers where the terms are extended to two to three months.

Trade receivables from the sale of properties are received in accordance with the terms of the related sales and purchase agreement.

### 24. 待售物業

本集團之待售物業均位於中國。所有待售物業以成本或可變現淨值呈列。

於二零一零年十二月三十一日，為數約人民幣79,818,000元的待售物業按可變現淨值列賬(二零零九年：無)。

### 25. 貿易及其他應收賬款

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Trade receivables	貿易應收賬款	33,112	17,333	26,120
Less: impairment loss recognised	減：已確認之減值虧損	(5,678)	(4,086)	(14,707)
		27,434	13,247	11,413
Prepayments, deposits and other receivables	預付款、按金及其他應收賬款	16,392	16,752	4,164
Consideration receivable (Note e)	應收代價(附註e)	–	110,880	–
Less: impairment loss recognised	減：已確認之減值虧損	(1,561)	(1,566)	(690)
		42,265	139,313	14,887

來自貿易分部之客戶收到賬單後，一般需要一至兩個月清還債務，除了若干已建立良好關係之客戶可延長至兩至三個月。

來自出售物業之貿易應收賬款乃按相關買賣協議之條款收取。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 25. TRADE AND OTHER RECEIVABLES (Cont'd)

- (a) An aged analysis of trade receivables, net of impairment loss recognised presented based on invoice date is as follow:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
0 – 60 days	0 – 60天	27,434	7,569	419
61 – 90 days	61 – 90天	–	–	–
91 – 365 days	91 – 365天	–	124	–
Over 365 days	超過365天	–	5,554	10,994
		<b>27,434</b>	<b>13,247</b>	<b>11,413</b>

Included in the trade receivables is an amount of approximately RMB21,500,000 derived from the sale of properties. In accordance with the terms of the sales and purchase agreement, this receivable is repayable by installment and contains a repayable on demand clause.

- (b) The movements in impairment losses recognised in respect of trade receivables are as follows:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At beginning of the year/period	於年／期初	4,086	14,707	21,588
Exchange realignment	匯兌差額	(219)	1	40
Written off during the year/period	於年／期內註銷	–	–	(5,567)
Recognised during the year/period	於年／期內確認	1,811	7	413
Reversal during the year/period	於年／期內撥回	–	(10,629)	(1,767)
At end of the year/period	於年／期結	<b>5,678</b>	<b>4,086</b>	<b>14,707</b>

At 31 December 2010, included in the impairment loss are individually impaired trade receivables with an aggregate balance of approximately RMB5,678,000 (31 December 2009: RMB4,086,000) which are due to long outstanding. The Group does not hold any collateral over these balances.

### 25. 貿易及其他應收賬款 (續)

- (a) 貿易應收賬款及經扣除確認減值虧損之賬齡分析如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
0 – 60 days	0 – 60天	27,434	7,569	419
61 – 90 days	61 – 90天	–	–	–
91 – 365 days	91 – 365天	–	124	–
Over 365 days	超過365天	–	5,554	10,994
		<b>27,434</b>	<b>13,247</b>	<b>11,413</b>

已包括於貿易應收賬款的約人民幣21,500,000元源自銷售物業。根據買賣協議條款，該應收款項應分期支付，並包含按要求償還條款按按要求償還條款

- (b) 於貿易應收賬款確認之減值虧損變動如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At beginning of the year/period	於年／期初	4,086	14,707	21,588
Exchange realignment	匯兌差額	(219)	1	40
Written off during the year/period	於年／期內註銷	–	–	(5,567)
Recognised during the year/period	於年／期內確認	1,811	7	413
Reversal during the year/period	於年／期內撥回	–	(10,629)	(1,767)
At end of the year/period	於年／期結	<b>5,678</b>	<b>4,086</b>	<b>14,707</b>

於二零一零年十二月三十一日，貿易應收賬款（包括減值虧損）總額約為人民幣5,678,000元（二零零九年十二月三十一日：人民幣4,086,000元），該貿易應收賬款乃長期未清還。對該結餘，本集團並無持有任何抵押品。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 25. TRADE AND OTHER RECEIVABLES (Cont'd)

(c) The movements in impairment losses of other receivables are as follow:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At beginning of the year/period	於年／期初	1,566	690	1,108
Exchange realignment	匯兌差額	(5)	-	(5)
Written off during the year/period	於年／期內註銷	-	-	(5)
Recognised during the year/period	於年／期內確認	-	1,052	84
Reversal during the year/period	於年／期內撥回	-	(176)	(442)
At end of the year/period	於年／期結	1,561	1,566	690

At 31 December 2010, included in the impairment loss are individually impaired other receivables with an aggregate balance of approximately RMB1,561,000 (31 December 2009: RMB1,566,000) which are due to long outstanding. The Group does not hold any collateral over these balances.

### 25. 貿易及其他應收賬款 (續)

(c) 其他應收賬款之減值虧損變動如下：

於二零一零年十二月三十一日，包括於減值虧損中，為其他應收賬款之總額約為人民幣1,561,000元（二零零九年十二月三十一日：人民幣1,566,000元），該其他應收賬款乃長期未清還。對該結餘，本集團並無持有任何抵押品。

(d) At 31 December 2010 and 31 December 2009, the analysis of trade receivables that were past due but not impaired are as follows:

(d) 於二零一零年十二月三十一日及二零零九年十二月三十一日，已逾期但無減值虧損之貿易應收賬款分析如下：

		Neither past due but nor impaired 未逾期且 無減值虧損 總額 RMB'000 人民幣千元	Past due but not impaired 已逾期但無減值虧損				
			Less than 60 days 少於60天 RMB'000 人民幣千元	61-90 days 61-90天 RMB'000 人民幣千元	91-365 days 91-365天 RMB'000 人民幣千元	More than 365 days 超過365天 RMB'000 人民幣千元	
At 31 December 2010	於二零一零年 十二月三十一日	27,434	27,434	-	-	-	-
At 31 December 2009	於二零零九年 十二月三十一日	13,247	7,569	113	-	11	5,554
At 1 July 2009	於二零零九年 七月一日	11,413	419	-	-	-	10,994

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 25. TRADE AND OTHER RECEIVABLES (Cont'd)

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

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

- (e) At 31 December 2009, the amount represented the consideration receivable in relation to the disposal of an available-for-sale investments (2010: Nil). Details of which are set out in Note 21. The amount was unsecured, non-interest bearing and was fully settled in January 2010, details of the settlement are set out in Note 37.
- (f) Included in trade and other receivables in are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

### 25. 貿易及其他應收賬款 (續)

未逾期且無減值虧損之貿易應收賬款與廣泛客戶有關，其無任何最近之拖欠歷史。對於該等結餘，本集團並無持有任何抵押品。

已逾期但無減值虧損之貿易應收賬款則與若干還款紀錄良好之獨立客戶有關。根據過往經驗，管理層認為該等結餘之信貸質素並無重大改變，且仍被視為可全數收回，故毋須作出任何減值。對於該等結餘，本集團並無持有任何抵押品。

- (e) 於二零零九年十二月三十一日，該金額等同於有關一項可供出售投資之出售的應收代價（二零一零年：無），其詳情已載於附註21。該金額為非擔保，零利息及於二零一零年一月已悉數支付，有關支付詳情載於附註37。
- (f) 包括貿易及其他應收賬款如下（金額以與其相關之貨幣計價，乃實體之功能貨幣以外）：

	<b>31.12.2010</b> 二零一零年 十二月三十一日 '000 千	31.12.2009 二零零九年 十二月三十一日 '000 千	1.7.2009 二零零九年 七月一日 '000 千
US\$	956	868	1,612

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 26. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments comprise:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Trust fund investments	信託基金投資	150,704	150,704	150,704
Less: Impairment loss recognised	減：已確認減值虧損	(150,704)	(150,704)	(150,704)
		-	-	-

Trust fund investments is represented by funds placed by two PRC subsidiaries with Kinghing Trust & Investment Co., Ltd.\* (金信信託及投資有限公司) (the "Trust Company"), an independent trust investment company in the PRC. Pursuant to the relevant contracts, the funds were for a fixed term up to May 2006 and the Group's return on the trust funds is limited to an annual rate of return of 4%.

In early 2006, the Company was informed that the Trust Company has been ordered by the relevant authority to suspend its operation. The assets of the Trust Company are now being managed by the China Construction Bank. The two PRC subsidiaries have registered with the China Construction Bank its entitlement to the fund. Despite the Group's repeated attempts for confirmation of the repayment schedule, neither the China Construction Bank nor the local government has provided any information. In view of the absence of sufficient information to substantiate the recoverability of the trust fund, as at 30 June 2006, the directors of the Company recognised an impairment loss of approximately RMB150,704,000 on trust fund investments.

\* The English name is for identification purpose only.

### 26. 持有至到期日投資

持有至到期日投資如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Trust fund investments	信託基金投資	150,704	150,704	150,704
Less: Impairment loss recognised	減：已確認減值虧損	(150,704)	(150,704)	(150,704)
		-	-	-

信託基金投資乃兩間國內附屬公司於中國一間名為金信信託及投資有限公司(「信託公司」)之獨立信託投資公司所投放之基金。根據有關合約，該基金為固定期限基金，並於二零零六年五月屆滿。本集團可於該基金取得的回報最高為每年4%。

於二零零六年初，本公司獲通知該信託公司已被有關機關勒令停止業務，其資產亦已由中國建設銀行接管。該兩間國內附屬公司已向中國建設銀行登記該基金之贖回權。雖然本集團不斷試圖取得歸還時間表的確認書，惟現時仍未能得到中國建設銀行或當地政府提供任何資料。由於該投資的可收回性存在不明朗因素，於二零零六年六月三十日，本公司董事基於審慎起見就該信託基金投資確認為數人民幣150,704,000元減值虧損。

\* 英文名稱僅供識別



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 27. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments comprise:

	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Equity securities listed in Hong Kong at fair value	1,211	510	565

The above financial assets are classified as held-for-trading. The fair values of these financial assets are based on quoted market prices.

### 28. RESTRICTED BANK DEPOSITS

The restricted bank deposits are represented by the guarantee deposit for construction of projects. In accordance with relevant documents issued by the PRC local State-Owned Land and Resource Bureau, the Group's property development is required to place the proceeds received from pre-sale of properties as guarantee deposits for construction of properties. The deposits can only be used to pay for construction fees and purchase of the relevant projects when approvals are obtained from the PRC local State-Owned Land and Resource Bureau. The restriction will be released after the construction is completed or estate ownership certificate of the pre-sold properties is issued, whichever is earlier.

The restricted bank deposits are all denominated in RMB. Conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank deposits out of the PRC are subject to the relevant rules and regulation of foreign exchange control promulgated by the PRC Government.

Restricted bank deposits carry interest at floating daily bank deposit rates.

### 27. 持作交易用途之投資

持作交易用途之投資如下：

	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Equity securities listed in Hong Kong at fair value	1,211	510	565

以上財務資產獲分類為為交易而持有，該等財務資產之公允值乃基於市場報價。

### 28. 有限制銀行存款

有限制銀行存款指建築工程之保證按金。根據中國地方國有土地資源管理局頒佈之相關文件，本集團之物業發展須將預售物業所得款項用作興建房地產的保證按金。取得中國地方國有土地資源管理局的批准後，該按金始可用作支付有關項目的建造費用及購置建築材料。這限制將於建築工程完成或發出預售物業房地產權證（以較早者為準）後解除。

有限制銀行全部均以人民幣計值。將以人民幣列值之結餘換算為外幣及將該等外幣計值銀行存款匯出中國，須遵守中國政府頒佈之有關外匯管制規則及法規。

有限制銀行存款浮動之每日銀行存款利率計息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 29. BANK BALANCES AND CASH

### 29. 銀行結存及現金

		Notes	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Pledged bank deposits	已抵押之銀行存款				
– Bank deposits	– 銀行存款	(a)	–	56	57
– Time deposits	– 定期存款	(a)	–	12,553	12,527
			–	12,609	12,584
Bank balance and cash	銀行結存及現金				
– Unpledged	– 無抵押	(b)	<b>123,028</b>	148,905	13,289
			<b>123,028</b>	161,514	25,873

Notes:

附註：

- (a) The amounts represented short-term deposits with maturity of three months or less and were pledged to banks for banking facilities granted to the Group. The pledged deposits carried interest rate ranging from 0.25% to 0.5% per annum for the six months ended 31 December 2009.
- (a) 該款項指到期日為三個月或以下之短期存款，並就授予本集團之銀行融資而抵押予銀行。截至二零零九年十二月三十一日止六個月，已抵押存款按照利率按年利率介乎0.25%至0.5%計息。
- (b) For the year ended 31 December 2010 and the six months ended 31 December 2009, bank balances are deposits with a maturity of less than 3 months. The interest rate ranged from 0.01% to 0.36% per annum (for the six months ended 31 December 2009: 0.01% to 1.17% per annum).
- (b) 截至二零一零年十二月三十一日止年度及截至二零零九年十二月三十一日止六個月，銀行結存乃到期日為三個月或以下之存款。按年利率介乎0.01%至0.36%計息（截至二零零九年十二月三十一日止六個月：年利率0.01%至1.17%）。
- (c) Included in the pledged bank deposits and bank balances and cash are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:
- (c) 已抵押之銀行存款及銀行結存及現金包括並非以本集團相關業務之功能貨幣為單位之以下款項：

		31.12.2010 二零一零年 十二月三十一日 '000 千	31.12.2009 二零零九年 十二月三十一日 '000 千	1.7.2009 二零零九年 七月一日 '000 千
US\$	美元	<b>917</b>	65	946

- (d) At 31 December 2010, the Group's pledged bank deposits and bank balances and cash denominated in RMB amounted to approximately RMB111,513,000 (2009: RMB148,114,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.
- (d) 於二零一零年十二月三十一日，本集團之已抵押之銀行存款及銀行結存及現金以人民幣訂定，金額約為人民幣111,513,000元（二零零九年：人民幣148,114,000元）。人民幣兌換成外幣是受中國外匯管理條例和行政結算，銷售和支付外匯條例約束。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 30. ASSETS CLASSIFIED AS HELD FOR SALE

On 16 December 2010, the Group entered into a preliminary agreement for the sale of an investment property with a carrying amount of approximately RMB10,200,000 to an independent third party for a consideration of approximately HK\$13,074,000 (equivalent to approximately RMB11,113,000). The sales and purchase agreement was entered into on 3 January 2011. As of the date of approval of the consolidated financial statements, the transaction was still in progress.

### 31. TRADE AND OTHER PAYABLES

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Trade payables	貿易應付賬款	28,564	31,883	7,589
Accrued interest	應付利息	-	44,676	39,154
Receipt in advance (Note iii)	預收款(附註iii)	282,672	128,078	-
Consideration payable (Note 37)	應付代價(附註37)	55,133	119,680	-
Accrued expenses and other payables	應付開支及其他應付賬款	35,439	9,440	9,094
		<b>401,808</b>	333,757	55,837

- (i) The Group normally receives credit periods from suppliers ranging from 30 days to 90 days.
- (ii) An aged analysis of the trade payables at the end of the reporting period based on invoice date is as follows:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
0 – 60 days	0 – 60天	28,564	31,729	733
61 – 90 days	61 – 90天	-	-	-
91 – 365 days	91 – 365天	-	92	280
Over 365 days	超過365天	-	62	6,576
		<b>28,564</b>	31,883	7,589

### 30. 分類為持作銷售之資產

於二零一零年十二月十六日，本集團就出售賬面值約人民幣10,200,000元投資物業予獨立第三方訂立初步協議，代價約港幣13,074,000元（相等於約人民幣11,113,000元）。買賣協議乃於二零一一年一月三日訂立。截至綜合財務報表之批准日期，交易尚在進行中。

### 31. 貿易及其他應付賬款

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Trade payables	貿易應付賬款	28,564	31,883	7,589
Accrued interest	應付利息	-	44,676	39,154
Receipt in advance (Note iii)	預收款(附註iii)	282,672	128,078	-
Consideration payable (Note 37)	應付代價(附註37)	55,133	119,680	-
Accrued expenses and other payables	應付開支及其他應付賬款	35,439	9,440	9,094
		<b>401,808</b>	333,757	55,837

- (i) 本集團一般收到供應商的除賬期為30天到90天。
- (ii) 根據發票日期計算之貿易應付賬款之賬齡分析如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
0 – 60 days	0 – 60天	28,564	31,729	733
61 – 90 days	61 – 90天	-	-	-
91 – 365 days	91 – 365天	-	92	280
Over 365 days	超過365天	-	62	6,576
		<b>28,564</b>	31,883	7,589



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 31. TRADE AND OTHER PAYABLES (Cont'd)

- (iii) Receipt in advance represents sales proceeds received from buyers in connection with the Group's pre-sale of properties at the end of the reporting period.
- (iv) Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		31.12.2010 二零一零年 十二月三十一日 '000 千	31.12.2009 二零零九年 十二月三十一日 '000 千	1.7.2009 二零零九年 七月一日 '000 千
US\$	美元	3,122	100	300

### 32. PROVISION FOR CLAIMS

At beginning of the year/period	於年／期初	60,700	60,700	65,941
Settlement during the year/period	年／期內支付	(60,700)	-	(5,241)
At end of the year/period	於年／期結	-	60,700	60,700

At 31 December 2009, the Group's remaining provision for claims of approximately RMB60,700,000 (2010: Nil) was in respect of a claim made in 2008. In 2008, Bank of China, Shenzhen Branch (the "Bank") made a claim against a PRC subsidiary of the Company under a corporate guarantee allegedly provided by the subsidiary to the Bank in respect of a third party. A judgment was made by the relevant court on the litigation in favour of the Bank.

### 31. 貿易及其他應付賬款 (續)

- (iii) 預收款指本集團於期結日由買家所支付之物業預售金額。
- (iv) 貿易及其他應付賬款主要包括並非以本集團相關業務之功能貨幣為單位之以下款項：

		31.12.2010 二零一零年 十二月三十一日 '000 千	31.12.2009 二零零九年 十二月三十一日 '000 千	1.7.2009 二零零九年 七月一日 '000 千
US\$	美元	3,122	100	300

### 32. 索償撥備

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At beginning of the year/period	於年／期初	60,700	60,700	65,941
Settlement during the year/period	年／期內支付	(60,700)	-	(5,241)
At end of the year/period	於年／期結	-	60,700	60,700

於二零零九年十二月三十一日，本集團之剩餘索償撥備約人民幣60,700,000元（二零一零年：無），屬二零零八年之索償。於二零零八年，本公司中國附屬公司被聲稱作出擔保而被中國銀行深圳分行（「銀行」）就有關擔保提出索償，該等索償為宣稱該等中國附屬公司替第三方授出的。有關法院已就聲稱作出擔保之訴訟作出裁決，勝方為銀行。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 32. PROVISION FOR CLAIMS (Cont'd)

On 23 October 2007, the PRC subsidiary and the Bank entered into a non-binding memorandum of understanding ("MOU") under which both parties agreed that the aggregate principal and interests of the amount of approximately RMB60,700,000 would be restructured into a term of not less than 1 year and not more than 3 years against the pledge of the Group's leasehold buildings, prepaid lease payments and investment properties in the PRC (to be secured under the above guarantee provisions of approximately RMB60,700,000 and the bank loan of approximately RMB71,734,000 as at 31 December 2009 (31 December 2010: Nil) (Note 33) and certain amount of accrued interest would be waived.

On 16 September 2010, the Company and Zilver Yuan Investment Partners Limited (the "Subscriber"), a wholly-owned subsidiary of Bank of China Group Investment Limited entered into a subscription agreement (the "Subscription Agreement") in which the Company would issue HK\$160,000,000 (equivalent to approximately RMB136,000,000) convertible bonds (the "CB") to the Subscriber (Note 34). On 1 December 2010, the subscription of the CB was completed and the proceeds from the subscription was used for the settlement of the following amounts due to the Bank:

- (i) Provision of approximately RMB60,700,000 in relation to guaranteed provisions;
- (ii) Overdue bank loans of RMB67,734,000; and
- (iii) Accrued interests of RMB52,426,000.

The fair value of the CB on 1 December 2010 was approximately RMB198,909,000, resulting in a loss on debt restructuring of approximately RMB18,049,000.

A settlement agreement dated 30 December 2010 was entered into between the Company and the Bank, confirming the waiver of the right to claim against the Company for any outstanding amount due to the Bank.

### 32. 索償撥備 (續)

於二零零七年十月二十三日，國內附屬公司與銀行簽訂了一份不具約束力之諒解備忘錄（「備忘錄」），據此，雙方一致認為，為數約人民幣60,700,000元之本金將重組為不少過一年期但不超過三年之定期貸款，並以中國境內之租賃建築、租賃預付款項及投資物業作為抵押（根據上述規定，於二零零九年十二月三十一日，待擔保之金額約人民幣60,700,000元及銀行貸款金額約人民幣71,734,000元）（二零一零年十二月三十一日：無）（附註33），可免除一定數額之應計利息。

於二零一零年九月十六日，本公司與中銀集團投資有限公司全資附屬公司銀元投資有限公司（「認購人」）訂立認購協議（「認購協議」），據此，本公司將發行港幣160,000,000元（相等於約人民幣136,000,000元）之可換股債券（「可換股債券」）予認購人（附註34）。於二零一零年十二月一日，可換股債券之認購已完成，而認購之所得款項用作支付下列應付銀行之款項：

- (i) 就擔保撥備作出之撥備約人民幣60,700,000元；
- (ii) 逾期銀行貸款人民幣67,734,000元；及
- (iii) 應計利息人民幣52,426,000元。

可換股債券於二零一零年十二月一日之公允價值約人民幣198,909,000元，就債務重組產生虧損約人民幣18,049,000元。

本公司與銀行訂立日期為二零一零年十二月三十一日之和解協議，確認放棄向本公司就任何應付銀行之未償還款項索償之權利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 33. BANK BORROWINGS

### 33. 銀行貸款

		Notes 附註	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
Bank loans, secured	有擔保銀行貸款	(c)	385,936	45,139	40,009
Overdue bank loan, unsecured	逾期無抵押之 銀行貸款	(a) & (b)	–	71,734	74,734
Trust receipt loan	信託收據貸款	(d)	–	–	4,014
			<b>385,936</b>	<b>116,873</b>	<b>118,757</b>
			31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元 (Restated) (經重列)
Carrying amounts repayable:	應付款賬面值：				
On demand or within one year	於一年之內或按要求 還款		24,070	33,460	32,744
More than one year but not exceeding two years	超過一年但二年內		350,000	–	–
			<b>374,070</b>	<b>33,460</b>	<b>32,744</b>
Carrying amount of bank borrowings that are repayable on demand due to breach of loan covenants (show under current liabilities)	因違反貸款契約而按 要求償還之銀行貸 款賬面值（於流動 負債項下呈列）		–	71,734	74,734
Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	於期結日起計一年內 未能償還但具有可按 要求償還條款之銀行 貸款賬面值（於流動 負債項下呈列）		11,866	11,679	11,279
			<b>385,936</b>	<b>116,873</b>	<b>118,757</b>
Less: Amounts due within one year shown under current liabilities	減：於一年之內到期 流動負債		(35,936)	(116,873)	(118,757)
Amounts due after one year	一年後到期		350,000	–	–



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 33. BANK BORROWINGS (Cont'd)

- (a) The unsecured bank loan was borrowed from the Bank by a PRC subsidiary of the Company which was overdue as at 31 December 2009. As an overdue penalty imposed by the Bank, the interest rate of this unsecured bank loan was 9.558% per annum for the year ended 31 December 2010 (for the six months ended 31 December 2009: 9.558% per annum). In December 2006, the Shenzhen Arbitration Committee made a decision in favour of the Bank which has however subsequently agreed not to enforce its right to demand immediate repayment from the Group in order to allow the Bank to restructure the outstanding debt into a loan secured against the Group's leasehold land and buildings, investment properties and prepaid lease payments in the PRC with carrying value as at 31 December 2009 of approximately RMB12,577,000, RMB129,400,000 and RMB258,000, respectively.

As detailed in Note 32, the Group undergone debt restructuring and the overdue bank loan was fully settled on 8 December 2010.

- (b) The accrued interest at 31 December 2009 of approximately RMB44,676,000 (2010: Nil) was recorded under current liabilities.
- (c) The secured bank loans carry interest at the prevailing market interest rate. The effective interest rates of the secured bank loans at 31 December 2010 ranged from 1.8% to 3.18% per annum. At 31 December 2010, the loans are secured against the Group's leasehold land and buildings, investment properties, assets held for sales, prepaid lease payments and properties under development with carrying values of approximately RMB14,835,000, RMB40,084,000 and RMB737,095,000 respectively.

The effective interest rates of the secured bank loans at 31 December 2009 ranged from 1.8% to 2.73% per annum. At 31 December 2009, the loans are secured against the Group's leasehold land and buildings, investment properties and bank balances with carrying values of approximately RMB20,076,000, RMB45,206,000 and RMB12,609,000, respectively.

### 33. 銀行貸款 (續)

- (a) 無抵押之銀行貸款由銀行授予本公司之一間中國附屬公司，自二零零九年十二月三十一日已到期。截至二零一零年十二月三十一日止年度無抵押銀行貸款之年利率為9.558%（截至二零零九年十二月三十一日止六個月：年利率9.558%），以作為銀行徵收之逾期罰款。於二零零六年十二月，深圳仲裁委員會裁定銀行勝訴，惟隨後銀行同意不會於六個月內行使其可要求本集團即時償還款項之權利，以待銀行將該未償付的貸款重組為一項以本集團於中國之租賃土地及建築、投資物業及租賃預付款項作抵押的貸款截至二零零九年十二月三十一日之賬面值分別為約為人民幣12,577,000元、人民幣129,400,000元及人民幣258,000元。

如附註32所詳列，本集團已進行債務重組，逾期銀行貸款已於二零一零年十二月八日悉數支付。

- (b) 於二零零九年十二月三十一日之計定利息約人民幣44,676,000元（二零一零年：無）已計入流動負債。
- (c) 該等抵押銀行貸款按市場息率計息。抵押銀行貸款於二零一零年十二月三十一日之實際年利率介乎1.8%至3.18%。於二零一零年十二月三十一日，該貸款以本集團之租賃土地及樓宇、投資物業、持作出售資產、租賃預付款項及在建物業作抵押，各賬面淨值分別約為人民幣14,835,000元、人民幣40,084,000元及人民幣737,095,000元。

抵押銀行貸款於二零零九年十二月三十一日之實際年利率介乎1.8%至2.73%。於二零零九年十二月三十一日，該貸款以本集團之租賃土地及樓宇、投資物業及銀行結存作抵押，各賬面淨值分別約為人民幣20,076,000元、人民幣45,206,000元及人民幣12,609,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 33. BANK BORROWINGS (Cont'd)

- (d) At 31 December 2009, the trust receipt loan carries interest at LIBOR plus 2.5% (2010: Nil).
- (e) Included in bank borrowings are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	31.12.2010 二零一零年 十二月三十一日 '000 千	31.12.2009 二零零九年 十二月三十一日 '000 千	1.7.2009 二零零九年 七月一日 '000 千
US\$	-	-	585

### 34. CONVERTIBLE BONDS

On 1 December 2010 ("Issue Date"), the Company issued CB in principal amount of HK\$160,000,000 (equivalent to approximately RMB136,000,000) to the Subscriber (Note 32). The net proceeds from the issue of the CB were used to settle the entire outstanding amount due to the Bank. The CB is secured by a guarantee and share charge over Usualink Development Limited ("Usualink"), a wholly-owned subsidiary of the Company. The CB entitle the holders to convert them into ordinary shares of the Company at any time on or after three months from the Issue Date up to ten business days prior to 30 November 2013 ("the Settlement Date") in multiples of HK\$5,000,000 (equivalent to approximately RMB4,250,000) at an initial conversion price of HK\$0.59 (equivalent to approximately RMB0.50) (subject to adjustments) per conversion share. If the CB has not been converted, they will be redeemed on the Settlement Date at par. Interest of 4% per annum will be paid semi-annually up until the Settlement Date.

Pursuant to the CB subscription agreement, the conversion price of the CB shall be adjusted on each of the first and second anniversaries of the Issue Date if the volume weighted average price of the shares over the preceding calendar month is less than 85% of the applicable conversion price. The new conversion price will then be adjusted to a price equal to 85% of the conversion price immediately before the adjustment.

### 33. 銀行貸款 (續)

- (d) 於二零零九年十二月三十一日，信托收據貸款以倫敦同業拆息加2.5%計算（二零一零年：無）。
- (e) 銀行借貸包括並非以本集團相關業務之功能貨幣為單位之以下款項：

### 34. 可換股債券

於二零一零年十二月一日（「發行日期」），本公司發行本金額港幣160,000,000元之可換股債券（相等於人民幣136,000,000元）予認購人（附註32）。發行可換股債券之所得款項淨額用於支付應付銀行之全部未償還款項。可換股債券乃以擔保作抵押，並將股份押記予本公司全資附屬公司通聯發展有限公司（「通聯」）。可換股債券授權持有人於發行日期起計三個月或之後至二零一三年十一月三十日（「支付日期」）前十個營業日期間隨時將可換股債券按港幣5,000,000元之倍數（相等於人民幣4,250,000元）轉換為本公司普通股，初始轉換價為每股轉換股份港幣0.59元（相等於人民幣0.50元）（可予調整）。倘可換股債券尚未獲轉換，則將於支付日期按面值贖回。每年4厘之利息將每半年派付一次至支付日期止。

根據可換股債券認購協議，倘股份數量加權平均價於首個及第二個週年之前曆月少於當時換股價之85%，則可換股債券換股價須於發行日期之首個及第二個週年調整。新換股價將被調整至相等於緊隨調整前換股價85%之價格。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 34. CONVERTIBLE BONDS (Cont'd)

The fair values of the CB at the date of inception and at 31 December 2010 are approximately RMB198,909,000 and RMB184,391,000 respectively, which are determined taking into account a valuation carried out by Vigers, using the binomial model.

The fair values of the CB at the inception date and at the end of each reporting period were calculated using the market value basis. Major parameters adopted in the calculation of the fair value are summarised below:

		1 December 2010 二零一零年 十二月一日	31 December 2010 二零一零年 十二月三十一日
Share price	股份價格	HK\$0.79 港幣0.79元	HK\$0.72 港幣0.72元
Conversion price	換股價	HK\$0.59 港幣0.59元	HK\$0.59 港幣0.59元
Expected volatility (Note i)	預期波幅 (附註i)	62%	61%
Expected life (Note ii)	預期有效期 (附註ii)	36 months 36個月	35 months 35個月
Risk free rate (Note iii)	無風險比率 (附註iii)	1.25%	1.25%
Expected dividend yield (Note iv)	預期股息率 (附註iv)	0%	0%

Notes:

- i. Expected volatility was determined by calculating the historical volatility of the Company's share price.
- ii. Expected life was the expected remaining life of the option.
- iii. The risk free rate is determined by reference to the yield of the US Treasury bonds with similar duration.
- iv. The expected dividend yield was based on the historical dividend payment record of the Company.

### 34. 可換股債券 (續)

於發行日及二零一零年十二月三十一日可換股債券之公允值分別約為人民幣198,909,000元及人民幣184,391,000元，其乃經考慮威格斯利用二項模式進行估值而釐定。

於發行日及各期結日可換股債券之公允值乃按市值基準計算。計算公允值所採用的主要參數概括如下：

附註：

- i. 預期波幅通過計算本公司股份價格之歷史波幅釐定。
- ii. 預期有效期為換股權之預期餘下有效期。
- iii. 無風險利率乃參考相近年期之美國國庫債券收益率釐定。
- iv. 預期股息收益率根據本公司過往派息記錄釐定。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 35. ORDINARY SHARE CAPITAL

Ordinary share of HK\$0.10 each

### 35. 普通股股本

每股港幣0.10元之普通股

		Number of shares 股數	Equivalent to 相等於
	Notes 附註	'000 千	HK\$'000 港幣千元
			RMB'000 人民幣千元
Authorised:	法定股本：		
At 1 July 2009,	於二零零九年七月一日，		
31 December 2009	二零零九年十二月三十一日		
and 31 December 2010	及二零一零年十二月三十一日	3,000,000	300,000
			281,070
Issued and fully paid:	發行及已繳足股本：		
At 1 July 2009	於二零零九年七月一日		
Issue of shares upon	發行股份因	429,180	42,918
– settlement of consideration	– 支付有關收購附屬公司／		
in respect of acquisition	可供出售投資之代價		
of subsidiaries/available-			
for-sale investment		(a) 421,800	42,180
– exercise of share options	– 行使購股權	(b) 1,000	100
			37,113
			88
At 31 December 2009	於二零零九年十二月三十一日		
and 31 December 2010	及二零一零年十二月三十一日	851,980	85,198
			81,232

Notes:

(a) On 13 August 2009, the Group completed the investment of the unlisted equity security in Ocean Vast Corporation Limited ("Ocean Vast") and the total consideration was entirely settled by way of issue and allotment of 175,000,000 new ordinary shares of HK\$0.10 each at a quoted market price of HK\$1.16 at the date of completion of the acquisition as consideration shares.

On 20 November 2009, the Group completed another acquisition of the entire equity interest in Boom Lotus Holdings Limited ("Boom Lotus") and the total consideration was partly settled by way of issue and allotment of 246,800,000 new ordinary shares of HK\$0.10 each at a quoted market price of HK\$0.99 at the date of completion of the acquisition as consideration shares

(b) On 14 August 2009 and 15 September 2009 respectively, in aggregate of 1,000,000 share options were exercised. Details of which have been set out in Note 40.

(c) All the shares issued rank pari passu in all respect with the existing shares of the Company.

附註：

(a) 於二零零九年八月十三日，本集團完成一項於廣海集團有限公司（「廣海」）之非上市證券投資，總代價已以發行及配發175,000,000股每股港幣0.10元之新普通股全數支付，於收購完成當日之股份市場報價為港幣1.16元。

於二零零九年十一月二十日，本集團完成另一項收購有關收購蓮盛控股有限公司（「蓮盛」）之所有股份，總代價已以發行及配發246,800,000股每股港幣0.10元之新普通股全數支付，於收購完成當日之股份市場報價為港幣0.99元。

(b) 分別於二零零九年八月十四日及二零零九年九月十五日，共1,000,000股購股權已獲行使，有關詳情載於附註40。

(c) 所有已發行股份與本公司現有股份享有同等權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 36. CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Convertible redeemable preference shares, issued and fully paid:

### 36. 可轉換可贖回優先股

發行及已繳足之可轉換可贖回優先股如下：

	Notes 附註	Number of shares 股數			Amount 金額		
		31.12.2010 二零一零年 十二月 三十一日 '000 千	31.12.2009 二零零九年 十二月 三十一日 '000 千	1.7.2009 二零零九年 七月一日 '000 千	31.12.2010 二零一零年 十二月 三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月 三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At beginning and end of the year/period	於年／期初	460,000	460,000	460,000	184,653	184,653	184,653
Represented by:	其中包括：						
Convertible redeemable preference shares	可轉換可贖回優先股 (a)	350,000	350,000	350,000	142,406	142,406	142,406
Convertible redeemable preference A shares	可轉換可贖回優先A股 (b)	110,000	110,000	110,000	42,247	42,247	42,247
		460,000	460,000	460,000	184,653	184,653	184,653

Note: As a result of completion of the issue of the CB, the conversion price of the convertible redeemable preference shares and the convertible redeemable preference A shares of the Company will be adjusted from HK\$0.40 to HK\$0.38 with effect from the 1 December 2010.

(a) On 29 June 2006, the Company issued 250,000,000 convertible redeemable preference shares of par value of HK\$0.10 at a subscription price of HK\$0.40 each for cash. In April 2007, the Company exercised the option to require the subscriber to further subscribe for an additional 100,000,000 convertible redeemable preference shares at HK\$0.40 each pursuant to the relevant agreement. On 22 June 2007, the Company issued these 100,000,000 convertible redeemable preference shares of par value of HK\$0.10 at a subscription price of HK\$0.40 each for cash.

(b) On 29 December 2006, the Company issued 110,000,000 convertible redeemable preference A shares of par value of HK\$0.10 at a subscription price of HK\$0.40 each in respect of the acquisition of a subsidiary.

All the above convertible redeemable preference shares can be converted into ordinary shares at HK\$0.38 (for the six months ended 31 December 2009: HK\$0.40) per share. The major terms of the above-mentioned preference shares are set out below:

附註：於可換股債券發行完成後，本公司可轉換可贖回優先股及可轉換可贖回優先A股之換股價將由港幣0.40元調整至港幣0.38元，自二零一零年十二月一日起生效。

(a) 於二零零六年六月二十九日，本公司以收取現金方式按認購價每股港幣0.40元發行250,000,000股每股面值港幣0.10元之可轉換可贖回優先股。於二零零七年四月，本公司根據有關協議行使權利，要求認購人以每股港幣0.40元額外認購100,000,000股可轉換可贖回優先股。於二零零七年六月二十二日，本公司以收取現金方式按每股港幣0.40元的認購價發行該100,000,000股每股面值港幣0.10元之可轉換可贖回優先股。

(b) 於二零零六年十二月二十九日，本公司就收購一間附屬公司而按認購價每股港幣0.40元發行110,000,000股每股面值港幣0.10元之可轉換可贖回優先A股。

上述所有可轉換可贖回優先股均可按每股港幣0.38元（截至二零零九年十二月三十一日止六個月：港幣0.40元）轉換為普通股。有關上述優先股的主要條款列載如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 36. CONVERTIBLE REDEEMABLE PREFERENCE SHARES (Cont'd)

- (i) For the convertible redeemable preference shares issued on 29 June 2006 and 22 June 2007, the preference share holders ("the Preference Share Holders") has the right, exercisable at any time from the date of issue to 15 June 2009 and 7 June 2010 respectively (the dates being the 10 business days before the third anniversary of the respective dates of initial issue of the convertible redeemable preference shares) ("Conversion Period"), to convert the preference shares into fully paid ordinary shares. The Company has the right, exercisable following the end of the conversion period and up to the third anniversary of the date of the initial issue of the preference shares, to redeem all or part of the preference shares or to request the subscriber to convert all or part of preference shares into fully paid ordinary shares.

During the year ended 30 June 2009, the Company and the Preference Share Holders entered into a supplemental agreement and agreed to extend the Conversion Period for a further 12 months from the expiry date of the Conversion Period such that the Preference Share Holder shall have the right to convert the convertible redeemable preference shares held by it at any time from the date of issue to 15 June 2010 and 7 June 2011 (the dates being 10 business days before fourth anniversary of the date of initial issue of 250,000,000 and the 100,000,000 convertible redeemable preference shares, respectively).

- (ii) For the convertible redeemable preference A shares issued on 29 December 2006, the preference share holder (the "Preference A Share Holder") has the right, exercisable at any time from the date of issue to 19 December 2008 (the date being the 10 business days before the second anniversary of the date of initial issue of the convertible redeemable preference shares) ("Preference A Shares Conversion Period"), to convert the preference shares into fully paid ordinary shares. The Company has the right, exercisable during the preference A shares conversion period, to redeem all or part of the preference shares. The Company also has the right, exercisable following the end of the preference A shares conversion period and up to the second anniversary of the date of the initial issue of the preference shares, to request the subscriber to convert all or part of preference A shares into fully paid ordinary shares.

During the year ended 30 June 2009, the Company and the Preference A Share Holder have agreed to extend the Preference A Shares Conversion Period for the convertible redeemable preference shares to 19 December 2009.

### 36. 可轉換可贖回優先股 (續)

- (i) 就於二零零六年六月二十九日及二零零七年六月二十二日發行之可轉換可贖回優先股而言，優先股股東（「優先股股東」）有權由發行日（受本公司股份恢復買賣限制）至二零零九年六月十五日及二零一零年六月七日期間（即首次發行相關可轉換可贖回優先股第三年前十個營業日日期）（「轉換期」）任何時間轉換優先股為已繳足普通股。本公司有權於轉換期屆滿後至優先股份首次發行日期屆滿三年期間，要求贖回所有或部分優先股股份或要求認購人轉換所有或部分優先股為已繳足普通股。

截至二零零九年六月三十日止年度，本公司與可轉換可贖回優先股股東簽訂一份補充協議及同意將轉換期由轉換期到期日起計延長十二個月，優先股股東有權由發行日起到二零一零年六月十五日及二零一一年六月七日（為首次發行250,000,000股及100,000,000股可轉換可贖回優先股第四年之十個營業日前）。

- (ii) 就於二零零六年十二月二十九日發行之可轉換可贖回優先A股股份而言，優先股A股東（「優先A股股東」）有權於發行日至二零零八年十二月十九日期間（即首次發行相關可轉換可贖回優先股第二年前十個營業日日期）（「優先A股轉換期」）任何時間轉換優先股為已繳足普通股。本公司有權於轉換期內要求贖回所有或全部優先A股，亦有權於轉換期屆滿後至優先股股份首次發行日期屆滿兩週年期間，要求認購人轉換所有或部分優先A股股份為已繳足普通股股份。

截至二零零九年六月三十日止年度，本公司及可轉換可贖回優先A股股東已同意將可轉換可贖回優先A股轉換期延長至二零零九年十二月十九日。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 36. CONVERTIBLE REDEEMABLE PREFERENCE SHARES (Cont'd)

During the period from 1 July 2009 to 31 December 2009, the Company and the Preference A Share Holder entered into a supplemental agreement in which:

- (a) the preference shares conversion period shall be extended automatically for a period of twelve months with effect from each expiry date of the preference shares conversion period unless (i) the Preference A Share Holder serves a written notice on the Company notifying its intention of not extending the preference shares conversion period for a further twelve months not later than seven days prior to the expiry date of the preference shares conversion period, and (ii) the Company agrees not to extend the preference shares Conversion period for a further twelve months upon receiving such notice; and
- (b) the preference shares shall be transferable.
- (iii) The convertible redeemable preference shares and convertible redeemable preference A shares do not carry the right to vote. Each share is entitled to be paid a fixed cumulative preferential dividend in priority to any payment to the holders of any other class of shares at the rate of 3.5% per annum on the amount paid up or credited as paid up. No payment of dividends on the convertible redeemable preference shares and convertible redeemable preference A shares unless at the relevant dividend payment due date, the Company has sufficient distributable reserves to cover the payment of such dividends.

### 36. 可轉換可贖回優先股 (續)

由二零零九年七月一日至二零零九年十二月三十一日期間，本公司與優先A股股東簽署一份補充協議將：

- (a) 將優先A股轉換期自其屆滿之日自動延長十二個月，自優先股轉換期的屆滿之日起生效，除非(i)優先A股股東於優先股轉換期之屆滿日前不遲於七天向本公司發出書面通知，通知其有意不延長優先股轉換期十二個月；及(ii)本公司收到該通知後，同意不延長優先股轉換期十二個月；及
- (b) 優先A股可以被轉讓。
- (iii) 可轉換可贖回優先股及可轉換可贖回優先A股並不附有投票權。每股股份有權收取固定累計優先股息，該股息之派付優先於任何其他類別股份的持有人，並以年息率3.5%按已繳金額或予以信貸作已繳金額計算。除非有關股息到期日已到，否則可轉換可贖回優先股概無股息，本公司有足夠可分派儲備以繳付有關股息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 37. CONSIDERATION PAYABLE

### 37. 應付代價

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元
At the beginning of the year/period	於年／期初	262,777	-	-
Arising from the acquisition of subsidiaries	收購附屬公司所引致	-	302,016	-
Imputed interest income	算定利息收入	-	(34,694)	-
Cash Discount	已收折扣	-	(6,299)	-
Fair value of consideration payable at the date of acquisition (Note 39)	收購日應付代價之公允值(附註39)	262,777	261,023	-
Exchange realignment	匯兌差額	(2,923)	-	-
Early settlement I	提早償還I	(119,680)	-	-
Early settlement II	提早償還II	(94,079)	-	-
Discount received on early settlement	就提早償還收取之折扣	(4,704)	-	-
Imputed interest expense charged during the year/period (Note 11)	年／期內算定利息支出(附註11)	13,742	1,754	-
At the end of the year/period	於年／期結	55,133	262,777	-
Analysed for reporting purposes as:	以報告為目的分析:			
Current liabilities (Note 31)	流動負債(附註31)	55,133	119,680	-
Non-current liabilities	非流動負債	-	143,097	-
		55,133	262,777	-

Notes:

- (i) The amounts represented the deferred payment in relation to the acquisition of subsidiaries during the period from 1 July 2009 to 31 December 2009, details of which are set out in Note 39.

Pursuant to the sales and purchase agreement dated 11 August 2009, the consideration of HK\$343,200,000 (equivalent to approximately RMB302,016,000) ("Cash Consideration") was unsecured, non-interest bearing and will be payable by the Group on or after 19 November 2011.

附註:

- (i) 該金額為由二零零九年七月一日至二零零九年十二月三十一日期間有關收購附屬公司之延遲付款。詳情載於附註39。

根據日期為二零零九年八月十一日之買賣協議，港幣343,200,000元(相等於人民幣302,016,000元)之代價(「現金代價」)屬非擔保，零利息及須於二零一一年十一月十九日或之後支付。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 37. CONSIDERATION PAYABLE (Cont'd)

Notes: (Cont'd)

- (ii) On 4 January 2010, the Group and the vendor of Boom Lotus Holdings Limited (the "Vendor"), a subsidiary acquired by the Group during the six months ended 31 December 2009 (Note 39), entered into a supplementary agreement. Pursuant to which the Vendor agreed to provide a cash discount of approximately HK\$7,158,000 (equivalent to approximately RMB6,299,000) ("Cash Discount") to the Group for the early settlement of HK\$136,000,000 (equivalent to approximately RMB119,680,000) of the Cash Consideration ("Early Settlement I").

The Early Settlement I was settled by way of the followings:

- (a) On 4 January 2010, as requested by the Vendor, the Group, the Vendor and the purchaser of Hill Light (the "Buyer") entered into an agreement, in which the Buyer agree to settle the Consideration Receivables of HK\$126,000,000 (equivalent to approximately RMB110,880,000) (Note 25(e)) directly to the Vendor, the settlement has been completed on 14 January 2010.
- (b) On 4 January 2010, the Group has agreed to settle HK\$10,000,000 (equivalent to approximately RMB8,800,000) of the Cash Consideration to the Vendor.
- (iii) At the date of issued of the consolidated financial statements for the six months ended 31 December 2009, the Group had settled HK\$136,000,000 (equivalent to approximately RMB119,680,000) in 2010, therefore this amount had been classified as current liabilities as at 31 December 2009.
- (iv) Besides of the arrangement of Early Settlement I, the Group and the Vendor entered into several supplementary agreements during the year ended 31 December 2010, pursuant to which the Vendor agreed to provide a further total cash discount of approximately HK\$5,407,000 (equivalent to approximately RMB4,704,000) to the Group for the early settlement of HK\$108,136,000 (equivalent to approximately RMB94,079,000) of the remaining Cash Consideration ("Early Settlement II").
- (v) The effective interest rate of the consideration payable is 11.6% per annum (2009: 11.6% per annum).

### 37. 應付代價 (續)

附註：(續)

- (ii) 於二零一零年一月四日，本集團與蓮盛控股有限公司（本集團於截至二零零九年十二月三十一日止六個月收購之附屬公司（附註39））之賣家（「賣家」）簽署一份補充協議。據此賣家同意提供一筆約港幣7,158,000元（相等於人民幣6,299,000元）之現金折扣予（「現金折扣」）本集團以作為本集團提早償還現金代價港幣136,000,000元（相等於人民幣119,680,000元）之折扣（「提早償還I」）。

提早償還I以下列方式償還：

- (a) 於二零一零年一月四日，根據賣方之要求，本集團、賣方及曉光之買家（「買家」）簽署一份協議，據此買家同意直接向賣家償還應付代價港幣126,000,000元（相等於人民幣110,880,000元）（附註25(e)），該款項之支付已於二零一零年一月十四日完成。
- (b) 於二零一零年一月四日，本集團同意提早償還港幣10,000,000元（相等於人民幣8,800,000元）之現金代價予賣家。
- (iii) 於截至二零零九年十二月三十一日止六個月綜合財務報表刊發日期，本集團已於二零一零年支付港幣136,000,000元（相等於約人民幣119,680,000元），故此，於二零零九年十二月三十一日，該款項已獲分類為流動負債。
- (iv) 除提早償還I之安排外，截至二零一零年十二月三十一日止年度，本集團與賣家訂立數份補充協議。據此，賣家同意就提前償還餘下之現金代價港幣108,136,000元（相等於約人民幣94,079,000元）（「提前支付II」），而進一步向本集團提供總現金折扣約港幣5,407,000元（相等於約人民幣4,704,000元）。
- (v) 應付代價之實際年利率為11.6%（二零零九年：年利率11.6%）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 38. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following analysis of the deferred tax balances for financial reporting purposes:

		<b>31.12.2010</b> 二零一零年 十二月三十一日 <b>RMB'000</b> 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)	1.7.2009 二零零九年 七月一日 RMB'000 人民幣千元 (Restated) (經重列)
Deferred tax assets	遞延稅項資產	<b>13,722</b>	10,683	9,924
Deferred tax liabilities	遞延稅項負債	<b>(45,301)</b>	(84,324)	(9,924)
		<b>(31,579)</b>	(73,641)	-

### 38. 遞延稅項

就呈列綜合財務狀況報表而言，若干遞延稅項資產及負債已予以抵銷。以下為就財務報告而作出的遞延稅項結餘分析：

The follow are the major deferred tax (liabilities) assets recognised and movement thereof during the current and prior reporting periods:

於本期內及以往期間，已確認的遞延稅項（負債）資產淨值的變動如下：

		Impairment loss recognised		Impairment loss recognised		Change in fair value of properties		Change in fair value of properties held for sale		Undistributed profit of a subsidiary	Tax losses	Total
		Accelerated depreciation allowance	in respect of other receivables	Change in fair value of investment properties	in respect of trade receivables	Impairment loss recognised in respect of inventories	Bad debts directly written off	under development	held for sale	profit of a subsidiary		
		其他應收賬款之減值	其他應收賬款之減值	投資物業之公允價值之轉變	貿易應收賬款之減值虧損	存貨之減值虧損	壞賬直接撇賬	在建物業之公允價值變更	待售物業之公允價值變更	附屬公司未分派盈利	稅項虧損	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 July 2009	於二零零九年七月一日	(147)	18	(9,777)	2,827	859	470	-	-	-	5,750	-
Acquisition of subsidiaries	收購附屬公司	-	-	(2,094)	-	-	-	(20,428)	(46,709)	(9,368)	-	(78,599)
(Charged) credited to consolidated statement of comprehensive income	(計入) 扣除於綜合全面收益表	94	210	(853)	(2,125)	(54)	(470)	-	5,938	(980)	3,198	4,958
At 31 December 2009	於二零零九年十二月三十一日	(53)	228	(12,724)	702	805	-	(20,428)	(40,771)	(10,348)	8,948	(73,641)
Exchange realignment	匯兌差額	-	-	59	(17)	-	-	-	-	-	(42)	-
Effect of change in tax rate	稅率轉變之影響	(14)	56	(2,298)	41	220	-	-	4,272	-	1,995	4,272
(Charged) credited to consolidated statement of comprehensive income	(計入) 扣除於綜合全面收益表	(45)	-	(1,870)	-	(107)	-	-	29,127	(556)	893	27,442
Reversal upon payment of withholding tax	支付預扣稅時撥回	-	-	-	-	-	-	-	-	10,348	-	10,348
At 31 December 2010	於二零一零年十二月三十一日	(112)	284	(16,833)	726	918	-	(20,428)	(7,372)	(556)	11,794	(31,579)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 38. DEFERRED TAXATION (Cont'd)

At 31 December 2010, the Group had unused tax losses of RMB60,878,000 (2009: RMB63,808,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB60,878,000 (2009: RMB45,693,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of RMB18,115,000 at 31 December 2009 (2010: Nil) due to the unpredictability of future profits streams. At 31 December 2010, approximately RMB20,578,000 (2009: RMB20,578,000) included in the above unused tax losses will expire after five years from the year of assessment to which they relate. Other losses may be carried forward indefinitely.

### 39. ACQUISITION OF SUBSIDIARIES

On 20 November 2009, the Group completed the acquisition of the entire equity interest in Boom Lotus Holdings Limited, and its subsidiaries, Pine Global Holdings Limited and Zhuhai Zhongzhu Real Estate Development Co., Ltd. (collectively refers to as "Boom Lotus Group") for a consideration of HK\$587,532,000 (equivalent to approximately RMB517,028,000). The consideration was settled by issuance and allotment of 246,800,000 ordinary shares of the Company at par value of HK0.10 each. The fair value of the ordinary shares of the Company, determined using the published price available at the date of the acquisition was HK\$0.99 per share, amounting to HK\$244,332,000 (equivalent to approximately RMB215,012,000) and the remaining consideration of HK\$343,200,000 (equivalent to approximately RMB302,016,000) will be settled by cash payable by the Company on or after 24 months from the completion date. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was RMB184,231,000.

### 38. 遞延稅項 (續)

於二零一零年十二月三十一日，本集團有未動用稅項損失共人民幣60,878,000元（二零零九年：人民幣63,808,000元），可用於抵銷未來利潤。遞延稅項資產已確認有關損失約人民幣60,878,000元（二零零九年：人民幣45,693,000元）。由於不可預測的未來利潤流，於二零零九年十二月三十一日沒有遞延稅項資產已確認有關剩餘稅款損失約人民幣18,115,000元（二零一零年：無）。於二零一零年十二月三十一日，約人民幣20,578,000元（二零零九年：人民幣20,578,000元），包括在上述未動用稅項虧損將於其涉及的5年後到期。其他的損失可無限期結轉。

### 39. 附屬公司收購

於二零零九年十一月二十日，本集團完成收購蓮盛控股有限公司及其附屬公司柏宇投資有限公司及珠海中珠房地產開發有限公司（統稱「蓮盛集團」）之全部已發行股本，總代價為港幣587,532,000元（相等於約人民幣517,028,000元）。代價以發行及配發本公司246,800,000股每股面值港幣0.10元之普通股方式完成交易。本公司普通股之公允值由收購日期之已公佈價格（即港幣0.99元）釐定，總值港幣244,332,000元（相等於約人民幣215,012,000元），而餘下港幣343,200,000元之代價（相等於約人民幣302,016,000元）將於完成日期二十四個月後以現金支付。此次收購已入賬使用購買法。是次收購產生之商譽為人民幣184,231,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 39. ACQUISITION OF SUBSIDIARIES (Cont'd)

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

### 39. 附屬公司收購 (續)

此交易的淨資產及產生的商譽如下：

		Acquiree's carrying amount 被收購的面值 RMB'000 人民幣千元	Fair value adjustment 公允值調整 RMB'000 人民幣千元	Fair value 公允值 RMB'000 人民幣千元
Net assets acquired	所收購資產淨值			
Property, plant and equipment	物業、機器及設備	284	–	284
Investment properties	投資物業	61,600	–	61,600
Properties under development	在建物業	292,689	81,711	374,400
Property held for sales	待售物業	146,707	162,093	308,800
Other receivables	其他應收賬款	10,757	–	10,757
Bank balances and cash	銀行結存及現金	161,762	–	161,762
Trade and other payables	貿易及其他應付賬款	(246,429)	–	(246,429)
Income tax payable	應付所得稅	(516)	–	(516)
Deferred taxation	遞延稅項	(11,462)	(67,137)	(78,599)
				592,059
Non-controlling interests	非控制性權益			(300,255)
Goodwill	商譽			184,231
Total consideration	總代價			476,035
Total consideration satisfied by:	總代價支付方式：			
Consideration payable (Note 37)	應付代價 (附註37)			261,023
Issue of shares	發行股份			215,012
				476,035
Net cash inflow arising on acquisition:	來自收購附屬公司 之現金流入：			
Bank balances and cash acquired	銀行結存及現金			161,762

The goodwill arising on acquisition of Boom Lotus Group is attributable to the anticipation profitability of the property development business.

Boom Lotus Group contributed approximately RMB27,516,000 and RMB1,331,000, to the Group's turnover and loss for the period between the date of acquisition and 31 December 2009, respectively.

因收購蓮盛集團所產生之商譽來自物業發展業務之預期盈利。

蓮盛集團分別由收購日至二零零九年十二月三十一日內繳入本集團約人民幣27,516,000元及人民幣1,331,000元之營業額及虧損。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 39. ACQUISITION OF SUBSIDIARIES (Cont'd)

If the acquisition had been completed on 1 July 2009, total Group's turnover for the period from 1 July 2009 to 31 December 2009 would have been increased to RMB184,398,000 and contributed approximately RMB17,587,000 profit for the period from 1 July 2009 to 31 December 2009. The pro forma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 July 2009, nor is it intended to be a projection of future results.

### 40. SHARE-BASED PAYMENT TRANSACTIONS

A share option scheme was adopted by the Company on 20 January 2003 ("2003 Share Option Scheme"). The 2003 Share Option Scheme was replaced by a new share option scheme adopted by the shareholders on 30 November 2009 ("2009 Share Option Scheme").

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the board of directors considers, in its sole discretion, have contributed or will contribute to the Group) options to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Company's board of directors and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the Main Board of the Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

At 31 December 2010, the number of shares in respect of which options had been granted and remained outstanding under the share option scheme was 27,948,000 (31 December 2009: 17,948,000), representing 3.28% (31 December 2009: 2.11%) of the ordinary shares in issue at that date.

### 39. 附屬公司收購 (續)

如果收購已於二零零九年七月一日完成，本集團由二零零九年七月一日至二零零九年十二月三十一日期內之總營業額將增加至人民幣184,398,000元及於二零零九年七月一日至二零零九年十二月三十一日期內貢獻約人民幣17,587,000元之利潤。此備考資料只是示範的用途並不是本集團的銷售及營運的結果。本集團真誠的希望於二零零九年七月一日達致收購完成。

### 40. 以權益結算之以股份為基礎的支付交易

本公司已於二零零三年一月二十日採納一項購股權計劃（「2003年購股權計劃」）。2003年購股權計劃已被二零零九年十一月三十日經股東通過採納之新購股權計劃（「2009年購股權計劃」）取代。

本公司可授出購股權予合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）以認購本公司股份，惟最多可認購本公司於購股權計劃採納日期及於不時更新之批准日期的已發行股本10%（不包括就此目的行使購股權而發行的股份）。認購價將由本公司董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於購股權授出日期前五個交易日於聯交所主板所報股份的平均收市價，及(iii)購股權授出日的收市價。

於二零一零年十二月三十一日，授出但未行使之購股權為27,948,000股（二零零九年十二月三十一日：17,948,000股），相等於授出3.28%（二零零九年十二月三十一日：2.11%）之已發行普通股。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 40. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

Movements of the Company's share options held by directors and employees during the period/year are:

### 40. 以權益結算之以股份為基礎的支付交易 (續)

期內／年內董事及員工持有之購股權之變動如下：

Category of participant 參與者類別	Date of grant 授出日期	Number of share options 購股權數目					Outstanding at 31 December 2010 於二零一零年 十二月三十一日	Exercise period 行使期	Exercise price per share 每股行使價
		Outstanding at 1 July 2009 於二零零九年 七月一日	Exercised during the period 於期內行使	Granted during the period 於期內授出	Outstanding at 31 December 2009 於二零零九年 十二月三十一日	Granted during the year 於年內授出			
Directors 董事	31 January 2008 二零零八年一月三十一日	1,000,000	(1,000,000)	-	-	-	31 January 2008 to 30 January 2011 二零零八年一月三十一日 至二零一一年一月三十日	0.74	
	21 August 2009 二零零九年八月二十一日	-	-	16,748,000	16,748,000	-	21 August 2009 to 20 August 2012 二零零九年八月二十一日 至二零一二年八月二十日	1.18	
Employees 僱員	21 August 2009 二零零九年八月二十一日	-	-	1,200,000	1,200,000	-	21 August 2009 to 20 August 2012 二零零九年八月二十一日 至二零一二年八月二十日	1.18	
Business associates 業務夥伴	19 February 2010 二零一零年二月十九日	-	-	-	-	10,000,000	19 February 2010 to 18 February 2013 二零一零年二月十九日 至二零一三年二月十八日	0.88	
		1,000,000	(1,000,000)	17,948,000	17,948,000	10,000,000	27,948,000		
Weighted average exercise price (HK\$) 加權平均行使價 (港元)		0.74	0.74	1.18	1.18	0.88	1.07		

Note: All the above share options are exercisable on the grant date.

In respect of the share options exercised during the six months ended 31 December 2009, the weighted average share price at the date of exercise was HK\$1.14.

附註：以上所有購股權均可以於授出日期行使。

有關截至二零零九年十二月三十一日止六個月已行使的購股權，於行使日之平均行使價格為港幣1.14元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 40. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

The fair values of the share options granted during the year ended 31 December 2010 and the six months ended 31 December 2009 were calculated using the Binomial model. The inputs into the model were as follows:

		19 February 2010 二零一零年 二月十九日	21 August 2009 二零零九年 八月二十一日
Weighted average share price	加權平均股價	HK\$0.85 港幣0.85元	HK\$1.18 港幣1.18元
Weighted average exercise price	加權平均行使價	HK\$0.88 港幣0.88元	HK\$1.18 港幣1.18元
Expected volatility	預期波幅	109%	124%
Expected life	預期有效期	2 years 2年	1.5 years 1.5年
Risk-free rate	無風險比率	1.028%	0.941%
Expected dividend yield	預期股息率	0%	0%

Expected volatility was determined by using the historical volatility of the Company's share price over one year and reference to the companies in similar industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non transfer ability, exercise restrictions and behavioral considerations.

The Group recognised the total expenses of RMB4,315,000 for the year ended 31 December 2010 (for the six months ended 31 December 2009: RMB10,063,000) in relation to share options granted by the Company.

### 41. COMMITMENTS

#### (a) Commitments under operating leases

*The Group as lessor*

Property rental income earned during the year was approximately RMB11,474,000 (six months ended 31 December 2009: RMB4,905,000). The investment properties generated rental yields of 6.27% (31 December 2009: 2.08%) on an ongoing basis. The investment properties held have committed tenants for the next one to three years (31 December 2009: two to five years).

### 40. 以權益結算之以股份為基礎的支付交易 (續)

截至二零一零年十二月三十一日止年度及截至二零零九年十二月三十一日止六個月內授出的購股權證是以二項模式計算購股權證之公允值。模式的參數如下：

		19 February 2010 二零一零年 二月十九日	21 August 2009 二零零九年 八月二十一日
Weighted average share price	加權平均股價	HK\$0.85 港幣0.85元	HK\$1.18 港幣1.18元
Weighted average exercise price	加權平均行使價	HK\$0.88 港幣0.88元	HK\$1.18 港幣1.18元
Expected volatility	預期波幅	109%	124%
Expected life	預期有效期	2 years 2年	1.5 years 1.5年
Risk-free rate	無風險比率	1.028%	0.941%
Expected dividend yield	預期股息率	0%	0%

預期波幅是採納過去一年公司股價之歷史波幅及其他近似同業之公司。在模式中預期有效期的調整是基於管理層之最好估量，不能轉讓，行使的規限及行為上的因素。

本集團確認截至二零一零年十二月三十一日止年度有關公司授出之購股權之總開支為人民幣4,315,000元（截至二零零九年十二月三十一日止六個月：人民幣10,063,000元）。

### 41. 承擔

#### (a) 經營租約承擔

*本集團作為出租人*

於年內物業租金收入約人民幣11,474,000元（截至二零零九年十二月三十一日止六個月：人民幣4,905,000元）。以持續經營基礎的投資物業所產生的租金收益率約6.27%（二零零九年十二月三十一日：2.08%）。持有投資物業的租戶承諾在未來一至三年（二零零九年十二月三十一日：兩至五年）繼續租賃。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 41. COMMITMENTS (Cont'd)

#### (a) Commitments under operating leases (Cont'd)

##### The Group as lessor (Cont'd)

At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	3,462	5,362
In the second to fifth years inclusive	兩年至五年內	3,134	5,322
		<b>6,596</b>	<b>10,684</b>

##### The Group as lessee

The Group leases certain of its equipment under operating leases arrangements. Leases are negotiated for a term ranging from one to five years (31 December 2009: two to five years) and rentals are fixed. None of the leases include contingent rentals and terms of renewal were established in the leases.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which are payable as follows:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	64	15
In the second to fifth years inclusive	兩年至五年內	-	6
		<b>64</b>	<b>21</b>

### 41. 承擔 (續)

#### (a) 經營租約承擔 (續)

##### 本集團作為出租人 (續)

於期結日，本集團最低租約付款如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	3,462	5,362
In the second to fifth years inclusive	兩年至五年內	3,134	5,322
		<b>6,596</b>	<b>10,684</b>

##### 本集團作為承租人

本集團以經營租約出租其若干機器。洽談的租賃期介乎一年至五年（二零零九年十二月三十一日：兩年至五年）而租金已固定。沒有為租賃訂立租約或有或然租金。

於期結日，本集團可收回之不可取消之經營租賃的最低付款總額如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	64	15
In the second to fifth years inclusive	兩年至五年內	-	6
		<b>64</b>	<b>21</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 41. COMMITMENTS (Cont'd)

#### (b) Commitments

At the end of the reporting period, the Group had the following commitments for properties under development:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Contracted but not provided for	已簽約但未撥備	190,969	294,363
Authorised but not contracted for	已批准但未簽約	336,831	154,551

### 42. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
Leasehold land and buildings	租賃土地及樓宇	14,835	20,076
Investment properties	投資物業	40,084	45,206
Properties under development	在建物業	737,095	-
Pledged bank balances	已抵押銀行結存	-	12,609
Assets held for sale	持作出售資產	10,200	-
		<b>802,214</b>	<b>77,891</b>

### 41. 承擔 (續)

#### (b) 承擔

於期結日，本集團在建物業之承擔如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Contracted but not provided for	已簽約但未撥備	190,969	294,363
Authorised but not contracted for	已批准但未簽約	336,831	154,551

### 42. 已抵押資產

於期結日，本集團若干資產賬面值已抵押予銀行，以獲得銀行借貸如下：

		31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
Leasehold land and buildings	租賃土地及樓宇	14,835	20,076
Investment properties	投資物業	40,084	45,206
Properties under development	在建物業	737,095	-
Pledged bank balances	已抵押銀行結存	-	12,609
Assets held for sale	持作出售資產	10,200	-
		<b>802,214</b>	<b>77,891</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 43. CONTINGENT LIABILITIES

- (a) On 25 April 2008, a PRC subsidiary of the Company had been served with a writ of summons in the PRC and was being claimed for a total amount of approximately HK\$23,000,000 (equivalent to approximately RMB20,010,000) under a guarantee being allegedly issued by the PRC subsidiary. The PRC subsidiary has appointed a firm of legal counsel to represent the PRC subsidiary to defend the claim and legal proceedings. First court hearing was held on 20 October 2008 and after a series of legal proceedings, the Company received a civil judgment (the "Judgment") issued by the Intermediate People's Court in Shenzhen, the PRC on 14 June 2010. The PRC subsidiary was liable to bear 50% of any shortfall that the first defendant is unable to settle in respect of the claims amount of approximately HK\$23,000,000 (equivalent to approximately RMB20,010,000).

On 30 November 2010, the PRC subsidiary entered into a settlement agreement ("Settlement Agreement") with the plaintiff pursuant to which the PRC subsidiary shall pay HK\$4,800,000 (equivalent to approximately RMB4,080,000) to the plaintiff within five days upon entering into the Settlement Agreement for settlement of all responsibilities and claims of the Judgment. Payment was made on 1 December 2010. On 2 December 2010, the Senior People's Court of the Guangdong Province in the PRC approved the application for the withdrawal of the Judgment by the PRC subsidiary and the plaintiff.

Details of the settlement are set out in the announcement of the Company dated 3 December 2010.

### 43. 或然負債

- (a) 二零零八年四月二十五日，本公司之中國附屬公司在國內收到傳訊令狀，就據稱由該中國附屬公司發出之擔保被追討總額約人民幣23,000,000元（相等於約人民幣20,010,000元）。中國附屬公司已委任律師抗辯。第一次開庭已於二零零八年十月二十日舉行，而經過一連串法律程序後，於二零一零年六月十四日，本公司收到中國深圳中級人民法院之民事判決書（「判決書」）。中國附屬公司須承擔因第一被告未能結算的索償金額約港幣23,000,000元（相等於約人民幣20,010,000元）的任何餘額的一半。

於二零一零年十一月三十日，中國附屬公司與原告訂立和解協議（「和解協議」），據此，中國附屬公司須於就執行判決書之所有責任及索償訂立和解協議後之五天內向原告支付港幣4,800,000元（相等於約人民幣4,080,000元）。款項已於二零一零年十二月一日支付。於二零一零年十二月二日，中國廣東省高級人民法院通過中國附屬公司與原告撤回判決書之申請。

和解協議詳情載於本公司日期為二零一零年十二月三日之公告。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 43. CONTINGENT LIABILITIES (Cont'd)

(b) On 20 October 2009, the Company received a writ of summons from 西安盈豐科技股份有限公司 (Xi'an Ying Feng Technology Co., Ltd.\*) ("Ying Feng"). Ying Feng (as plaintiff) brought a civil claim (the "Claim") at 山西省長治市中級人民法院 (Intermediate People's Court of Changzhi City, Shanxi Province\*) (the "Court") against Techwayson Industrial (Shenzhen) Limited (德維森實業(深圳)有限公司) ("Techwayson Industrial"), a wholly-owned subsidiary of the Company (as defendant), for damages of approximately RMB6,970,000 in respect of product liability arising from defects in the programmable logic controller system used in 長鋼 blast furnace top gas recovery turbine unit ("TRT project") (Changgang TRT project\*) designed and manufactured by Techwayson Industrial. A hearing was scheduled for 25 November 2009. Techwayson Industrial have decided to defend against the Claim and will seek legal advice in respect of the merits of the Claim. At 31 December 2009, the directors of the Company expected that there will not be any immediate adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries. In January 2010, Ying Feng withdrawn the Claim against Techwayson Industrial in the court.

Details of the Claim were set out in the announcements of the Company dated 22 October 2009 and 14 January 2010 respectively.

(c) On 12 December 2009, the Company received a writ of summons from Global Tide Limited ("Global Tide"). Global Tide brought a civil action in the High Court of the Hong Kong Special Administrative Region against the Company for compensation and damages of approximately HK\$8,834,000 (the "Claim") in relation to the disposal of its former wholly owned subsidiary, Magic Gain Investments Limited. Details of the Claim are set out in the announcement of the Company dated 16 December 2009.

### 43. 或然負債 (續)

(b) 於二零零九年十月二十日，本公司收悉西安盈豐科技股份有限公司（「盈豐」）的訴訟狀。盈豐（作為原告）於山西省長治市中級人民法院（「法院」）向本公司全資附屬公司德維森實業（深圳）有限公司（「德維森實業」）（作為被告）提出約人民幣6,970,000元之民事索償（「索償」），事由德維森實業設計及製造的長鋼高爐煤氣餘壓透平發電裝置項目（「TRT項目」）內的可編程控制器系統，導致原告承受產品責任。聆訊已定於二零零九年十一月二十五日召開。德維森實業決定為此訴訟索償作出辯護及尋找法律意見。於二零零九年十二月三十一日，本公司董事預計此訴訟不會對本公司及其附屬公司的收益、淨資產及負債造成任何即時的負面財務影響。於二零一零年一月，盈豐已於法院撤回對德維森實業之索償。

有關索償之詳細分別列載於本公司日期為二零零九年十月二十二日及二零一零年一月十四日之公告。

(c) 於二零零九年十二月十二日，本公司收悉怡太有限公司（「怡太」）的訴訟狀。怡太於香港特別行政區高等法院向本公司提出約港幣8,834,000元之民事索償（「索償」），有關於出售本公司前全資附屬有限公司Magic Gain Investments Limited。有關索償之詳細列載於本公司日期為二零零九年十二月十六日之公告。

\* The English name is for identification purpose only

\* 英文名稱僅供識別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 43. CONTINGENT LIABILITIES (Cont'd)

The Company decided to defend against the Claim and obtained legal advice in respect of the merits of the Claim. The directors of the Company expect that there will not be any adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

- (d) The Group had arranged for bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. At 31 December 2010, the outstanding amount of the guarantees amounted to approximately RMB22,980,000 (31 December 2009: RMB90,759,000).

### 44. MAJOR NON-CASH TRANSACTION

- (a) As detailed in Note 37 (ii), on 14 January 2010, the Buyer has settled the Consideration Receivables of approximately RMB110,880,000 directly to the Vendor. The Consideration Receivables were included in trade and other receivable as at 31 December 2009.
- (b) For the year ended 31 December 2009, the finance cost charged on bank borrowings wholly repayable within five years of approximately RMB5,522,000 remained unpaid during the period and is included in accrued interest (31 December 2010: Nil).
- (c) Included in consideration payables at 31 December 2009 is an amount of RMB302,016,000 unpaid consideration for the acquisition of subsidiaries.

### 43. 或然負債 (續)

本公司決定為此訴訟索償作出辯護及尋找法律意見。本公司董事預計此訴訟不會對本公司及其附屬公司的收益、淨資產及負債造成任何即時的負面財務影響。

- (d) 本集團已就購買若干物業單位安排銀行融資及提供擔保，以確保還款責任。於二零一零年十二月三十一日，未償還擔保金額約人民幣22,980,000元（二零零九年十二月三十一日：人民幣90,759,000元）。

### 44. 主要非現金交易

- (a) 誠如附註37(ii)所詳列，二零一零年一月十四日，買方向賣方直接支付應收代價約人民幣110,880,000元。應收代價列入二零零九年十二月三十一日之貿易及其他應收賬款中。
- (b) 截至二零零九年十二月三十一日止年度，因銀行借款，而五年內需全部償還之財務成本約人民幣5,522,000元，融資成本於期內尚未支付共已計入應計利息（二零一零年十二月三十一日：無）。
- (c) 於二零零九年十二月三十一日，收購附屬公司而未付之代價，包括在應付代價為人民幣302,016,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 45. RELATED PARTY AND CONNECTED PARTY TRANSACTIONS

- (a) The balances with related parties at the end of the reporting period are disclosed elsewhere in the consolidated financial statements.
- (b) As disclosed in Note 36, during the period from 1 July 2009 to 31 December 2009, the Company and the Preference A Share Holder, Weina (BVI) Limited (“Weina (BVI)”) entered into a supplemental agreement for the extension and change of terms of the original subscription agreement. Weina (BVI), is wholly-owned by Weina Group Limited, which is in turn controlled by Mr. Tsim Wing Kong (“Mr. Tsim”). By virtue of Mr. Tsim being the father of Mr. Tsim Sze Hon, an executive director of the Company.
- (c) The remuneration of directors and other members of key management during the year ended 31 December 2010 and for the six months ended 31 December 2009 are as follows:

### 45. 關連人士交易及關連交易

- (a) 於期結日，關連人士交易的餘額已在綜合財務報表披露。
- (b) 誠如附註36所披露，於二零零九年七月一日至二零零九年十二月三十一日期內，本公司及優先A股股東Weina (BVI) Limited (「Weina (BVI)」) 簽訂一項補充協議，藉以擴展及更改原認購協議之條款。Weina (BVI)是Weina Group Limited之全資附屬公司，而後者由詹榮光先生(「詹先生」)控制。詹先生乃本公司執行董事詹詩瀚先生之父親。
- (c) 董事及其他主要管理人員截至二零一零年十二月三十一日止年度及截至二零零九年十二月三十一日止六個月之酬金如下：

		<b>1.1.2010 to 31.12.2010 二零一零年 一月一日至 二零一零年 十二月三十一日 RMB'000 人民幣千元</b>	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元
Salaries, other short-term employee benefits and equity-settled share-based payment expenses	薪金、其他短期僱員福利以及以權益結算之以股份為基礎之支付開支	<b>3,411</b>	10,553



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 46. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2010 and 31 December 2009 are as follows:

### 46. 主要附屬公司

於二零一零年十二月三十一日及二零零九年十二月三十一日之主要附屬公司詳細資料如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Class of shares held 持有股份類別	Issued share capital/registered capital 已發行/ 已繳足股本	Attributable equity interests of the Group 本公司應佔 股本權益百分比	Principal activities 主要業務
Techwayson Industrial * (Note 1) 德維森實業(附註1)	The PRC 中國	Contributed capital 繳入資本	HK\$60,000,000 港幣60,000,000元	100%	Design, supply and integration of automation and control systems and property investment 從事設計、供應和整合自動化控制系統及物業投資
Techwayson Management Limited 德維森管理有限公司	Hong Kong 香港	Ordinary shares 普通股	10,000 shares of HK\$1 each 10,000股 每股港幣1元	100%	Provision of management services 提供管理服務
Techwayson Trading Limited 德維森貿易有限公司	Hong Kong 香港	Ordinary shares 普通股	10,000 shares of HK\$1 each 10,000股 每股港幣1元	100%	Trading of automation products and electronic components 自動化及電子零件和配件之貿易
Techwayson Technology (Shenzhen) Limited * (Note 1) 德維森科技(深圳)有限公司 (附註1)	The PRC 中國	Contributed capital 繳入資本	RMB100,000,000 人民幣 100,000,000元	100%	Design, supply and integration of automation and control systems 從事設計、供應和整合自動化控制系統
Fame Electronics Limited 長榮電子有限公司	Hong Kong 香港	Ordinary shares 普通股	100 shares of HK\$1 each 100股每股港幣1元	51%	Trading of mobile phone components 手機組件銷售
Zhu Hai Zhongzhu (Notes 2 and, 3) 珠海中珠(附註2及3)	The PRC 中國	Contributed capital 繳入資本	RMB250,000,000 人民幣 250,000,000元	50%	Development of real estate in the PRC 於中國發展房地產

\* The English name is for identification purpose only.

\* 英文名稱僅供識別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 46. PRINCIPAL SUBSIDIARIES (Cont'd)

Note 1: These entities established in the PRC are wholly foreign-owned enterprises.

Note 2: The entity established in the PRC is a sino-foreign joint venture.

Note 3: In the opinion of the directors of the Company, the Group exercised control over the financial and operating activities of this company.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group to give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at the end of the year/period or at any time during the year/period.

### 46. 主要附屬公司 (續)

附註1: 於中國成立之實體均為外商獨資企業。

附註2: 於中國成立之實體均為中外合資企業。

附註3: 本公司董事認為，本集團可控制該公司之財務及經營活動。

上表只包括本公司董事認為主要影響業績或資產之本集團附屬公司資料，本公司董事認為列出所有附屬公司資料將令篇幅過於冗長。

無任何附屬公司在本年結／期結或在年內／期內任何時間有任何未償還債務證券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

### 47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 47. 本公司財務狀況表

		Notes 附註	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Non-current asset	非流動資產投資			
Investments in subsidiaries	於附屬公司		477,167	477,167
Current assets	流動資產			
Amounts due from subsidiaries	附屬公司欠款	(a)	288	–
Other receivables	其他應收賬款		186	110,880
Bank balances and cash	銀行結存及現金		62	41
			536	110,921
Current liabilities	流動負債			
Other payables	其他應付費用		58,659	119,965
Amounts due to subsidiaries	欠附屬公司款項	(a)	94,700	7,082
			153,359	127,047
Net current liabilities	流動負債淨額		(152,823)	(16,126)
			324,344	461,041
Capital and reserves	股本及儲備			
Ordinary share capital	普通股股本		81,232	81,232
Convertible redeemable preference shares	可轉換可贖回優先股		184,653	184,653
Reserves	儲備	(b)	(125,932)	52,059
Total equity	權益總額		139,953	317,944
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券		184,391	–
Consideration payable	應付代價		–	143,097
			184,391	143,097
			324,344	461,041



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

#### (a) Amounts due from (to) subsidiaries

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

#### (b) Reserves

### 47. 本公司財務狀況表 (續)

#### (a) 應收(付)附屬公司款項

金額為非擔保，零利息及於需求時還款。

#### (b) 儲備

		Share premium 股本溢價 RMB'000 人民幣千元	Contributed surplus 繳入剩餘 RMB'000 人民幣千元	Share options reserve 購股權儲備 RMB'000 人民幣千元	Exchange translation reserve 滙兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 July 2009	於二零零九年七月一日	29,414	67,614	362	(17,892)	(308,393)	(228,895)
Loss for the period and total comprehensive expenses	期內虧損及全面開支總額	-	-	-	3	(85,865)	(85,862)
Issue of shares upon	發行股份						
- settlement of consideration in respect of acquisition of subsidiaries/investment in available-for-sale investment	- 收購附屬公司/ 可供出售投資之 代價結算	356,478	-	-	-	-	356,478
- exercise of share options	- 行使購股權	925	-	(362)	-	-	563
- transactions costs attributable to issue of shares	- 發行股份應佔之交易 成本	(288)	-	-	-	-	(288)
Recognition of equity-settled share based payments (Note 40)	股權份額為基礎的支付 結算確認(附註40)	-	-	10,063	-	-	10,063
At 31 December 2009	於二零零九年 十二月三十一日	386,529	67,614	10,063	(17,889)	(394,258)	52,059
Loss for the period and total comprehensive expenses	期內虧損及全面開支 總額	-	-	-	9,743	(192,049)	(182,306)
Recognition of equity-settled share based payments (Note 40)	股權份額為基礎的支付 結算確認(附註40)	-	-	4,315	-	-	4,315
At 31 December 2010	於二零一零年 十二月三十一日	386,529	67,614	14,378	(8,146)	(586,307)	(125,932)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2010  
截至二零一零年十二月三十一日止年度

### 48. EVENTS AFTER THE REPORTING PERIOD

#### (i) Acquisition of a subsidiary

On 3 December 2010, the Company entered into a sale and purchase agreement with Seaton Limited, a connected party of the Group for the acquisition of the entire issued share capital of Armando Investments Limited ("Armando") for a consideration of HK\$230,000,000 (equivalent to approximately RMB195,500,000) (the "Acquisition") to be settled by way of unsecured zero-coupon convertible bonds of the same amount. Armando is a company incorporated in the British Virgin Islands whose major asset is its 25% equity interests in Zhuhai Zhongzhu. The acquisition was completed on 1 March 2011. Following the acquisition of Armando, the Group is interested in as to 75% of the equity interests in Zhuhai Zhongzhu.

Details of the Acquisition are set out in the circular of the Company dated 22 December 2010.

#### (ii) Disposal of investment properties

Subsequently after the end of the reporting period, the Group entered into several preliminary agreements for the sales of certain investment properties with a carrying value of approximately RMB21,590,000 at 31 December 2010 for a total consideration of approximately HK\$27,005,000 (equivalent to approximately RMB22,955,000) to independent third parties.

### 49. COMPARATIVE FIGURES

The comparative figures of the consolidated statement of financial position as at 31 December 2009 were restated due to the reclassification of the LAT payables included in trade and other payables of approximately RMB35,207,000 which by nature should be an income tax payable. The amount of the reclassification for each consolidated financial statements line affected are presented below.

Effect of the reclassification on the Group's consolidated statement of financial position at 31 December 2009:

### 48. 報告期結日後事項

#### (i) 收購附屬公司

於二零一零年十二月三日，本公司與本集團之關連人士成登有限公司簽訂買賣協議，以收購 Armando Investments Limited (「Armando」) 的全數已發行股本，代價為港幣230,000,000元(相等於約人民幣195,500,000元)(「收購事項」)，該金額將以無抵押零票息可換股債券之方式支付。Armando為一家於英屬處女群島註冊成立之公司，其主要資產為於珠海中珠之25%股權。收購事項已於二零一一年三月一日完成。於收購Armando後，本集團擁有珠海中珠75%股權。

收購事項詳情載於本公司日期為二零一零年十二月二十二日之通函。

#### (ii) 出售投資物業

於報告期末後，本集團就出售於二零一零年十二月三十一日賬面值約人民幣21,590,000元之若干投資物業予獨立第三方訂立多項初始協議，總代價約港幣27,005,000元(相等於約人民幣22,955,000元)。

### 49. 比較數字

由於應付所得稅性質，包括在貿易及其他應付賬款之應付中國土地增值稅約人民幣35,207,000元須重新分類，於二零零九年十二月三十一日之綜合財務狀況表內之比較數字已予重列。各簡明綜合財務報表內受影響事項之金額重新分類如下。

重新分類對本集團於二零零九年十二月三十一日之綜合財務狀況表之影響：

		As previously reported	Reclassification	As restated
	先前所申報	重新分類	經重列	
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other payables	貿易及其他應付賬款	368,964	(35,207)	333,757
Income tax payable	應付所得稅	1,606	35,207	36,813

# Schedule of the Properties Held as Investment Properties/Properties for Own Use/ Properties Held for Sale and Under Development

## 持有作投資物業／自用物業／待售及在建物業概覽表

At 31 December 2010  
於二零一零年十二月三十一日

### A. PROPERTIES IN THE PRC

### A. 位於中國之物業

Location	Usage	Area	Lease term	Group's interest
地點	用途	地點	租賃期	本集團應佔權益
Land Parcel No. T205-0035 located at Hi-tech Industrial Park, Nanshan District, Shenzhen City, Guangdong Province, the PRC 中國廣東省深圳南山區高新技術產業園地塊編號T205-0035的土地	Office premises and car parking spaces 寫字樓物業及停車場	Site area – approximately 8,159 sq. m. 地盤面積 – 約8,159平方米  Gross floor area – approximately 17,677 sq. m. 建築總面積 – 約17,677平方米	Medium 中期	100%
Unsold portion of first phase of Zhongzhu Uptown, No. 299, Santaishi Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC 中國廣東省珠海市香洲區霞光路299號中珠上城第一期之未出售部份	Properties held for sale 待售物業	Gross floor area – approximately 14,370 sq. m. 建築總面積 – 約14,370平方米	Medium 中期	75%
Second phase of Zhongzhu Uptown, South of Renmin West Road, West of Santaishi Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC 中國廣東省珠海市香洲區霞光路以西及人民西路以南之中珠上城第二期	Properties under development 在建物業	Planned gross floor area – approximately 175,803 sq. m. 計劃建築總面積 – 約175,803平方米	Medium 中期	75%



# Schedule of the Properties Held as Investment Properties/Properties for Own Use/ Properties Held for Sale and Under Development

## 持有作投資物業／自用物業／待售及在建物業概覽表

At 31 December 2010

於二零一零年十二月三十一日

### B. PROPERTIES IN HONG KONG

### B. 位於香港之物業

Location	Usage	Approximate saleable area	Lease term	Group's interest
地點	用途	可出售面積	租賃期	本集團應佔權益
Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon. 九龍尖沙咀廣東道30號新港中心一期15樓1501室	Office premises – Own use 寫字樓物業 – 自用	242.01 sq. m. 242.01平方米	– –	100%
Unit 302, 3/F., Lippo Sun Plaza, No. 28 Canton Road, Tsimshatsui, Kowloon. 九龍尖沙咀廣東道28號力寶太陽廣場3樓302室	Office premises 寫字樓物業	79.06 sq. m. 79.06平方米	Medium 中期	100%
Unit 702, 7/F., Lippo Sun Plaza, No. 28 Canton Road, Tsimshatsui, Kowloon, 九龍尖沙咀廣東道28號力寶太陽廣場7樓702室	Office premises 寫字樓物業	79.06 sq. m. 79.06平方米	Medium 中期	100%
Unit 520, 5/F., East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon. 九龍尖沙咀加連威老道98號東海商業中心5樓520室	Office premises 寫字樓物業	53.51 sq. m. 53.51平方米	Medium 中期	100%
Units 708 & 709, 7/F., East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon. 九龍尖沙咀加連威老道98號東海商業中心7樓708及709室	Office premises 寫字樓物業	107.02 sq. m. 107.02平方米	Medium 中期	100%
Unit 711, 7/F., East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon. 九龍尖沙咀加連威老道98號東海商業中心7樓711室	Office premises 寫字樓物業	53.51 sq. m. 53.51平方米	Medium 中期	100%
Unit 713, 7/F., East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon. 九龍尖沙咀加連威老道98號東海商業中心7樓713室	Office premises 寫字樓物業	53.51 sq. m. 53.51平方米	Medium 中期	100%



**China Uptown Group Company Limited**  
**中國上城集團有限公司**