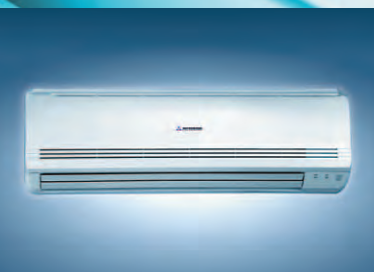




WO KEE HONG (HOLDINGS) LIMITED 和記行(集團)有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

Stock Code 股票代號: 720



Annual Report 2010 年報

Company's Vision 公司遠景

Asia, especially China, is rising towards a historical economic and cultural renaissance. The new era provides immense business potential to companies which can bring good lifestyle and values to the region.

整個亞洲、特別是中國正邁向歷史性的經濟及文藝復興時代，能提供優質生活及價值的機構必有無限商機。

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CORPORATE AND INVESTOR INFORMATION

公司及投資者資料

DIRECTORS

Dr. Richard Man Fai LEE
(Executive Chairman & Chief Executive Officer)
Mr. Jeff Man Bun LEE
Mr. Tik Tung WONG
Mr. Boon Seng TAN*
Mr. Ying Kwan CHEUNG*
Mr. Peter Pi Tak YIN*
Ms. Kam Har YUE**

* Independent Non-executive Director (“INED”)

** Non-executive Director

AUDIT COMMITTEE

Mr. Ying Kwan CHEUNG (Chairman)
Mr. Boon Seng TAN
Mr. Peter Pi Tak YIN

REMUNERATION COMMITTEE

Mr. Boon Seng TAN (Chairman)
Mr. Ying Kwan CHEUNG
Mr. Tik Tung WONG

COMPANY SECRETARY

Mr. Tik Tung WONG

AUTHORISED REPRESENTATIVES

Dr. Richard Man Fai LEE
Mr. Tik Tung WONG

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE IN HONG KONG

28/F, King Palace Plaza
No. 52A Sha Tsui Road
Tsuen Wan, New Territories
Hong Kong
Tel: (852) 2514 4700
Fax: (852) 2521 7198

PRINCIPAL BANKERS

CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank
of China (Asia) Limited
ORIX Asia Limited
Dah Sing Bank, Limited
Wing Hang Bank, Limited

董事

李文輝博士
(執行主席兼行政總裁)
李文彬先生
汪滌東先生
陳文生先生*
張應坤先生*
尹彼德先生*
余金霞女士**

* 獨立非執行董事

** 非執行董事

審核委員會

張應坤先生 (主席)
陳文生先生
尹彼德先生

薪酬委員會

陳文生先生 (主席)
張應坤先生
汪滌東先生

公司秘書

汪滌東先生

授權代表

李文輝博士
汪滌東先生

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要辦事處

香港
新界荃灣
沙咀道52A號
皇廷廣場28樓
電話：(852) 2514 4700
傳真：(852) 2521 7198

主要往來銀行

中信銀行國際有限公司
星展銀行(香港)有限公司
中國工商銀行(亞洲)有限公司

歐力士(亞洲)有限公司
大新銀行有限公司
永亨銀行有限公司

CORPORATE AND INVESTOR INFORMATION

公司及投資者資料

LEGAL ADVISORS

Hong Kong
Woo, Kwan, Lee & Lo
Troutman Sanders

Bermuda
Appleby

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

AMERICAN DEPOSITORY

The Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York
NY 10286
USA

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE IN BERMUDA

HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 720
American Depository Receipt:
Symbol — WKHHY
CUSIP — 929300 10 1

WEBSITE ADDRESS

<http://www.wokeehong.com.hk>

DATE OF ANNUAL GENERAL MEETING

May 31, 2011

法律顧問

香港
胡關李羅律師行
長盛國際律師事務所

百慕達
Appleby

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師

美國託存股份處

The Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York
NY 10286
USA

百慕達之主要股票過戶登記處

HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

香港之股票過戶登記處

卓佳標準有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

股票代號

香港聯合交易所有限公司：720
美國預託證券：
代號 — WKHHY
證券識別統一號碼 — 929300 10 1

網址

<http://www.wokeehong.com.hk>

股東週年大會舉行日期

2011年5月31日



WO KEE HONG GROUP

CEO OFFICE

和記行集團

行政總裁辦公室



Dr. Richard Man Fai LEE

李文輝博士

Executive Chairman & CEO

執行主席兼行政總裁

CHAIRMAN'S STATEMENT 主席報告

EXECUTIVE CHAIRMAN'S *MISSION STATEMENT*

Focusing its efforts on brand building and distributions, WKH's mission is to promote and capitalise on the high growth in luxury lifestyle products in the Asian region.

執行主席的 *使命宣言*

和記行一直在致力於品牌的建立與推廣，並將以成功拓展亞太區高增長的奢侈品市場作為集團的使命。

CHAIRMAN'S STATEMENT

主席報告

Your Board of Directors is pleased to announce that a consolidated profit of HK\$27.9 million was recorded for the year ended December 31, 2010. Turnover of the Group increased by 29.3% to HK\$1,604.2 million.

In the course of 2010, our markets had fully recovered from the global tsunami and posted strong economic growth in GDPs and consumption. The products we represented were segments that benefitted from this recovery.

As mentioned in my statement in last year, bold and prudent overhauls of operations and trimming of expenses resulted in profits of all our major business segments with substantially improved gross profit and efficiency. These achievements were made despite a 16.8% reduction of staff, a tribute to a very professional and productive workforce. The focus on our core businesses enhanced the return on our investment and growth.

Our motor car business performed very well in terms of sales and profit growth. This was achieved with the new and immensely successful Ferrari 458 Italia and California models. Maserati business also did well with its new two-door models. We are on the way to have another very successful year with a full year delivery of the 458 Italia and introduction of the Ferrari FF and other new models. The dealerships in Mainland China also performed satisfactorily and we expect continuous growth there. We shall also see our after sales service business to be more profit-generating with newly installed ADP software and strong management. The motor yacht business was able to generate a small profit and we are positive about its promising development.

Our electrical appliances business achieved satisfactory result, especially the 'MHI' air-conditioning products and the 'Alpine' OEM car entertainment business in Malaysia and Singapore. We are also entering the fast-growing market of energy-saving air-conditioning and LED lighting systems; providing energy efficiency solutions, involving our own brand 'Bodysonic'. We expect exciting growth in this sector.

董事會欣然宣佈，於截至2010年12月31日止年度，本集團錄得綜合盈利港幣27,900,000元。本集團營業額增加29.3%至港幣1,604,200,000元。

2010年，吾等的市場已自全球金融海嘯中全面復甦，本地生產總值及消費額反映強勁經濟增長。吾等分類的產品均受惠於經濟的復甦。

如本人在上一年的報告書所述，大膽而審慎的營運檢討及緊縮支出為所有主要業務分類帶來盈利，毛利及效率亦顯著改善。儘管員工數目減少16.8%，但全賴極為專業及高效率的員工團隊，吾等仍能取得佳績。吾等集中核心業務亦增加投資及增長的回報。

本集團的汽車業務銷售及盈利增長表現卓越，實有賴全新及獲得空前成功之法拉利458 Italia及California型號汽車。瑪莎拉蒂最新的雙門汽車型號亦為業務帶來驕人的成績。隨著458 Italia將於來年全年陸續交付，以及Ferrari FF及其他新汽車型號推出，吾等正邁向另一成功年度。中國內地的經銷業務亦錄得理想的表現，吾等預期經銷業務將會持續增長。憑藉全新安裝的ADP軟件及強勢的管理，吾等的售後服務將帶來更高的業務盈利。機動遊艇業務方面亦獲得微利，吾等對其有潛力的發展表示樂觀。

電器業務亦取得佳績，特別是「三菱重工」空調產品及於馬來西亞和新加坡的「亞爾派」OEM汽車娛樂業務。吾等旗下品牌「先力」亦正進軍快速增長的節能空調及LED照明系統市場，提供能源效益解決方案。吾等預計該類業務將有驕人增長。



CHAIRMAN'S STATEMENT 主席報告

During the year we terminated the 'Playboy' licensing business and focused on developing our own 'V-one' men's fashion brand. This decision proved to be correct with good improvements in our own brand. Our joint venture fashion watch distribution business continued to improve. We shall see continuous progress of these fashion apparels and accessories businesses.

The Group's financial position was further strengthened within the year with positive cash flow from operations and completion of the placing of convertible loan note agreement. It is always our priority to continue improvement of our financial strength.

With the announcement of the 12th Five-Year Plan of China to further stimulate consumers' income and spending, to speed up the development of motor car business and energy-saving technologies, we are confident of the continuous growth of our major business sectors in the coming years. We foresee an immediate and long term increase in the number of high net worth individuals and the middle class who will accelerate the consumer market expansion in our region, especially in Mainland China and Hong Kong. We are working on further development of our car dealerships and fashion retailing network in these markets, together with the provision of energy-saving solutions.

Whilst we are very confident of the future prospects of our markets and our businesses, we are monitoring closely the Japanese earthquake and the possible impact of the nuclear leakage catastrophe on our electrical appliance business. At this moment, no substantial adverse effect is observed. We do wish the best for the Japanese people and the imminent recovery of their economy.

年內，吾等終止「Playboy」特許權業務並集中發展旗下男士服裝品牌「V-one」。本集團自身品牌的表現有所改善，亦證明吾等此決定正確。吾等的時尚手錶分銷合營企業業務繼續改善。該等時裝及配飾業務將錄得持續增長。

經營業務錄得正面現金流量，以及完成配售可換股貸款票據的協議，使本集團的財務狀況於年內進一步增強。吾等時刻以持續改善財務狀況為首要任務。

隨著中國公佈十二五規劃以進一步刺激消費者之收入及開支，加快汽車業務之發展及節能技術，吾等相信主要業務分類於來年將有持續增長。吾等預計高資產淨值個人及中產人士數目將會短期及長期內增加，加快區內消費市場，尤其是中國內地及香港的拓展。吾等正研究於該等市場進一步發展汽車經銷業務及時裝零售網絡，並提供節能解決方案。

吾等對本集團的市場及業務之前景非常樂觀之同時，亦密切留意日本地震及核幅射洩漏大災難對本集團電器業務可能造成的影響。現時，並無發現任何重大不利影響。吾等衷心祝願日本國民能克服災難，重振經濟。

CHAIRMAN'S STATEMENT

主席報告

As always, we are very blessed to have well-experienced, passionate and competent staff working in harmony to grow the Group. On behalf of your Board of Directors, I would like to express our whole-hearted gratitude and sincere appreciation to our shareholders, bankers and very loyal staff for their most valuable trust, support and contribution.

一如以往，吾等深感欣慰擁有經驗豐富、充滿熱誠、能幹及以和為本的員工。本人謹此代表董事會向不斷鼎力支持本集團並作出貢獻的所有股東、往來銀行及各忠心耿耿的員工，致以萬分謝意。

Dr. Richard Man Fai LEE
Executive Chairman & CEO

Hong Kong, March 28, 2011

執行主席兼行政總裁
李文輝博士

香港，2011年3月28日



GROUP FINANCIAL SUMMARY

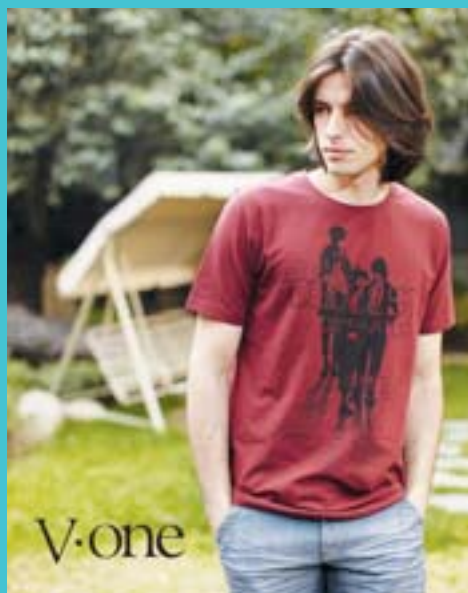
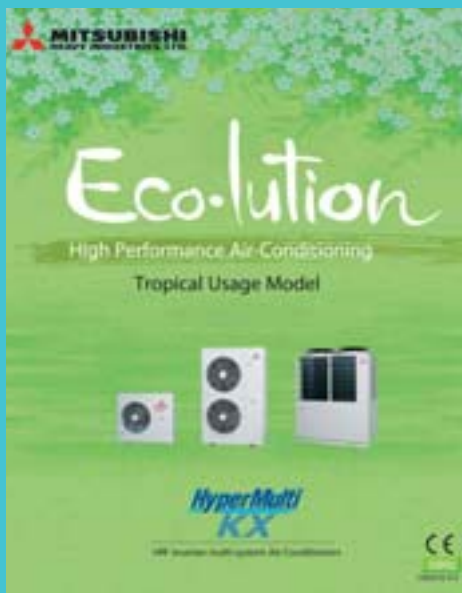
集團財務摘要

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元	2008 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Results	業績					
Turnover	營業額	1,604,161	1,240,716	1,308,229	1,153,201	786,580
Profit/(loss) from operations	經營盈利/(虧損)	45,509	(120,474)	(23,699)	4,135	27,730
Finance costs	財務費用	(10,228)	(9,236)	(8,298)	(14,355)	(11,381)
Other non-operating income	其他非營業收入	9,273	—	—	76,021	28,624
Other non-operating expenses	其他非營業支出	(5,700)	(19,257)	(18,958)	(15,468)	(25,658)
Share of result of a jointly controlled entity	應佔一間共同 控制實體業績	(335)	(1,729)	—	—	—
Share of results of associates	應佔聯營公司業績	—	(95)	(18)	(1,169)	(7,777)
Profit/(loss) before tax	除稅前盈利/(虧損)	38,519	(150,791)	(50,973)	49,164	11,538
Income tax expenses	所得稅開支	(3,034)	(399)	(8,079)	(6,256)	(1,141)
Profit/(loss) for the year	本年度盈利/(虧損)	35,485	(151,190)	(59,052)	42,908	10,397
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	27,879	(141,225)	(68,869)	35,677	7,114
Non-controlling interests	非控股權益	7,606	(9,965)	9,817	7,231	3,283
		35,485	(151,190)	(59,052)	42,908	10,397
Assets and liabilities	資產及負債					
Total assets	總資產	858,797	777,877	864,775	800,723	721,686
Total liabilities	總負債	(592,372)	(558,544)	(538,874)	(397,869)	(402,707)
Net assets	資產淨值	266,425	219,333	325,901	402,854	318,979
Equity attributable to owners of the Company	本公司擁有人 應佔權益	250,437	208,698	305,093	380,378	303,976
Non-controlling interests	非控股權益	15,988	10,635	20,808	22,476	15,003
Total equity	總權益	266,425	219,333	325,901	402,854	318,979



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析





MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

FINANCIAL REVIEW

Results of Operations

For the year ended December 31, 2010, the Group's turnover increased from HK\$1,240.7 million to HK\$1,604.2 million, representing a robust growth of 29.3%. In the wake of the financial tsunami which faded away in 2009, we are pleased to see that the consumer market bounced back relatively quickly. The car division, our major business segment, operating in both Hong Kong and Mainland China (Dalian and Nanjing), had a satisfactory year in terms of turnover growth and financial performance. Furthermore, we succeeded in the turnaround of our fashion business, namely our own men's wear brand "V-one", which has shown great improvement and began to report profit in the fourth quarter of 2010. We remain cautiously optimistic that this growth momentum can be maintained for the years to come, providing a solid platform for the Group to grow with the market.

Gross profit margin for 2010 recorded a marked increase of 29.8% to 17.0% (2009: 13.1%). The increased turnover, together with the refined margin, resulted in a significant improvement of gross profit in 2010 by HK\$110.0 million or 67.8%, from HK\$162.3 million in 2009 to HK\$272.3 million in 2010.

During 2010, our other operating income amounted to HK\$26.1 million (2009: HK\$5.9 million), including a gain of HK\$16.1 million arising from a waiver of debt granted by a creditor.

Distribution costs in 2010 were reduced by 10.9% to HK\$91.4 million (2009: HK\$102.6 million) whilst administrative expenses were trimmed down by HK\$21.9 million, a 11.7% decrease to HK\$165.5 million from HK\$187.4 million last year, representing in aggregate a total saving of HK\$33.1 million in these two core expense categories. Our adopted practice to review the performance of our business units by way of variance analyses at monthly intervals has proven to be a powerful and timely instrument to enhance revenue and sharpen cost control in all departments. Rigorous management discipline will be sustained to ensure that continued cost savings be made across the Group.

財務回顧

經營業績

截至2010年12月31日止年度，本集團營業額由港幣1,240,700,000元增至港幣1,604,200,000元，相當於29.3%之強勁增長。隨著金融海嘯於2009年消退，吾等深慶消費市場復甦較為迅速。於香港及中國內地（大連及南京）經營之汽車部門（吾等之主要業務分類），就營業額增長及財務表現而言，取得滿意的一年。此外，時裝業務成功轉虧為盈，自身男士服裝品牌「V-one」之業績顯著改善，並於2010年第4季度開始錄得盈利。吾等對此增長勢頭於未來數年仍可持續抱審慎樂觀態度，並為本集團提供與市場同步增長之穩固平台。

2010年毛利率顯著上升29.8%至17.0%（2009年：13.1%）。營業額上升加上毛利率改善，令2010年之毛利大幅改善，由2009年之港幣162,300,000元增加港幣110,000,000元或67.8%至2010年之港幣272,300,000元。

於2010年，其他營業收入為港幣26,100,000元（2009年：港幣5,900,000元），當中包括因債權人豁免一項債務而產生之收益港幣16,100,000元。

於2010年，分銷成本減少10.9%至港幣91,400,000元（2009年：港幣102,600,000元），而行政費用較去年之港幣187,400,000元減少港幣21,900,000元至港幣165,500,000元，減幅為11.7%，上述兩大核心開支類別合共節省港幣33,100,000元。本集團每月採用透過差異分析審查業務單位表現之慣例被證明為有效且適時之工具，提升了所有部門之收益及加強成本控制。本集團將維持嚴格有效之管理制度，確保整個集團持續節省成本開支。

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

FINANCIAL REVIEW (continued)

Results of Operations (continued)

An impairment loss of HK\$5.7 million (2009: HK\$6.0 million) was made on our 10% investment in Digital Outdoor Television (Hong Kong) Limited, based on professional valuation.

Finance costs of HK\$10.2 million were recorded in 2010 (2009: HK\$9.2 million), representing a cost of 0.6% of sales (2009: 0.7%) whilst a loss of HK\$0.3 million (2009: HK\$1.7 million) was booked being our share of result of a jointly controlled entity.

During the year, the Group recorded a net gain on disposal of subsidiaries amounting to HK\$9.3 million (2009: nil).

The board of directors of the Company (the "Board") is pleased to report that the profit attributable to the owners of the Company for the year amounted to HK\$27.9 million (2009: loss of HK\$141.2 million), representing a strong recovery from last year. We have shown marked improvement in all key performance indices including turnover, profit margin and net cash flow. Going forward, our well-established corporate governance team, coupled with our dynamic yet cost-conscious business team, will continue developing a healthy business model designed to bring economic benefits for the future development of the Group.

Financial Condition and Capital Structure

The Group was financed by a combination of its equity capital base, cash flow generated from operations and bank borrowings. As usual, bank and other liabilities were being met upon their maturities in the normal course of business.

Cash and cash equivalents at December 31, 2010 were HK\$189.3 million (2009: HK\$152.0 million). A net cash inflow of HK\$24.9 million (2009: net cash outflow of HK\$6.1 million) was recorded, representing in aggregate funds generated from operating, investing and financing activities in the year.

財務回顧(續)

經營業績(續)

根據專業估值，本集團已就數碼戶外電視(香港)有限公司10%權益之投資作出減值虧損港幣5,700,000元(2009年：港幣6,000,000元)。

2010年錄得財務費用港幣10,200,000元(2009年：港幣9,200,000元)，佔銷售之0.6%(2009年：0.7%)，並就應佔一間共同控制實體業績入賬虧損港幣300,000元(2009年：港幣1,700,000元)。

年內，本集團錄得出售附屬公司淨收益港幣9,300,000元(2009年：無)。

本公司董事會(「董事會」)欣然報告，年內本公司擁有人應佔盈利為港幣27,900,000元(2009年：虧損港幣141,200,000元)，較去年大幅回升。所有主要表現指標均顯著改善，包括營業額、毛利及現金流量淨額。展望未來，完善之企業管治團隊加上活力充沛而具成本效益之業務團隊將繼續發展健全之業務模式，為本集團未來發展帶來經濟利益。

財務狀況及資本架構

本集團之融資途徑，乃綜合其權益股本，經營產生之現金流量及銀行貸款。銀行及其他負債均如常於經常業務下，於其到期日前獲得清償。

於2010年12月31日，現金及現金等值項目為港幣189,300,000元(2009年：港幣152,000,000元)。本集團錄得現金淨流入港幣24,900,000元(2009年：現金淨流出港幣6,100,000元)，乃年內經營、投資及融資活動產生之資金總額。



MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

FINANCIAL REVIEW (continued)

Financial Condition and Capital Structure (continued)

The Group had total borrowings at December 31, 2010 amounting to HK\$201.3 million (2009: HK\$179.5 million). The Group's long term gearing ratio stood at 4.8% (2009: 3.0%), based on long term liabilities (excluding deferred tax) of HK\$11.9 million (2009: HK\$6.3 million) and owners' equity of HK\$250.4 million (2009: HK\$208.7 million). The current ratio was 1.2 (2009: 1.1), based on current assets of HK\$685.4 million (2009: HK\$627.9 million) and current liabilities of HK\$580.3 million (2009: HK\$552.2 million).

The Group had trading facilities at December 31, 2010 amounting to HK\$324.6 million (2009: HK\$326.4 million) of which HK\$237.0 million (2009: HK\$226.2 million) was utilized.

Foreign Exchange Exposure

The Group's purchases are mainly conducted in Euro and US Dollar while sales are mainly conducted in HK Dollar and Renminbi. During the year, the Group entered into several forward exchange contracts with its bankers in order to hedge foreign currency transactions and stabilize purchase cost. There were no outstanding foreign exchange contracts at December 31, 2010 and 2009.

Pledge of Assets

Certain of the Group's properties, inventories, cash deposits, a motor yacht and all assets of a subsidiary were pledged at year ended 2010 in an aggregate amount of HK\$272.9 million (2009: HK\$258.9 million) to secure loans and facilities granted.

Capital Commitments and Contingent Liabilities

The Group had capital commitments of HK\$12.6 million at December 31, 2010 (2009: HK\$0.8 million). The Group had no material contingent liabilities at December 31, 2010 and 2009.

財務回顧(續)

財務狀況及資本架構(續)

本集團於2010年12月31日之貸款總額為港幣201,300,000元(2009年:港幣179,500,000元)。根據長期負債(不包括遞延稅項)港幣11,900,000元(2009年:港幣6,300,000元)及擁有人權益港幣250,400,000元(2009年:港幣208,700,000元)計算,本集團長期資本負債比率為4.8%(2009年:3.0%)。根據流動資產港幣685,400,000元(2009年:港幣627,900,000元)及流動負債港幣580,300,000元(2009年:港幣552,200,000元)計算,流動比率為1.2(2009年:1.1)。

於2010年12月31日,本集團之貿易信貸額為港幣324,600,000元(2009年:港幣326,400,000元),當中已動用港幣237,000,000元(2009年:港幣226,200,000元)。

外匯風險

本集團之採購主要以歐元及美金進行,而銷售主要以港元及人民幣進行。年內,本集團與銀行訂立多份遠期外匯合約,以對沖外匯交易及穩定購買成本。於2010年及2009年12月31日均無未到期履約之外匯合約。

資產抵押

截至2010年止年度,本集團若干物業、存貨、現金存款、一艘機動遊艇及一間附屬公司之全部資產合共港幣272,900,000元(2009年:港幣258,900,000元)已被抵押以獲取貸款及信貸。

資本承擔及或然負債

於2010年12月31日,本集團之資本承擔為港幣12,600,000元(2009年:港幣800,000元)。於2010年及2009年12月31日,本集團並無重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

BUSINESS REVIEW

Cars

The business consists mainly of the import, distribution and after-sales service of Italian “Ferrari” and “Maserati” cars and spare parts in Hong Kong and Macau. In Mainland China, we operate “Ferrari” and “Maserati” car dealerships in Dalian and Nanjing.

Compared to 2009, turnover increased 26.9% to HK\$1,239 million as a result of the economic recovery. Car sales continued to rise in both Hong Kong and China markets and turnover from maintenance service also recorded an encouraging increase.

For Ferrari, 2010 was the first full year of production of the California GT and the Group delivered a total of 85 to customers. Deliveries of Ferrari’s 12-cylinder Berlinetta range, the 599 GTB Fiorano and 599 GTO, continued whilst delivery of the 458 Italia, the successor to the F430 series, began in August. The order portfolio for the 458 Italia closed at 327 at year end with an approximate four-year waiting list. We are proud to continuously achieve a market share of over 50% in both Sports and GT segments in Hong Kong.

Awareness of the Maserati brand achieved another boost in Hong Kong in April due to the launch of the new two-door convertible, the GranCabrio. Deliveries started during the second quarter and 19 cars had been delivered to clients by the end of the year. Demand for Maserati’s GranTurismo, GranTurismo S and GranTurismo S automatic remained high. Meanwhile, more Quattroportes (Maserati’s four-door model) were delivered during the year and the model continued to be successful in the Hong Kong luxury sedan market.

Total workshop service turnover for the full year grew by 33% to HK\$82.3 million as compared with 2009. This was primarily due to an expansion of our service facilities in Hong Kong, an increase in the Ferrari/Maserati pre-delivery inspection business which we operate in Shanghai and the introduction of a new car dealer management system-ADP.

業務回顧

汽車

此業務主要包括意大利「法拉利」及「瑪莎拉蒂」汽車及配件於香港及澳門之進口、分銷及售後服務。於中國內地，吾等在大連及南京經銷「法拉利」及「瑪莎拉蒂」汽車。

由於經濟復甦，營業額較2009年上升26.9%至港幣1,239,000,000元。香港及中國市場之汽車銷售持續增長，而保養維修服務之營業額亦錄得令人鼓舞之增長。

至於法拉利方面，2010年為California GT汽車投產的第一個全年度，而本集團已向客戶交付合共85輛汽車。本集團繼續交付法拉利12缸Berlinetta系列汽車、599 GTB Fiorano汽車及599 GTO汽車，而新型號跑車458 Italia(為F430系列之後繼型號)已於8月開始交付。458 Italia跑車之訂單於年底時達327份，而候車名單約為四年。本集團於香港跑車及GT分類之市場佔有率持續超過50%，對此感到自豪。

自4月份推出全新GranCabrio雙門開篷跑車之後，瑪莎拉蒂品牌在香港之知名度再次飆升。付運於第2季度開始，而於年底前，19輛汽車已交付予客人。瑪莎拉蒂之GranTurismo、GranTurismo S及GranTurismo S automatic雙門跑車之需求仍然高企。與此同時，年內已交付更多Quattroportes汽車(瑪莎拉蒂之四門型號汽車)，該型號繼續在香港豪華轎車市場佔一席位。

全年汽車維修服務總營業額較2009年增長33%至港幣82,300,000元，主要由於擴充於香港之服務設施、於上海進行之法拉利/瑪莎拉蒂交貨前檢驗業務增加以及引進新汽車經銷商管理系統—ADP所致。



MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析



BUSINESS REVIEW (continued)

Cars (continued)

Turnover of our used car business grew by 20% in 2010. This was due to a combination of factors including the opening of a dedicated used car showroom in Ap Lei Chau in May and the recruitment of a team of used car sales specialists.

Our dealership business in Dalian and Nanjing, which covers the territories of five provinces, namely Liaoning, Jilin, Heilongjiang, Jiangsu and Anhui, has developed well and both turnover and financial performance continued to improve satisfactorily. In anticipation of the pace of expansion in this area, more resources would be allocated to reap greater economic benefits from these dealerships.

Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliances products, namely “MHI” (Mitsubishi Heavy Industries of Japan), “Bodysonic” and “GREE”, audio-visual products of “Rogers” and “Bodysonic” and “Alpine” car electronics.

業務回顧 (續)

汽車 (續)

二手汽車業務之營業額於2010年上升20%，此乃結合多項因素所致，包括於5月在鴨利洲開設二手汽車專門陳列室，以及招聘專業之二手汽車銷售團隊。

吾等在大連及南京（覆蓋五個省份，即遼寧、吉林、黑龍江、江蘇及安徽）的汽車經銷業務發展理想，營業額及財務表現持續有理想之改善。鑒於對此業務發展步伐之預期，吾等將分配更多資源至該地區以從該等汽車經銷業務中取得更多經濟利益。

電器

此業務包括市場推廣及分銷不同系列之家用及商用空調產品及家用電器產品，包括日本「三菱重工」、「先力」及「格力」、影音類別產品「樂爵士」及「先力」以及汽車電子類別的「阿爾派」。

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

BUSINESS REVIEW (continued)

Electrical Appliances (continued)

After a difficult 2009, turnover in this segment recorded a growth of 39.2%, from HK\$177.2 million in 2009 increased to HK\$246.7 million in 2010. The restructuring and cost optimization programs, started in 2009, has proven to be successful and overall financial performance was greatly improved.

Demand and sales of air-conditioning products and audio visual products in Hong Kong remained strong throughout the year with steady profit margins, leading to a good result at year end.

Our electrical appliances business in Singapore and Malaysia also recorded a significant growth in both turnover and net profit in 2010. The success was mainly due to the newly developed OEM car audio business and the continuous steady growth of air-conditioning markets in these regions.

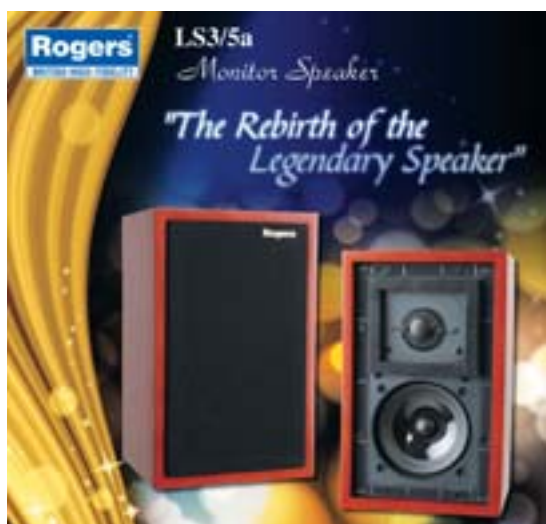
業務回顧(續)

電器(續)

經歷困難重重的2009年後，此分類錄得39.2%之增長，由2009年之港幣177,200,000元增至2010年之港幣246,700,000元。於2009年開展之重組及削減成本計劃取得成功，整體財務表現大幅改善。

空調產品及影音產品於香港之需求及銷售在年內一直保持強勁，並錄得穩定毛利，令年底錄得理想業績。

於2010年，新加坡及馬來西亞之電器業務之營業額及純利亦錄得顯著增長。業務取得成功主要由於新開發之OEM汽車影音業務以及該等地區之空調市場持續穩定增長所致。





MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析



BUSINESS REVIEW (continued)

Fashion Apparels and Accessories

Subsequent to the implementation of operational efficiency and cost optimization programs, the business performance of our own men's wear brand "V-one" steadily improved during the year. Non-performing shops were closed and headcounts were further trimmed. We focused on our sales network and presence in Eastern China and more shops were opened in new towns of Shanghai and adjacent second tier cities. As a result of the above actions, the financial performance and condition of V-one continued to improve and expansion of this business is considered appropriate. Accordingly, a new president of V-one was appointed in December 2010 who has extensive experience in China's retail market and we are confident to achieve rapid growth of the V-one business in the coming years.

Since the formation of a jointly controlled entity with the Italian Binda Group in February 2010, our watch business operated with good progress and in the right direction in Hong Kong, Macau and Mainland China. Wholesales in both Hong Kong and Mainland China improved significantly in the second half of year 2010, while business in Macau continued to perform well due to the influx of travellers from Mainland China.

業務回顧 (續)

時裝及配飾

於實施提升經營效率及削減成本計劃後，本集團自身男士服裝品牌「V-one」之業務表現於年內逐漸改善。表現欠佳之商舖經已結業，並進一步削減員工人數。吾等專注華東地區之銷售網絡及市場佔有率，並於上海之新市鎮及鄰近之二線城市開設更多商舖。由於採取上述措施，V-one之財務表現及狀況持續改善，而擴充此業務亦屬恰當。因此，V-one已於2010年12月委任一位新總裁，彼於中國零售市場具豐富經驗，吾等有信心V-one之業務能於未來數年迅速增長。

自於2010年2月與意大利Binda集團成立一間共同控制實體以來，手錶業務於香港、澳門及中國內地營運進度良好且方向正確。香港及中國內地之批發業務於2010年下半年顯著改善，而澳門業務亦因中國內地旅客蜂擁而至，錄得理想表現。

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

BUSINESS REVIEW (continued)

Other Business

In addition to the above key businesses, the Group also engages in the distribution of motor yachts in Hong Kong and Mainland China. This includes the Italian brand “Pershing” and Taiwanese brand “Horizon”. The Group’s Horizon yacht business in Mainland China was re-configured to non-exclusive status in early 2010 with a sales point at the Group’s Shenzhen office.

The yacht business in Hong Kong as well as Mainland China has seen a gradual recovery during 2010 after the severe downturn in 2009. One Horizon 97 yacht and one Pershing 50 yacht were delivered during 2010.

HUMAN RESOURCES

At the end of 2010, the total number of employees of the Group, excluding associates, was 467 (2009: 561), representing a 16.8% decrease in headcount. This is mainly due to our exercise of streamlining of operations during the year in our three core business segments.



業務回顧(續)

其他業務

除上述主要業務外，本集團亦在香港及中國內地從事機動遊艇分銷業務，其中包括意大利品牌「Pershing」及台灣品牌「赫涑森」。本集團於中國內地之赫涑森遊艇業務的分銷模式於2010年初轉為非獨家形式，而銷售點則設於本集團之深圳辦事處。

香港及中國內地之遊艇業務經過2009年嚴重下滑後，於2010年逐漸復甦。一艘赫涑森97遊艇及一艘Pershing 50遊艇已於2010年交付。

人力資源

於2010年年終，本集團(不包括聯營公司)總員工人數為467人(2009年：561人)，總人數減少16.8%，主要由於年內在三個核心業務分類推行精簡業務所致。





MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

HUMAN RESOURCES (continued)

The management is committed to staff motivation, training and development to ensure that the standard of our employees remains stable and competitive in the marketplace. Several leadership training seminars for our managerial and supervisory staff were conducted during the year to enhance their skills and spirits of co-operation. With the continuous organizational improvements, led by our capable management team, we are confident that our employees will grow with the Company so as to bring economic benefits to the Group in the years to come.

PROSPECTS

While the Group will continue to grow as one of the leading lifestyle products distribution companies, our business is moving forward steadily and healthily with great confidence in the continuous improvement of the Asian economies for the years to come.

Our order portfolio for “Ferrari” continues to grow healthily with a lead time of up to four years, whilst the profile of “Maserati” will continue to broaden in 2011. Both brands are expected to introduce exciting new models in 2011 to further expand their market dominance and reach for new clients.

For the electrical appliances business, we will work closely with our major suppliers such as “MHI” and “Apline” in order to improve our market share and market positioning through effective marketing and sales programs. We will continue to explore development opportunities for our own “Bodysonic” brand with new energy saving and green technologies.

Our own men’s wear brand “V-one” has performed particularly well in the last quarter of 2010. With such momentum, we have now set a relatively long term target for this business by which we foresee a significant enhancement of both sales volume and profitability in the next couple of years.

人力資源(續)

管理層致力加強員工士氣、培訓及發展，構建一個穩定且具市場競爭力的員工團隊。年內，吾等為管理及監督人員舉行多個領袖訓練講座，務求提升彼等的技能及合作精神。加上由吾等有才能的管理隊伍領導下持續改善組織結構，吾等相信本公司和員工一定能夠共同成長，為本集團未來的利益作出貢獻。

展望

儘管本集團將繼續擴充成為主要之時尚產品經銷公司之一，隨著亞洲經濟持續改善，吾等深信本集團之業務正穩健發展。

本集團之「法拉利」訂單組合持續錄得穩健增長，供應週期長達4年，而「瑪莎拉蒂」之知名度將於2011年繼續提高。預計2011年兩個品牌將推出令人期待之新型號，進一步擴大兩個品牌之市場佔有率及開拓新客戶。

電器業務方面，本集團將與主要供應商(例如「三菱重工」及「阿爾派」)緊密合作，透過有效的市場推廣和銷售計劃，改善吾等的市場佔有率和市場定位。吾等將繼續為擁有新節能及環保技術的自身品牌「先力」開拓發展機會。

本集團自身男士服裝品牌[V-one]於2010年最後一季之表現尤為出色。藉此勢頭，吾等現已為該業務設定相對長遠目標，預期未來數年之銷量及盈利能力均會大幅改善。

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

管理層討論及經營業績及財務狀況分析

PROSPECTS (continued)

In August 2010, the Company was awarded “Character Company Award 2010”, an award which aims to recognize the outstanding performance of corporations in six dimensions. In March 2011, the Company was awarded the Caring Company Logo 2010/11, launched by the Hong Kong Council of Social Service. The Caring Company Logo is awarded to companies which demonstrate good corporate citizenship. It aims to promote corporate social responsibility through caring for community, employees and the environment. Both the Company and our staff are very proud to receive these two honors.



展望(續)



於2010年8月，本公司獲頒發「2010年度香港有品企業大獎」。該獎項旨在表揚企業在六方面之傑出表現。於2011年3月，本公司獲頒香港社會服務聯會推行之2010/11年度商界展關懷標誌。商界展關懷標誌乃授予顯示良好企業公民責任之企業，旨在透過關懷社區、僱員及環境，從而推廣企業社會責任。本公司及員工對獲頒該兩個獎項深感自豪。



DIRECTORS AND SENIOR MANAGEMENT PROFILES

董事及高層管理人員簡介

EXECUTIVE DIRECTORS

Richard Man Fai LEE, BSB, MBA, DBA, aged 54, the Executive Chairman and Chief Executive Officer of the Company, is the son of Mr. Wing Sum LEE, the former Director and Honorary Chairman of the Company and Ms. Kam Har YUE, a Non-executive Director and the elder brother of Mr. Jeff Man Bun LEE, an Executive Director of the Company. He is the Chairman and Chief Executive Officer of China Premium Lifestyle Enterprise, Inc., an associated company of the Group.

Dr. Lee is responsible for formulating the Group's overall strategic planning and business development. Dr. Lee has 31 years' experience in marketing consumer products and has been with the Group for 27 years. He has a bachelor's degree and a master's degree in business administration from the University of Minnesota.

In September 2006, Dr. Lee was bestowed the title of "Commander of the Order of the Star of Italian Solidarity". In March 2009, Dr. Lee was awarded the 11th World Outstanding Chinese Award and the Honorary Doctorate of Business Administration from International American University.

Jeff Man Bun LEE, BSc, MSc, University of Michigan, MSc, Stanford University, aged 52, has been an Executive Director of the Company since January 2002. He is the son of Mr. Wing Sum LEE and Ms. Kam Har YUE and the younger brother of Dr. Richard Man Fai LEE. He is responsible for strategic planning and development of new projects of the Group. Prior to joining the Group, he was a System Software Specialist at the Research and Development Department of Apple Computer International Limited for 5 years. He had also been actively involved in the Group's business from 1991 to 1997 prior to his current appointment.

Tik Tung WONG, FCCA, CPA (Practising), aged 54, has been an Executive Director of the Company since June 2004 and is the Chief Financial Officer, Company Secretary, authorized representative and a member of the Remuneration Committee of the Company. He is also the Chief Financial Officer and Corporate Secretary of China Premium Lifestyle Enterprise, Inc., an associated company of the Group. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is an INED of Chi Cheung Investment Company, Limited. Mr. Wong was an INED of China Energy Development Holdings Limited during the last three years.

執行董事

李文輝，BSB、MBA、DBA，54歲，本公司執行主席兼行政總裁，為本公司前任董事兼榮譽主席李永森先生及非執行董事余金霞女士之子，並為本公司執行董事李文彬先生之兄長，彼為本集團之聯營公司China Premium Lifestyle Enterprise, Inc.之主席兼行政總裁。

李博士負責制訂本集團之整體策略計劃及業務發展。李博士擁有31年經銷消費品之經驗，已任職本集團27年。彼獲明尼蘇達州大學頒發工商管理學士及碩士銜。

於2006年9月，李博士獲頒授「意大利團結星級司令勳章」。於2009年3月，李博士榮獲「第11屆世界傑出華人獎」及「美國加州國際大學榮譽商管博士」。

李文彬，BSc、MSc(密芝根大學)、MSc(史丹福大學)，52歲，自2002年1月起為本公司執行董事。彼為李永森先生與余金霞女士之子，亦為李文輝博士之胞弟，負責本集團之策略策劃及開發新項目。彼在加盟本集團前，曾於Apple Computer International Limited研發部任職系統軟件工程專家一職，為時5年。彼在擔任本職之前，曾於1991年至1997年期間積極參與本集團業務。

汪滌東，FCCA、CPA(執業)，54歲，彼自2004年6月起擔任本公司執行董事，並為本公司之首席財務官、公司秘書、授權代表及薪酬委員會成員。彼亦為本集團之聯營公司China Premium Lifestyle Enterprise, Inc.之首席財務官及公司秘書。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於至祥置業有限公司擔任獨立非執行董事。於過去3年，汪先生曾擔任中國能源開發控股有限公司之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILES

董事及高層管理人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Boon Seng TAN, M.A., Cambridge University, aged 55, has been an INED of the Company since April 1999 and is a member of the Audit Committee and the Chairman of the Remuneration Committee of the Company. Mr. Tan is the chairman and managing director of Lee Hing Development Limited and a non-executive director of Genting Hong Kong Limited, both companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is also the executive director of IGB Corporation Berhad, a company listed on the stock exchange of Kuala Lumpur, Malaysia. He also holds directorships in many other companies

Ying Kwan CHEUNG, FCCA, CPA, aged 51, has been an INED of the Company since November 2005 and is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. He is the finance manager of Carling Technology Limited and has over 24 years of experience in financial management for a number of corporations and listed companies. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is an INED of Tian Shan Development (Holding) Limited.

Peter Pi Tak YIN, BA, MBA, PhD, aged 57, was appointed as an INED and a member of the Audit Committee of the Company in September 2009. He is the Customer Service Vice President of Federal Express Corporation now based in Hong Kong. He has been with Federal Express for over 26 years with ample experience in operational management, marketing and communications aspects and stationed in Singapore, Japan and Memphis, Tennessee, U.S.A.

NON-EXECUTIVE DIRECTOR

Kam Har YUE, aged 78, was involved in the policy making of the Group from 1962 to December 1989. She has been redesignated as a Non-executive Director of the Company since then to scrutinise the performance of management of the Company. She has over 36 years' experience in trading and distribution of consumer products. Ms. Yue is the spouse of Mr. Wing Sum LEE, who is the former Director and Honorary Chairman of the Company and the mother of Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE, both of whom are Executive Directors of the Company.

獨立非執行董事

陳文生，M.A.(劍橋大學)，55歲，彼自1999年4月起擔任本公司之獨立非執行董事，並為本公司審核委員會成員及薪酬委員會主席。陳先生為利興發展有限公司之主席兼董事總經理及雲頂香港有限公司之非執行董事，此兩間公司均於香港聯合交易所有限公司(「聯交所」)主板上市。彼亦擔任馬來西亞吉隆坡證券交易所上市公司IGB Corporation Berhad之執行董事。彼並擔任多間公司之董事。

張應坤，FCCA、CPA，51歲，彼自2005年11月起擔任本公司之獨立非執行董事，並為本公司審核委員會主席及薪酬委員會成員。彼為Carling Technology Limited之財務經理，並於多間企業及上市公司之財務管理領域積逾24年經驗。張先生為英國特許公認會計師資深會員及香港會計師公會會員。彼於天山發展(控股)有限公司擔任獨立非執行董事。

尹彼德，BA、MBA、PhD，57歲，彼於2009年9月獲委任為本公司獨立非執行董事和審核委員會成員。彼現任香港聯邦快遞公司之客戶服務部副總裁。彼在聯邦快遞任職逾26年，於營運管理、市場營銷及公關方面擁有豐富經驗，並曾派駐新加坡、日本及美國田納西州孟菲斯市。

非執行董事

余金霞，78歲，自1962年至1989年12月一直參與本集團之決策事宜，此後改任本公司之非執行董事，負責監察本公司管理層表現。彼於貿易及分銷消費者產品擁有逾36年經驗。余女士乃本公司前任董事兼榮譽主席李永森先生之配偶，並為本公司執行董事李文輝博士及李文彬先生之母親。



DIRECTORS AND SENIOR MANAGEMENT PROFILES

董事及高層管理人員簡介

SENIOR MANAGEMENT

Herbert ADAMCZYK, aged 70, is the Managing Director of Technorient Limited, a subsidiary of our Group, and the Director and Chief Operating Officer of China Premium Lifestyle Enterprise, Inc., an associated company of the Group. He has 46 years' experience in the automotive trade in Hong Kong. He has a motor engineering background and has been with the Technorient Group for 28 years. He is an Executive Committee member of the Motor Traders Association of Hong Kong.

John NEWMAN, aged 43, is the Deputy Managing Director of Technorient Limited. He has 23 years' experience with blue chip sports and luxury car manufacturers and importers, and was a director of a successful motor racing team in Europe. He holds a Diploma in Business and Finance, is a qualified pilot and a member of the Institute of the Motor Industry in the UK. Experienced in sales, marketing, distribution, dealer development, media communications and customer relationship management, he has been with the Group since 2005.

Powell Kwok Chuen CHEUNG, MBA, aged 47, is the Deputy Director of the Group. He is also the directors of various subsidiaries of the Group. He has 22 years' sales and marketing experience in both industrial and consumer products. He has been with the Group for 19 years.

Terence Po Sheung WONG, aged 59, is the General Manager of Human Resources and Administration Department and I.T. Department of the Group. He has 40 years' experience in property management, distribution management, after-sales services and logistics management. He had been with the Group for 6 years from 1991 to 1997 prior to his current appointment.

Kwang Liang CHIA, BSBA (Hons), aged 50, is the Director and General Manager of the subsidiary companies of the Group in Singapore. He also oversees the operation of the companies of the Group in Malaysia. He has over 24 years' corporate and financial management experience and has been with the Group for 17 years. Prior to joining the Group, he worked in KPMG Peat Marwick as an auditor for 5 years and a multinational company for 3 years. He is also an officer of the Singapore Arm Forces.

高層管理人員

Herbert ADAMCZYK (夏德成)，70歲，本集團之附屬公司勵安有限公司之董事長，並為本集團之聯營公司China Premium Lifestyle Enterprise, Inc.之董事兼營運總裁。彼於香港汽車貿易累積46年經驗。彼擁有汽車工程學歷，已任職勵安集團28年。彼為香港汽車商會之執行委員會成員。

John NEWMAN，43歲，為勵安有限公司之副董事總經理。彼於藍籌跑車及豪華汽車製造及進口行業擁有23年經驗，並曾擔任一個成功歐洲賽車隊主管。彼持有商業及財務學文憑，為合資格飛機機師及英國汽車工業學會會員。彼於銷售、市場推廣、分銷、代理商拓展、媒體傳訊及客戶關係管理等領域具有豐富經驗。彼自2005年起任職本集團。

張國存，MBA，47歲，本集團副董事，並為本集團多間附屬公司之董事。彼於工業及消費產品方面擁有22年銷售及推銷經驗。彼已任職本集團19年。

黃寶驥，59歲，本集團人力資源及行政部及資訊科技部總經理。彼於房地產管理、分銷管理、售後服務及物流管理方面擁有40年經驗。彼在擔任本職之前，曾於1991年至1997年期間任職本集團為時6年。

謝光亮，BSBA (Hons)，50歲，兼任多間本集團於新加坡之附屬公司董事及總經理。彼亦主管本集團多間馬來西亞公司之營運。彼於企業及財務管理方面擁有逾24年經驗，在本集團已任職17年。彼在加入本集團前，於畢馬威擔任核數師5年及於一間跨國公司工作3年。彼亦為新加坡武裝部隊之現役軍官。

DIRECTORS' REPORT

董事會報告

The Directors present to shareholders this annual report and audited financial statements for the financial year ended December 31, 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company.

Its subsidiaries are principally engaged in the import, marketing and distribution of cars, electrical appliances and fashion apparels and accessories. The activities and other particulars of the principal subsidiaries are set out in note 49 to the financial statements.

SEGMENTAL INFORMATION

Details of segmental information are set out in note 6 to the financial statements.

GROUP RESULTS

The consolidated income statement is set out on page 52 and further analysis is given in the accompanying notes to the financial statements.

DIVIDENDS

The Directors do not recommend the payment of a final dividend (2009: nil) for the year ended December 31, 2010. No interim dividend was paid during the year (2009: nil).

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 8.

董事向各股東提呈本年報及截至2010年12月31日止財政年度之經審核財務報表。

主要業務

本公司為一家投資控股公司。

其附屬公司主要經營入口、市場推廣及分銷汽車、電器及時裝及配飾。各主要附屬公司之業務及其他資料載列於財務報表附註49。

分類資料

分類資料詳情載列於財務報表附註6。

集團業績

綜合損益表載列於第52頁，其進一步分析則一併載列於財務報表附註內。

股息

董事會並不建議就截至2010年12月31日止年度派發末期股息(2009年：無)。本年內並無派發中期股息(2009年：無)。

集團財務摘要

本集團於過去5個財政年度之業績、資產及負債之摘要載列於第8頁內。



DIRECTORS' REPORT

董事會報告

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital of the Company during the year are set out in note 35 to the financial statements. Information about the share options of the Company and details of movements in the share options of the Company during the year are set out in the “Share Option Information” section in this Annual Report and in note 47 to the financial statements.

RESERVES

Details of movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 57 to 58 of this Annual Report and in note 36 to the financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group and of the Company during the year are set out in note 16 to the financial statements.

DONATIONS

During the year, the Group made charitable and other donations of HK\$254,000 (2009: HK\$803,000).

BORROWINGS

Details of the Group's borrowings are set out in note 32 to the financial statements. No interest was capitalised by the Group during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's five largest suppliers accounted for 51.2% of the Group's purchases during the year, 18.6% being attributable to the largest supplier. The percentage of turnover attributable to the Group's five largest customers is less than 30% during the year.

股本及優先認股權

本年度本公司股本之變動詳情載列於財務報表附註35。本年度有關本公司優先認股權資料及其優先認股權之變動詳情載列於本年報「優先認股權資料」一節內及財務報表附註47。

儲備

本年度本集團及本公司儲備之變動情況分別詳載於本年報第57至58頁之綜合權益變動表及財務報表附註36。

物業、廠房及設備

本年度本集團及本公司之物業、廠房及設備之變動情況詳載於財務報表附註16。

捐款

本年度本集團之慈善及其他捐款總額為港幣254,000元(2009年：港幣803,000元)。

貸款

本集團貸款之詳情載列於財務報表附註32。本年度本集團並無將利息資本化。

主要客戶及供應商

本年度本集團之5大供應商佔本集團採購額之51.2%，其中最大供應商佔18.6%。本年度來自本集團5大客戶之營業額佔本集團總營業額不足30%。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

(continued)

As far as the Directors are aware, no Director of the Company, their associates or any shareholder (who to the knowledge of the Directors owns more than 5% of the Company's share capital) has interest in the Group's five largest suppliers.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance between the Company or one of its subsidiary companies, and a controlling shareholder or any of its subsidiaries for the year ended December 31, 2010.

There was no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries for the year ended December 31, 2010.

DIRECTORS

The Directors of the Company who held office during the year and up to the date of this report are:

Executive Directors

Dr. Richard Man Fai LEE

(Executive Chairman and Chief Executive Officer)

Mr. Jeff Man Bun LEE

Mr. Tik Tung WONG

Non-executive Director

Ms. Kam Har YUE

INEDs

Mr. Boon Seng TAN

Mr. Ying Kwan CHEUNG

Mr. Peter Pi Tak YIN

主要客戶及供應商 (續)

據董事所知，概無本公司董事、彼等之聯繫人士或任何股東(據董事知悉擁有本公司股本5%以上)於本集團5大供應商中擁有權益。

控股股東在合約上之利益

截至2010年12月31日止年度，本公司或其附屬公司與控股股東或其任何附屬公司並無簽訂任何重大合約。

截至2010年12月31日止年度，並無簽訂任何由控股股東或其附屬公司向本公司或其附屬公司提供服務之重要合約。

董事

本年度內及直至本報告日期任職本公司董事之芳名如下：

執行董事

李文輝博士

(執行主席兼行政總裁)

李文彬先生

汪滌東先生

非執行董事

余金霞女士

獨立非執行董事

陳文生先生

張應坤先生

尹彼德先生



DIRECTORS' REPORT

董事會報告

DIRECTORS (continued)

In accordance with Bye-law No. 99 of the Bye-laws of the Company, Messrs. Jeff Man Bun LEE and Tik Tung WONG will retire from office by rotation at the forthcoming Annual General Meeting and, being eligible, shall offer themselves for re-election.

The INEDs are subject to retirement by rotation in accordance with the Company's Bye-laws. The Company has received from each INED a confirmation of his independence pursuant to the independence assessing factors guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers the INEDs to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who is proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Dr. Richard Man Fai LEE entered into a service agreement with the Company for a term of 3 years commencing from April 1, 2002 and the appointment continues thereafter unless and until terminated by either party giving to the other 6 months' notice in writing or pay-in-lieu.

Mr. Jeff Man Bun LEE entered into a service agreement with the Company for a term of 1 year commencing from January 21, 2002 and the appointment continues thereafter unless and until terminated by either party giving to the other 3 months' notice in writing or pay-in-lieu.

Save as disclosed, there is no other Director's service contract which is exempted under Rule 13.69 of the Listing Rules or not determinable within one year without payment of compensation (other than statutory compensation).

董事 (續)

依據本公司之公司細則第99條，李文彬先生及汪滌東先生將在應屆股東週年大會上輪席告退，惟合資格並願意接受膺選連任。

獨立非執行董事須依據本公司之公司細則輪席告退。根據聯交所證券上市規則（「上市規則」）第3.13條獨立性評估因素指引，本公司已收到每位獨立非執行董事確認其乃屬獨立。本公司認為該等獨立非執行董事確屬獨立人士。

董事之服務合約

在即將召開之股東週年大會上獲提名連任之董事概無與本公司訂立任何本公司如在1年內終止聘用，必須作出賠償（法定賠償除外）之服務合約。

李文輝博士與本公司訂立為期3年之服務合約，並於2002年4月1日開始，且是項委任此後持續有效，除其中一方提前6個月發出書面通知或代通知金予對方終止有關委任為止。

李文彬先生與本公司訂立為期1年之服務合約，並於2002年1月21日開始，且是項委任此後持續有效，除其中一方提前3個月發出書面通知或代通知金予對方終止有關委任為止。

除上文所披露者外，並沒有其他董事服務合約根據上市規則第13.69條獲得豁免，亦沒有其他董事服務合約屬僱主在一年內不可在不予賠償（法定賠償除外）的情況下終止者。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SECURITIES

At December 31, 2010, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO; or are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange are as follows:

- (a) Beneficial interests and short positions in the shares of the Company at December 31, 2010:

董事之證券權益

於2010年12月31日，本公司各董事及主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第352條須記入登記冊；或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

- (a) 於2010年12月31日，於本公司股份之實益權益及淡倉：

Director 董事	Number of ordinary shares of HK\$0.02 each (“Share(s)”) (note 1) 每股面值港幣0.02元普通股股份(「股份」)數目(附註1)			
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Total interests 權益總計
Dr. Richard Man Fai LEE 李文輝博士	279,718,625	—	582,801,420 (note 2) (附註2)	862,520,045
Mr. Jeff Man Bun LEE 李文彬先生	2,831,400	—	591,475,730 (notes 2 & 3) (附註2及3)	594,307,130
Mr. Tik Tung WONG 汪滌東先生	3,375,000	—	—	3,375,000
Mr. Peter Pi Tak YIN 尹彼德先生	200	—	—	200
Ms. Kam Har YUE 余金霞女士	31,258,295	—	582,801,420 (note 2) (附註2)	614,059,715



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SECURITIES

(continued)

Notes:

1. Pursuant to an ordinary resolution duly passed by shareholders of the Company at the special general meeting held on February 12, 2010, each of the then issued and unissued shares of HK\$0.10 each in the share capital of the Company was subdivided into 5 new ordinary shares of HK\$0.02 each.
2. The 582,801,420 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower (PTC) Inc. (formerly known as Cyber Tower Inc.) as trustee of The W S Lee Unit Trust. 99% of the units of The W S Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. Kam Har YUE, Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are the beneficiaries. The remaining 1% of the units of The W S Lee Unit Trust is held by Skylink International Asset Corporation, a company incorporated in the British Virgin Islands and owned by Ms. Kam Har YUE, Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE. All of Ms. Kam Har YUE, Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are directors.
3. The 591,475,730 Shares included 8,674,310 Shares which is held by Fisherman Enterprises Inc., a company incorporated in the British Virgin Islands and wholly owned by Mr. Jeff Man Bun LEE.

All interests in the Shares are long positions. None of the Directors held any short position in the Shares.

- (b) Beneficial interests and short positions in underlying shares of equity derivatives of the Company at December 31, 2010 are disclosed in the section headed "Share Option Information" of this Annual Report.

董事之證券權益 (續)

附註：

1. 根據本公司於2010年2月12日舉行之股東特別大會上獲股東正式通過之普通決議案，本公司股本中每股面值港幣0.10元之當時已發行及未發行股份已拆細為5股每股面值港幣0.02元之新普通股。
2. 該582,801,420股股份由Modern Orbit Limited持有。Modern Orbit Limited由Cyber Tower (PTC) Inc. (前稱Cyber Tower Inc.)作為The W S Lee Unit Trust之信託人全資擁有。The W S Lee Unit Trust之99%基金單位由一項全權信託所持有，其中李永森先生之家庭成員，包括余金霞女士、李文輝博士及李文彬先生為該全權信託之受益人。The W S Lee Unit Trust其餘1%基金單位由Skylink International Asset Corporation持有，該公司於英屬處女群島註冊成立，由余金霞女士、李文輝博士及李文彬先生擁有。余金霞女士、李文輝博士及李文彬先生全部均為董事。
3. 該591,475,730股股份當中8,674,310股股份由Fisherman Enterprises Inc.持有，該公司於英屬處女群島註冊成立，由李文彬先生全資擁有。

股份中所有權益均為好倉。各董事概無於股份中持有任何淡倉。

- (b) 於2010年12月31日，本公司之股本衍生工具之相關股份之實益權益及淡倉在本年報「優先認股權資料」一節內予以披露。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SECURITIES

(continued)

(c) Beneficial interests and short positions in shares in associated corporations at December 31, 2010:

Director 董事	Associated corporations in which shares or equity interests are held or interested 持有或擁有股份或股本權益之相聯法團
Ms. Kam Har YUE 余金霞女士	Rogers Entertainment International Limited 樂爵士娛樂國際有限公司
	Shinwa Engineering Company, Limited 信和工程有限公司
	Wo Kee Hong Limited 和記電業有限公司
	Wo Kee Services Limited 和記電器服務有限公司

Notes:

- The 8,900 shares include 8,500 shares held by Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE.
- The 1 share is held by Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE.

All interests in the shares are long positions. None of the Directors held any short position in the shares.

DIRECTORS' INTERESTS IN ASSETS AND/OR ARRANGEMENT

At December 31, 2010, save as those disclosed in "Directors' Interests in Contracts" in this Directors' Report, none of the Directors had any other direct or indirect interest in any assets which have been acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

董事之證券權益 (續)

(c) 於2010年12月31日，於相聯法團之股份之實益權益及淡倉：

Number of shares or amount of equity interests held or interested in 持有或擁有之股份數目或股本權益數額	Class and/or description of shares/interests 股份／權益類別及／或概況
34,335	Non-voting deferred shares 無投票權遞延股
3,850,000	Non-voting deferred shares 無投票權遞延股
8,900 (note 1) (附註1)	Non-voting deferred shares 無投票權遞延股
1 (note 2) (附註2)	Non-voting deferred share 無投票權遞延股

附註：

- 該8,900股股份包括由余金霞女士之配偶李永森先生持有之8,500股股份。
- 該1股股份由余金霞女士之配偶李永森先生持有。

股份中所有權益均為好倉。概無董事於股份中持有任何淡倉。

董事於資產之權益及／或安排

於2010年12月31日，除董事會報告書所披露之「董事在合約上之利益」外，並無任何董事於已收購或出售或租賃予本集團任何成員之資產，或於擬收購或出售或租賃予本集團任何成員之任何資產中享有任何其他直接或間接權益。



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN ASSETS AND/OR ARRANGEMENT (continued)

At December 31, 2010, save as those disclosed in "Directors' Interests in Contracts" in this Directors' Report, there is no other contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group as a whole.

DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance in relation to the Group business, to which the Company or any of its subsidiaries was a party and in which a Director had, whether directly or indirectly, a material interest subsisting at the end of the year or at any time during the year ended December 31, 2010.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Company (other than INEDs) is interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business.

CONVERTIBLE LOAN NOTE

Details of the convertible loan note issued by the Company are shown in note 33 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed below and in the section headed "Directors' Interests in Securities" in this Directors' Report, at December 31, 2010, so far as is known to the Directors, no other person had, or was deemed or taken to have an interest or short position of 5% or more of the interests in the Shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

董事於資產之權益及／或安排 (續)

於2010年12月31日，除董事會報告書所披露之「董事在合約上之利益」外，並無任何董事於本集團整體業務有重要影響之其他合約或安排中享有重大利益。

董事在合約上之利益

本公司或其任何附屬公司於本年底或截至2010年12月31日止年度內任何時間，並無簽訂任何與本集團業務有關而董事在其中直接或間接享有重大利益之重要合約。

董事在競爭行業之權益

除本公司之業務外，本公司各董事（獨立非執行董事除外）概無在任何與本公司業務有直接或間接競爭或可能有競爭之業務中擁有權益。

可換股貸款票據

本公司所發行可換股貸款票據之詳情載於財務報表附註33。

主要股東權益

除下文及於董事會報告之「董事之證券權益」一節所披露外，於2010年12月31日，就董事所知，概無其他人士於本公司股份或相關股份中擁有或被視為或當作擁有5%或以上之權益或淡倉，而須根據證券及期貨條例第336條記入登記冊內：

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

主要股東權益 (續)

Shareholder 股東	Number of Shares 股份數目	Number of underlying shares of equity derivatives 相關股本衍生工具 之相關股份數目	Approximate % of the total issued Shares 佔已發行股份總數 之概約百分比
Modern Orbit Limited	582,801,420 (note 1) (附註1)	—	25.43%
Cyber Tower (PTC) Inc.	582,801,420 (note 1) (附註1)	—	25.43%
HSBC International Trustee Limited	582,801,420 (notes 1 & 2) (附註1及2)	—	25.43%
Mr. Wing Sum LEE (note 3) 李永森先生(附註3)	614,059,715	15,820,000	27.48%
Ms. Yong YANG (note 4) 楊泳女士(附註4)	594,307,130	16,820,000	26.67%

Notes:

- The 582,801,420 Shares are held by Modern Orbit Limited which is wholly owned by Cyber Tower (PTC) Inc. as trustee of The W S Lee Unit Trust. 99% of the units of The W S Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. Kam Har YUE, Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are among the beneficiaries. The remaining 1% of the units of The W S Lee Unit Trust is held by Skylink International Asset Corporation, a company incorporated in the British Virgin Islands and owned by Ms. Kam Har YUE, Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE. All of Dr. Richard Man Fai LEE, Mr. Jeff Man Bun LEE and Ms. Kam Har YUE are Directors of the Company. The 582,801,420 Shares held by Modern Orbit Limited duplicates with each of the 582,801,420 Shares held by Cyber Tower (PTC) Inc., HSBC International Trustee Limited, Mr. Wing Sum LEE, and Ms. Yong YANG as set out in this section.
- HSBC International Trustee Limited is the trustee of the discretionary trust which holds 99% of the units of The W S Lee Unit Trust.
- Mr. Wing Sum LEE is the spouse of Ms. Kam Har YUE, a non-executive Director of the Company.
- Ms. Yong YANG is the spouse of Mr. Jeff Man Bun LEE, an executive Director of the Company.

附註：

- 該582,801,420股股份由Modern Orbit Limited持有。Modern Orbit Limited由Cyber Tower (PTC) Inc.作為The W S Lee Unit Trust之信託人全資擁有。The W S Lee Unit Trust之99%基金單位由一項全權信託所持有，其中李永森先生之家庭成員(當中包括余金霞女士、李文輝博士及李文彬先生)為該全權信託之受益人。The W S Lee Unit Trust其餘1%基金單位由Skylink International Asset Corporation持有，該公司於英屬處女群島註冊成立，由余金霞女士、李文輝博士及李文彬先生擁有。李文輝博士、李文彬先生及余金霞女士均為本公司董事。由Modern Orbit Limited持有之582,801,420股股份分別與於本部份所載之Cyber Tower (PTC) Inc.、HSBC International Trustee Limited、李永森先生及楊泳女士持有之582,801,420股股份重疊。
- HSBC International Trustee Limited是持有The W S Lee Unit Trust 99%基金單位之全權信託之受託人。
- 李永森先生為本公司非執行董事余金霞女士之配偶。
- 楊泳女士為本公司執行董事李文彬先生之配偶。



DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

All interests in Shares and underlying shares of equity derivatives of the Company are long positions. None of the substantial shareholders held any short positions in the Shares or underlying shares of equity derivatives of the Company.

PUBLIC FLOAT

At the date of this Annual Report, based on information that is publicly available to the Company, the Directors acknowledge that more than 25% of the issued share capital of the Company is held by the public.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda although there is no restriction against such rights under the laws in Bermuda.

AUDITORS

The financial statements for the year were audited by HLB Hodgson Impey Cheng who will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. There is no change in auditors of the Company in the preceding three years.

For and on behalf of the Board of Directors

Dr. Richard Man Fai LEE
Executive Chairman & CEO

Hong Kong, March 28, 2011

主要股東權益 (續)

於本公司股份及股本衍生工具之相關股份之所有權益皆為好倉。概無任何主要股東於本公司股份及股本衍生工具之相關股份中持有任何淡倉。

公眾持股量

於本年報日，本公司依據已公開的資料，董事確認本公司25%以上之已發行股本由公眾持有。

購買、出售或贖回證券

本公司及其附屬公司於本年度概無回購、出售或贖回本公司之任何證券。

先買權

儘管百慕達法例在先買權上並無設立限制，本公司之公司細則或百慕達法例並無有關先買權之條文。

核數師

本年度之財務報表由國衛會計師事務所審核，該核數師將在應屆股東週年大會任滿告退，惟合資格並願意接受膺選再獲委任。於過去3年，本公司核數師並沒有變更。

承董事會命

執行主席兼行政總裁
李文輝博士

香港，2011年3月28日

CORPORATE GOVERNANCE REPORT

企業管治報告

Maintaining an effective and solid corporate governance framework is one of the top priorities of the Company. This includes informing our shareholders of our corporate practices in our Annual Report. We have complied with all the provisions of the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Listing Rules throughout the year ended December 31, 2010, except for deviation from Code Provision A.2.1 which is explained in the following relevant paragraphs.

The corporate governance principles of the Company emphasize a quality board, sound internal control, and transparency and accountability to all shareholders.

A. DIRECTORS

A.1 The Board

We are governed by the Board which assumes the responsibility for leadership and control of the Company. Our Directors are collectively responsible for promoting the success of the Company by directing and supervising the affairs of the Company.

The Board meets regularly, normally four times each year at approximately once every three months and additional meetings will be arranged if and when necessary. Notice of each regular Board meeting will be given to all Directors at least fourteen days before the meeting. Special Board meetings will be held as and when necessary. Matters on transactions where Directors are considered having conflict of interests or material interests will not be dealt with by way of written resolutions and a separate Board meeting shall be held where INEDs who have no material interests shall be present in the meeting. In addition, Directors considered having conflict of interests or material interests in the matters before the Board are required to declare their interests and abstain from voting for the relevant resolution.

保持一個有效及穩固之企業管治架構乃本公司最優先考慮事項之一。此舉包括於本公司年報中向本公司股東告知本公司企業常規。於截至2010年12月31日止年度，本公司一直遵守上市規則附錄14載列之《企業管治常規守則》（「企業管治守則」）全部條文，惟偏離守則條文第A.2.1條。於下文有關段落會說明此項偏離。

本公司企業管治原則強調高素質之董事會、穩健之內部監控，具透明度，及向全體股東問責。

A. 董事

A.1 董事會

本公司由負責領導及管理之董事會管治。本公司董事集體負責指導及監督本公司事務以促使本公司成功。

董事會定期開會，通常每年召開4次，大約每3個月1次。倘若或當有需要時亦另安排會議。每次召開董事會定期會議時，均於有關會議舉行前最少14天通知董事。有需要時將舉行特別董事會會議。當董事被認為於交易事項有利益衝突或擁有重大利益，該事項不會以書面決議案處理，而須舉行個別董事會會議，在交易中沒有擁有重大利益之獨立非執行董事須出席該會議。此外，當董事被認為與董事會審議事項有利益衝突或擁有重大利益，須申報其利益並放棄表決有關決議案。



A. DIRECTORS (continued)

A.1 The Board (continued)

Appropriate notices are given to all Directors for attending regular Board meetings and other meetings. A package containing agenda and all the relevant information is normally despatched to the Directors three days in advance of the relevant meetings.

Board meetings involve the active participation, either in person or through electronic means of communication, of a majority of Directors. The Company Secretary assists the Executive Chairman in preparing the meeting agenda, and each Director may request the inclusion of items in the agenda. Directors are also consulted on matters to be included in the agenda for all regular Board meetings.

Minutes of the Board meetings are recorded in detail and draft minutes are circulated to all Directors for review and comment before being approved by the Board immediately following the meetings. All the minutes of the meetings are properly kept by the Company Secretary and are available for inspection by the Directors during normal office hours.

A. 董事 (續)

A.1 董事會 (續)

於董事會定期會議及其他會議前均向所有董事發出適當通知。通常於相關會議日期的3天前向董事發出議程及所有相關資料。

董事會會議均由大部份董事親身出席或透過電子通訊方法積極參與。公司秘書協助執行主席準備會議議程，各位董事皆可要求將商討事項列入議程，擬商討事項在徵詢董事意見後方列入所有董事會定期會議議程。

董事會會議均作詳細記錄。而會議記錄的草稿均先由所有董事傳閱，並表達意見，方於緊隨會議結束後由董事會核准。所有會議記錄由公司秘書妥善保存，並供董事於正常辦公時間查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

A. DIRECTORS (continued)

A.1 The Board (continued)

The Board met four times in 2010. The attendance of individual Director at these Board meetings is as below:

Number of meeting	會議次數	4	
<i>Executive Directors:</i>	<i>執行董事：</i>		
Dr. Richard Man Fai LEE	李文輝博士	4/4	100%
Mr. Jeff Man Bun LEE	李文彬先生	4/4	100%
Mr. Tik Tung WONG	汪滌東先生	4/4	100%
<i>Non-executive Director:</i>	<i>非執行董事：</i>		
Ms. Kam Har YUE	余金霞女士	0/4	0%
<i>INEDs:</i>	<i>獨立非執行董事：</i>		
Mr. Boon Seng TAN	陳文生先生	2/4	50%
Mr. Ying Kwan CHEUNG	張應坤先生	4/4	100%
Mr. Peter Pi Tak YIN	尹彼德先生	3/4	75%
Average attendance rate	平均出席率		75%

The Company has also taken out appropriate insurance cover for our Directors in respect of legal actions taken against Directors and officers. The Board reviews the extent of the insurance cover every year.

A.2 Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

A. 董事 (續)

A.1 董事會 (續)

2010年董事會舉行了4次會議。各董事於該等董事會會議之出席率如下：

本公司亦為其董事購買適當保險，以為董事及高級職員所面對法律行動提供保障。董事會每年檢討保險受保範圍。

A.2 主席及行政總裁

企業管治守則守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，並不應由同一人同時兼任。



CORPORATE GOVERNANCE REPORT 企業管治報告

A. DIRECTORS (continued)

A.2 Chairman and Chief Executive Officer (continued)

Dr. Richard Man Fai LEE is the Executive Chairman and Chief Executive Officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management. This is because the Board has adopted clear guideline as to the power and authority of the Board and the management. There is a guideline as to the power and duties of Chief Executive Officer. The details were set out fully in the corporate governance report in the Company's 2005 annual report.

In addition, the Board which comprises experienced and high caliber individuals meets regularly to discuss issues and operation of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently.

As Executive Chairman of the Company, Dr. Richard Man Fai LEE has to ensure that all Directors are properly briefed on issues arising at Board meetings and that Directors receive adequate information, which must be complete and reliable, in a timely manner.

A. 董事 (續)

A.2 主席及行政總裁 (續)

李文輝博士為本公司執行主席兼行政總裁。董事會認為此架構不會影響董事會與管理層之間之權力及授權均衡，因為董事會已就董事會與管理層之權力及職權採納清晰指引。對於行政總裁之權力及職責亦訂有指引。其全文已刊載於本公司2005年年報的企業管治報告內。

此外，由擁有經驗及才幹之人士組成之董事會定期開會討論本集團之業務及運作。董事會相信，此結構有助於加強及維持一致之領導，使本集團得以迅速和有效地制定及實施決策。

作為本公司執行主席，李文輝博士須確保所有董事能妥善地獲得董事會會議上討論問題之通報，所有董事能適時地收到充分資料，而該等資料必須完整可靠。

CORPORATE GOVERNANCE REPORT

企業管治報告

A. DIRECTORS (continued)

A.3 Board Composition

Currently, the Board comprises seven Directors, including three Executive Directors, one Non-executive Director and three INEDs. The Listing Rules require every listed issuer to have at least three INEDs, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Mr. Ying Kwan CHEUNG, one of the INEDs, is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Each of the three INEDs has confirmed his independence in accordance with Rule 3.13 of the Listing Rules annually.

Two of the three Executive Directors and the Non-executive Director are family members. Dr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE, both of whom are Executive Directors, are the sons of Ms. Kam Har YUE, a Non-executive Director and brothers. Save as those disclosed herein, Board members do not have any family, financial or business relations with each other.

The biographies of our Directors are set out in the "Directors and Senior Management Profiles" section in this Annual Report. Details of the biography of the Directors seeking re-election at the forthcoming Annual General Meeting to be held on May 31, 2011 are set out in the circular issued by the Company sent to our shareholders together with this Annual Report. The Company also maintains on its website, <http://www.wokeehong.com.hk>, an updated biography of the Directors.

A. 董事(續)

A.3 董事會組成

現時董事會由7名董事組成，其中執行董事3名，非執行董事1名，獨立非執行董事3名。上市規則要求每個上市發行人至少擁有3名獨立非執行董事，其中至少1名必須擁有適當專業資格或會計或相關財務管理專業技能。其中一位獨立非執行董事張應坤先生為英國特許公認會計師公會資深會員及香港會計師公會會員。3名獨立非執行董事每年均各自按照上市規則第3.13條確認其獨立性。

3名執行董事的其中2名及1名非執行董事為家族成員關係。李文輝博士及李文彬先生(均為執行董事)乃為余金霞女士(非執行董事)的兒子，互為兄弟關係。除於此披露者外，董事會成員之間並無任何家族、財務或業務關係。

本公司董事之履歷載列於本年報「董事及高層管理人員簡介」一節。擬於應屆股東週年大會(2011年5月31日舉行)膺選連任之董事之履歷詳情載列於本公司刊發，並與本年報一併寄發予本公司股東之通函內。本公司亦於其網頁 <http://www.wokeehong.com.hk> 上載有董事履歷之最新資料。



CORPORATE GOVERNANCE REPORT

企業管治報告

A. DIRECTORS (continued)

A.4 Appointments, re-election and removal of Directors

Non-executive Directors of the Company are appointed for a specific term of two years, subject to re-election in accordance with the Bye-laws of the Company. All Directors, including those appointed for a fixed term, except for Dr. Richard Man Fai LEE, the Executive Chairman and Chief Executive Officer of the Company, are subject to the retirement by rotation provisions in the Bye-laws of the Company. A Director appointed by the Board to fill a casual vacancy or as an addition shall hold office until the next general meeting.

According to the Wo Kee Hong (Holdings) Limited Company Act, 1991, no director holding the office of chairman or managing director shall be subject to retirement by rotation as provided in the Bye-laws of the Company. In order to comply with Code Provision A.4.2 of the CG Code that every director should be subject to retirement by rotation at least once every three years, Dr. Richard Man Fai LEE, the Executive Chairman and Chief Executive Officer of the Company, sent confirmation to the Company that he would voluntarily retire from his directorship at future annual general meetings of the Company at least once every three years and, being eligible for re-election, would offer himself for re-election at the relevant general meetings.

A. 董事 (續)

A.4 董事之委任、重選和罷免

本公司非執行董事之委任指定任期為2年，且須根據本公司之公司細則接受重選。所有董事(本公司執行主席兼行政總裁李文輝博士除外)，包括有固定任期之董事，須根據本公司之公司細則之規定輪席告退。由董事會委任以填補臨時空缺或作新增之董事須任職至下屆股東大會為止。

根據和記行(集團)有限公司1991年之公司法，擔任主席或董事總經理職務之董事無須按本公司之公司細則輪席告退。為遵守企業管治守則守則條文第A.4.2條(即每名董事至少每3年輪席告退1次之規定)，本公司執行主席兼行政總裁李文輝博士已向本公司發出確認函，表示至少每3年於本公司將來之股東週年大會上自願退任，彼有資格重選，亦將於相關股東大會上膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

A. DIRECTORS (continued)

A.4 Appointments, re-election and removal of Directors (continued)

The Board has not established a Nomination Committee for reviewing new appointment of Directors and senior executives and management succession plan for Executive Directors and senior executives. Any Director can nominate potential Director candidate. The whole Board undertakes the duties collectively of selection and assessment to ensure all candidates to be selected and appointed as a Director must be able to meet the standards set out in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an INED should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

A.5 Responsibilities of Directors

Each newly appointed Director is provided with a package of orientation materials setting out the required duties and responsibilities of Directors under the Listing Rules and other relevant statutory requirements of Hong Kong. Newly appointed Directors are invited to attend a briefing session on directors' duties and responsibilities under laws and regulations conducted by legal professional. Our Directors are kept informed on a regular basis on the latest development of any latest changes to the regulatory requirements. All our Directors are encouraged to participate in continuous professional development seminars and/or courses to update their skills and knowledge on the latest development or changes in the relevant statutes, Listing Rules and corporate governance practices.

A. 董事 (續)

A.4 董事之委任、重選和罷免 (續)

董事會尚未成立提名委員會，以審核新董事及高級行政人員之委任以及執行董事及高級行政人員之繼任計劃。任何董事均可提名董事候選人。全體董事會共同承擔遴選及評估責任，以確保所有獲挑選及獲委任為董事之候選人必須能夠符合上市規則第3.08條及第3.09條載列之標準。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條載列之獨立性標準。

A.5 董事責任

每名新委任董事均獲得一套職務簡介材料，該等材料載列有關上市規則及香港其他相關法例規定下之董事職責及責任。新獲委任董事將獲邀出席一個由法律專業人士主持之簡介會，以了解董事根據法規之職責及責任。本公司定期通知董事有關任何最新法例規定之最新進展。本公司鼓勵所有董事參加持續專業技能發展研討會及／或課程，以更新其對相關法例、上市規則及企業管治常規之最新發展或修改。



CORPORATE GOVERNANCE REPORT

企業管治報告

A. DIRECTORS (continued)

A.5 Responsibilities of Directors (continued)

The functions of Non-executive Directors have included the functions as specified in Code Provision A.5.2(a) to (d) of the CG Code except for the Code Provision A.5.2(c) of the CG Code to the extent that the Company does not have a nomination committee.

The Company has adopted the standard set out in Appendix 10 - Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to the Listing Rules, in relation to the dealings in securities of the Company by the Directors and employees of the Group. Having made specific enquiry of all Directors, during the year ended December 31, 2010, the Directors have complied with the standard set out in the Model Code.

A.6 Supply of and access to information

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting, an Audit Committee meeting or a Remuneration Committee meeting.

The Board and each Director have separate and independent access to the Group's senior management. All Directors are entitled to have access to board papers, minutes and related materials.

A. 董事 (續)

A.5 董事責任 (續)

非執行董事之職能包括企業管治守則守則條文第A.5.2(a)至(d)條指定之職能，惟本公司並無提名委員會，未能符合企業管治守則守則條文第A.5.2(c)條指定之職能。

本公司已採納上市規則附錄10-上市發行人董事進行證券交易的標準守則(「標準守則」)載列之標準為本集團董事及僱員買賣本公司證券之標準。本公司已向所有董事作出具體查詢，於截至2010年12月31日止年度期間內，董事已遵守標準守則載列之標準。

A.6 資料提供及使用

就董事會定期召開之會議及在其他情況下(只要實際可行)，會議之議程及相關會議文件全部適時送交全體董事，並至少在計劃舉行董事會會議、審核委員會會議或薪酬委員會會議日期的3天前送出。

董事會及每名董事均能個別及獨立地接觸本集團高級管理人員。所有董事均有權獲取董事會會議文件、會議記錄及相關材料。

CORPORATE GOVERNANCE REPORT

企業管治報告

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

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

The Remuneration Committee was established in accordance with the CG Code. The existing members of the Remuneration Committee are Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG, both of whom are the INEDs and Mr. Tik Tung WONG, an Executive Director. Mr. Boon Seng TAN is the Chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are adopted with reference to the CG Code, including the specific duties set out in Code Provision B.1.3(a) to (f). During the year, the Remuneration Committee did not hold any physical meeting and all resolutions were approved by means of written resolutions.

The Remuneration Committee has adopted a set of policy and guidelines to govern its administration in reviewing, considering and fixing the remuneration packages and benefits of Directors and senior management of the Group. During the year 2010, the Remuneration Committee had fixed the payment schedule of non-executive Directors' fee.

Full minutes of the Remuneration Committee meetings are kept by the Company Secretary. Draft and final versions of the minutes of the Remuneration Committee meetings are sent to all members of the Remuneration Committee for comments and approval.

B. 董事及高級管理人員的薪酬

B.1 薪酬及披露的水平及組成

本公司已根據企業管治守則成立薪酬委員會。薪酬委員會現有成員為陳文生先生、張應坤先生(二人均為獨立非執行董事)及汪滌東先生(執行董事)，陳文生先生為薪酬委員會主席。薪酬委員會職權範圍是經參考企業管治守則而採納的，其中已包括守則條文第B.1.3(a)至(f)條載列之特定職責。年內，薪酬委員會沒有舉行需成員親身出席的會議，所有決議案皆以書面決議方式通過。

薪酬委員會已採納一套政策及指引，以供審核、審議及確定本集團董事及高級管理人員之薪酬及福利。於2010年期間，薪酬委員會已制定非執行董事薪酬之支付時間表。

薪酬委員會會議之詳細會議記錄由本公司秘書存置。薪酬委員會會議記錄之初稿及最後版本均送交薪酬委員會全體成員，以徵求其意見及批准。



C. ACCOUNTABILITY AND AUDIT

C.1 Financial reporting

Management shall provide such explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors are responsible for overseeing all financial aspects of the Company and for keeping proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and the results and cash flow for that period. In preparing the accounts for the year ended December 31, 2010, the Directors had:

- approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;
- selected and applied consistently appropriate accounting policies;
- made judgments and estimates that are prudent and reasonable; and
- prepared the accounts on the on-going concern basis.

C. 問責及核數

C.1 財務匯報

管理層須向董事會提供充分的解釋及足夠的資料，讓董事會可以就提交給他們批准的財務及其他資料，作出有根據的評審。

董事負責監督本公司所有財務事項，妥善保管會計記錄並編制各財務期間之賬目，而該等賬目真實公平地反映本集團於該期間的業務狀況、業績及現金流量。編制截至2010年12月31日止年度賬目時，董事已：

- 批准採納香港會計師公會頒佈之所有可適用香港財務報告準則；
- 選擇並一貫採用適當之會計政策；
- 作出審慎及合理判斷及評估；及
- 以持續經營為基礎編制賬目。

CORPORATE GOVERNANCE REPORT

企業管治報告

C. ACCOUNTABILITY AND AUDIT

(continued)

C.1 Financial reporting (continued)

The Board is accountable to its shareholders for a clear and balanced assessment of the Company's financial position and prospects. In this regard, the Directors are responsible for presenting a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. Financial results of the Group are announced in a timely manner in accordance with all statutory requirements, particularly the timeframe stipulated in Rule 13.49(1) and (6) of the Listing Rules and the Directors acknowledge their responsibility for preparing the financial statements of the Group.

The Group's external auditors are HLB Hodgson Impey Cheng (the "Auditors"). The statement of the Auditors about their reporting responsibilities on the financial statements of the Group is set out on pages 50 to 51 of this Annual Report.

For the year ended December 31, 2010, no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern was reported on by the Auditors.

During the year 2010, the Auditors have performed audit and non-audit services and their remuneration in respect of audit and non-audit services is HK\$650,000 and HK\$148,000 respectively.

C. 問責及核數 (續)

C.1 財務匯報 (續)

董事會須清晰及平衡地評審本公司財務狀況及前景，以向其股東負責。在此方面，董事有責任於年報及中期報告、其他涉及股價敏感資料的通告及根據上市規則規定須予披露的其他財務資料，及向監管者提交之報告書以至根據法例規定須予披露之資料中提出平衡、清晰及明白的評審。本集團財務業績根據所有法例規定及時予以公佈，尤其是在上市規則第13.49(1)及(6)條規定的時間內予以公佈，而董事確認彼等有編制本集團財務報表之責任。

本集團外聘核數師為國衛會計師事務所（「核數師」）。有關核數師對本集團財務報表申報責任之聲明載於本年報第50至51頁。

於截至2010年12月31日止年度，核數師概無呈報可對本公司持續經營之能力構成重大疑問之相關重大不確定性。

於2010年，核數師已提供核數及非核數服務，彼等提供核數及非核數服務之薪酬分別為港幣650,000元及港幣148,000元。



C. ACCOUNTABILITY AND AUDIT

(continued)

C.2 Internal controls

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management system, which is designed to provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures that the Group has established and implemented are summarised as follows:

- Segregation of duties and functions of the respective operational departments of the Group;
- Monitoring the strategic plan and performance;
- Designing an effective accounting and information system;
- Reviewing systems and procedures to identify, measure, manage and control risks including reputation, legal, credit, market and operational risks;
- Handling price-sensitive information by setting out the procedures and policies;
- Updating the internal control manual when there are changes to business environment or regulatory guidelines;
- Reviewing by Audit Committee for the report submitted directly from external consultants; and
- Following up with various departments to ensure timely implementation of the recommendations, and report the status to the management periodically.

C 問責及核數 (續)

C.2 內部監控

董事會確認其有責任確保集團內部監控及風險管理系統的成效，內部監控系統旨在合理(但非絕對)保證不會出現嚴重管理及財務資料及記錄誤報或財務損失或欺詐。

董事會已制定可確定、評估及管理本集團所面對重大風險之持續程序。本集團所制定及執行之主要程序如下：

- 分隔本集團各營運部門之職責及職能；
- 監察策略方案及表現；
- 設計一套有效之會計及資訊系統；
- 檢討可確定、計量、管理及控制各項風險(包括信譽、法律、信貸、市場及營運風險)之系統及程序；
- 透過訂立程序及政策，以處理股價敏感資料；
- 因應營商環境或規例指引變更，更新內部監控守則；
- 由審核委員會檢討外部顧問直接呈交之報告；及
- 與不同部門進行跟進，以確保及時執行有關建議，並定期向管理層匯報情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

C. ACCOUNTABILITY AND AUDIT

(continued)

C.2 Internal controls (continued)

The Group is committed to maintaining and upholding good corporate governance practices and internal control system. The Group has continued to engage external consultants to conduct an annual review and make recommendations for improvement and strengthening of the internal control system. Such review is conducted with reference to the principles outlined in “Internal Control and Risk Management - A Basic Framework” issued by the Hong Kong Institute of Certified Public Accountants. In respect of the year ended 31 December 2010, the Board considered the internal control system effective and adequate. No significant areas of concern which might affect shareholders were identified.

C.3 Audit Committee

The Audit Committee was established on December 31, 1998. The terms of reference of the Audit Committee are reviewed annually and have included the duties set out in Code Provision C.3.3(a) to (n) of the CG Code. The existing members of the Audit Committee comprise Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG and Mr. Peter Pi Tak YIN, all of whom are INEDs. Mr. Ying Kwan CHEUNG is the Chairman of the Audit Committee. Mr. Cheung, being a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants, has the appropriate professional qualification and experience in financial field.

C. 問責及核數 (續)

C.2 內部監控 (續)

本集團致力維持和強化高水準的企業管治守則及內部監控系統。本集團將繼續聘請外部顧問進行年度檢討及提出改善及加強內部監控系統之建議。該檢討乃參考香港會計師公會頒佈之「內部監控與風險管理－基本架構」所概述之原則進行。就截至2010年12月31日止年度而言，董事會認為內部監控系統乃有效及適當，且無發現可能會影響股東之值得關注重大領域。

C.3 審核委員會

審核委員會於1998年12月31日成立。審核委員會之職權範圍每年均經檢討並包括企業管治守則守則條文第C.3.3(a)至(n)條載列之職責。審核委員會現有成員包括陳文生先生、張應坤先生及尹彼德先生(均為獨立非執行董事)。張應坤先生為審核委員會主席。張先生為英國特許公認會計師公會資深會員及香港會計師公會會員，擁有適當之財務專業資格及經驗。



CORPORATE GOVERNANCE REPORT

企業管治報告

C. ACCOUNTABILITY AND AUDIT

(continued)

C.3 Audit Committee (continued)

During the year, the Audit Committee has conducted three formal meetings and discharged its responsibilities. Attendance of individual member at the Audit Committee meetings in 2010 is as below:

Number of meeting	會議次數	3	
Mr. Boon Seng TAN	陳文生先生	2/3	67%
Mr. Ying Kwan CHEUNG	張應坤先生	3/3	100%
Mr. Peter Pi Tak YIN	尹彼德先生	3/3	100%
Average attendance rate	平均出席率		89%

The principal duties of the Audit Committee included reviewing the financial controls, internal control and risk management system, annual report and accounts, interim report and accounts.

The following is a summary of the work performed by the Audit Committee during the year 2010:

- met with the external auditors to discuss the general scope of their audit work and the matters related to the audit of the financial statements for the year ended December 31, 2009;
- reviewed the audit issues raised by the external auditors;
- considered and recommended to the Board for adoption of new accounting standards;
- reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2009;

C. 問責及核數 (續)

C.3 審核委員會 (續)

年內，審核委員會召開了3次正式會議並履行其責任。2010年審核委員會各成員之出席率如下：

審核委員會之主要職責包括檢討財務監控、內部監控及風險管理制度、審閱年度報告及賬目、中期報告及賬目。

審核委員會於2010年所履行之工作概述如下：

- 會晤外聘核數師，以討論其核數工作之整體範圍及與截至2009年12月31日止年度財務報表審核有關之事宜；
- 審閱外聘核數師提出之審核事項；
- 審議並向董事會建議採納新會計準則；
- 審閱並向董事會建議批准2009年本集團核數費用建議書；

CORPORATE GOVERNANCE REPORT

企業管治報告

C. ACCOUNTABILITY AND AUDIT

(continued)

C.3 Audit Committee (continued)

- reviewed the audited accounts and final results announcement for the year 2009;
- reviewed the interim report and the interim results announcement for the six months ended June 30, 2010;
- reviewed the effectiveness of internal control system of the Group;
- reviewed and considered the report of the annual internal control review of the Group;
- reviewed the non-audit services provided by the Auditors and assess the independence and objectivity of the Auditors in relation to their provision of non-audit services;
- reviewed the related party transactions and compliance of the relevant Listing Rules and accounting policies in relation thereto;
- reviewed the terms of reference of the Audit Committee; and
- discussed the annual and interim budget of the Group.

All issues raised by the Audit Committee have been addressed by the management. The work and findings of the Audit Committee have been reported to the Board. During the year, no issue that brought to the attention of the management and the Board was of sufficient importance to require disclosure in this Annual Report.

C. 問責及核數 (續)

C.3 審核委員會 (續)

- 審閱2009年度經審核賬目及末期業績公告；
- 審閱截至2010年6月30日止6個月中期報告及中期業績公告；
- 檢討本集團內部監控系統之有效性；
- 檢討並考慮本集團年度內部監控檢討報告；
- 檢討核數師提供之非核數服務並評核核數師提供非核數服務之獨立性及客觀性；
- 審核關連人士交易及遵守相關上市規則及其有關之會計政策；
- 檢討審核委員會之職權範圍；及
- 討論本集團之年度及中期預算案。

管理層已處理審核委員會提出之所有事宜。審核委員會已向董事會報告其工作及調查結果。年內，管理層及董事會所知悉之事宜，其重要程度不足以須於本年報內予以披露。



CORPORATE GOVERNANCE REPORT

企業管治報告

C. ACCOUNTABILITY AND AUDIT

(continued)

C.3 Audit Committee (continued)

Full minutes of the Audit Committee meetings are kept by the Company Secretary. Draft and final versions of the minutes of the Audit Committee meetings are sent to all members of the Audit Committee for comments and approval. The interim and annual reports of the Company have been reviewed by the Audit Committee.

D. DELEGATION BY THE BOARD

D.1 Management functions

The Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. It also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives, and delegates the implementation of strategies, and day-to-day operation of the Group to the management. The Board is entrusted with certain reserved powers which were fully described in the corporate governance report in the Company's 2005 Annual Report.

D.2 Board committees

Apart from the Audit Committee (particulars are disclosed under C.3) and the Remuneration Committee (particulars are disclosed under B.1), the Board has also established three other committees of the Board, namely the Financial Control Committee, the Executive Directors' Committee and the Operation Review Committee. The composition and functions of the respective board committee were set out in the corporate governance report in the Company's 2005 Annual Report.

C. 問責及核數 (續)

C.3 審核委員會 (續)

審核委員會會議之詳細會議記錄由本公司秘書存置。審核委員會會議記錄之初稿及最後版本均送交審核委員會全體成員，以徵求其意見及批准。審核委員會已審閱本公司之中期報告及年報。

D. 董事會權力的轉授

D.1 管理功能

董事會監察本公司之策略發展並釐定本集團之目標、策略及政策。其亦監控及控制經營及財務表現並制定風險管理之適當政策，以實現本集團之策略目標，並將本集團實施策略及日常營運之權力轉授予管理層。董事會受託擁有若干保留之權力，有關詳情刊載於本公司2005年年報的企業管治報告內。

D.2 董事會轄下的委員會

除審核委員會(詳情載列於C.3)及薪酬委員會(詳情載列於B.1)外，董事會亦已成立另外3個董事委員會，即財務管理委員會、執行董事委員會及經營審核委員會。各董事會轄下之委員會之組成及職能刊載於本公司2005年年報的企業管治報告內。

CORPORATE GOVERNANCE REPORT

企業管治報告

E. COMMUNICATION WITH SHAREHOLDERS

E.1 Effective communication

The Company follows the practice that at the annual general meetings of the Company, a separate resolution is proposed in respect of each separate issue, including the re-election of Directors. In every annual general meeting of the Company, the Chairmen of the Audit Committee and the Remuneration Committee or the members of the respective committees or their respective appointed delegates are present to answer questions of shareholders.

E.2 Voting by poll

The Company informs shareholders of the procedures for demanding a poll by incorporating them in any circular for annual general meetings and special general meetings, if any. In addition, in every general meeting, the chairman of the meeting provides an explanation of the detailed procedures for conducting a poll at the commencement of the meeting. The procedures for conducting a poll were incorporated in the circular for the forthcoming Annual General Meeting.

For and on behalf of the Board of Directors

Dr. Richard Man Fai LEE
Executive Chairman & CEO

Hong Kong, March 28, 2011

E. 與股東的溝通

E.1 有效溝通

根據本公司之慣例，於本公司之股東週年大會上，將就各個別事宜通過獨立決議案，包括重選董事。於本公司各屆股東週年大會上，審核委員會及薪酬委員會主席或相關委員會之成員或其相關之獲委任代表均出席，以回答股東提出之問題。

E.2 以股數投票方式表決

於有關本公司股東週年大會或股東特別大會(如有)之任何通函內，均納入要求以按股數投票方式表決之程序，藉以知會股東。此外，於每次股東大會上，大會主席於會議開始時均會解釋以投票方式表決的詳細程序。以按股數投票方式表決之程序已納入應屆股東週年大會之通函內。

承董事會命

執行主席兼行政總裁
李文輝 博士

香港，2011年3月28日



INDEPENDENT AUDITORS' REPORT

獨立核數師報告



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF WO KEE HONG (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wo Kee Hong (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 203, which comprise the consolidated and company statements of financial position at December 31, 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the 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.

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致和記行(集團)有限公司各股東
(於百慕達註冊成立之有限公司)

本行已審核列載於第52至第203頁和記行(集團)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括2010年12月31日之綜合及公司財務狀況表，以及截至該日止年度之綜合損益表、綜合全面損益表、綜合權益變動表及綜合現金流量表連同主要會計政策摘要及其他解釋資料。

董事就綜合財務報表之責任

貴公司之董事須根據由香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而公平之綜合財務報表，並實行董事認為屬必要之內部監控，致使所綜合財務報表之編製不存在因欺詐或錯誤而導致之重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITY

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

OPINION

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

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, March 28, 2011

核數師之責任

本行之責任是根據本行之審核，對該等綜合財務報表提出意見，並根據百慕達公司法第90條，僅向全體股東報告本行之意見，除此以外，本報告不可用作其他用途。本行概不就本報告內容向任何其他人士承擔或負上任何責任。本行乃根據香港會計師公會頒佈之香港審計準則進行審核工作。該準則要求本行遵守道德規範，並策劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

審核涉及執程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。所選用之程序由核數師作判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。當核數師作出該等風險評估時，會考慮與該公司編製真實而公平之綜合財務報表相關之內部監控，以設計適合當時情況之審核程序，但不會就公司之內部控制之成效發表意見。審核亦包括評價董事所採用之會計政策是否合適，及所作出之會計估計是否合理，以及評價綜合財務報表之整體呈列方式。

本行相信本行得到足夠及適當之審核憑證以作為提供該審核意見之基礎。

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實與公平地反映貴公司及貴集團於2010年12月31日之財政狀況及貴集團於截至該日止年度之盈利及現金流量，並已按照香港公司條例之披露規定妥善編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，2011年3月28日



CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended December 31, 2010
截至2010年12月31日止年度

		Notes 附註	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Turnover	營業額	5	1,604,161	1,240,716
Cost of sales	銷售成本		(1,331,869)	(1,078,437)
Gross profit	毛利		272,292	162,279
Other operating income	其他營業收入	7	26,126	5,932
Distribution costs	分銷成本		(91,432)	(102,596)
Administrative expenses	行政費用		(165,507)	(187,439)
Fair value gains	投資物業			
on investment properties	公平值收益	15	320	740
Reversal of properties held for sale to net realisable value	持作出售物業撥回至 可變現淨值		3,710	610
Profit/(loss) from operations	經營盈利／(虧損)	8	45,509	(120,474)
Finance costs	財務費用	9	(10,228)	(9,236)
Restructuring costs	重組費用	14	—	(10,081)
Impairment on available-for-sale financial assets	可供出售金融 資產之減值	26	(5,700)	(6,000)
Impairment on goodwill	商譽減值	18	—	(3,176)
Net gain on disposal of subsidiaries	出售附屬公司之淨收益		9,273	—
Share of results of associates	應佔聯營公司業績	21	—	(95)
Share of result of a jointly controlled entity	應佔一間共同控制 實體業績	22	(335)	(1,729)
Profit/(loss) before tax	除稅前盈利／(虧損)		38,519	(150,791)
Income tax expenses	所得稅開支	10	(3,034)	(399)
Profit/(loss) for the year	本年度盈利／(虧損)		35,485	(151,190)
Profit/(loss) attributable to:	應佔盈利／(虧損)：			
Owners of the Company	本公司擁有人		27,879	(141,225)
Non-controlling interests	非控股權益		7,606	(9,965)
			35,485	(151,190)
Earnings/(loss) per share attributable to the owners of the Company	本公司擁有人應佔之 每股盈利／(虧損)			
— Basic	— 基本	11	1.22 cents 仙	(8.81) cents 仙
— Diluted	— 攤薄	11	1.20 cents 仙	(8.81) cents 仙

The accompanying notes on pages 61 to 203 form an integral part of these financial statements.

於第61至第203頁之附註為本財務報表之不可分割部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面損益表

For the year ended December 31, 2010
截至2010年12月31日止年度

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Profit/(loss) for the year	本年度盈利／(虧損)	35,485	(151,190)
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	3,011	487
Total comprehensive income for the year	本年度全面收入總額	38,496	(150,703)
Total comprehensive income attributable to:	應佔全面收入總額：		
Owners of the Company	本公司擁有人	30,545	(140,530)
Non-controlling interests	非控股權益	7,951	(10,173)
		38,496	(150,703)

The accompanying notes on pages 61 to 203 form an integral part of these financial statements.

於第61至第203頁之附註為本財務報表之不可分割部份。



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At December 31, 2010

於2010年12月31日

	Notes 附註	31/12/10 HK\$'000 港幣千元	31/12/09 HK\$'000 港幣千元 (Restated) (重列)	01/01/09 HK\$'000 港幣千元 (Restated) (重列)
Non-current assets				
非流動資產				
Investment properties	15	3,000	17,740	17,000
Property, plant and equipment	16	125,804	85,291	82,233
Prepaid lease payments	17	1,486	1,509	1,546
Goodwill	18	30,044	30,189	31,611
Interests in associates	21	—	—	95
Interest in a jointly controlled entity	22	3,520	—	—
Available-for-sale financial assets	26	9,552	15,252	21,527
Deferred tax assets	34	—	—	10
		173,406	149,981	154,022
Current assets				
流動資產				
Inventories	23	192,730	221,825	234,664
Properties held for sale, at net realisable value		25,470	21,760	21,150
Trade and other receivables	24	213,807	182,877	248,852
Derivative financial instruments		—	—	98
Amounts due from associates	25	64,045	49,451	39,834
Amount due from a jointly controlled entity	25	—	—	2,119
Other financial assets at fair value through profit or loss	27	17	10	6
Cash and cash equivalents	28	189,322	151,973	164,030
		685,391	627,896	710,753
Current liabilities				
流動負債				
Trade and other payables	29	347,691	345,340	330,489
Bills payables		25,588	32,080	14,383
Tax payables		2,542	205	2,418
Amount due to a jointly controlled entity	25	2,585	—	—
Amounts due to related companies	30	441	959	944
Obligations under finance leases — due within one year	31	96	88	—
Borrowings	32	201,332	173,543	184,158
		580,275	552,215	532,392
Net current assets		105,116	75,681	178,361
Total assets less current liabilities		278,522	225,662	332,383

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

綜合財務狀況表(續)

At December 31, 2010
於2010年12月31日

		Notes 附註	31/12/10 HK\$'000 港幣千元	31/12/09 HK\$'000 港幣千元 (Restated) (重列)	01/01/09 HK\$'000 港幣千元 (Restated) (重列)
Non-current liabilities	非流動負債				
Obligations under finance leases	1年後到期之融資				
— due after one year	租賃債務	31	240	308	—
Borrowings	貸款	32	—	6,006	6,470
Convertible loan note	可換股貸款票據	33	11,612	—	—
Deferred tax liabilities	遞延稅項負債	34	245	15	12
			12,097	6,329	6,482
Net assets	資產淨值		266,425	219,333	325,901
Capital and reserves	資本及儲備				
Share capital	股本	35	45,838	45,013	29,403
Reserves	儲備		204,599	163,685	275,690
Equity attributable to owners of the Company	本公司擁有人應佔權益		250,437	208,698	305,093
Non-controlling interests	非控股權益		15,988	10,635	20,808
Total equity	總權益		266,425	219,333	325,901

The accompanying notes on pages 61 to 203 form an integral part of these financial statements.

於第61至第203頁之附註為本財務報表之不可分割部份。

The financial statements on pages 52 to 203 were approved and authorised for issue by the Board of Directors on March 28, 2011 and are signed on its behalf by:

於第52至第203頁之財務報表經董事會於2011年3月28日批准及授權刊發並由下列董事代表董事會簽署：

Director
董事

Director
董事



STATEMENT OF FINANCIAL POSITION

財務狀況表

At December 31, 2010

於2010年12月31日

		Notes 附註	31/12/10 HK\$'000 港幣千元	31/12/09 HK\$'000 港幣千元	01/01/09 HK\$'000 港幣千元
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	16	273	513	794
Investments in subsidiaries	於附屬公司之投資	20	267,051	266,243	266,213
			267,324	266,756	267,007
Current assets	流動資產				
Trade and other receivables	貿易往來及其他應收賬款		4,636	4,401	5,209
Amounts due from subsidiaries	應收附屬公司款項	25	67,866	80,751	60,216
Amounts due from associates	應收聯營公司款項	25	—	197	197
Amount due from a jointly controlled entity	應收一間共同控制 實體款項	25	—	—	195
Other financial assets at fair value through profit or loss	其他以公平值計入損益 之金融資產	27	17	10	6
Cash and cash equivalents	現金及現金等值項目		30	32	315
			72,549	85,391	66,138
Current liabilities	流動負債				
Trade and other payables	貿易往來及其他應付賬款		643	744	1,213
Amounts due to subsidiaries	應付附屬公司款項	25	248,769	273,610	293,322
Amount due to a related company	應付一間關聯公司款項	30	441	441	441
Financial guarantee contracts	財務擔保合約		4,283	3,475	3,445
			254,136	278,270	298,421
Net current liabilities	流動負債淨值		(181,587)	(192,879)	(232,283)
Total assets less current liabilities	總資產減流動負債		85,737	73,877	34,724
Non-current liabilities	非流動負債				
Convertible loan note	可換股貸款票據	33	11,612	—	—
Deferred tax liabilities	遞延稅項負債	34	229	—	—
			11,841	—	—
Net assets	資產淨值		73,896	73,877	34,724
Capital and reserves attributable to owners of the Company	本公司擁有人應佔 資本及儲備				
Share capital	股本	35	45,838	45,013	29,403
Reserves	儲備	36	28,058	28,864	5,321
Total equity	總權益		73,896	73,877	34,724

The financial statements on pages 52 to 203 were approved and authorised for issue by the Board of Directors on March 28, 2011 and are signed on its behalf by:

於第52至第203頁之財務報表經董事會於2011年3月28日批准及授權刊發並由下列董事代表董事會簽署：

Director
董事

Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended December 31, 2010

截至2010年12月31日止年度

Attributable to owners of the Company 本公司擁有人應佔

		Share capital	Share premium	Capital redemption reserve	Share options reserve	Exchange reserve	Equity component of convertible loan note	Other reserve	(Accumulated losses)/ Retained profits	Non-controlling interests	Total
		股本	股份溢價	資本贖回儲備	優先認股權儲備	匯兌儲備	可換股貸款票據之權益部份	其他儲備	(累計虧損)/ 保留盈利	非控股權益	合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
								(note) (附註)			
At January 1, 2009	於2009年1月1日	29,403	—	2,151	1,837	(4,185)	—	151,236	124,651	20,808	325,901
Other comprehensive income for the year	本年度其他全面收入	—	—	—	—	695	—	—	—	(208)	487
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(141,225)	(9,965)	(151,190)
Total comprehensive income for the year	本年度全面收入總額	—	—	—	—	695	—	—	(141,225)	(10,173)	(150,703)
Issue of shares	發行股份	15,000	25,648	—	—	—	—	—	—	—	40,648
Issue of shares upon exercise of share options	於行使優先認股權時發行股份	610	1,620	—	(414)	—	—	—	—	—	1,816
Issue of share options	發行優先認股權	—	—	—	1,671	—	—	—	—	—	1,671
Lapse of share options	優先認股權失效	—	—	—	(465)	—	—	—	465	—	—
At December 31, 2009 and January 1, 2010	於2009年12月31日及2010年1月1日	45,013	27,268	2,151	2,629	(3,490)	—	151,236	(16,109)	10,635	219,333
Other comprehensive income for the year	本年度其他全面收入	—	—	—	—	2,666	—	—	—	345	3,011
Profit for the year	本年度盈利	—	—	—	—	—	—	—	27,879	7,606	35,485
Total comprehensive income for the year	本年度全面收入總額	—	—	—	—	2,666	—	—	27,879	7,951	38,496
Issue of shares upon exercise of share options	於行使優先認股權時發行股份	825	3,579	—	(774)	—	—	—	—	—	3,630
Issue of share options	發行優先認股權	—	—	—	793	—	—	—	—	—	793
Lapse of share options	優先認股權失效	—	—	—	(85)	—	—	—	85	—	—
Recognition of equity component of convertible loan note	確認可換股貸款票據之權益部份	—	—	—	—	—	1,251	—	—	—	1,251
Deferred tax liability arising on convertible loan note	可換股貸款票據產生之遞延稅項負債	—	—	—	—	—	(278)	—	—	—	(278)
Changes in ownership interests in subsidiaries	附屬公司之擁有權權益變動	—	—	—	—	—	—	5,798	—	(2,598)	3,200
At December 31, 2010	於2010年12月31日	45,838	30,847	2,151	2,563	(824)	973	157,034	11,855	15,988	266,425



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

綜合權益變動表 (續)

For the year ended December 31, 2010
截至2010年12月31日止年度

Included in the above is the Group's share of post-acquisition accumulated losses of associates, as follows:

上表包括本集團應佔聯營公司之收購後累計虧損，詳情如下：

		HK\$'000 港幣千元
At January 1, 2009	於2009年1月1日	(77,062)
Loss for the year	本年度虧損	(95)
At December 31, 2009, January 1, 2010 and December 31, 2010	於2009年12月31日、 2010年1月1日及 2010年12月31日	(77,157)

Note: The other reserve of the Group was transferred from the share premium account pursuant to the capital re-organisation on September 18, 2002 and the changes in the Group's ownership interests in its subsidiaries that do not result in loss of control.

附註：本集團之其他儲備乃根據於2002年9月18日進行之股本重組轉撥自股份溢價賬，及本集團於其附屬公司之擁有權權益變動，而此變動並無導致失去控制權。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended December 31, 2010

截至2010年12月31日止年度

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元 (Restated) (重列)
Operating activities	經營業務		
Profit/(loss) before tax	除稅前盈利／(虧損)	38,519	(150,791)
Adjustments for:	經作出以下調整：		
Share of results of associates	應佔聯營公司業績	—	95
Share of result of a jointly controlled entity	應佔一間共同控制實體業績	335	1,729
Interest income	利息收入	(2,094)	(2,575)
Interest expenses	利息支出	9,691	8,806
Finance lease charges	融資租賃費用	12	5
Depreciation	折舊	17,624	17,101
Amortisation of prepaid lease payments	預付租賃款項攤銷	38	39
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)／虧損	(1,596)	6,086
Net gain on disposal of subsidiaries	出售附屬公司之淨收益	(9,273)	—
Fair value gains on other financial assets at fair value through profit or loss	其他以公平值計入損益之金融資產公平值收益	(7)	(4)
Fair value losses on derivative financial instruments	衍生金融工具公平值虧損	—	98
Reversal of properties held for sale to net realisable value	持作出售物業撥回至可變現淨值	(3,710)	(610)
Write down of inventories to net realisable value	存貨減值至可變現淨值	2,855	8,070
Fair value gains on investment properties	投資物業公平值收益	(320)	(740)
Impairment on available-for-sale financial assets	可供出售金融資產減值	5,700	6,000
Impairment on trade receivables	貿易往來應收賬款減值	509	—
Impairment on goodwill	商譽減值	—	3,176
Share-based payment expenses	股份付款支出	793	1,671
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	59,076	(101,844)
Decrease in inventories	存貨減少	19,413	4,828
(Increase)/decrease in trade and other receivables	貿易往來及其他應收賬款(增加)／減少	(33,661)	67,055
Increase in amounts due from associates	應收聯營公司款項增加	(14,594)	(9,617)
Decrease in amount due from a jointly controlled entity	應收一間共同控制實體款項減少	—	2,119
Increase in trade and other payables	貿易往來及其他應付賬款增加	13,113	13,470
(Decrease)/increase in bills payables	應付票據(減少)／增加	(6,492)	17,697
Decrease in amounts due to related companies	應付關聯公司款項減少	(518)	(3,252)
Increase in amount due to a jointly controlled entity	應付一間共同控制實體款項增加	9,533	—
Cash generated from/(used in) operations	經營所得／(所用)現金	45,870	(9,544)
Hong Kong profits tax paid	已付香港利得稅	—	(2,364)
Overseas tax paid	已付海外稅項	(530)	(235)
		(530)	(2,599)
Net cash generated from/(used in) operating activities	經營業務所得／(所用)現金淨額	45,340	(12,143)



CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表 (續)

For the year ended December 31, 2010
截至2010年12月31日止年度

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元 (Restated) (重列)
Investing activities	投資業務		
Purchase of property, plant and equipment	購買物業、廠房及設備	(58,097)	(28,661)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,887	2,520
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	—	275
Capital injection to a jointly controlled entity	注資入一間共同控制實體	(6,000)	—
Net cash inflow from disposal of subsidiaries	出售附屬公司現金流入淨額	25,071	—
Net cash (outflow)/inflow from acquisition of subsidiaries	收購附屬公司現金(流出)/流入淨額	(700)	47
Interest received	已收利息	749	2,575
Net cash used in investing activities	投資業務所用現金淨額	(37,090)	(23,244)
Financing activities	融資業務		
New bank loans	新造銀行貸款	589,371	656,929
New other loans	新造其他貸款	5,904	13,834
New obligations under finance lease	新訂融資租賃債務	—	396
Proceed from issue of convertible loan note	發行可換股貸款票據所得款項	13,000	—
Proceeds from issue of shares	發行股份所得款項	—	42,000
Issuing expenses	發行支出	(435)	(1,352)
Proceeds from exercise of share options	行使優先認股權所得款項	3,630	1,816
Repayment of bank loans	償還銀行貸款	(576,649)	(671,638)
Repayment of other loans	償還其他貸款	(6,799)	(3,884)
Repayment of obligations under finance leases	償還融資租賃債務	(91)	—
Interest paid	已付利息	(11,287)	(8,806)
Finance lease charges paid	已付融資租賃費用	(12)	(5)
Net cash generated from financing activities	融資業務所得現金淨額	16,632	29,290
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額	24,882	(6,097)
Cash and cash equivalents at January 1	於1月1日之現金及現金等值項目	151,973	157,122
Effect of foreign currency exchange rate changes	外幣匯率變動之影響	4,087	948
Cash and cash equivalents at December 31	於12月31日之現金及現金等值項目	180,942	151,973
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Being:	即：		
Cash and cash equivalents	現金及現金等值項目	189,322	151,973
Bank overdrafts	銀行透支	(8,380)	—
		180,942	151,973

The accompanying notes on pages 61 to 203 form an integral part of these financial statements.

於第61至第203頁之附註為本財務報表之不可分割部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Bermuda and its shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company is disclosed in the corporate and investor information section of the annual report.

The Company is a holding company with major subsidiaries engaged in import, marketing, distribution and after-sales service of high quality, branded products serving customers in the Asian region and, in particular, the markets of Mainland China, Hong Kong, Macau, Singapore and Malaysia. The products include principally cars and car accessories, motor yachts, helicopters, premium fashion apparels and accessories, air-conditioning and refrigeration products, audio-visual equipment, car audio and electronic products, other electronic and electrical products and property investment.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company. These financial statements were approved and authorised for issue by the Board of Directors on March 28, 2011.

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

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

1. 一般資料

本公司乃於百慕達註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要經營地點之地址於本年報公司及投資者資料部份披露。

本公司為一間控股公司，其主要附屬公司從事優質品牌產品之進口、市場推廣、分銷及售後服務。客戶遍及亞洲地區，並以中國內地、香港、澳門、新加坡及馬來西亞市場為主。提供的產品主要包括汽車及汽車配件、機動遊艇、直升機、高檔時裝及配飾、空調及冷凍產品、影音設備、汽車音響及電子產品、其他電子及電器產品與物業投資。

綜合財務報表以港幣（即本公司之功能貨幣）呈列。財務報表於2011年3月28日由董事會批准並授權刊發。

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」）

本年度，本集團已應用下列由香港會計師公會（「香港會計師公會」）頒佈新訂及經修訂之準則及詮釋。有關準則及詮釋對該等綜合財務報表所報告之金額及／或該等綜合財務報表所載之披露事項構成影響。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

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

HKFRS 3 (as revised in 2008) Business Combinations

HKFRS 3 (as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after January 1, 2010 in accordance with the relevant transitional provisions. Its application has affected the accounting for business combinations in the current year.

The impact of the application of HKFRS 3 (as revised in 2008) is as follows:

- (i) HKFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as ‘minority’ interests) either at fair value or at the non-controlling interests’ share of recognised identifiable net assets of the acquiree.
- (ii) HKFRS 3 (as revised in 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

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」）（續）

香港財務報告準則第3號（2008年經修訂）企業合併

本集團於本年度按照相關過渡條文對收購日期為2010年1月1日或之後之企業合併應用香港財務報告準則第3號（2008年經修訂）。應用該準則對本年度企業合併的會計處理構成影響。

應用香港財務報告準則第3號（2008年經修訂）之影響如下：

- (i) 香港財務報告準則第3號（2008年經修訂）容許本集團按個別交易選擇按公平值或非控股權益應佔被收購方之已確認可識別資產淨值計算於收購日期之非控股權益（前稱「少數股東」權益）。
- (ii) 香港財務報告準則第3號（2008年經修訂）對或然代價的確認及其後會計處理規定作出更改。此前，或然代價僅於可能支付及有關代價能可靠地計量時於收購日期確認，其後通常於收購成本作出調整。根據經修訂準則，或然代價按收購日期之公平值計量，倘因於計量期間（最長為自收購日期起計12個月）內獲取有關收購日期之公平值之新資料而產生任何調整，方會於其後對其收購成本作出調整。於日後分類為資產或負債的所有其他或然代價乃於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

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

HKFRS 3 (as revised in 2008) Business Combinations (continued)

- (iii) HKFRS 3 (as revised in 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.
- (iv) HKFRS 3 (as revised in 2008) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards

The amendments provide two exemptions when adopting HKFRSs for the first time relating to oil and gas assets, and the determination as to whether an arrangement contains a lease.

Amendments to HKFRS 2 Share-based Payment — Group Cash-settled Share-based Payment Transactions

The amendments clarify the scope of HKFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

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」）（續）

香港財務報告準則第3號（2008年經修訂）企業合併（續）

- (iii) 香港財務報告準則第3號（2008年經修訂）規定，倘進行中的企業合併終止了本集團與被收購方先前存在的關係，則須確認結算損益。
- (iv) 香港財務報告準則第3號（2008年經修訂）規定，收購相關成本須與企業合併分開入賬，通常導致有關成本於產生時在損益中確認為開支，而有關成本先前乃入賬列為收購成本的一部份。

香港財務報告準則第1號（修訂本）首次採納香港財務報告準則

該修訂規定了有關石油及天然氣資產首次採納香港財務報告準則時的兩項豁免，以及一項安排是否含有租約的釐定基準。

香港財務報告準則第2號（修訂本）以股份支付－集團以現金結算以股份支付之交易

該修訂闡明香港財務報告準則第2號的範圍，以及在實體收取貨品或服務，而由另一集團實體或股東承擔結算獎勵的責任時，集團之現金結算以股份支付之交易於該實體的單獨（或個別）財務報表中的會計處理。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

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

Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKFRS 5 clarify that the disclosure requirements in HKFRSs other than HKFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those HKFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of HKFRS 5 and the disclosures are not already provided in the consolidated financial statements.

The amendments clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

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」）（續）

香港財務報告準則第5號（修訂本）持作出售非流動資產及已終止經營業務（作為於2009年所頒佈香港財務報告準則之改進的一部份）

香港財務報告準則第5號（修訂本）闡明香港財務報告準則的披露要求，除非該等香港財務報告準則規定了(i)有關劃分為持作出售或已終止經營業務之非流動資產（或出售集團）的具體披露要求，或(ii)有關出售集團內資產及負債之計量的披露不屬於香港財務報告準則第5號計量要求的範圍內，且綜合財務報表尚未提供有關披露，否則香港財務報告準則第5號將不適用於劃分為持作出售或已終止經營業務之非流動資產（或出售集團）。

該修訂闡明，在本集團進行涉及喪失附屬公司控制權的出售計劃時，附屬公司的所有資產及負債應劃分為持作出售，而無論本集團是否會在出售後於附屬公司保留非控股權益。

香港會計準則第1號（修訂本）財務報表之呈列（作為於2009年所頒佈香港財務報告準則之改進的一部份）

香港會計準則第1號（修訂本）闡明可能通過權益發行結算一項責任與其是否劃分為流動或非流動並不相關。

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

Amendments to HKAS 7 Statement of Cash Flows (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to HKAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in HKAS 38 Intangible Assets for capitalisation as part of an internally generated intangible asset in the consolidated statement of cash flows. This change has been applied retrospectively.

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 that 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」）（續）

香港會計準則第7號（修訂本）現金流量表（作為於2009年所頒佈香港財務報告準則之改進的一部份）

香港會計準則第7號（修訂本）規定，只有導致在財務狀況表中確認一項資產的支出，才能夠於現金流量表中劃歸為投資活動。應用香港會計準則第7號（修訂本）導致對不符合香港會計準則第38號無形資產準則有關就開發成本之現金流出的呈列方式作出更改，以於綜合現金流量表中資本化作為內部產生之無形資產的一部份。此項變更已以追溯方式應用。

香港會計準則第17號（修訂本）租賃

作為於2009年所頒佈香港財務報告準則之改進的一部份，香港會計準則第17號租賃已就租賃土地之劃分作出修訂。在香港會計準則第17號（修訂本）生效之前，本集團須將租賃土地劃分為經營租賃，並在綜合財務狀況表中將租賃土地呈列為預付租賃款項。香港會計準則第17號（修訂本）刪除了該項要求。該修訂規定，租賃土地應根據香港會計準則第17號所載的一般原則進行劃分，而無論租賃資產所有權附帶的絕大部份風險及回報是否已轉讓予承租人。



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

Amendments to HKAS 17 Leases (continued)

In accordance with the transitional provision set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land at January 1, 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments with the carrying amounts of HK\$25,818,000 and HK\$25,166,000 at January 1, 2009 and December 31, 2009 respectively being reclassified to property, plant and equipment. Amortisation of prepaid lease payments of HK\$652,000 for the year 2009 has been reclassified to depreciation of owned assets.

At December 31, 2010, leasehold land that qualifies for finance lease classification with the carrying amounts of HK\$24,514,000 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.

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」）（續）

香港會計準則第17號（修訂本）租賃（續）

按照香港會計準則第17號（修訂本）所載之過渡條文，本集團根據於租約開始當日存在之資料重新評估於2010年1月1日未屆滿之租賃土地分類。符合融資租賃分類之租賃土地已由於2009年1月1日及2009年12月31日賬面值分別為港幣25,818,000元及港幣25,166,000元之預付租賃款項重新分類為物業、廠房及設備。2009年之預付租賃款項攤銷為港幣652,000元已重新分類為自置資產折舊。

於2010年12月31日，符合融資租賃分類之賬面值為港幣24,514,000元之租賃土地已計入物業、廠房及設備。應用香港會計準則第17號（修訂本）並無對本年度及過往年度所呈報之損益產生任何影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for the Group's changes in ownership interests in subsidiaries of the Group.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

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」）（續）

香港會計準則第27號（2008年經修訂）綜合及獨立財務報表

應用香港會計準則第27號（2008年經修訂）導致有關本集團於本集團附屬公司之擁有權權益變動之會計政策有所變動。

具體而言，該經修訂準則影響本集團關於本集團於其附屬公司擁有權權益變動（不會導致失去控制權）之會計政策。於過往年度，在香港財務報告準則並無具體規定之情況下，於現有附屬公司之權益增加以收購附屬公司之同一方式處理，而商譽或議價收購收益則予以確認（如適用）；至於並無導致失去控制權之現有附屬公司權益之減少，所收代價與非控股權益調整間之差額於損益中確認。根據香港會計準則第27號（2008年經修訂），所有有關增減均於權益中處理，對商譽或損益並無影響。

如果因某項交易、事件或其他情況而失去附屬公司之控制權，該經修訂準則規定本集團須終止按賬面值確認所有資產、負債及非控股權益，而確認所收代價之公平值。於原附屬公司保有之任何權益按失去控制權當日之公平值確認。有關差額於損益內確認為收益或虧損。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements (continued)

These changes have been applied prospectively from January 1, 2010 in accordance with the relevant transitional provisions.

The application of the revised Standard has affected the accounting for the Group’s acquisition and disposal of part of its interest in Creative Pacific Limited and its subsidiaries and increase its interest in Technorient Limited and its subsidiaries in current year. The change in policy has resulted in the total of HK\$5,798,000 for the aggregated consideration received of HK\$3,200,000 and the non-controlling interests recognised of HK\$2,598,000 being recognised directly in equity, instead of in profit or loss. Therefore, the change in accounting policy has resulted in an increase in the other reserve for the year of HK\$5,798,000. In addition, the cash consideration received and paid in the current year of HK\$3,900,000 and HK\$700,000 has been included in cash flows from financing activities.

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」）（續）

香港會計準則第27號（2008年經修訂）綜合及獨立財務報表（續）

有關變動已根據相關過渡條文於2010年1月1日起預先應用。

應用該經修訂準則影響本集團於本年度收購及出售其於香港新概念控股有限公司及其附屬公司之部份權益，以及增加其於勵安有限公司及其附屬公司之權益之會計處理。政策變動導致所收取總代價港幣3,200,000元及所確認非控股權益港幣2,598,000元之總額港幣5,798,000元直接於權益而非於損益中確認。因此，會計政策變動導致本年度其他儲備增加港幣5,798,000元。此外，本年度所收及所付之現金代價港幣3,900,000元及港幣700,000元已計入融資業務所得現金流量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKAS 28 (as revised in 2008) Investments in Associates

The principle adopted under HKAS 27 (as revised in 2008) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to HKAS 28. Therefore, when significant influence over an associate is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss. In addition, as part of Improvements to HKFRSs issued in 2010, HKAS 28 (as revised in 2008) has been amended to clarify that the consequential amendments to HKAS 28 in relation to transactions where the investor loses significant influence over an associate should be applied prospectively. The Group has applied the amendments to HKAS 28 (as revised in 2008) as part of Improvements to HKFRSs issued in 2010 in advance of their effective dates (annual periods beginning on or after July 1, 2010).

Amendments to HKAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items

The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

HK (IFRIC) — Int 17 Distributions of Non-cash Assets to Owners

The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.

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」）（續）

香港會計準則第28號（2008年經修訂）於聯營公司之投資

根據香港會計準則第27號（2008年經修訂）（見上文）採納的宗旨 — 出售及重新收購任何以公平值列賬之保留權益將會確認為失去控制權 — 由香港會計準則第28號的相關修訂延伸。因此，當失去對於聯營公司的重大影響力，則該投資者須按公平值計量任何保留於前聯營公司之投資，任何相關的收益或虧損於損益中確認。此外，作為於2010年頒佈之香港財務報告準則之改進的一部份，香港會計準則第28號（2008年經修訂）已予修訂，以澄清當投資者失去對於聯營公司的重大影響力時，應就交易對香港會計準則第28號（2008年經修訂）作出相應之修訂。本集團應用香港會計準則第28號（2008年經修訂）的修訂作為於有關修訂的生效日期（於2010年7月1日或之後開始之年度期間）前對於2010年頒佈之香港財務報告準則之改進的一部份。

香港會計準則第39號（修訂本）金融工具：確認及計量 — 合資格套期項目

該修訂闡明了套期會計處理的兩個方面：識別通脹為一項對沖風險或部份，以及對沖期權。

香港（國際財務報告詮釋委員會）— 詮釋第17號向權益持有人分派非現金資產

該詮釋為實體向其股東分派非現金資產作為股息的適當會計處理提供了指引。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HK (IFRIC) — Int 18 Transfers of Assets from Customers

The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from ‘customers’ and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with HKAS 18 Revenue.

HK-Int 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (‘HK Int 5’) 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 HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

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

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」）（續）

香港（國際財務報告詮釋委員會）— 詮釋第18號客戶轉讓之資產

該詮釋闡明了獲「客戶」轉讓物業、廠房及設備之接收者的會計處理，其中規定，若所轉讓的物業、廠房及設備項目符合接受者對於資產的定義，接收者應於轉讓日期按其公平值確認資產，相關進項根據香港會計準則第18號收益確認為收益。

香港詮釋第5號財務報表之呈列 — 借款人對包含可隨時要求償還條款的定期貸款的分類

香港詮釋第5號財務報表之呈列 — 借款人對包含可隨時要求償還條款的定期貸款的分類（「香港詮釋第5號」）闡明，包含給予貸款人隨時收回貸款之無條件權利的條款（「可隨時要求償還條款」）之定期貸款，應由借款人分類為流動負債。本集團已於本年度首次應用香港詮釋第5號。香港詮釋第5號規定須追溯應用。

為了遵守香港詮釋第5號的規定，本集團已變更劃分包含可隨時要求償還條款的定期貸款的會計政策。在以往，該等定期貸款乃根據貸款協議所載的預定還款日期進行分類。根據香港詮釋第5號，包含可隨時要求償還條款的定期貸款乃劃分為流動負債。

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財務報表附註

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

HK-Int 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (continued)

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$28,159,000 and HK\$31,239,000 have been reclassified from non-current liabilities to current liabilities at December 31, 2009 and January 1, 2009 respectively. At December 31, 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 HK\$31,576,000 have been classified as current liabilities. The application of HK 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 that reflects the remaining contractual maturities (see note 32).

Improvements to HKFRSs issued in 2009

Except for the amendments to HKFRS 5, HKAS 1, HKAS 7 and HKAS 17 as described earlier, the application of Improvements to HKFRSs issued in 2009 has not had any material effect on amounts reported in the consolidated financial statements.

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」）（續）

香港詮釋第5號財務報表之呈列 — 借款人對包含可隨時要求償還條款的定期貸款的分類（續）

因此，包含可隨時要求償還條款的定期貸款的銀行貸款賬面值總額港幣28,159,000元及港幣31,239,000元已分別於2009年12月31日及2009年1月1日由非流動負債重新分類為流動負債。於2010年12月31日，須於報告期末後一年以後償還但包含可隨時要求償還條款之銀行貸款賬面值總額港幣31,576,000元已分類為流動負債。應用香港詮釋第5號對於當前及過往年度所呈報之損益並無重大影響。

該等定期貸款呈列於反映剩餘合約到期情況的財務負債到期分析中的最早到期者（見附註32）。

於2009年所頒佈香港財務報告準則之改進

除上文所述香港財務報告準則第5號、香港會計準則第1號、香港會計準則第7號及香港會計準則第17號之修訂本外，應用於2009年所頒佈香港財務報告準則之改進對綜合財務報表呈報之金額並無任何重大影響。



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財務報表附註

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

Standards and Interpretations in issue but not yet effective

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 9	Financial Instruments ³
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁴
HKAS 32 (Amendments)	Classification of Rights Issues ⁵
HK (IFRIC) — Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement ⁴
HK (IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

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

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」）（續）

已頒佈惟尚未生效之準則及詮釋

本集團並未提早應用下列已頒佈但尚未生效之新訂及經修訂準則及詮釋：

香港財務報告準則（修訂本）	2010年頒佈之香港財務報告準則之改進 ¹
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 ²
香港財務報告準則第9號	金融工具 ³
香港會計準則第24號（2009年經修訂）	關連人士披露事項 ⁴
香港會計準則第32號（修訂本）	供股之分類 ⁵
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 ⁴
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 ²

- ¹ 於2010年7月1日或2011年1月1日（如適用）或之後開始之年度期間生效。
- ² 於2010年7月1日或之後開始之年度期間生效。
- ³ 於2013年1月1日或之後開始之年度期間生效。
- ⁴ 於2011年1月1日或之後開始之年度期間生效。
- ⁵ 於2010年2月1日或之後開始之年度期間生效。

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

Standards and Interpretations in issue but not yet effective (continued)

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.

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.

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」）（續）

已頒佈惟尚未生效之準則及詮釋（續）

香港財務報告準則第9號金融工具（於2009年11月頒佈）引入對金融資產之分類及計量之新規定。香港財務報告準則第9號金融工具（2010年11月經修訂）加入對金融負債及終止確認之規定。

根據香港財務報告準則第9號，屬香港會計準則第39號金融工具：確認及計量範圍以內之所有已確認金融資產其後均須按攤銷成本或公平值計量。特別是為根據業務模式以收取合約現金流量為目的所持有，及僅為支付本金及未償還本金之利息而產生合約現金流量之債務投資一般於其後會計期末按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期末按公平值計量。

就金融負債而言，重大變動與分類為按公平值計入損益的金融負債有關。特別是根據香港財務報告準則第9號，就指定按公平值列賬及在損益處理之金融負債而言，除非於其他全面收入中呈列負債的信貸風險改變的影響，將會於損益中產生或擴大會計錯配，因負債的信貸風險改變而引致金融負債公平值金額的變動乃於其他全面收入中呈列。金融負債的信貸風險引致的公平值變動其後不會於損益中重新分類。先前根據香港會計準則第39號，指定按公平值列賬及在損益處理之金融負債的公平值變動，乃全數於損益中呈列。



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

Standards and Interpretations in issue but not yet effective (continued)

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

The directors anticipate that HKFRS 9 that will be adopted in the Group’s consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the new Standard may have a significant impact on amounts reported in respect of the Groups’ financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group’s disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

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」）（續）

已頒佈惟尚未生效之準則及詮釋（續）

香港財務報告準則第9號自2013年1月1日或其後開始之年度期間生效，並可提早應用。

董事預計，香港財務報告準則第9號將在本集團自2013年1月1日開始之年度期間之綜合財務報表中採納，採用新準則可能會對本集團金融資產之呈報金額造成重大影響。然而，在完成詳細檢討之前，不可能就該影響提供合理估計。

香港財務報告準則第7號（修訂本）披露——金融資產轉讓增加涉及金融資產轉讓的交易的披露規定。該等修訂旨在就於金融資產被轉讓而轉讓人保留該資產一定程度的持續風險承擔時，提高風險承擔的透明度。該等修訂亦要求於該期間內金融資產轉讓並非均衡分佈時作出披露。

董事預計，香港財務報告準則第7號的該等修訂不會對本集團有關之前生效的貿易應收款項轉讓的披露造成重大影響。然而，若本集團日後訂立其他類型的金融資產轉讓，有關該等轉讓的披露可能會受到影響。

香港會計準則第24號關連人士披露事項（2009年經修訂）修訂關連人士的定義及簡化政府相關實體披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Standards and Interpretations in issue but not yet effective (continued)

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

HK(IFRIC)-Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC)-Int 19 will affect the required accounting. In particular, under HK(IFRIC)-Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

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」）（續）

已頒佈惟尚未生效之準則及詮釋（續）

香港會計準則第24號（2009年經修訂）引入的披露豁免並未影響本集團，因為本集團並非政府相關實體。然而，若該準則的經修訂版本於未來會計期間應用，由於部份之前不符合關連人士定義的對手方可能會被歸入該準則的範圍，該等綜合財務報表中有關關連人士交易及結餘的披露可能會受到影響。

香港會計準則第32號（修訂本）供股分類講述以外幣列值的若干供股的分類（作為股本工具或金融負債）。到目前為止，本集團並無訂立任何屬於該等修訂範疇的安排。然而，倘本集團於未來會計期間訂立任何屬於該等修訂範疇的供股，則香港會計準則第32號（修訂本）將會影響該等供股的分類。

香港（國際財務報告詮釋委員會）— 詮釋第19號提供有關透過發行股本工具撇除金融負債的會計處理指引。到目前為止，本集團並無訂立屬於該性質的交易。然而，倘本集團日後訂立任何有關交易，則香港（國際財務報告詮釋委員會）— 詮釋第19號將會影響會計處理規定。尤其是，根據香港（國際財務報告詮釋委員會）— 詮釋第19號，根據有關安排發行的股本工具將按其公平值計量，而所撇除金融負債的賬面值與所發行股本工具的公平值的差額將於損益內確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs, which term collectively included Hong Kong Accounting Standards (“HKASs”) and Interpretations (the “Interpretations”) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss (including derivative financial instruments) and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to December 31 each year. 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 are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

3. 主要會計政策

綜合財務報表乃依據香港財務報告準則，亦包含香港會計師公會頒佈之香港會計準則（「香港會計準則」）及其詮釋（「詮釋」）、香港普遍接納之會計原則，香港公司條例之披露要求及聯交所證券上市規則（「上市規則」）之適用披露要求編製。

編製基準

綜合財務報表按歷史成本慣例編製，並就可供出售金融資產之重估、以公平值計入損益之金融資產及金融負債（包括衍生金融工具）及以公平值入賬之投資物業而作出修訂。

依據香港財務報告準則編製綜合財務報表，須採用若干關鍵會計估計。亦要求管理層於應用本集團會計政策時運用其判斷。

綜合基準

綜合財務報表包括本公司及其附屬公司截至每年12月31日之財務報表。當本公司有權監管一間公司之財務及營運政策以獲取商業利益時，控制權已確立。

本年度內被收購或出售之附屬公司業績已包括在綜合損益表內，由其購入生效日期起或截至其出售生效日期（倘適用）止計算在內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

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 on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Non-controlling interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority interests' share of changes in equity since the date of the combination. Prior to January 1, 2009, losses applicable to the non-controlling interests in excess of the minority interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority interests has a binding obligation and is able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries prior to January 1, 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

3. 主要會計政策 (續)

綜合基準 (續)

必要時，將調整附屬公司之財務報表，以令彼等之會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間交易、結餘，收入及支出概於綜合時對銷。

就經綜合計算附屬公司，於彼等資產淨值之非控股權益與本集團之權益分開呈列。資產淨值內非控股權益包括於原始業務合併日期之權益，及自合併日期起少數股東權益之變化。於2009年1月1日前，非控股權益應佔且數額超逾少數股東於附屬公司權益之虧損，乃針對本集團之權益進行分配，惟少數股東有具約束力責任並能夠作出額外投資彌補虧損之情形除外。

本集團現有附屬公司之擁有權益變動

於2010年1月1日前本集團於現有附屬公司之擁有權益變動

於現有附屬公司之權益增加之處理方法與收購附屬公司相同，而商譽或議價購買收益在適用情況下亦予以確認。倘於現有附屬公司之權益減少，不論有關出售事項會否導致本集團失去於附屬公司之控制權，已收代價與調整非控股權益之差額於損益確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

Changes in the Group's ownership interests in existing subsidiaries on or after January 1, 2010

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. 主要會計政策 (續)

本集團現有附屬公司之擁有權權益變動 (續)

於2010年1月1日或之後本集團於現有附屬公司之擁有權權益變動

本集團於附屬公司之擁有權權益出現變動並無導致集團失去於該等附屬公司之控制權均列賬為權益交易。本集團之權益及非控股權益賬面值均予以調整，以反映其於附屬公司之相關權益變動。調整非控股權益金額與已付或已收代價公平值之差額均直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去於附屬公司之控制權，出售所產生之損益按下述兩者之差額計算 (i) 已收代價公平值及任何保留權益公平值總和與 (ii) 該附屬公司之資產 (包括商譽) 及負債以及任何非控股權益之原有賬面值。倘該附屬公司若干資產按重估金額或公平值計量，而相關累計收益或虧損已於其他全面收入確認並累計入權益，則過往於其他全面收入確認並累計入權益之金額，會按猶如本公司已直接出售相關資產入賬 (即重新分類至損益或直接轉撥至保留溢利)。於失去控制權當日在前附屬公司之任何保留投資公平值會根據香港會計準則第39號「金融工具：確認及計量」在其後入賬時被視作首次確認之公平值，或 (如適用) 首次確認於聯營公司或共同控制實體之投資成本。

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財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations

Business combinations that took place prior to January 1, 2010

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is 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 under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

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

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3. 主要會計政策 (續)

業務合併

於2010年1月1日前進行之業務合併

收購業務採用收購法入賬。收購成本乃按本集團為換取被收購方控制權而給予之資產、所產生或承擔之負債及發行之股本工具於交換當日之公平值總額，另加應佔業務合併之任何直接成本計量。被收購方符合香港財務報告準則第3號「業務合併」項下確認條件之可識別資產、負債及或然負債按收購當日之公平值確認，惟根據香港財務報告準則第5號「持作出售之非流動資產及已終止業務」分類為持作出售之非流動資產(或出售組合)除外(該等資產按公平值減出售成本確認及計量)。

收購產生之商譽確認為一項資產，並初步按成本計量，指業務合併成本超出本集團所佔已確認可識別資產、負債及或然負債之公平淨值之差額。倘於重新評估後，本集團所佔被收購方可識別資產、負債及或然負債之公平淨值超出業務合併成本，則差額應即時於損益內確認。

少數股東所佔之被收購方權益初步按所佔已確認資產、負債及或然負債之公平淨值之比例計量。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Business combinations that took place prior to January 1, 2010 (continued)

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against the cost of the acquisition.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

Business combinations that took place on or after January 1, 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策 (續)

業務合併 (續)

於2010年1月1日前進行之業務合併 (續)

或然代價於(並僅於)其很可能產生且能可靠計量時方予以確認。或然代價之其後調整於收購成本確認。

分階段進行之業務合併按各階段單獨入賬，並於各階段釐定商譽。任何額外收購並不影響過往已確認之商譽。

於2010年1月1日或之後進行之業務合併

收購業務採用收購法入賬。業務合併之轉讓代價按公平值計量，計算方法為本集團所轉讓資產、本集團對被收購方前擁有人產生之負債及本集團就換取被收購方控制權而發行之股本權益於收購日期之公平值總和。收購相關成本通常於產生時在損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Business combinations that took place on or after January 1, 2010 (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- (i) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- (ii) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and
- (iii) assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3. 主要會計政策 (續)

業務合併 (續)

於2010年1月1日或之後進行之業務合併 (續)

於收購日期，所收購之可識別資產及所承擔之負債乃按於收購日期之公平值確認，惟以下情況除外：

- (i) 遞延稅項資產或負債及僱員福利安排之相關負債或資產分別按香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- (ii) 與被收購方以股份付款之交易有關或以本集團以股份付款之交易取代被收購方以股份付款之交易有關之負債及股本工具，乃於收購日期按香港財務報告準則第2號以股份支付計量；及
- (iii) 根據香港財務報告準則第5號持作出售之非流動資產及已終止業務分類為持作出售之資產(或出售組別)乃根據該準則計量。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Business combinations that took place on or after January 1, 2010 (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by- transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another standard.

3. 主要會計政策 (續)

業務合併 (續)

於2010年1月1日或之後進行之業務合併 (續)

商譽按轉讓代價、任何於被收購方之非控股權益金額及收購方過往於被收購方所持股權 (如有) 之公平值總和超出所收購之可識別資產及所承擔之負債於收購日期淨額之差額計量。倘於評估後所收購之可識別資產及所承擔之負債於收購日期之淨額超出轉讓代價、任何於被收購方之非控股權益金額及收購方過往於被收購方所持股權 (如有) 之公平值總和，有關差額即時於損益確認為議價購買收益。

屬現有擁有權權益且於清盤時賦予其持有人按比例應佔實體資產淨值之非控股權益可初步按公平值或非控股權益應佔被收購方可識別資產淨值之公平值比例計量，計量基準視乎個別交易作出選擇。其他類別非控股權益按其公平值或其他準則規定之其他計量基準計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Business combinations that took place on or after January 1, 2010 (continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3. 主要會計政策 (續)

業務合併 (續)

於2010年1月1日或之後進行之業務合併 (續)

倘本集團於業務合併中轉讓代價包括或然代價安排所產生之資產或負債，則或然代價按其於收購日期之公平值計量，並視為業務合併中轉讓代價之一部分。倘合資格作計量期調整之或然代價公平值變動予以追溯調整，而商譽或議價購買收益亦會作出相應調整。計量期調整指因於計量期內取得截至收購日期已存在之事實及情況之額外資料而產生之調整。計量間為收購日期起計不超過一年。

其後是否將不合資格作出計量期調整之或然代價公平值之變動入賬，視乎或然代價之分類方式而定。分類為權益之或然代價往後之報告日期重新計量，而其後償付之款項則於權益內入賬。分類為資產或負債的或然代價於往後之報告日期按照香港會計準則第39號或香港會計準則第37號撥備、或然負債或或然資產（視情況而定）重新計量，相應盈虧於損益確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Business combinations that took place on or after January 1, 2010 (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3. 主要會計政策 (續)

業務合併 (續)

於2010年1月1日或之後進行之業務合併 (續)

倘業務合併分階段完成，本集團過往於被收購方持有之股本權益重新計量至其於收購日期（即本集團取得控制權當日）之公平值，而所產生之盈虧（如有）於損益中確認。過往於收購日期前於其他全面收入確認之被收購方權益所產生款額重新分類至損益（倘有關處理方法適用於出售權益）。

當本集團取得被收購方之控制時，於收購日期前在其他全面收入確認並於權益累計之過往持有之股本權益金額變動重新分類至損益。

倘業務合併之初步會計處理於合併發生之報告期完結前尚未完成，則本集團匯報未完成會計處理之項目臨時數額。該等臨時金額會於計量期（見上文）調整，或確認額外資產或負債，以反映於收購日期已存在而據知可能影響截至該日已確認款額的事實及情況所取得之新資訊。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in subsidiaries

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

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

Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position initially at cost as adjusted for the post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, from part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of that associate.

3. 主要會計政策 (續)

於附屬公司之投資

附屬公司指本集團有權控制其財務及營運政策並一般持有過半數投票權之所有公司(包括特定用途公司)。當評估本集團是否控制另一家公司時，將考慮現時是否存在可行使或可換股的潛在投票權及其影響。

於附屬公司之投資按成本扣除已識別減值虧損後列入本公司之財務狀況表內。

於聯營公司之投資

聯營公司指本集團對其有重大影響力但並無控制權，且一般持有20%至50%投票權之所有公司。

聯營公司之業績，資產及負債乃以會計權益法綜合計入綜合財務報表。根據權益法，於聯營公司之投資乃初步按成本於綜合財務狀況表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益(其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份)，則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates (continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Jointly controlled entity

Joint venture arrangement that involves the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

3. 主要會計政策 (續)

於聯營公司之投資 (續)

收購成本超出於收購當日確認之本集團佔聯營公司可識別資產、負債及或然負債之公平淨值之差額確認為商譽。商譽納入投資賬面值內並將減值評估為投資之一部份。

本集團佔可識別資產、負債及或然負債之公平淨值超出收購成本之數額，於評估後即時於損益內確認。

倘與本集團之一間聯營公司進行一組交易，則損益以本集團於有關聯營公司中之權益為限撇銷。

共同控制實體

共同控制實體指以合營安排另行成立之獨立實體，其各合營方可共同控制該實體之經濟活動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Jointly controlled entity (continued)

The results and assets and liabilities of a jointly controlled entity are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

3. 主要會計政策 (續)

共同控制實體 (續)

共同控制實體之業績及資產及負債以權益會計法計入綜合財務報表。根據權益法，於共同控制實體之投資於綜合財務狀況表內按成本值列賬，並就本集團應佔共同控制實體資產淨值之收購後變動作出調整，扣除任何已識別減值虧損。當本集團應佔共同控制實體之虧損相當於或超出其於該共同控制實體之權益(包括大體上構成本集團於共同控制實體投資淨額之部分之任何長期權益)時，則本集團終止確認其應佔之進一步虧損。額外應佔之虧損會予以提撥，並僅於本集團產生法定或推定責任或代該共同控制實體付款時方予以確認。

本集團應佔可識別資產、負債及或然負債之公平淨值超出收購成本之任何金額於重新評估後會即時於損益內確認。

倘集團實體與本集團之共同控制實體進行交易，溢利或虧損乃以本集團於共同控制實體之權益所對銷。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on acquisitions prior to January 1, 2005

Goodwill arising on an acquisition of net assets and operations of a subsidiary or a jointly controlled entity for which the agreement date is before January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary or the relevant jointly controlled entity at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of net assets and operations of subsidiaries or a jointly controlled entity after January 1, 2001, the Group has discontinued amortisation from January 1, 2005 onwards, and such goodwill (net of cumulative amortisation at December 31, 2005) is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after January 1, 2005

Goodwill arising on an acquisition of a subsidiary or a jointly controlled entity (which is accounted for using proportionate consolidation) for which the agreement date is on or after January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary or jointly controlled entity at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

3. 主要會計政策 (續)

商譽

於2005年1月1日之前因收購所產生之商譽

因收購一間附屬公司或共同控制實體之淨資產及業務(且協議日期早於2005年1月1日)所產生之商譽乃收購成本超逾於收購日期本集團於相關附屬公司或共同控制實體可識別資產及負債公平值內權益之差額。

就於2001年1月1日前因收購附屬公司或共同控制實體之淨資產及業務產生且已資本化之商譽，本集團已自2005年1月1日起停止攤銷，而此類商譽(扣除於2005年12月31日之累計攤銷)每年(或當指標顯示商譽相關之現金產生單位可能出現減值時)進行減值測試(見下列會計政策)。

於2005年1月1日或之後因收購所產生之商譽

因收購一間附屬公司或共同控制實體(使用按比例綜合法入賬)(且協議日期為或遲於2005年1月1日)所產生之商譽乃收購成本超逾於收購日期本集團於相關附屬公司或共同控制實體可識別資產、負債及或然負債公平值內權益之差額。此等商譽乃按成本減任何累計減值虧損入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

Goodwill arising on acquisitions on or after January 1, 2005 (continued)

Capitalised goodwill arising on an acquisition of a subsidiary or a jointly controlled entity is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, 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 the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策 (續)

商譽 (續)

於2005年1月1日或之後因收購所產生之商譽 (續)

因收購一間附屬公司或共同控制實體所產生且已資本化之商譽於綜合財務狀況表內獨立呈列。

就減值測試，因收購產生之商譽被分配至每個預期因收購而產生協同效應之相關現金產生單位或單位組。獲分配商譽之現金產生單位將每年(或有指標顯示商譽相關之現金產生單位可能出現減值時)進行減值測試。於某財政年度因收購產生商譽時，所獲分配商譽之現金產生單位於該財政年度結束前進行減值測試。當現金產生單位可收回值低於其賬面值，將首先分配減值虧損抵減該單位所獲分配任何商譽之賬面值，再依據該單位內每項資產賬面值按比例抵減其他資產。商譽之減值虧損於綜合損益表內直接確認。商譽減值虧損並不於隨後期間內撥回。

之後一間附屬公司或共同控制實體若被出售，則資本化商譽之應佔金額概於計算出售之盈利或虧損時計入。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

Sale of goods is recognised when goods are delivered and the significant risks and rewards of ownership of the goods have passed to the buyer.

Maintenance services income is recognised when services are rendered.

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.

Rental income arising from operating leases is recognised on a straight-line basis over the terms of the relevant leases.

Commission income is recognised when the relevant services are rendered.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3. 主要會計政策 (續)

收入確認

收益包括本集團日常業務中出售貨品及服務的已收或應收代價的公平值。收益在扣除退貨、回佣及折扣，及抵銷本集團間之銷售後列帳。收益按以下基準確認：

銷售商品收入乃於交貨及貨品所有權之大部份風險及回報已轉移至買家時確認。

保養維修收入乃於提供服務時確認。

利息收入按時間法計入，並按未償還本金及適用實際利率(即將該金融資產之估計未來現金流入量準確折現至其賬面淨額之利率)計算。

經營租賃之租金收入乃按有關租賃之年期以直線法確認。

佣金收入乃於提供有關服務時確認。

投資所得股息收入乃根據收取股息之股東權利確認後方予入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Segment reporting

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

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type of class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the terms of the relevant leases.

3. 主要會計政策 (續)

分類報告

經營分類及財務報表所報告之各分部項目之款項乃為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團最高級行政管理層提供之財務資料中確認。

就財務報告而言，個別重大經營分類不會合併，惟分類間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分類符合大部分此等準則，則該等經營分類可能會被合併。

租賃

倘租賃之條款將資產所有權之絕大部份風險及回報撥予承租人，則有關租賃將歸類為融資租賃。所有其他租賃均歸類為經營租賃。

本集團為出租人

融資租賃承租人之欠款乃按本集團於有關租賃之淨投資額而記錄為應收賬款。融資租賃收入乃於會計期間分配，從而反映本集團有關租約之淨投資額所產生之固定回報率。

經營租賃之租金收入乃按有關租賃之年期以直線法在綜合損益表中確認。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing (continued)

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liabilities to the lessors are included in the consolidated statement of financial position as a finance lease obligations. Finance costs are charged to the consolidated income statement over the terms of the relevant leases so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rental payables under operating leases are charged to the consolidated income statement on a straight-line basis over the terms of the relevant leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land

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. 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.

3. 主要會計政策 (續)

租賃 (續)

本集團為承租人

按融資租賃而持有之資產以購置日期之公平值初步確認為本集團資產，或倘屬較低者，則以最低租賃付款之現值。對出租人相應之債務，於綜合財務狀況表中列賬為應付融資租賃債務。財務費用撥入有關租賃期間之綜合損益表內處理，就每段會計期間之債務餘額之固定支出率計算。

經營租賃之應付租金乃按有關租賃之年期以直線法於綜合損益表扣除。作為達成經營租賃之優惠而已收及應收之利益，以直線法於租期確認為租賃開支之減少金額。

租賃土地

倘租賃包括土地及樓宇部分，本集團根據評估各部分之絕大部份風險及回報是否已轉移至本集團，評估各部分獨立分類為融資或經營租賃。具體而言，最低租賃款項（包括任何一次性預付款）被分配到土地及樓宇部分之比例，以其租賃在開始時土地租賃權益和樓宇租賃權益之相對公平值比例分配。在租賃款項不能在土地及樓宇之間作可靠分配之情況下，全數租賃款項均被納入土地及樓宇之成本作為物業、廠房及設備之融資租賃。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasehold land (continued)

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.

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 its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. 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.

Exchange differences arising on the settlement of monetary items, and on the translation 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 Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

3. 主要會計政策 (續)

租賃土地 (續)

倘能可靠地分配租賃款項，則租賃土地之權益將作為一項經營租賃，於綜合財務狀況表項下之「預付租賃款項」列賬及按租賃年期以直線法攤銷。

外幣

編製每個集團企業之財務報表時，採用非該企業功能貨幣(外幣)進行之交易，一律以交易日現行匯率折算為其功能貨幣(即該企業經營之主要經濟環境通用之貨幣)入賬。於各報告期末，以外幣計值之貨幣項目以報告期末現行匯率重新折算。以外幣計值且以公平值入賬之非貨幣項目，以公平值釐定日之現行匯率重新折算。以外幣歷史成本計量之非貨幣項目概不重新折算。

因貨幣項目結算及貨幣項目折算產生之匯兌差額於產生期內之損益賬內確認，惟構成本集團對一項外國業務淨投資之貨幣項目所產生之匯兌差額除外，此類匯兌差額於綜合財務報表之權益部份確認。以公平值入賬之非貨幣項目，其重新折算產生之匯兌差額於當期損益賬內確認，惟重新折算非貨幣項目產生之收益及虧損直接於權益確認，其重新折算產生之匯兌差額亦直接於權益內確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

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. Hong Kong dollars) at the rate of exchange prevailing at the end of each reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

From January 1, 2010 onwards, on the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於各報告期末之現行匯率換算為本集團之列賬貨幣（如港元），而其他收入及支出乃按該年度之平均匯率進行換算。除非匯率於該年度內出動大幅波動則作別論，於此情況下，則採用於換算當日之現行匯率。所產生之匯兌差額（如有）乃確認作股本之獨立部份（匯兌儲備）。該等匯兌差額乃於海外業務被出售之期間內於損益內確認。

自2010年1月1日起，於出售海外業務（即出售本集團於該海外業務之全部權益，或涉及失去包括海外業務之附屬公司之控制權之出售，或涉及失去包括海外業務之共同控制實體之控制權之出售，或涉及失去對包括海外業務之聯營公司之重大影響力之出售）時，就本公司擁有人應佔之業務於權益累計之所有匯兌差異重新分類至損益。此外，有關部份出售並未導致本集團失去包括海外業務之附屬公司之控制權，則按此比例將累計匯兌差異重新分類為非控股權益，而並不於損益內確認。對於所有其他部分出售（即部分出售聯營公司或共同控制實體，而並無造成本集團失去重大影響力或共同控制權），按此比例將累計匯兌差異重新分類至損益。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

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

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Retirement benefit costs

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

3. 主要會計政策 (續)

外幣 (續)

於2005年1月1日或以後，於收購海外業務時產生之有關所收購可識別資產之商譽及公平值調整乃處理為該海外經營業務之資產及負債，並按於報告期末之現行匯率進行換算。產生之匯兌差額乃於匯兌儲備內確認。

貸款成本

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，需計入該等資產之成本中，直至該等資產大致上可供其擬定用途或銷售。

在合資格資產產生支出前，臨時投資於該等特定借貸所賺取之投資收入，乃在該等合資格資產的資本化貸款成本中扣除。

所有貸款成本均予確認並列入產生期間綜合損益表內之財務費用。

退休福利費用

界定供款退休金計劃之付款乃於僱員已提供使其有權獲得供款之服務時確認為開支。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which 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 arising on investment in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項

所得稅開支乃為現行應繳稅項與遞延稅項之總額。

現行應繳稅項根據本年度之應課稅盈利計算。應課稅盈利與綜合損益表內呈報之純利兩者差異乃因為其並無計入其他年度之應課稅或可扣減收支項目，亦無計入毋須課稅及不獲扣減之綜合損益表項目所致。本集團之現行稅項負債採用已頒佈或於報告期末已實質頒佈之稅率計算。

遞延稅項乃為綜合財務報表內資產及負債賬面值與計算應課稅盈利所用相應稅基間之差異而產生之應繳付或可退回稅項。遞延稅項負債一般按所有應課稅之暫時性差異予以確認，而遞延稅項資產則按可能會出現可用以抵銷可扣減之暫時性差異之應課稅盈利而予以確認。倘若暫時性差異乃基於商譽或於一項不影響稅務盈利或會計盈利之交易中初步確認(業務合併之情況下除外)之其他資產及負債而引致，則有關資產及負債不予確認。

遞延稅項負債按於附屬公司及聯營公司之投資以及合營公司權益所引致之應課稅暫時性差異而予以確認，惟本集團可控制暫時性差異之撥回時間及不大可能於可見將來撥回之暫時性差異則除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items that are charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Land held under medium-term lease	Over the unexpired term of lease
Buildings on land held under medium-term lease	2½ - 5%
Leasehold improvements	20% or over the lease term
Furniture, fixtures and equipment	10 - 20%
Machinery and tools	20 - 33⅓%
Motor vehicles	20 - 25%
Motor yacht	5%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末作檢討，並作出調減直至不再可能有足夠應課稅盈利恢復全部或部份資產價值。

遞延稅項按預計於償還負債或變現資產之期間內按適用之稅率計算。遞延稅項於損益中扣除或計入，惟倘遞延稅項與直接在權益中扣除或計入權益之項目有關，在此情況下遞延稅項亦會於權益中處理。

物業、廠房及設備

持作生產或供應貨品或服務或用作行政用途之物業、廠房及設備均以成本值或公平值減除累計折舊及累積減值虧損後入賬。

物業、廠房及設備之折舊，乃將其成本減除估計之殘值，按其估計之可使用年期以直線法撇銷，所使用之年率如下：

以中期契約持有之土地	契約尚餘年期
建於中期契約土地之樓宇	2½ - 5%
物業裝修	20%或於契約期內
傢俬、裝置及設備	10 - 20%
機器及工具	20 - 33⅓%
汽車	20 - 25%
機動遊艇	5%

按融資租賃持有之資產，均按其與自置資產相同基準之估計可使用年期或租賃年期折舊，以較短者為準。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

The land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

就租賃分類而言一項土地及樓宇租賃中之土地及樓宇部份乃分開考慮，惟不能在土地及樓宇部份之間可靠地分配租金者除外，而在此情況下，整項租賃一般被視為融資租約。倘租金能在土地及樓宇部份之間作出可靠分配，則土地之租賃權益將重新分類為經營租賃項下之預付租賃款項並按成本列賬及按租約年期以直線法攤銷。同樣，倘未能在土地及樓宇部份之間作出可靠分配，則土地之租賃權益將繼續入賬為物業、廠房及設備。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時所產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值之差額計算)，將計入該項目終止確認年度之綜合損益表內。

投資物業

投資物業乃因具投資潛力且可按公平基準磋商租金收入而持有之已落成物業。投資物業初步按成本計量(包括交易成本)。於初步確認後，投資物業按公平值計量。投資物業公平值變動產生之收益及虧損於其產生期內之損益入賬。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties (continued)

From January 1, 2009, investment properties under construction have been accounted for in the same way as completed investment properties. Specifically, construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction. Investment properties under construction are measured at fair value at the end of the reporting period. Any difference between the fair value of the investment properties under construction and their carrying amounts is recognised in profit or loss in the period in which they arise. Prior to January 1, 2009, the leasehold land and building elements of investment properties under construction were accounted separately; the leasehold land element was accounted for as an operating lease and the building element was measured at cost less impairment losses, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or 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 the consolidated income statement in the year in which the item is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

3. 主要會計政策 (續)

投資物業 (續)

由2009年1月1日起，在建投資物業之入賬方式與已竣工投資物業相同。特別是，在建投資物業產生之建設成本乃資本化作在建投資物業賬面值之一部分。在建投資物業乃按各報告期末之公平值計量。在建投資物業之公平值與其賬面值之間之任何差額乃於彼等產生期內之損益賬內確認。於2009年1月1日前，在建投資物業之租賃土地及樓宇部份乃分別入賬，租賃土地部份作為經營租賃入賬，樓宇部份按成本減累計減值虧損(如有)入賬。

一項投資物業被出售或該投資物業永久停止使用，或預期出售該項投資物業不會產生任何未來經濟收益，則該項投資物業被終止確認。終止確認某項資產產生之任何損益(按出售所得款項淨額與該資產賬面值之差計算)均列入有關項目被終止確認年度之綜合損益表。

存貨

存貨乃按成本或可變現淨值之較低者入賬。成本以先入先出法計算。可變現淨值乃於日常業務之估計售價減適用之可變銷售開支。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Provisions and contingent liabilities

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 directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

3. 主要會計政策 (續)

現金及現金等值項目

在現金流量表中，現金及現金等值項目包括手頭現金、銀行通知存款及於購入後三個月內到期之現金投資及銀行透支。銀行透支呈列於財務狀況表流動負債之貸款內。

撥備及或然負債

當本集團具有一項因過往事件導致之當前責任，且很有可能本集團被要求履行該項責任時，即確認撥備。撥備乃依據董事於報告期末對履行該項責任所需開支之最佳估計，若影響重大則將金額貼現為現值。

或然負債指因過往事件而產生的可能責任，而有關責任會否存在，須視乎日後一項或多項不確定事件會否出現，而出現與否非完全由本集團控制；也可以是因過往事件而已經產生的責任，但因為將來需要撥出經濟資源履行責任的機會不大，或不能對所涉及金額作可靠計量而未有入賬處理。

或然負債不予入賬，但會在財務報表附註披露。若情況有變以致將來可能需要撥出資源以履行責任，即以撥備入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

Financial assets and financial liabilities are recognised on the 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.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or 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. The accounting policies adopted in respect of each category of financial assets are set out below.

3. 主要會計政策 (續)

金融工具

當一家集團企業成為金融工具合約其中一方時，於財務狀況表內確認為金融資產及金融負債。金融資產及金融負債初步以公平值計量。直接歸於收購或發行金融資產及金融負債之交易成本(以公平值計入損益的金融資產及金融負債除外)，於初步確認時計入金融資產或金融負債(如適用)之公平值或從中扣減。收購金融資產或金融負債直接應佔，且以公平值計入損益的交易成本即時於損益內確認。

金融資產

本集團之金融資產劃分為四類，包括以公平值計入損益的金融資產、貸款及應收款項、持至到期日投資及可供出售之金融資產。金融資產之所有正常購買及出售均按交易日期基準確認。正常購買及銷售乃指須按規定或市場慣例規定之時間內交收資產之金融資產買賣。每類金融資產採用之會計政策說明如下。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument 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 on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated as at fair value through profit or loss on initial recognition.

A financial asset is classified as held for trading if:

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

3. 主要會計政策 (續)

金融工具 (續)

實際利息法

實際利息法為計算債務工具之攤銷成本以及分配於有關期間的利息收入之方法。實際利率是於初次確認時可準確透過債務工具之預計可用年期或(倘適用)在較短期間內對估計未來現金收入(包括所支付或收取能構成整體實際利率之所有費用、交易成本及其他溢價或折價)折算為賬面淨值的利率。

就債務工具而言，收入按實際利率基準確認，惟指定按公平值計入損益之金融資產，則是將利息收入計入淨收益或虧損中。

以公平值計入損益之金融資產

以公平值計入損益之金融資產包括兩個分類，即持作交易之金融資產及於初步確認時指定為以公平值計入損益之金融資產。

下列情況下金融資產乃歸類為持作買賣：

- (a) 所收購之金融資產主要用於在不久將來銷售；或
- (b) 屬於本集團整體管理之可識別金融工具組合之一部份，且近期事實上有出售以賺取短期利潤的模式；或
- (c) 屬於衍生工具(指定及具有有效對沖作用之工具除外)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)

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

- (a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (b) the financial asset 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
- (c) 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.

At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

3. 主要會計政策 (續)

金融工具 (續)

以公平值計入損益的金融資產 (續)

持作交易之金融資產以外之金融資產倘符合下列條件，則於初步確認時可被指定為以公平值計入損益之金融資產：

- (a) 該指定消除或主要減低以其他方式計量或確認而出現之不一致計量或確認；或
- (b) 金融資產構成按本集團列明之風險管理或投資策略管理的一組金融資產或金融負債或者兩者同時具有，並以公平值為基準評估其表現，及按該基準提供有關組別的內部資訊；或
- (c) 構成含有一項或多項內置衍生工具之合約的一部份，及香港會計準則第39號准許全部合併合約(資產或負債)指定為按公平值計入損益。

於初步確認後之各報告期末，以公平值計入損益之金融資產以公平值計量，而公平值變化直接於所產生期間之損益內確認。在損益內確認之盈利或虧損淨額包括從金融資產賺取之任何股息或利息。



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財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including trade and other receivables, cash and cash equivalents, amounts due from associates and amount due from a jointly controlled entity) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of 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 any of the other categories (set out above). At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investments revaluation 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 investment revaluation reserve is reclassified to profit or loss (see accounting policy in respect of 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 each reporting period subsequent to initial recognition (see accounting policy in respect of impairment loss on financial assets below).

3. 主要會計政策 (續)

金融工具 (續)

貸款及應收款項

貸款及應收款項乃固定或可釐定付款，並未於活躍市場掛牌之非衍生金融資產。於初步確認後之各報告期末，貸款及應收款項(包括貿易及其他應收款項、現金及現金等值項目、應收聯營公司款項以及應收一間共同控制實體款項)按實際利率法計算之攤銷成本減任何已辨別之減值虧損入賬(有關下文金融資產之減值虧損，請參閱會計政策)。

可供出售金融資產

可供出售金融資產乃被指定為或者無法歸入其他(如上所述)類別的非衍生金融工具。於初步確認後之各報告期末，可供出售金融資產以公平值計量。公平值變化於其他全面收入內確認，並於投資重估儲備項下累積，直至該金融資產被出售或被釐定應予減值，屆時之前於投資重估儲備累積的累積損益將會重新分類至損益(有關下文金融資產之減值虧損，請參閱會計政策)。

於活躍市場並無可報市價而其公平值未能可靠地計量，且有相連之衍生工具及必須以交付無報價股票工具作結算的可供出售股票投資，於初步確認後之各報告期末按成本減任何已辨認減值虧損計量(有關下文金融資產之減值虧損，請參閱會計政策)。

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財務報表附註

For the year ended December 31, 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those at financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each 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 impacted.

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:

- (a) significant financial difficulty of the issuer or counterparty; or
- (b) default or delinquency in interest or principal payments; or
- (c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值

於各報告期末評估金融資產有否減值跡象，惟按公平值計入損益之金融資產除外。倘有客觀證據顯示金融資產首次確認後發生的一項或多項事件導致相關投資之估計未來現金流量被削弱，則金融資產視為已減值。

就可供出售股本投資而言，倘該投資的公平值長期或持續下跌至低於其成本，則被視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據包括：

- (a) 發行人或交易對手出現重大財政困難；或
- (b) 拖欠或不支付利息或本金付款；或
- (c) 借貸方很可能破產或進行財務重組；或
- (d) 因出現財政困難導致金融資產失去活躍市場。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For certain categories of financial asset, such as trade 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 of 7 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

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 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 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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就若干類別之金融資產(例如貿易往來應收賬款)而言,被評為不會單獨作出減值之資產會於其後彙集一併評估減值。應收賬款組合出現減值之客觀證據包括本集團過往收款記錄、組合內延遲付款之拖欠期超過7至90日平均信貸期之宗數上升,以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

就按已攤銷成本列賬之金融資產而言,當有客觀證據證明資產已減值,減值虧損於損益中確認,並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算。

就按成本列賬之金融資產而言,減值虧損金額乃資產賬面值與估計未來現金流折現計算的現值兩者之間的差額,而折現率為同類金融資產之現時市場回報率。該減值虧損在期後不可撥回。

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減,惟貿易往來應收賬款除外,貿易往來應收賬款之賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當貿易往來應收賬款被視為不可收回時,將於撥備賬內撇銷。先前已撇銷的款項如其後收回,將撥回損益內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Impairment of financial assets (continued)

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.

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 equity. 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. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就按攤銷成本計量之金融資產而言，倘減值虧損額於隨後期間有所減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

可供出售股本投資之減值虧損不會於其後期間在損益內撥回。減值虧損後公平值的任何增加將直接確認為權益。就可供出售債務投資而言，倘該投資公平值之增加可客觀地與確認減值虧損後之某一事件發生聯繫，減值虧損將隨後撥回。

金融負債及權益工具

由一間集團公司發行之金融負債及權益工具，乃依據所簽署合約安排之實質，及對金融負債及權益工具之界定進行歸類。

一項權益工具乃證明於本集團資產之剩餘權益(扣減其所有負債後)之任何合約。本集團之金融負債一般分為以公平值計入損益之金融負債及其他金融負債。就金融負債及權益工具所採納之會計政策列載如下。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at financial liabilities at fair value through profit or loss, of which the interest expense is included in net gains or losses.

Other financial liabilities

Other financial liabilities including trade and other payables, bills payables, amount due to a jointly controlled entity, amounts due to related companies, borrowings and obligations under finance leases are subsequently measured at amortised cost, using the effective interest rate method.

Convertible loan note

Convertible loan note issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition.

3. 主要會計政策 (續)

金融工具 (續)

實際利息法

實際利息法為計算金融負債之攤銷成本以及分配於有關期間的利息開支之方法。實際利率是於初步確認時可準確透過金融負債之預計年期或(倘適用)在較短期間內對估計未來現金付款折算為賬面淨值的利率。

利息開支按實際利率基準確認，惟指定按公平值計入損益之金融負債，則是將利息開支計入淨收益或虧損中。

其他金融負債

其他金融負債包括貿易往來及其他應付款項、應付票據、應付一間共同控制實體款項、應付關聯公司款項、貸款及融資租賃承擔，乃採用實際利率法計算攤銷成本入賬。

可換股貸款票據

本集團發行之可換股貸款票據包含金融負債及權益部份，並於初步確認時分開歸類於各自負債及權益部份。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Convertible loan note (continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan note and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the loan note into equity, is included in equity (equity component of convertible loan note).

In subsequent periods, the liability component of the convertible loan note is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible loan note equity reserve until the embedded option is exercised, which the convertible loan note equity reserve and the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. Where the option remains unexercised at the expiry date, the balance stated in convertible loan note equity reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan note are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan note using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

可換股貸款票據 (續)

於初步確認時，負債部份之公平值乃按類似非可換股債券之現行市場息率釐定。發行可換股貸款票據所得款項淨額與歸入負債部份之公平值之差額(代表持有人將貸款票據轉換為權益之內置認購期權)計入權益(可換股貸款票據之權益部份)。

其後期間可換股貸款票據之負債部份採用實際利率法以攤銷成本入賬。權益部份(代表將負債部份轉換為本公司普通股之期權)將保留於可換股貸款票據權益儲備內直至內置期權被行使，及可換股貸款票據儲備及兌換時負債部份之賬面值將作為已發行股份之代價轉撥至股本及股份溢價。若該期權於到期日仍未行使，則於可換股貸款票據權益儲備呈列之餘額將被用於撥入累計虧損。期權於換股或失效時之損益概不會於損益內確認。

發行可換股貸款票據有關交易成本乃按所得款項分配比例，分配至負債及權益部份。與權益部份相關之交易成本直接從權益扣除。與負債部份相關之交易成本計入負債部份之賬面值並以實際利率法於可換股貸款票據年內攤銷。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of fixed-rate bank borrowings (fair value hedges) and hedges of highly probable forecast transactions for foreign currency exposure (cash flow hedges), or hedges of net investments in foreign operations.

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 designed 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.

3. 主要會計政策 (續)

金融工具 (續)

衍生金融工具及對沖

衍生工具最初於訂立衍生工具合約當日按公平值確認，其後於各報告期末按公平值重新計量。此項確認法導致之收益或虧損隨即確認為損益，除非衍生工具指定為對沖工具並按其生效。倘其指定為對沖工具，確認損益之時間則取決於對沖關係的性質。本集團指定若干衍生工具為對沖定息銀行借貸的公平值(公平值對沖)及對沖很可能發生的外幣風險預期交易(現金流量對沖)；或對沖外地營運的淨投資。

財務擔保合約

財務擔保合約為當某一指定債務人不能根據債務工具的原有或經修訂條款支付到期債務，而要求發行人作出指定之付款，以償付持有人因此而發生之損失之合約。由本集團發行及並未指定為按公平值計入損益之財務擔保合約按公平值減發行財務擔保合約直接應佔之交易成本初步確認。於初步確認後，本集團按以下兩項之較高者計量財務擔保合約：(i)按香港會計準則第37號撥備、或然負債及或然資產之規定釐定之金額；及(ii)初步確認金額減(如適用)按香港會計準則第18號收益確認之累計攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

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, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised from the Group's consolidated statement of financial position 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 or payable is recognised in profit or loss.

Properties held for sale

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

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss or the impairment loss recognised in prior years is no longer exist or have decreased. 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.

3. 主要會計政策 (續)

金融工具 (續)

終止確認

當自資產收取現金流量之權利屆滿，或該項金融資產已轉讓且本集團已大體上轉移該金融資產所有權之全部風險及報償，該金融資產即被終止確認。於終止確認某項金融資產時，有關資產賬面值及已收代價之和，與已直接於權益確認之累積收益或虧損之差額乃於損益內確認。

當有關合約規定之責任被解除、取消或屆滿之時，金融負債則自本集團之綜合財務狀況表內移除。被終止確認之金融負債賬面值與已付或應付代價之差額乃於損益內確認。

持有供出售物業

持有供出售物業以成本及可兌現淨值之較低者呈列。

減值

於各報告期末，本集團會對有形資產及無形資產之賬面金額進行核查，以確定是否有跡象顯示這些資產已蒙受減值虧損或過往年度確認之減值虧損不再存在或已予減少。倘資產之估計可收回金額低於其賬面值，則將該資產之賬面金額減低至其可收回金額。減值虧損會即時確認為一項費用。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment (continued)

Where an impairment loss subsequently reverse, the carrying amount of the asset other than goodwill 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.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

For grants of share options which are conditional upon satisfying specified vesting conditions, the fair value of services received 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). The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

For share options which are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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 retained profits.

3. 主要會計政策 (續)

減值 (續)

倘減值虧損於其後撥回，除商譽以外之資產之賬面金額增加至其可收回金額之重新估計值，惟增加後之賬面金額不能超過該資產過往年度已確認為無減值虧損之賬面金額。減值虧損之撥回即時確認為收入。

以股份付款之交易

以權益結算並以股份付款之交易

授予僱員之優先認股權

就授出須符合指定歸屬條件之優先認股權而言，參考於授出日期授出優先認股權之公平值而釐定所得服務之公平值，於歸屬期內以直線法確認為開支，並於權益（優先認股權儲備）中作出相應增加。對原先估計所作修訂於歸屬期內的影響（如有），在損益內確認，並對優先認股權儲備作相應調整。

就於授出日期歸屬之優先認股權而言，所授出優先認股權之公平值即時在損益內支銷。

於行使優先認股權時，先前在優先認股權儲備中確認之金額將轉撥至股份溢價。倘優先認股權於歸屬期後被沒收，或於屆滿日期仍未行使，則先前在優先認股權儲備中確認之金額將轉撥至保留盈利。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivatives designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); and (ii) hedges of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the consolidated income statement immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The adjustment to the carrying amount of the hedged item for which the effective interest is used is amortised to profit or loss as soon as an adjustment exists. The adjustment is based on a recalculated effective interest rate at the date the amortisation begins.

3. 主要會計政策 (續)

衍生金融工具及對沖活動之會計處理

衍生工具初始時按公平值於訂立衍生工具合約之日期確認，其後於各報告末按其公平值重新計算。確認所得損益之方法視乎衍生工具是否被指定為對沖工具而定，倘被指定為對沖工具，則取決於所對沖之項目性質。本集團指定若干衍生工具為：(i)對沖已確認資產或負債之公平值或一項肯定承擔(公平值對沖)；及(ii)對沖極有可能進行之預期交易(現金流量對沖)。

本集團於交易開始時記錄對沖工具與對沖項目之間的關係，以及其風險管理目標及進行多項對沖交易之策略。本集團亦於對沖開始時及持續地記錄對其用於對沖交易之衍生工具是否可相當有效地抵銷對沖項目之公平值或現金流量之變動所作的評估。

(i) 公平值對沖

凡被指定及符合條件作為公平值對沖的衍生工具之公平值變動，連同因對沖風險導致的對沖資產或負債的公平值之任何變動即時於綜合損益表內確認。就採用實際利率法入賬之對沖項目之賬面值所作之調整，於出現調整時即時於損益內攤銷。調整乃根據攤銷開始當日之重新計算實際利率而作出。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Accounting for derivative financial instruments and hedging activities

(continued)

(i) Fair value hedge (continued)

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Amounts accumulated in equity are recognised in the consolidated income statement as the underlying hedged items are recognised. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

(iii) Derivatives that do not qualify for hedge accounting and those not designated as hedges

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting and those not designated as hedges are recognised immediately in the consolidated income statement.

3. 主要會計政策 (續)

衍生金融工具及對沖活動之會計處理 (續)

(i) 公平值對沖 (續)

倘本集團撤銷對沖關係、對沖工具期滿或售出、終止或行使，或不再符合對沖會計之準則，則不再作對沖會計處理。

(ii) 現金流量對沖

凡被指定及符合條件作為現金流量對沖的衍生工具公平值變動之有效部份於權益內確認。有關無效部份的損益即時於綜合損益表內確認。

於權益所累計之金額於相關對沖項目獲確認時，於綜合損益表內確認。當對沖工具屆滿或出售，或當對沖不再符合對沖會計方法之條件時，當時於權益內存在之任何累計損益仍保留於權益內，並於預期交易最終於綜合損益表內確認時予以確認。當預期交易預期不再進行時，權益所呈列之累計損益會即時轉撥至綜合損益表內。

(iii) 不符合資格進行對沖會計及並非被指定為對沖的衍生工具

凡不符合條件進行對沖會計及並非被指定為對沖之任何衍生工具公平值變動會即時於綜合損益表內確認。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is 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.

Provision for impairment loss on trade and other receivables

The provision for impairment loss on trade and other receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each account. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. 關鍵會計判斷及重要估計不確定因素

在應用附註3所述之本集團會計政策時，管理層必須就未能從其他資料來源確定之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃按過往經驗及其他被視為有關之因素而作出。實際業績可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。倘修訂僅影響該修訂期間，會計估計之修訂於修訂估計期間確認，或倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

貿易往來及其他應收賬款減值撥備

本集團之貿易往來及其他應收賬款減值撥備，乃依據對可收回性評估、賬齡分析及管理層之判斷而定。評估該等應收款項之最終變現能力時需作出大量判斷，包括每個賬戶之現有信貸能力及過往收賬紀錄。若債務人之財務狀況惡化，導致其償付能力降低，則可能需要額外撥備。



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財務報表附註

For the year ended December 31, 2010
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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Provision for obsolete inventories

The management of the Group reviews an aging analysis at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes provision for obsolete items.

Estimated impairment for 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. At December 31, 2010, the carrying amount of goodwill was HK\$30,044,000 (2009: HK\$30,189,000). Details of the recoverable amount calculation are disclosed in note 18.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

4. 關鍵會計判斷及重要估計不確定因素 (續)

陳舊存貨撥備

本集團管理層於各報告期末審查賬齡分析，對陳舊及滯銷存貨提撥準備。管理層主要依據最後發票價格及現行市況估計此等製成品之可變現淨值。本集團於各報告期末逐項產品進行存貨審核，對陳舊存貨提撥準備。

估計商譽減值

釐定商譽是否減值需要對商譽分配之現金產生單位之使用價值進行估計。該使用價值計算需要本集團估計有關現金產生單位預期產生之未來現金流量及適當折現率，以計算現值。於2010年12月31日，商譽賬面值為港幣30,044,000元(2009年：港幣30,189,000元)。可收回金額計算詳情披露於附註18。

衍生工具及其他金融工具之公平值

非於活躍市場買賣之金融工具之公平值乃採用估值技巧計算。本集團採用其判斷以選取多種不同方法及根據於各報告期末當時之市況作出假設。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will accordingly be adjusted in the relevant tax account in the year in which such determination is made.

5. TURNOVER

Sales of goods to customers, less returns and discounts	銷售商品予客戶， 扣除退回及折扣
Maintenance service income	保養維修服務之收入
Rental income	租金收入

4. 關鍵會計判斷及重要估計不確定因素(續)

所得稅

本集團須於眾多司法權區繳納所得稅。釐定全球範圍之所得稅撥備須作出重要判斷。倘最終稅務結果不同於初步紀錄金額，有關差異將於作出釐定年度內之稅項賬目作出調整。

5. 營業額

	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Sales of goods to customers, less returns and discounts	1,504,832	1,162,548
Maintenance service income	98,995	77,431
Rental income	334	737
	1,604,161	1,240,716



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010

截至2010年12月31日止年度

6. SEGMENT INFORMATION

The Group has reporting segments into three operating divisions: cars, electrical appliances and fashion apparels and accessories. These divisions are the basis on which the Group reports its segment information. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

The three operating and reportable segments are as follows:

Cars	Trading of cars and related accessories and provision of car repairing services
Electrical appliances	Distribution of air-conditioning products, audio-visual equipment, car audio and other electrical appliances
Fashion apparels and accessories	Distribution and retail of fashion apparels and accessories

In addition, other unreportable segment (motor yachts and property investment) are aggregated and presented as "Others".

6. 分類資料

本集團報告分類分成三個經營部門：汽車、電器以及時裝及配飾。該等部門為本集團呈報其主要分類資料之基準。分類乃根據管理層用於作出決策並由主要營運決策者定期檢討有關本集團業務之資產而作出，以分配資源至各分類及評估其表現。

三個經營業務及報告分類如下：

汽車	買賣汽車及相關配件及提供汽車維修服務
電器	分銷空調產品、影音設備、汽車音響及其他電器
時裝及配飾	分銷及零售時裝及配飾

此外，其他並無呈列之分類（機動遊艇及物業投資）乃合計及呈列為「其他」。

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財務報表附註

For the year ended December 31, 2010

截至2010年12月31日止年度

6. SEGMENT INFORMATION (continued)

6. 分類資料(續)

Segment revenue and results

分類收益及業績

2010

		Cars	Electrical appliances	Fashion apparels and accessories	Others	Eliminations	Consolidated
		汽車	電器	時裝及配飾	其他	抵銷	綜合賬目
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Turnover	營業額						
External sales	外部銷售收益	1,239,043	246,662	53,839	64,617	—	1,604,161
Inter-segment sales	業務之間銷售收益	155	122	—	—	(277)	—
Total turnover	營業總額	1,239,198	246,784	53,839	64,617	(277)	1,604,161
Inter-segment sales are charged at arm's length	業務之間銷售按正常價格收取						
Results	業績						
Segment results	分類業績	35,637	13,398	271	4,243	—	53,549
Interest income	利息收入						2,094
Unallocated other operating income	未分類其他經營收入						16,085
Unallocated corporate expenses	未分類公司支出						(26,219)
Profit from operations	經營盈利						45,509
Finance costs	財務費用						(10,228)
Impairment on available-for-sale financial assets	可供出售金融資產之減值						(5,700)
Net gain on disposal of subsidiaries	出售附屬公司之淨收益						9,273
Share of result of a jointly controlled entity	應佔一間共同控制實體業績	—	—	(335)	—	—	(335)
Profit before tax	除稅前盈利						38,519
Income tax expenses	所得稅開支						(3,034)
Profit for the year	本年度盈利						35,485



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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6. SEGMENT INFORMATION (continued)

6. 分類資料 (續)

Segment assets and liabilities

分類資產及負債

2010

		Cars 汽車 HK\$'000 港幣千元	Electrical appliances 電器 HK\$'000 港幣千元	Fashion apparels and accessories 時裝及配飾 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Consolidated 綜合賬目 HK\$'000 港幣千元
Consolidated statement of financial position	綜合財務狀況表					
Assets	資產					
Segment assets	分類資產	408,382	95,812	62,289	43,954	610,437
Unallocated corporate assets	未分類公司資產					248,360
Consolidated total assets	綜合總資產					858,797
Liabilities	負債					
Segment liabilities	分類負債	302,913	52,092	15,430	3,747	374,182
Unallocated corporate liabilities	未分類公司負債					218,190
Consolidated total liabilities	綜合總負債					592,372

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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6. SEGMENT INFORMATION (continued)

6. 分類資料(續)

Other segment information

其他分類資料

2010

		Cars	Electrical	Fashion	Others	Unallocated	Consolidated
		Cars	appliances	apparels and	Others	Unallocated	Consolidated
		汽車	電器	時裝及配飾	其他	未分類	綜合賬目
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Other information	其他資料						
Capital expenditures	資本支出	24,691	729	2,269	—	30,408	58,097
Depreciation	折舊	11,954	536	1,271	213	3,650	17,624
Amortisation of prepaid lease payments	預付租賃 款項攤銷	—	—	—	25	13	38
Fair value gains on investment properties	投資物業之 公平值收益	—	—	—	320	—	320
Reversal of properties held for sale to net realisable value	持作出售物業 撥回至可變 現淨值	—	—	—	3,710	—	3,710
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房 及設備之 收益/(虧損)	11	(2)	(106)	—	1,693	1,596
Impairment on available-for-sale financial assets	可供出售金融資產之 減值	—	—	—	—	5,700	5,700



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財務報表附註

For the year ended December 31, 2010

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6. SEGMENT INFORMATION (continued)

6. 分類資料 (續)

Segment revenue and results

分類收益及業績

2009

		Cars 汽車	Electrical appliances 電器	Fashion apparels and accessories 時裝及配飾	Others 其他	Eliminations 抵銷	Consolidated 綜合賬目
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Turnover	營業額						
External sales	外部銷售收益	976,356	177,193	70,598	16,569	—	1,240,716
Inter-segment sales	業務之間銷售收益	—	2,184	32	—	(2,216)	—
Total turnover	營業總額	976,356	179,377	70,630	16,569	(2,216)	1,240,716
Inter-segment sales are charged at arm's length	業務之間銷售按正常價格收取						
Results	業績						
Segment results	分類業績	(48,461)	(2,017)	(24,959)	(20,882)	—	(96,319)
Interest income	利息收入						2,575
Unallocated corporate expenses	未分類公司支出						(26,730)
Loss from operations	經營虧損						(120,474)
Finance costs	財務費用						(9,236)
Restructuring costs	重組費用						(10,081)
Impairment on available-for-sale financial assets	可供出售金融資產之減值						(6,000)
Impairment on goodwill	商譽減值	—	—	(3,176)	—	—	(3,176)
Share of results of associates	應佔聯營公司業績	—	—	—	(95)	—	(95)
Share of result of a jointly controlled entity	應佔一間共同控制實體業績	—	—	(1,729)	—	—	(1,729)
Loss before tax	除稅前虧損						(150,791)
Income tax expenses	所得稅開支						(399)
Loss for the year	本年度虧損						(151,190)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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6. SEGMENT INFORMATION (continued)

6. 分類資料(續)

Segment assets and liabilities

分類資產及負債

2009

		Cars 汽車 HK\$'000 港幣千元	Electrical appliances 電器 HK\$'000 港幣千元	Fashion apparels and accessories 時裝及配飾 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Consolidated 綜合賬目 HK\$'000 港幣千元
Consolidated statement of financial position	綜合財務狀況表					
Assets	資產					
Segment assets	分類資產	341,693	74,891	79,249	81,410	577,243
Unallocated corporate assets	未分類公司資產					200,634
Consolidated total assets	綜合總資產					<u>777,877</u>
Liabilities	負債					
Segment liabilities	分類負債	260,019	39,877	32,328	22,507	354,731
Unallocated corporate liabilities	未分類公司負債					203,813
Consolidated total liabilities	綜合總負債					<u>558,544</u>



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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6. SEGMENT INFORMATION (continued)

6. 分類資料 (續)

Other segment information (restated)

其他分類資料 (重列)

2009

		Fashion				Unallocated 未分類	Consolidated 綜合賬目
		Cars 汽車	Electrical appliances 電器	accessories 時裝及配飾	Others 其他		
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Other information	其他資料						
Capital expenditures	資本支出	23,429	1,218	1,579	81	2,354	28,661
Depreciation	折舊	10,620	482	2,334	257	3,408	17,101
Amortisation of prepaid lease payments	預付租賃 款項攤銷	—	—	12	27	—	39
Fair value gains on investment properties	投資物業之 公平值收益	—	—	—	740	—	740
Reversal of properties held for sale to net realisable value	持作出售物業 撥回至可變 現淨值	—	—	—	610	—	610
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房 及設備之 收益/(虧損)	(2,433)	159	(3,834)	(93)	115	(6,086)
Impairment on available-for-sale financial assets	可供出售金融資產之 減值	—	—	—	—	6,000	6,000

Segment results represent the profit/(loss) generated by each segment without allocation of finance costs, restructuring costs, impairment on available-for-sale financial assets, impairment on goodwill, share of results of associates, share of result of a jointly controlled entity and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment measurement.

分類業績指各分類所產生之盈利/(虧損)，不包括財務費用、重組費用、可供出售金融資產之減值、商譽減值、應佔聯營公司業績、應佔一間共同控制實體業績及所得稅開支。此乃本集團之主要營運決策者就資源分配及評估分類表現之報告計量方式。

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For the year ended December 31, 2010
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6. SEGMENT INFORMATION (continued)

For the purpose of monitoring segment performance and allocating resource between segment:

- all assets are allocated to reportable segment other than corporate assets and available-for-sale financial assets;
- all liabilities are allocated to reportable segment other than corporate liabilities.

Information about major customers

No turnover from major customers contributing over 10% of total sales of the Group for both years.

Geographical information

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, Mainland China and Macau. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

		Turnover by geographical market 地區市場分類之營業額	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Hong Kong	香港	1,174,696	957,668
Singapore	新加坡	95,563	72,828
Malaysia	馬來西亞	51,697	31,294
Mainland China	中國內地	273,658	170,663
Macau	澳門	8,547	8,263
		1,604,161	1,240,716

6. 分類資料(續)

為了監察分類表現及於分類間分配資源：

- 除公司資產及可供出售金融資產外，所有資產均分配至可報告分類；
- 除公司負債外，所有負債均分配至可報告分類。

主要客戶資料

於兩個年度內，無來自主要客戶之營業額超逾本集團總銷售之10%。

地區資料

本集團之業務主要分佈於香港、新加坡、馬來西亞、中國內地及澳門。下表按地區市場分析本集團之營業額(不論商品/服務之原產地)：



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財務報表附註

For the year ended December 31, 2010
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6. SEGMENT INFORMATION (continued)

Geographical information (continued)

The following is an analysis of the carrying amount of non-current assets (excluding deferred tax assets and derivative financial instrument) analysed by the geographical area in which the assets are located:

		Carrying amount of non-current assets 非流動資產之賬面值		
		31/12/10	31/12/09	01/01/09
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
			(Restated)	(Restated)
			(重列)	(重列)
Hong Kong	香港	112,539	71,417	65,619
Singapore	新加坡	1,048	1,002	359
Malaysia	馬來西亞	518	249	239
Mainland China	中國內地	49,749	62,013	66,268
Macau	澳門	—	48	—
		163,854	134,729	132,485

6. 分類資料 (續)

地區資料 (續)

按資產所在地區分析之非流動資產(不包括遞延稅項資產及衍生金融工具)之賬面值如下:

7. OTHER OPERATING INCOME

		2010	2009
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Commission income	佣金收入	5,990	2,808
Interest income	利息收入	2,094	2,575
Exchange gain, net	匯兌淨收益	—	266
Gain on disposal of property, plant and equipment	出售物業、廠房及設備 之收益	1,596	—
Waiver of other payable	豁免其他應付賬款	16,085	—
Sundry income	雜項收入	361	283
		26,126	5,932

7. 其他營業收入

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8. PROFIT/(LOSS) FROM OPERATIONS

8. 經營盈利／(虧損)

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元 (Restated) (重列)
Profit/(loss) from operations has been arrived at after charging:	經營盈利／(虧損)已扣除：		
Auditors' remuneration	核數師酬金	780	867
Cost of inventories recognised as expenses (included write-down of inventories to net realisable value of HK\$2,855,000 (2009: HK\$8,070,000))	確認為開支之存貨成本 (包括存貨減值至可變現淨值港幣2,855,000元 (2009年：港幣8,070,000元))	1,331,869	1,078,437
Amortisation of prepaid lease payments	預付租賃款項攤銷	38	39
Depreciation of:	折舊：		
Owned assets	自置資產	17,447	17,043
Assets held under finance leases	融資租賃資產	177	58
Staff costs, including Directors' emoluments	僱員成本，包括董事酬金	105,358	107,681
Operating lease rental in respect of land and buildings:	就土地及樓宇之經營租賃租金：		
Minimum lease payments	最低租金	36,815	51,635
Contingent rentals	或然租金	554	1,202
Share-based payment expenses	股份付款開支	793	1,671
Exchange loss, net	匯兌淨虧損	687	—



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9. FINANCE COSTS

9. 財務費用

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Interest expenses on:	利息支出於：		
Bank loans, trust receipts loans and overdrafts wholly repayable within five years	5年內全數償還之銀行貸款、 信託收據貸款及透支	7,551	7,117
Bank loans wholly repayable after five years	5年後全數償還之銀行貸款	—	799
Other loans wholly repayable within five years	5年內全數償還之其他貸款	1,644	890
Effective interest expense on convertible loan note	可換股貸款票據之 實際利息支出	496	—
		9,691	8,806
Finance lease charges	融資租賃費用	12	5
Bank charges	銀行費用	525	425
		10,228	9,236

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10. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit arising in Hong Kong for the year.

Outside Hong Kong taxation is calculated at the rates prevailing in the respective jurisdictions.

10. 所得稅開支

香港利得稅乃根據本年度於香港產生之估計應課稅盈利按16.5%計算。

香港以外稅項乃根據各自司法權區之現行稅率計算。

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Current tax:	本年度稅項：		
Hong Kong	香港	2,461	—
Outside Hong Kong	香港以外	622	386
		3,083	386
Deferred tax: (note 34)	遞延稅項：(附註34)		
Hong Kong	香港	(49)	—
Outside Hong Kong	香港以外	—	13
		(49)	13
Income tax expenses attributable to the Company and its subsidiaries	本公司及其附屬公司應佔所得稅開支	3,034	399



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For the year ended December 31, 2010
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10. INCOME TAX EXPENSES (continued)

The tax expenses for the year can be reconciled to the profit/(loss) before tax as follows:

10. 所得稅開支(續)

本年度稅項開支可與除稅前盈利/(虧損)對賬如下：

		2010		2009	
		HK\$'000	%	HK\$'000	%
		港幣千元		港幣千元	
Profit/(loss) before tax	除稅前盈利/(虧損)	38,519		(150,791)	
Tax at the Hong Kong Profits tax rate of 16.5%	按香港利得稅稅率 16.5%	6,356	16.5	(24,881)	(16.5)
Tax effect of share of result of a jointly controlled entity	應佔一間共同控制實體業績之稅務影響	55	0.1	285	0.2
Tax effect of expenses that are not deductible for tax purposes	就稅務目的不可扣減開支之稅務影響	33,925	88.1	38,709	25.7
Tax effect of income that are not taxable for tax purposes	就稅務目的無需課稅之稅務影響	(37,632)	(97.7)	(31,661)	(21.0)
Under provision in respect of prior year	以往年度不足撥備	(431)	(1.1)	208	0.1
Utilisation of deferred tax assets previously not recognised	動用先前未予確認之遞延稅項資產	—	—	(553)	(0.3)
Utilisation of tax losses previously not recognised	動用先前未予確認之稅項虧損	(2,985)	(7.7)	—	—
Tax effect of tax losses not recognised	未予確認稅項虧損之稅務影響	3,124	8.1	19,922	13.2
Effect of different tax rates of subsidiaries and associates operating in other jurisdictions	於其他司法權區經營之附屬公司及聯營公司不同稅率之影響	622	1.6	(1,630)	(1.1)
Tax expense and effective tax rate for the year	本年度稅項開支及有效稅率	3,034	7.9	399	0.3

There was no share of tax attributable to associates at December 31, 2010 and 2009.

於2010年及2009年12月31日，並無應佔聯營公司之應佔稅項。

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11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

11. 每股盈利／（虧損）

本公司擁有人應佔每股基本及攤薄盈利／（虧損）乃按下列數據計算：

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Earnings/(loss)	盈利／（虧損）		
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	用作計算每股基本及攤薄盈利／（虧損）之盈利／（虧損）	27,879	(141,225)

		2010 Number of Shares 股份數目	2009 Number of Shares 股份數目
Number of shares	股份數目		

Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	用作計算每股基本盈利／（虧損）之普通股加權平均數	2,281,284,495	1,603,184,015
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Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Share options granted by the Company	本公司已授出優先認股權	34,269,923	—

Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	用作計算每股攤薄盈利／（虧損）之普通股加權平均數	2,315,554,418	1,603,184,015
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Diluted loss per share for the year ended December 31, 2009 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options were anti-dilutive.

截至2009年12月31日止年度之每股攤薄虧損與每股基本虧損相同。由於本公司之未行使優先認股權具有反攤薄影響，因此計算每股攤薄虧損時，本公司之未行使優先認股權並無計算在內。



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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the Directors were as follows:

2010

	Fees 袍金 HK\$'000 港幣千元	Other emoluments 其他酬金			Total emoluments 酬金總額 HK\$'000 港幣千元
		Salaries and other benefits 薪金及 其他福利 HK\$'000 港幣千元	Performance related incentive payments 與業務表現 相關之獎金 HK\$'000 港幣千元	Retirement benefit scheme contributions 退休福利 計劃之供款 HK\$'000 港幣千元	
Executive Directors 執行董事					
Richard Man Fai LEE 李文輝	—	2,533	—	12	2,545
Jeff Man Bun LEE 李文彬	—	—	—	—	—
Tik Tung WONG 汪滌東	—	1,008	—	12	1,020
	—	3,541	—	24	3,565
Non-executive Director 非執行董事					
Kam Har YUE 余金霞	34	—	—	—	34
Independent Non-executive Directors 獨立非執行董事					
Boon Seng TAN 陳文生	90	—	—	—	90
Ying Kwan CHEUNG 張應坤	90	—	—	—	90
Peter Pi Tak YIN 尹彼德	90	—	—	—	90
	270	—	—	—	270
Total 總額	304	3,541	—	24	3,869

12. 董事及僱員酬金

(a) 董事酬金

已付或應付給董事每人之酬金如下：

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

2009

		Fees 袍金 HK\$'000 港幣千元	Other emoluments 其他酬金			Total emoluments 酬金總額 HK\$'000 港幣千元
			Salaries and other benefits 薪金及 其他福利 HK\$'000 港幣千元	Performance related incentive payments 與業務表現 相關之獎金 HK\$'000 港幣千元	Retirement benefit scheme contributions 退休福利 計劃之供款 HK\$'000 港幣千元	
Executive Directors	執行董事					
Richard Man Fai LEE	李文輝	—	1,329	1,056	12	2,397
Jeff Man Bun LEE	李文彬	—	—	—	—	—
Tik Tung WONG	汪滌東	—	889	13	12	914
Waison Chit Sing HUI (resigned on July 1, 2009)	許捷成 (於2009年 7月1日辭任)	—	479	6	6	491
		—	2,697	1,075	30	3,802
Non-executive Director	非執行董事					
Kam Har YUE	余金霞	34	—	—	—	34
Independent Non-executive Directors	獨立非執行董事					
Raymond Cho Min LEE (resigned on June 3, 2009)	李卓民 (於2009年 6月3日辭任)	38	—	—	—	38
Boon Seng TAN	陳文生	90	—	—	—	90
Ying Kwan CHEUNG	張應坤	90	—	—	—	90
Peter Pi Tak YIN (appointed on September 2, 2009)	尹彼德 (於2009年 9月2日獲委任)	30	—	—	—	30
		248	—	—	—	248
Total	總額	282	2,697	1,075	30	4,084

12. 董事及僱員酬金 (續)

(a) 董事酬金 (續)



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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The performance related incentive payments are determined as a percentage of the turnover or the profit after tax of the Group.

There was no arrangement under which a Director waived or agreed to waive any remuneration during the years ended December 31, 2010 and 2009.

During the years ended December 31, 2010 and 2009, no emoluments were paid by the Group to the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

(b) Employees' emoluments

During the year, the five highest paid individuals included one Director (2009: one Director), details of whose emoluments are set out in note 12(a) above. The emoluments of the remaining highest paid individuals were as follows:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	6,927	9,045
Retirement benefits scheme contributions	退休福利計劃之 供款	28	35
		6,955	9,080

12. 董事及僱員酬金 (續)

(a) 董事酬金 (續)

與業務表現相關之獎金乃依據本集團之營業額或除稅後盈利之若干百分比釐定。

並無任何董事於截至2010年及2009年12月31日止年度放棄或同意放棄任何酬金。

截至2010年及2009年12月31日止年度，本集團並無向董事支付任何酬金，作為加入本集團之聘金或離職賠償。

(b) 僱員酬金

年內，5位薪酬最高人士中，1位為董事(2009年：1位董事)，其酬金細節已於上文附註12(a)內披露。餘下薪酬最高人士之酬金如下：

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments (continued)

The emoluments of the remaining highest paid individuals fell within the following bands:

		2010 Number of employees 僱員人數	2009 Number of employees 僱員人數
HK\$1,000,001-HK\$1,500,000	港幣1,000,001元 – 港幣1,500,000元	—	2
HK\$1,500,001-HK\$2,000,000	港幣1,500,001元 – 港幣2,000,000元	4	—
HK\$2,500,001-HK\$3,000,000	港幣2,500,001元 – 港幣3,000,000元	—	1
HK\$4,500,001-HK\$5,000,000	港幣4,500,001元 – 港幣5,000,000元	—	1
		4	4

During the years ended December 31, 2010 and 2009, no emoluments were paid by the Group to the non-director, highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12. 董事及僱員酬金 (續)

(b) 僱員酬金 (續)

於下列酬金範圍，最高酬金之人士數目如下：

	2010 Number of employees 僱員人數	2009 Number of employees 僱員人數
港幣1,000,001元 – 港幣1,500,000元	—	2
港幣1,500,001元 – 港幣2,000,000元	4	—
港幣2,500,001元 – 港幣3,000,000元	—	1
港幣4,500,001元 – 港幣5,000,000元	—	1
	4	4

截至2010年及2009年12月31日止年度，本集團並無向非董事最高薪僱員支付任何酬金，作為加入本集團之聘金或離職賠償。

13. RETIREMENT BENEFIT SCHEME

The Group operates a mandatory provident fund (“MPF”) scheme for all qualifying employees of its Hong Kong subsidiaries. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The retirement benefit cost charged to the consolidated income statement during the year amounted to HK\$1,836,000 (2009: HK\$2,181,000), which represents contributions paid or payable to the fund by the Group at the rates specified in the MPF Ordinance.

For subsidiaries other than in Hong Kong, contributions are made to the defined contribution schemes by the Group at rates specified in the rules of the schemes at the relevant jurisdiction. The contributions made by subsidiaries other than in Hong Kong during the year amounted to HK\$3,319,000 (2009: HK\$3,216,000).

13. 退休福利計劃

本集團為其香港附屬公司所有合資格員工設立一個強制性公積金（「強積金」）計劃，該計劃之資產由信託人於獨立於本集團資產之基金持有及控制。於本年度綜合損益表已扣除退休福利費用為港幣1,836,000元（2009年：港幣2,181,000元），此數額乃本集團按強積金條例指定比率對該基金之已付或應付供款。

至於香港以外之附屬公司，本集團就定額供款計劃作出之供款乃按有關司法權區之計劃規則訂明之比率作出。本年度香港以外附屬公司作出之供款為港幣3,319,000元（2009年：港幣3,216,000元）。



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14. RESTRUCTURING COSTS

During the year ended December 31, 2009, the Group embarked on a business restructuring plan as a cost cutting measure to scale down the non-performing businesses and to alleviate the operating expenses of the Group. Pursuant to the business restructuring plan, certain tenancy agreements and employment contracts of certain staff were terminated and the relevant severance payment of HK\$10,081,000 was incurred as restructuring costs for the year ended December 31, 2009.

14. 重組費用

截至2009年12月31日止年度，本集團開始推行業務重組計劃，這項削減成本措施旨在縮減表現未如理想的業務，以及減少本集團的經營開支。根據業務重組計劃，截至2009年12月31日止年度，若干租賃協議及若干員工的僱傭合約已終止，並產生港幣10,081,000元的重組費用。

15. INVESTMENT PROPERTIES

15. 投資物業

		Investment properties outside Hong Kong held under medium-term leases 在香港以外地區根據中期契約持有之投資物業 HK\$'000 港幣千元
The Group	本集團	
Fair value	公平值	
At January 1, 2009	於2009年1月1日	17,000
Increase in fair value recognised in the consolidated income statement	於綜合損益表確認之公平值增加	740
At December 31, 2009 and January 1, 2010	於2009年12月31日及2010年1月1日	17,740
Disposal of subsidiaries	出售附屬公司	(15,060)
Increase in fair value recognised in consolidated income statement	於綜合損益表確認之公平值增加	320
At December 31, 2010	於2010年12月31日	3,000

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15. INVESTMENT PROPERTIES (continued)

The investment properties of the Group were revalued by Raffles Appraisals Limited, independent qualified professional valuers. Raffles Appraisals Limited is the member of the Hong Kong Institute of Valuers, and has appropriate qualifications and recent experiences in the valuation of similar properties in relevant locations. The valuation, which conforms to International Valuation Standards, was arrived by reference to an open market, existing use basis.

The Group's investment properties are measured using the fair value model.

The investment properties of the Group are rented out or available for rent under operating leases purpose, further summary details of which are included in note 40.

At December 31, 2010, the Group had not pledged investment properties to secure facilities granted to the Group (2009: HK\$15,060,000) (note 43).

15. 投資物業(續)

本集團投資物業由獨立專業估值師萊斯評估有限公司進行重估。萊斯評估有限公司為香港估值師協會會員，在相關地區的同類物業估值方面具有合適資格及近期經驗。該估值符合國際估值準則，乃按公開市場及現有使用基準進行。

本集團投資物業均使用公平值模式計量。

本集團已租出或空置作出租用途之投資物業均屬經營租賃，有關概要的進一步詳情載於附註40。

於2010年12月31日，本集團並無抵押投資物業，藉以為授予本集團之信貸作擔保(2009年：港幣15,060,000元)(附註43)。



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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold land in Hong Kong under medium term lease 在香港根據 中期契約 持有之土地 HK\$'000 港幣千元	Buildings outside Hong Kong 在香港以外 持有之樓宇 HK\$'000 港幣千元	Buildings in Hong Kong 在香港 持有之樓宇 HK\$'000 港幣千元	Leasehold improvements 物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 港幣千元	Machinery and tools 機器及工具 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Motor yacht 機動遊艇 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
The Group (Restated)	本集團 (重列)									
Cost	成本值									
At January 1, 2009	於2009年1月1日	26,090	899	2,087	56,362	36,150	9,586	11,961	17,636	160,771
Exchange difference	匯兌差額	—	1	—	103	499	302	25	—	930
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	18	—	—	—	18
Additions	添置	—	—	—	14,899	5,478	5,675	2,609	—	28,661
Disposals	出售	—	—	—	(9,623)	(2,527)	(1,219)	(3,908)	—	(17,277)
At December 31, 2009 and January 1, 2010	於2009年12月31日 及2010年1月1日	26,090	900	2,087	61,741	39,618	14,344	10,687	17,636	173,103
Exchange difference	匯兌差額	—	8	—	884	291	158	224	—	1,565
Additions	添置	16,036	—	12,994	2,512	5,164	2,070	19,321	—	58,097
Disposal of subsidiaries	出售附屬公司	—	—	—	(39)	(310)	—	—	—	(349)
Disposals	出售	—	—	—	(928)	(16,399)	(804)	(3,241)	—	(21,372)
At December 31, 2010	於2010年12月31日	42,126	908	15,081	64,170	28,364	15,768	26,991	17,636	211,044
Accumulated depreciation	累計折舊									
At January 1, 2009	於2009年1月1日	272	26	52	32,862	29,340	7,216	7,006	1,764	78,538
Exchange difference	匯兌差額	—	—	—	45	483	298	19	—	845
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	12	—	—	—	12
Provided for the year	本年度折舊	652	23	52	9,379	2,831	1,412	1,870	882	17,101
Eliminated upon disposals	出售時撇銷	—	—	—	(3,740)	(1,687)	(991)	(2,266)	—	(8,684)
At December 31, 2009 and January 1, 2010	於2009年12月31日 及2010年1月1日	924	49	104	38,546	30,979	7,935	6,629	2,646	87,812
Exchange difference	匯兌差額	—	—	—	635	216	63	140	—	1,054
Provided for the year	本年度折舊	786	24	160	7,778	3,229	1,994	2,771	882	17,624
Disposal of subsidiaries	出售附屬公司	—	—	—	(12)	(157)	—	—	—	(169)
Eliminated upon disposals	出售時撇銷	—	—	—	(928)	(16,305)	(802)	(3,046)	—	(21,081)
At December 31, 2010	於2010年12月31日	1,710	73	264	46,019	17,962	9,190	6,494	3,528	85,240
Net book values	賬面淨值									
At December 31, 2010	於2010年12月31日	40,416	835	14,817	18,151	10,402	6,578	20,497	14,108	125,804
At December 31, 2009	於2009年12月31日	25,166	851	1,983	23,195	8,639	6,409	4,058	14,990	85,291
At January 1, 2009	於2009年1月1日	25,818	873	2,035	23,500	6,810	2,370	4,955	15,872	82,233

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16. PROPERTY, PLANT AND EQUIPMENT

(continued)

The Group had pledged leasehold land with a carrying amount of HK\$40,416,000 (2009: HK\$25,166,000), buildings and motor yacht with a carrying amount of HK\$14,817,000 (2009: HK\$1,983,000) and HK\$14,108,000 respectively (2009: HK\$14,990,000) to secure facilities granted to the Group at December 31, 2010 (note 43).

16. 物業、廠房及設備 (續)

於2010年12月31日，本集團以賬面值港幣40,416,000元(2009年：港幣25,166,000元)之租賃土地，以及賬面值分別為港幣14,817,000元(2009年：港幣1,983,000元)及港幣14,108,000元(2009年：港幣14,990,000元)之樓宇及機動遊艇作為抵押，藉以為授予本集團之信貸擔保(附註43)。

		Leasehold improvements 物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢俬、裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
The Company	本公司				
Cost	成本值				
At January 1, 2009,	於2009年1月1日、				
December 31, 2009	2009年12月31日				
and January 1, 2010	及2010年1月1日	6,459	14,137	1,000	21,596
Disposals	出售	—	(13,048)	—	(13,048)
At December 31, 2010	於2010年12月31日	6,459	1,089	1,000	8,548
Accumulated depreciation	累計折舊				
At January 1, 2009	於2009年1月1日	6,293	13,509	1,000	20,802
Provided for the year	本年度折舊	43	238	—	281
At December 31, 2009	於2009年12月31日				
and January 1, 2010	及2010年1月1日	6,336	13,747	1,000	21,083
Provided for the year	本年度折舊	43	197	—	240
Eliminated upon disposals	出售時撇銷	—	(13,048)	—	(13,048)
At December 31, 2010	於2010年12月31日	6,379	896	1,000	8,275
Net book values	賬面淨值				
At December 31, 2010	於2010年12月31日	80	193	—	273
At December 31, 2009	於2009年12月31日	123	390	—	513
At January 1, 2009	於2009年1月1日	166	628	—	794



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17. PREPAID LEASE PAYMENTS

17. 預付租賃款項

The Group		本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元 (Restated) (重列)
Cost	成本值		
At January 1	於1月1日	1,621	1,619
Exchange difference	匯兌差額	16	2
At December 31	於12月31日	1,637	1,621
Accumulated amortisation	累計攤銷		
At January 1	於1月1日	78	39
Charge for the year	本年度支出	38	39
At December 31	於12月31日	116	78
Net book value	賬面淨值		
At December 31	於12月31日	1,521	1,543
The Group's prepaid lease payments comprise:	本集團之預付租賃款項包括：		
Land outside Hong Kong under medium term lease	在香港以外根據中期租約持有之土地	1,521	1,543
Analysed for reporting purposes as:	就申報目的而分析為：		
Current assets (included in trade and other receivables)	流動資產(計入貿易往來及其他應收賬款)	35	34
Non-current assets	非流動資產	1,486	1,509
		1,521	1,543

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18. GOODWILL

18. 商譽

		Total 總額
		HK\$'000 港幣千元
The Group	本集團	
Cost	成本值	
At January 1, 2009	於2009年1月1日	31,729
Acquisition of a subsidiary	收購一間附屬公司	1,728
At December 31, 2009 and January 1, 2010	於2009年12月31日 及2010年1月1日	33,457
Disposal of a subsidiary (note 38(a))	出售一間附屬公司(附註38(a))	(145)
At December 31, 2010	於2010年12月31日	33,312
Accumulated impairment	累計減值	
At January 1, 2009	於2009年1月1日	118
Exchange difference	匯兌差額	(26)
Impairment loss	減值虧損	3,176
At December 31, 2009, January 1, 2010 and December 31, 2010	於2009年12月31日、 2010年1月1日 及2010年12月31日	3,268
Carrying value	賬面值	
At December 31, 2010	於2010年12月31日	30,044
At December 31, 2009	於2009年12月31日	30,189

During the year ended December 31, 2010, the Group assessed the recoverable amount of goodwill associated with the Group's fashion apparels and accessories business. The recoverable amount of the fashion apparels and accessories operations was assessed by reference to value in use. A discount factor of 16.24% per annum (2009: 16.52% per annum) was applied in the value in use model.

Particulars regarding impairment testing on goodwill are disclosed in note 19.

截至2010年12月31日止年度，本集團評估與本集團時裝及配飾業務相關之商譽之可收回金額。時裝及配飾業務之可收回金額乃參考使用價值而評估。在使用模式中使用之貼現率為每年16.24% (2009年：每年16.52%)。

商譽減值測試資料列載於附註19。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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19. IMPAIRMENT TESTING ON GOODWILL

Goodwill has been allocated for impairment testing purposes to the cash-generating units including fashion apparels and accessories.

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 16.24% per annum (2009: 16.52% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 7% per annum growth rate which is the projected long-term average growth rate for fashion apparels and accessories market. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the unit to exceed the aggregate recoverable amount of the cash generating unit.

The key assumptions used in the value in use calculations for fashion apparels and accessories cash generating units are as follows:

Budgeted market share Average market share in the period immediately before the budget period. The values assigned to the assumption reflect past experience, which is consistent with the directors' plans for focusing operations in these markets.

Budgeted gross margin Average gross margins achieved in the period immediately before the budgeted period.

19. 商譽之減值測試

就減值測試而言，商譽已被分配至現金產生單位，包括時裝及配飾。

現金產生單位之可收回金額乃依據一項使用價值計算釐定。計算採用之現金流量預測乃基於董事批准之一項涉時五年之財務預算，及每年16.24% (2009年：每年16.52%) 折現率。

預算期內之現金流量預測乃根據預算期內之相同預期毛利率及原材料價格通脹率計算。該五年期後之現金流量已採用7%之穩定年增長率推斷，該年增長率為時裝及配飾市場的預測長期平均增長率。董事相信，在計算可收回金額之主要假設所出現之任何合理可能變動，將不會導致現金產生單位之賬面值超出其可收回總額。

計算時裝及配飾現金產生單位使用價值採用之主要假設如下：

預算市場佔有率 緊接預算期前之期內平均市場佔有率。套用於該等假設之價值反映過往經驗，並與董事專注於該等市場之經營的計劃貫徹一致。

預算毛利率 緊接預算期前期間所取得之平均毛利率。

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20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		The Company 本公司	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Unlisted shares, at cost	無牌價股份，成本值	293,504	293,504
Less: Impairment loss recognised	減：已確認之減值虧損	(30,736)	(30,736)
		262,768	262,768
Financial guarantee contract	財務擔保合約	4,283	3,475
		267,051	266,243

Particulars of the Company's principal subsidiaries at December 31, 2010 are shown in note 49.

本公司於2010年12月31日之主要附屬公司資料列載於附註49。

21. INTERESTS IN ASSOCIATES

21. 於聯營公司之權益

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Share of net assets of associates (note (b))	應佔聯營公司資產淨值 (附註(b))	—	—

Notes:

附註：

(a) On July 16, 2010, 上海菲蘭廣告有限公司, an associated company of the Group, has been deregistered pursuant to the approval of 上海市工商行政管理局.

(a) 於2010年7月16日，本集團之聯營公司上海菲蘭廣告有限公司已根據上海市工商行政管理局之批准撤銷註冊。



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21. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

(b) The summarised financial information in respect of the Group's associates is set out below:

21. 於聯營公司之權益 (續)

附註：(續)

(b) 本集團聯營公司之財務資料概要如下：

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Total assets	總資產	20,121	32,349
Total liabilities	總負債	(67,063)	(55,525)
Net liabilities	負債淨值	(46,942)	(23,176)
Group's share of net assets of associates	本集團應佔聯營公司之資產淨值	—	—
Turnover	營業額	1	10,135
Loss for the year	本年度虧損	(14,116)	(29,764)
Group's share of results of associates for the year	本集團應佔聯營公司本年度業績	—	(95)
Group's share of other comprehensive income of associates for the year	本集團應佔聯營公司本年度其他全面收入	—	—
Market value of listed securities	有牌價證券市值	5,703	37,448

Particulars of the Group's principal associates at December 31, 2010 are shown in note 50.

本集團於2010年12月31日之主要聯營公司資料列載於附註50。

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22. INTEREST IN A JOINTLY CONTROLLED ENTITY

22. 於一間共同控制實體之權益

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Unlisted investment	未上市投資	3,855	—
Share of result of a jointly controlled entity	應佔一間共同控制實體業績	(335)	—
		3,520	—

Notes:

(a) Particulars of the Group's jointly controlled entity at December 31, 2010 is as follows:

附註：

(a) 有關本集團於2010年12月31日之共同控制實體詳情如下：

Name of entity 實體名稱	Place of incorporation 註冊成立地點	Particulars of issued share capital 已發行股本詳情	Percentage of equity attributable to the Group 本集團應佔 股權百分比	Principal activities 主要業務
Binda WKH (Greater China) Limited 嘉寶萊有限公司	Hong Kong 香港	12,000,000 shares of HK\$1 each 每股面值港幣 1元之股份 12,000,000股	50	Distribution and retail of fashion accessories 分銷及零售時尚配飾



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22. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

Notes: (continued)

- (b) The summarised financial information in respect of the Group's jointly controlled entity which is accounted for using equity method of accounting is set out below:

22. 於一間共同控制實體之權益 (續)

附註：(續)

- (b) 有關採用權益會計法計算之本集團共同控制實體之概要財務資料載列如下：

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Total assets	總資產	15,600	—
Total liabilities	總負債	(8,554)	—
Net assets	資產淨值	7,046	—
Group's share of net assets of a jointly controlled entity	本集團應佔一間共同控制實體之資產淨值	3,523	—
Turnover	營業額	24,038	—
Loss for the year	本年度虧損	(670)	—
Group's share of result of a jointly controlled entity for the year	本集團應佔一間共同控制實體本年度之業績	(335)	(1,729)
Group's share of other comprehensive income of a jointly controlled entity for the year	本集團應佔一間共同控制實體本年度之其他全面收入	—	—

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23. INVENTORIES

23. 存貨

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Finished goods	製成品	168,785	197,606
Spare parts	零件	23,945	24,219
		192,730	221,825

Included in the above figure are finished goods of HK\$49,237,000 (2009: HK\$48,440,000) which have been pledged as security for bank loans (note 43).

上述金額內之港幣49,237,000元(2009年：港幣48,440,000元)之製成品，被用作銀行貸款之抵押(附註43)。

24. TRADE AND OTHER RECEIVABLES

24. 貿易往來及其他應收賬款

		The Group 本集團		
		31/12/10 HK\$'000 港幣千元	31/12/09 HK\$'000 港幣千元 (Restated) (重列)	01/01/09 HK\$'000 港幣千元 (Restated) (重列)
Trade receivables	貿易往來應收賬款	114,136	78,878	128,366
Less: allowance for doubtful debts	減：呆賬撥備	(1,229)	(2,465)	(1,604)
Total trade receivables, net of allowance for doubtful debts	貿易往來應收賬款減 呆賬撥備總額	112,907	76,413	126,762
Deposits, prepayments and other receivables	訂金、預付款 及其他應收賬款	100,900	106,464	122,090
		213,807	182,877	248,852



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24. TRADE AND OTHER RECEIVABLES

(continued)

The following is an aged analysis of trade receivables net for allowance of doubtful debts at the end of the reporting period:

		The Group	
		本集團	
		2010	2009
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 30 days	30天內	74,835	56,834
31 to 60 days	31天至60天	24,004	10,000
61 to 90 days	61天至90天	9,301	2,752
91 days to 1 year	91天至1年	2,987	4,815
Over 1 year	1年以上	1,780	2,012
Total	總計	112,907	76,413

The Group allows an average credit period of 7 to 90 days to its customers.

Before accepting any new customer, the Group uses credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Approximately 96% (2009: 91%) of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the credit scoring system used by the Group.

Included in the Group's trade receivable balance were debtors with a carrying amount of HK\$4,767,000 (2009: HK\$6,827,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

24. 貿易往來及其他應收賬款(續)

於報告期末，貿易往來應收賬款減呆賬撥備之賬齡分析如下：

		The Group	
		本集團	
		2010	2009
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 30 days	30天內	74,835	56,834
31 to 60 days	31天至60天	24,004	10,000
61 to 90 days	61天至90天	9,301	2,752
91 days to 1 year	91天至1年	2,987	4,815
Over 1 year	1年以上	1,780	2,012
Total	總計	112,907	76,413

本集團給予客戶平均7天至90天之信貸期。

於接納任何新客戶前，本集團使用信貸計分制度評估潛在客戶之信貸質素及界定個別客戶之信貸限額。客戶之限額及評分每年檢討兩次。本集團所使用之信貸計分制度中，並無逾期亦無減值之貿易往來應收賬款其中約96% (2009年：91%) 佔最高信貸評分。

本集團之貿易往來應收賬款包括賬面值港幣4,767,000元 (2009年：港幣6,827,000元) 之應收賬款，該金額於報告日期已逾期，而本集團並無就減值虧損作撥備。本集團並無就該等結餘而持有任何抵押品。

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財務報表附註

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24. TRADE AND OTHER RECEIVABLES

(continued)

Ageing of trade receivables which are past due but not impaired

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
91 days to 1 year	91天至1年	2,987	4,815
Over 1 year	1年以上	1,780	2,012
Total	總計	4,767	6,827

Movement in the allowance for doubtful debts

24. 貿易往來及其他應收賬款 (續)

已逾期但無減值之貿易往來應收賬款之賬齡

呆賬撥備之變動

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Balance at beginning of the year	於年初之結餘	2,465	1,604
Impairment losses recognised on receivables	就應收賬款確認之減值虧損	509	2,163
Amounts recovered during the year	年內收回之金額	(1,745)	(1,302)
Balance at end of the year	於年終之結餘	1,229	2,465

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of HK\$509,000 (2009: HK\$2,163,000) which were past due and not recoverable. The impairment recognised represented the carrying amount of these trade receivables and the Group does not hold any collateral over these balances.

呆賬撥備包括個別減值之貿易往來應收賬款結餘港幣509,000元(2009年:港幣2,163,000元),該金額經已逾期及不可收回。已確認之減值相等於該等貿易往來應收賬款之賬面值,而本集團並無就該等結餘而持有任何抵押品。



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For the year ended December 31, 2010
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24. TRADE AND OTHER RECEIVABLES

(continued)

Ageing of impaired trade receivables

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Within 30 days	30天內	—	1,319
31 to 60 days	31天至60天	—	—
61 to 90 days	61天至90天	—	—
91 days to 1 year	91天至1年	482	590
Over 1 year	1年以上	747	556
Total	總計	1,229	2,465

25. AMOUNTS DUE FROM/TO ASSOCIATES/A JOINTLY CONTROLLED ENTITY/SUBSIDIARIES

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

24. 貿易往來及其他應收賬款(續)

已減值貿易往來應收賬款之賬齡

25. 應收／應付聯營公司／一間共同控制實體／附屬公司款項

該等款額為無抵押、免息及無固定還款期。

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財務報表附註

For the year ended December 31, 2010
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26. AVAILABLE-FOR-SALE FINANCIAL ASSETS

26. 可供出售之金融資產

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
At January 1	於1月1日	15,252	21,527
Disposals	出售	—	(275)
Impairment loss on available-for-sale financial assets	可供出售之金融資產減值虧損	(5,700)	(6,000)
At December 31	於12月31日	9,552	15,252
Available-for-sale financial assets comprise of:	可供出售之金融資產包括：		
Unlisted securities:	無牌價證券：		
Debt securities without interest and maturity date	無利息及到期日之債務證券	252	252
Equity securities (note)	股本證券(附註)	9,300	15,000
		9,552	15,252
Analysed for reporting purposes as:	就申報目的而分析為：		
Current assets	流動資產	—	—
Non-current assets	非流動資產	9,552	15,252
		9,552	15,252

Note:

The unlisted equity securities are measured at fair value and are classified as Level 3 fair value measurement. Fair value is estimated using a discounted cash flow model. In determining the fair value, a risk adjusted discount factor of 13.9% (2009: 10.6%) are used.

附註：

無牌價之股本證券乃按公平值而計算，並歸類為第三層公平值計量。公平值乃使用折現現金流量模式估計。於釐定公平值時，使用13.9% (2009年：10.6%) 之風險調整貼現率。



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財務報表附註

For the year ended December 31, 2010
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27. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

27. 其他以公平值計入損益的金融資產

		The Group and the Company 本集團及本公司	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
At January 1	於1月1日	10	6
Fair value gains on other financial assets at fair value through profit or loss	其他以公平值計入損益的金融資產之公平值盈利	7	4
At December 31	於12月31日	17	10
Market value of listed securities: Equity securities listed in Hong Kong	有牌價證券之市價： 於香港掛牌之股本證券	17	10

The carrying amounts of the above financial assets were classified as held for trading.

上述金融資產之賬面值歸類為持作買賣。

All financial assets at fair value through profit or loss are stated at fair values. Fair values of the listed investments are determined by reference to the quoted market bid prices available on the Stock Exchange.

所有以公平值計入損益之金融資產均按公平值列賬。有牌價投資之公平值乃參考在聯交所所報之市場買入價而釐定。

28. CASH AND CASH EQUIVALENTS

28. 現金及現金等值項目

Bank balances are interest bearing at respective saving deposits rate in Hong Kong, Mainland China, Singapore and Malaysia, and the effective interest rate of the Group's bank balances ranged from 0.01% to 1.17% (2009: 0.01% to 0.53%) per annum.

銀行結餘乃按於香港、中國內地、新加坡及馬來西亞各自之儲蓄存款利率計息，本集團銀行結餘之實際利率介乎年息率0.01%至1.17% (2009年：0.01%至0.53%)。

At the end of the reporting period, the cash and bank balances of the Group included currencies denominated in Renminbi ("RMB") amounted to HK\$43,823,000 (2009: HK\$10,430,000) which is not freely convertible into other currencies.

於報告期末，本集團之現金及現金等值項目包括以人民幣為單位且不可自由兌換為其他貨幣的貨幣為港幣43,823,000元 (2009年：港幣10,430,000元)。

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28. CASH AND CASH EQUIVALENTS

(continued)

At December 31, 2010, bank balances amounts to HK\$107,561,000 (2009: HK\$114,565,000) have been pledged to secure banking facilities granted to the Group (note 43). The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The pledged bank balances carry interest rate range from 0.05% to 0.65% (2009: 0.01% to 1.45%) per annum.

29. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the end of the reporting period:

28. 現金及現金等值項目 (續)

於2010年12月31日，銀行結餘港幣107,561,000元(2009年：港幣114,565,000元)已作為本集團獲授之銀行融資之抵押品(附註43)。受抵押銀行存款將於相關銀行貸款償還後解除。受抵押銀行結餘按年利率介乎0.05%至0.65%(2009年：0.01%至1.45%)計息。

29. 貿易往來及其他應付賬款

於報告期末，貿易往來應付賬款之賬齡分析如下：

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Within 30 days	30天內	58,495	28,575
31 to 60 days	31天至60天	21,784	9,790
61 to 90 days	61天至90天	10,607	5,748
91 days to 1 year	91天至1年	5,760	9,468
Over 1 year	1年以上	979	4,596
Total trade payables	貿易往來應付賬款總額	97,625	58,177
Customers' deposits, accruals and other payables	客戶訂金、應付費用及 其他應付賬款	250,066	287,163
		347,691	345,340



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For the year ended December 31, 2010
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30. AMOUNTS DUE TO RELATED COMPANIES

30. 應付關聯公司款項

	The Group 本集團		The Company 本公司	
	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Amounts repayable within one year	441	959	441	441

The amounts included in the current liabilities are unsecured, non-interest bearing and have no fixed terms of repayment. The related companies are controlled by certain Directors of the Company.

歸入流動負債之金額乃無抵押、免息及無固定還款期。關聯公司由本公司若干董事控制。

31. OBLIGATIONS UNDER FINANCE LEASES

31. 融資租賃債務

	Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
The Group	本集團			
Amounts payable under finance leases:	根據融資租賃之應付數額：			
Within one year	109	100	96	88
In the second to fifth year inclusive	274	350	240	308
Less: Future finance charges	383 (47)	450 (54)	336 —	396 —
Present value of lease obligations	336	396	336	396

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31. OBLIGATIONS UNDER FINANCE LEASES (continued)

Analysed as:

		Present value of minimum lease payments 最低租賃付款現值	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Amounts due within one year shown under current liabilities	列於流動負債項下 1年內到期之金額	96	88
Amounts due after one year	1年後到期之金額	240	308
		336	396

For the year ended December 31, 2010, the average effective borrowing rate was 5.06% per annum (2009: 5.06% per annum). Interest rates are fixed at the contract date. All leases were on a fixed repayment basis and no arrangement had been entered into for contingent rental payments. The Group's obligations under finance leases were secured by the charge over the leased assets.

31. 融資租賃債務 (續)

分析如下：

截至2010年12月31日止年度，平均實際借貸利率為年利率5.06%（2009年：年利率5.06%），利率在合約日期釐定。所有租賃以定期還款為基準及並無就或然租金付款作出安排。本集團之融資租賃債務由租賃資產之押記作抵押。



NOTES TO THE FINANCIAL STATEMENTS

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For the year ended December 31, 2010
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32. BORROWINGS

32. 貸款

		31/12/10	The Group	
		HK\$'000	本集團	
		港幣千元	31/12/09	01/01/09
			HK\$'000	HK\$'000
			港幣千元	港幣千元
			(Restated)	(Restated)
			(重列)	(重列)
Bank overdrafts	銀行透支	8,380	—	6,908
Bank loans	銀行貸款	180,041	166,192	180,336
Other loans (note)	其他貸款(附註)	12,911	13,357	3,384
		201,332	179,549	190,628
Secured (note 43)	有抵押(附註43)	173,290	148,913	176,885
Unsecured	無抵押	28,042	30,636	13,743
		201,332	179,549	190,628
Carrying amount repayable:	還款賬面值：			
Within one year	1年內	169,756	145,384	152,919
More than one year,	1年以上，			
but not exceeding two years	但不超過2年	7,764	7,752	4,921
More than two years,	2年以上，			
but not exceeding five years	但不超過5年	8,073	11,031	12,641
More than five years	5年以上	15,739	15,382	20,147
		201,332	179,549	190,628
Carrying amount of bank loans 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)	並非於報告期末起計一年內償還但載有須按要求償還條款之銀行貸款之賬面值(列於流動負債項下)	(31,576)	(28,159)	(31,239)
		169,756	151,390	159,389
Less: Amounts due within one year shown under current liabilities	減：列於流動負債項下1年內到期應付款項	(169,756)	(145,384)	(152,919)
Amounts due after one year	1年後到期應付款項	—	6,006	6,470

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32. BORROWINGS (continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		2010	2009
Effective interest rate:	實際利率：		
Variable-rate borrowings	浮息貸款	1.80% — 9.05%	1.40% — 19.20%

The Group's borrowings that are denominated in currencies other than the functional currency are set out below:

		RMB'000	EUR'000	MYR'000	SGD'000	USD'000
		人民幣千元	歐元千元	馬幣千元	新加坡幣千元	美金千元
At December 31, 2010	於2010年12月31日	37,471	—	3,122	642	835
At December 31, 2009	於2009年12月31日	16,347	2,232	2,701	130	293
At January 1, 2009	於2009年1月1日	6,100	633	1,722	1,345	997

During the year, the Group obtained new bank borrowings in the amount of HK\$603,654,000 (2009: HK\$656,929,000). The borrowings bear interest at market rates and the proceeds were used to finance the working capital.

The fair values of the Group's borrowings at December 31, 2010 approximate to the corresponding carrying amounts.

32. 貸款 (續)

本集團貸款之實際利率範圍(亦等於合約規定利率)如下：

並非以功能貨幣計值之本集團貸款呈列如下：

年內，本集團獲得金額港幣603,654,000元(2009年：港幣656,929,000元)之新造銀行貸款。該項貸款以市場利率計息。所得款項用作營運資金之融資。

本集團貸款於2010年12月31日之公平值與相應賬面值相若。



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32. BORROWINGS (continued)

Note:

		The Group		
		本集團		
		31/12/10	31/12/09	01/01/09
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Other loan — secured (note a)	其他貸款—有抵押(附註a)	—	2,000	—
Other loan — unsecured (note b)	其他貸款—無抵押(附註b)	12,912	11,357	3,384
		12,912	13,357	3,384

a) The other loan is a short-terms borrowing which is secured, bear interest at 10% per annum and repayable within one year.

b) The other loan is a short-terms borrowing which is unsecured, bear interest at 7.0% to 19.2% per annum and repayable within one year.

附註：

a) 該筆其他貸款為有抵押、按年利率10%計息及於一年內償還之短期貸款。

b) 該筆其他貸款為無抵押、按年利率7.0%至19.2%計息及於一年內償還之短期貸款。

33. CONVERTIBLE LOAN NOTE

On June 4, 2010, the Company entered into a placing agreement with Tanrich Capital Limited (the "Placing Agent"), pursuant to which the Placing Agent has conditionally agreed to act as placing agent, on a best effort basis, for the purpose of arranging subscribers who are third parties independent of the Company and its connected persons to subscribe for the convertible loan note to be issued by the Company with an aggregate principal amount of up to HK\$25,000,000. The convertible loan note bear interest at 4% per annum, mature on the second anniversary of the date of issue and are convertible into new ordinary shares of HK\$0.02 each at the initial conversion price of HK\$0.16 each. On August 6, 2010, the Company and the Placing Agent agreed to place the convertible loan note in the aggregate principal amount of HK\$13,000,000 to Mr. Kwok Chung SIU, an independent third party of the Company and its connected persons, and the Company would not proceed with the placing of the remaining aggregate principal amount of the convertible bonds. The placing was completed on August 12, 2010.

33. 可換股貸款票據

於2010年6月4日，本公司與敦沛融資有限公司（「配售代理」）訂立配售協議，據此，配售代理（作為配售代理）有條件同意按竭誠基準安排認購人（獨立於本公司及其關連人士之第三方）認購本公司將予發行本金總額最多為港幣25,000,000元之可換股貸款票據。可換股貸款票據按年利率4%計息，於發行日期起計第二週年到期，並可按初步換股價每股港幣0.16元轉換為每股面值港幣0.02元之新普通股。於2010年8月6日，本公司與配售代理同意配售本金總額為港幣13,000,000元之可換股貸款票據予蕭國松先生（獨立於本公司及其關連人士之第三方），而本公司不會繼續進行配售剩餘本金總額之可換股債券。配售事項於2010年8月12日完成。

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33. CONVERTIBLE LOAN NOTE (continued)

The convertible loan note contains two components, liability and equity components. The equity component is presented in equity heading “Equity component of convertible loan note”. The effective interest rate of the liability component is 11.77%. At December 31, 2010, the fair value of the convertible loan note was HK\$12,053,000.

33. 可換股貸款票據 (續)

可換股貸款票據包括兩個部分，分別為負債及權益部分。權益部分於「可換股貸款票據之權益部分」項下之權益呈列。負債部分之實際利率為11.77%。於2010年12月31日，可換股貸款票據之公平值為港幣12,053,000元。

		HK\$'000 港幣千元
Proceeds of issue	發行所得款項	13,000
Transaction cost	交易成本	(435)
Equity component	權益部分	(1,251)
Liability component at date of issue	於發行日期之負債部分	11,314
Interest expense calculated at an effective interest rate of 11.77%	按實際利率11.77%計算之 利息開支	496
Interest payable	應繳利息	(198)
Liability component at December 31, 2010	於2010年12月31日之負債部分	11,612



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34. DEFERRED TAX (ASSETS)/ LIABILITIES

The Group

		Convertible loan note 可換股 貸款票據 HK\$'000 港幣千元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At January 1, 2009	於2009年1月1日	—	12	(10)	2
Charged to consolidated income statement for the year	於年內綜合損益表扣除	—	3	10	13
At December 31, 2009 and January 1, 2010	於2009年12月31日及2010年1月1日	—	15	—	15
Exchange difference	匯兌差額	—	1	—	1
Recognised directly in equity	直接於權益確認	278	—	—	278
Credited to consolidated income statement for the year	計入年內綜合損益表	(49)	—	—	(49)
At December 31, 2010	於2010年12月31日	229	16	—	245

The Company

		Convertible loan note 可換股 貸款票據 HK\$'000 港幣千元
At January 1, 2010	於2010年1月1日	—
Recognised directly in equity	直接於權益確認	278
Credited to income statement for the year	計入年內損益表	(49)
At December 31, 2010	於2010年12月31日	229

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為財務報告目的之遞延稅項結餘分析：

		The Group 本集團		The Company 本公司	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Deferred tax liabilities	遞延稅項負債	245	15	229	—

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34. DEFERRED TAX (ASSETS)/ LIABILITIES (continued)

At December 31, 2010, the Group has unused tax losses of HK\$778,799,000 (2009: HK\$1,205,811,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining amount of HK\$778,799,000 (2009: HK\$1,205,811,000) due to the unpredictability of future profit streams. The tax losses may be carried forward either 5 years or indefinitely.

34. 遞延稅項(資產)/負債(續)

於2010年12月31日，本集團可供抵銷日後盈利之未動用稅項虧損港幣778,799,000元(2009年：港幣1,205,811,000元)。由於未能估計日後盈利流量，故並無就餘款港幣778,799,000元(2009年：港幣1,205,811,000元)確認遞延稅項資產。稅項虧損可結轉五年或無限期結轉。

35. SHARE CAPITAL

35. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 港幣千元
Authorised:	法定股本：		
At January 1, 2009, December 31, 2009 and January 1, 2010 of HK\$0.10 each	於2009年1月1日、 2009年12月31日及 2010年1月1日 每股面值港幣0.10元	3,500,000,000	350,000
Effect of Share Sub-Division (note c)	股份拆細之影響 (附註c)	14,000,000,000	—
At December 31, 2010 of HK\$0.02 each	於2010年12月31日 每股面值港幣0.02元	17,500,000,000	350,000



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35. SHARE CAPITAL (continued)

35. 股本 (續)

		Number of shares 股份數目	Nominal value 面值 HK\$'000 港幣千元
Issued and fully paid:	已發行及繳足股本：		
At January 1, 2009 of HK\$0.10 each	於2009年1月1日 每股面值港幣0.10元	294,027,710	29,403
Issue of shares (note a)	發行股份(附註a)	100,000,000	10,000
Issue of shares (note b)	發行股份(附註b)	50,000,000	5,000
Issue of shares under exercise of share options (note 47)	因行使優先認股權 而發行股份(附註47)	6,098,000	610
At December 31, 2009 and January 1, 2010 of HK\$0.10 each	於2009年12月31日 及2010年1月1日 每股面值港幣0.10元	450,125,710	45,013
Issue of shares under exercise of share options (note 47)	因行使優先認股權 而發行股份(附註47)	4,390,000	439
Effects of Share Sub-Division (note c)	股份拆細之影響(附註c)	1,818,062,840	—
Issue of shares under exercise of share options (note 47)	因行使優先認股權 而發行股份(附註47)	19,300,000	386
At December 31, 2010 of HK\$0.02 each	於2010年12月31日 每股面值港幣0.02元	2,291,878,550	45,838

Notes:

- (a) Pursuant to a resolution passed by the independent shareholders of the Company at a special general meeting held on August 6, 2009, 100,000,000 new shares of HK\$0.10 each were issued at a placing price of HK\$0.28 each to six independent third parties. The gross proceed of approximately HK\$28,000,000 is intended to be used as general working capital. The placing was completed on October 30, 2009.
- (b) Pursuant to a resolution passed by the shareholders of the Company at a special general meeting held on August 6, 2009, 50,000,000 new shares of HK\$0.10 each were issued at a subscription price of HK\$0.28 each to Dr. Richard Man Fai LEE, the Executive Chairman and Chief Executive Officer of the Company. The gross proceed of approximately HK\$14,000,000 is intended to be used as general working capital. The subscription was completed on October 30, 2009.
- (c) Pursuant to a resolution passed by the shareholders of the Company at a special general meeting held on February 12, 2010, each issued and unissued share of HK\$0.10 each of the Company was subdivided into 5 shares of HK\$0.02 each (the "Share Sub-Division").

All the shares issued during the year rank pari passu with the then issued shares in all respects.

附註：

- (a) 根據本公司獨立股東於2009年8月6日舉行之股東特別大會上通過之一項決議案，按配售價每股港幣0.28元向6名獨立第三者發行100,000,000股每股面值港幣0.10元之新股。所得款項總額約港幣28,000,000元擬用作一般營運資金。配售於2009年10月30日完成。
- (b) 根據本公司股東於2009年8月6日舉行之股東特別大會上通過之一項決議案，按認購價每股港幣0.28元向本公司執行主席兼行政總裁李文輝博士發行50,000,000股每股面值港幣0.10元之新股。所得款項總額約港幣14,000,000元擬用作一般營運資金。認購於2009年10月30日完成。
- (c) 根據本公司股東於2010年2月12日舉行之股東特別大會上通過之決議案，本公司每1股每股面值港幣0.10元之已發行及未發行股份拆細為5股每股面值港幣0.02元之股份（「股份拆細」）。

年內所有已發行股份在各方面與當時已發行之股份享有同等地位。

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36. RESERVES

The Company

36. 儲備

本公司

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回儲備 HK\$'000 港幣千元	Share options reserve 優先認股權儲備 HK\$'000 港幣千元	Equity component of convertible loan note 可換股貸款票據之權益部分 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At January 1, 2009	於2009年1月1日	—	2,151	1,837	—	46,397	(45,064)	5,321
Issue of shares	發行股份	25,648	—	—	—	—	—	25,648
Issue of shares upon exercise of share options	於優先認股權獲行使時發行股份	1,620	—	(414)	—	—	—	1,206
Issue of share options	發行優先認股權	—	—	1,671	—	—	—	1,671
Lapse of share options	優先認股權失效	—	—	(465)	—	—	465	—
Loss for the year	年內虧損	—	—	—	—	—	(4,982)	(4,982)
At December 31, 2009 and January 1, 2010	於2009年12月31日及2010年1月1日	27,268	2,151	2,629	—	46,397	(49,581)	28,864
Issue of shares upon exercise of share options	於優先認股權獲行使時發行股份	3,579	—	(774)	—	—	—	2,805
Issue of share options	發行優先認股權	—	—	793	—	—	—	793
Recognition of equity component of convertible loan note	確認可換股貸款票據之權益部分	—	—	—	1,251	—	—	1,251
Deferred tax liability arising on convertible loan note	可換股貸款票據產生之遞延稅項負債	—	—	—	(278)	—	—	(278)
Lapse of share options	優先認股權失效	—	—	(85)	—	—	85	—
Loss for the year	年內虧損	—	—	—	—	—	(5,377)	(5,377)
At December 31, 2010	於2010年12月31日	30,847	2,151	2,563	973	46,397	(54,873)	28,058



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36. RESERVES (continued)

Under the Companies Act 1981 of Bermuda (as amended), the Company can make a distribution out of contributed surplus. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

At December 31, 2010, the Company did not have distributable reserves available for distribution (2009: Nil).

37. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES

During the year, the Group acquired and disposed part of its interest in Creative Pacific Limited and its subsidiaries ("Creative Pacific") and increased its interest in Technorient Limited and its subsidiaries ("Technorient").

The Group disposed an aggregate 9% interest in Creative Pacific in current year for the cash consideration received and paid of HK\$3,900,000 and HK\$700,000 respectively, decreasing its ownership from 60% to 51%. The Group recognised an increase in non-controlling interest at HK\$1,402,000 and an increase in other reserve of HK\$1,798,000.

The Group's interest in Technorient was increased by 4.9% in current year, increasing its ownership from 70.5% to 75.4%. The Group recognised a decrease in non-controlling interest at HK\$4,000,000 and an increase in other reserve of HK\$4,000,000.

36. 儲備 (續)

根據百慕達1981年公司法(經修訂)，本公司之繳入盈餘為可供分派。然而，本公司不得在以下情況下宣派或派付股息，或從繳入盈餘作出分派：

- (a) 現時或將於付款後無法如期償還其負債；或
- (b) 其資產之可變現值將因而低於其負債及其已發行股本與股份溢價賬之總和。

於2010年12月31日，本公司並無可供分派儲備(2009年：無)。

37. 附屬公司之擁有權權益變動

年內，本集團收購及出售其於香港新概念控股有限公司及其附屬公司(「新概念」)之部份權益，以及增加其於勵安有限公司及其附屬公司(「勵安」)之權益。

本年度，本集團出售於新概念合共9%之權益，已收及已付現金代價分別為港幣3,900,000元及港幣700,000元，令其擁有權由60%降至51%。本集團確認非控股權益增加港幣1,402,000元及其他儲備增加港幣1,798,000元。

本年度，本集團於勵安之權益增加4.9%，令其擁有權由70.5%增至75.4%。本集團確認非控股權益減少港幣4,000,000元及其他儲備增加港幣4,000,000元。

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38. DISPOSAL OF SUBSIDIARIES

- (a) On May 31, 2010, the Group disposed Mighty Will International Limited and Sunny Villa Holdings Limited, in-direct wholly owned subsidiaries of the Company.

38. 出售附屬公司

- (a) 於2010年5月31日，本集團出售本公司間接全資擁有附屬公司紀富國際有限公司及裕寧控股有限公司。

		HK\$'000 港幣千元
<hr/>		
<i>Analysis of assets and liabilities over which control was lost:</i>	失去控制權之資產及負債分析：	
Investment properties	投資物業	15,060
Property, plant and equipment	物業、廠房及設備	121
Other receivables	其他應收賬款	16
Cash and cash equivalents	現金及現金等值項目	1
Other payables	其他應付賬款	(45)
Goodwill	商譽	145
<hr/>		
Net assets disposed	已出售資產淨值	15,298
<hr/>		
<i>Loss on disposal of subsidiaries:</i>	出售附屬公司之虧損：	
Consideration received	已收代價	12,768
Transaction costs	交易成本	(222)
Net asset disposed	已出售資產淨值	(15,298)
<hr/>		
Loss on disposal	出售虧損	(2,752)
<hr/>		
<i>Net cash inflow on disposal of subsidiaries:</i>	出售附屬公司之現金流入淨額：	
Consideration received in cash and cash equivalents	於現金及現金等值項目之已收代價	12,768
Transaction costs	交易成本	(222)
Less: cash and cash equivalents disposed	減：已出售之現金及現金等值項目	(1)
<hr/>		
		12,545
<hr/>		



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財務報表附註

For the year ended December 31, 2010
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38. DISPOSAL OF SUBSIDIARIES

(continued)

- (b) On June 6, 2010, the Group disposed Rogers International Limited, an in-direct wholly owned subsidiary of the Company.

38. 出售附屬公司(續)

- (b) 於2010年6月6日，本集團出售本公司間接全資擁有附屬公司樂爵士國際有限公司。

		HK\$'000 港幣千元
<i>Analysis of asset and liability over which control was lost:</i>	失去控制權之資產 及負債分析：	
Net asset disposed	已出售之資產淨值	—
<i>Gain on disposal of subsidiary:</i>	出售附屬公司之收益：	
Consideration received	已收代價	9,880
Net asset disposed	已出售資產淨值	—
Gain on disposal	出售收益	9,880
<i>Net cash inflow on disposal of subsidiary:</i>	出售附屬公司之現金流入淨額：	
Consideration received in cash and cash equivalents	於現金及現金等值項目之 已收代價	9,880
Less: cash and cash equivalents disposed	減：已出售之現金及現金等值項目	—
		9,880

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38. DISPOSAL OF SUBSIDIARIES

(continued)

(c) On January 25, 2010, Trendy Move International Limited (“Trendy Move”), an in-direct wholly owned subsidiary of the Company, entered into a share subscription agreement (the “Subscription Agreement”) with Binda S.p.A. (“Binda”), an Italian fashion accessories distributor, pursuant to which Binda agreed to subscribe for new shares in Binda WKH (Greater China) Limited (“Binda WKH”). After completion of the Subscription Agreement, Binda WKH will be owned as to 50% by Trendy Move and 50% by Binda.

38. 出售附屬公司 (續)

(c) 於2010年1月25日，本公司的間接全資擁有附屬公司潮流國際有限公司(「潮流」)與一間意大利時尚配飾分銷商Binda S.p.A.(「Binda」)訂立一份股份認購協議(「認購協議」)。據此，Binda同意認購嘉寶萊有限公司(「嘉寶萊」)之新股份。於認購協議完成後，嘉寶萊將由潮流及Binda分別擁有50%權益。

		HK\$'000 港幣千元
<i>Analysis of assets and liabilities over which control was lost:</i>		
Property, plant and equipment	物業、廠房及設備	59
Inventories	存貨	6,826
Trade and other receivables	貿易往來及其他應收賬款	3,342
Cash and cash equivalents	現金及現金等值項目	1,254
Trade and other payables	貿易往來及其他應付賬款	(8,823)
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(6,948)
		(4,290)
Retained interest in a jointly controlled entity	於一間共同控制實體之保留權益	2,145
Net liabilities disposed	已出售負債淨值	(2,145)
<i>Gain on disposal of subsidiary:</i>		
Consideration received	已收代價	—
Net liabilities disposed	已出售負債淨值	2,145
Gain on disposal	出售收益	2,145
<i>Net cash outflow on disposal of subsidiary:</i>		
Consideration received in cash and cash equivalents	於現金及現金等值項目之已收代價	—
Less: cash and cash equivalents disposed	減：已出售之現金及現金等值項目	(1,254)
		(1,254)



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39. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the balances with related parties disclosed elsewhere in the financial statements, during the year, the Group entered into the following significant related party transactions:

39. 與關聯人士之主要交易

除財務報表其他部份所披露之關聯人士結餘外，本集團於本年度內進行下列重要關聯人士交易：

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
IT consultancy fee received from a related party (a)	自一名關聯人士收取資訊科技顧問費(a)	215	192
Sales of goods to related parties (b), (c), (e)	售貨予關聯人士(b)、(c)、(e)	—	7,267
Purchases of goods from a related company	自一間關聯公司購入貨物	4,739	—
General services fee from a related company	自一間關聯公司之一般服務費	994	—
Storage services fee from a related company	自一間關聯公司之儲存服務費	373	—

(a) On February 1, 2010, the independent consultancy agreement entered into between Auto Italia Limited, an indirect subsidiary of the Company, and Mr. Michael ADAMCZYK, the son of Mr. Herbert ADAMCZYK who is a director of Auto Italia Limited, in relation to the provision of professional consulting services in the area of information technology operation and organization strategy was renewed for a term of one year commencing on February 1, 2010 and terminating on January 31, 2011 at a consultation fee of USD2,101 per month.

(b) On March 5, 2009, Auto Sportiva Limited ("Auto Sportiva"), an indirect subsidiary of the Company, as seller, and Mr. Michael ADAMCZYK, the son of Mr. Herbert ADAMCZYK who is a director of Auto Sportiva, as buyer, had entered into a provisional sale and purchase contract for the sale of a new unit of Fiat car (Model: 2008 F500 Lounge 1.4 M/T) from Auto Sportiva for a consideration of HK\$139,800.

(c) On September 15, 2009, Noble Brand Investments Limited ("Noble Brand"), an indirect subsidiary of the Company, as seller, and Mr. Herbert ADAMCZYK, a director of Noble Brand, as buyer, had entered into a Sales Contract for the sale of a unit of used 1998 Technomarine yacht from Noble Brand for a consideration of HK\$7,000,000.

(a) 本公司之間接附屬公司快意汽車有限公司與快意汽車有限公司董事夏德成先生之子Michael ADAMCZYK先生所訂立，有關提供資訊科技運作及組織策略之專業顧問服務之獨立顧問協議於2010年2月1日重續一年，由2010年2月1日開始並於2011年1月31日終止，顧問費為每月美金2,101元。

(b) 於2009年3月5日，本公司之間接附屬公司愛快汽車有限公司（「愛快汽車」，作為賣家）與愛快汽車董事夏德成先生之子Michael ADAMCZYK先生（作為買家）訂立臨時買賣協議，由愛快汽車出售一輛全新之Fiat汽車（型號：2008 F500 Lounge 1.4 M/T），代價為港幣139,800元。

(c) 於2009年9月15日，本公司之間接附屬公司力保派有限公司（「力保派」，作為賣方）與力保派董事夏德成先生（作為買方）訂立銷售合約，由力保派出售一輛經使用的1998 Technomarine遊艇，代價為港幣7,000,000元。

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39. MATERIAL RELATED PARTY TRANSACTIONS (continued)

- (d) Pursuant to a resolution passed by the independent shareholders of the Company at the special general meeting of the Company held on August 6, 2009, the subscription agreement dated July 1, 2009 entered into between the Company and Dr. Richard Man Fai LEE, the Executive Chairman and the Chief Executive Officer of the Company, in relation to the subscription by Dr. Richard Man Fai LEE for up to 50,000,000 new shares of the Company in three tranches of not less than 15,000,000 new shares each at a price of HK\$0.28 per share, was approved. The subscription of 50,000,000 new shares of the Company by Dr. Richard Man Fai LEE was taken place on October 30, 2009.
- (e) The pricing of transactions regarding goods sold to related parties were determined by the Directors on the basis of estimated market value.

Compensation of key management personnel

The remuneration of Directors and other members of key management during the year were as follows:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Fees	袍金	304	282
Salaries and other benefits	薪金及其他福利	10,468	7,140
Performance related incentive payments	與業務表現相關之獎金	—	3,293
Retirement benefit scheme contributions	退休福利計劃之供款	52	53
Short-term employee benefits	短期僱員福利	10,824	10,768

The remuneration of Directors and other members of key management are determined by the remuneration committee having regard to the performance of individuals and market trends.

39. 與關聯人士之主要交易 (續)

- (d) 根據本公司獨立股東於2009年8月6日舉行之本公司股東特別大會上通過之一項決議案，本公司與執行主席兼行政總裁李文輝博士於2009年7月1日訂立有關李文輝博士按每股港幣0.28元分三批每次認購不少於15,000,000股新股合共最多本公司50,000,000股新股之認購協議獲批准。李文輝博士於2009年10月30日完成認購本公司50,000,000股新股。
- (e) 售貨予關聯人士之交易之定價乃由董事按估計市價釐定。

重要管理人員之報酬

本年度內董事及其他重要管理人員之薪酬如下：

董事及其他重要管理人員之薪酬由薪酬委員會依據各人之表現及市況釐定。



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40. OPERATING LEASE

The Group as lessor

Property rental income earned, net of outgoings of HK\$73,000 (2009: HK\$242,000) during the year was HK\$260,000 (2009: HK\$495,000). The properties held has committed tenants for the next year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments which fall due:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Within one year	1年內	103	226

The Group as lessee

Operating lease rental recognised in the consolidated income statement for the year	本年度綜合損益表已確認之經營租賃租金	37,369	52,837
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At the end of the reporting period, the Group had commitments under non-cancellable operating leases, which fall due as follows:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Within one year	1年內	34,549	32,795
In the second to fifth year inclusive	第2年至第5年	67,590	60,981
After five years	5年以上	31,539	—
		133,678	93,776

40. 經營租賃安排

本集團為出租人

本年度物業租金收入經扣除支出港幣73,000元(2009年:港幣242,000元)為港幣260,000元(2009年:港幣495,000元)。該物業於未來一年有承擔租客。

於報告期末,本集團與租客定約之未來最低租賃付款如下:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Within one year	1年內	103	226

本集團為承租人

Operating lease rental recognised in the consolidated income statement for the year	本年度綜合損益表已確認之經營租賃租金	37,369	52,837
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於報告期末,本集團不可撤銷之經營租賃承擔及屆滿期如下:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Within one year	1年內	34,549	32,795
In the second to fifth year inclusive	第2年至第5年	67,590	60,981
After five years	5年以上	31,539	—
		133,678	93,776

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40. OPERATING LEASE (continued)

Operating lease payments represent rentals payable by the Group for certain of its office premises, retail shops and warehouse with lease terms between 2 to 10 years. The Group does not have an option to purchase the lease asset at the expiry of the lease period.

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payment (contingent rents), if any, which are to be determined generally by applying pre-determined percentages to future sales less of the respective leases.

At December 31, 2010 and 2009, the Company had no significant commitments under non-cancellable operating leases.

41. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for	已訂約惟尚未撥備之有關購置物業、廠房及設備之資本支出
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At December 31, 2010, the Company had no other significant commitments (2009: Nil).

40. 經營租賃安排 (續)

經營租賃付款指本集團就若干辦公室物業、零售店舖及貨倉之應付租金，租賃期介乎2至10年。本集團並無於租賃期滿時購買租賃資產之選擇權。

上述租賃承擔僅包括基本租金，不包括應付額外租金（或然租金）（如有）之承擔，一般乃以未來銷售額減有關租金後按預先設定百分比釐定。

於2010年及2009年12月31日，本公司並無重大不可撤銷經營租賃之承擔。

41. 資本承擔

The Group 本集團	
2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元

12,615	828
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於2010年12月31日，本公司並無其他重大承擔（2009年：無）。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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42. CONTINGENT LIABILITIES

At the end of the reporting period, the Group and the Company had the following outstanding contingent liabilities which are not provided for in the financial statements in respect of banking facilities and other facilities made available to subsidiaries:

42. 或然負債

於報告期末，本集團及本公司就附屬公司獲取銀行信貸及其他信貸而未於財務報表撥備之或然負債如下：

		The Group 本集團		The Company 本公司	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Guarantees given for banking facilities made available to subsidiaries	就附屬公司獲取銀行信貸作出擔保	—	—	402,632	375,628
Guarantees given for other facilities made available to subsidiaries	就附屬公司獲取其他信貸作出擔保	—	—	26,922	25,318
		—	—	429,554	400,946

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財務報表附註

For the year ended December 31, 2010
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43. PLEDGE OF ASSETS

43. 資產抵押

		The Group 本集團	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元 (Restated) (重列)
Deposits in bank	銀行存款	107,561	114,565
Inventories	存貨	49,237	48,440
Investment properties	投資物業	—	15,060
Properties held for sale	持作出售物業	25,470	21,760
Property, plant and equipment:	物業、廠房及設備：		
Land and buildings	土地及樓宇	55,233	27,149
Motor yacht	機動遊艇	14,108	14,990
Floating charges on all assets of a subsidiary	一間附屬公司之 所有資產之浮動抵押	21,307	16,905
		272,916	258,869

The amount represents assets pledged to banks and other licensed financial institutions to secure banking facilities granted to the Group. The pledged assets will be released upon the settlement of relevant bank borrowings.

金額乃本集團就取得銀行信貸而向銀行及其他持牌金融機構所抵押之資產。受抵押資產將於相關銀行貸款償還後解除。

44. COMPARATIVE FINANCIAL INFORMATION

44. 比較財務資料

Certain comparative figures have been restated to conform with current year's presentation.

若干比較數字已重列以使其與本年度呈列一致。

45. CAPITAL RISK MANAGEMENT

45. 資本風險管理

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 stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

本集團管理其資本，以確保本集團旗下實體將能繼續持續經營業務，同時透過優化債務及股本結餘為股東爭取最大回報。本集團之整體策略與去年一致。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

45. CAPITAL RISK MANAGEMENT

(continued)

The capital structure of the Group consists of debt (which includes borrowings, convertible loan note and obligations under finance leases), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

Gearing ratio

The gearing ratios at December 31, 2010 and December 31, 2009 were as follows:

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Debt (note (a))	債項(附註(a))	213,280	179,945
Cash and cash equivalents	現金及現金等值項目	(189,322)	(151,973)
Net debt	債項淨值	23,958	27,972
Equity (note (b))	權益(附註(b))	250,437	208,698
Gearing ratio	負債比率	9.6%	13.4%

Notes:

- (a) Debt comprises long-term and short-term borrowings, obligations under finance leases and convertible loan note as detailed in notes 32, 31 and 33 respectively.
- (b) Equity includes all capital and reserves of the Group.

45. 資本風險管理(續)

本集團之資本架構包括負債(包括借貸、可換股貸款票據及融資租賃債務)、現金及現金等值項目以及本公司擁有人應佔權益(包括已發行股本、儲備及保留溢利)。

負債比率

於2010年12月31日及2009年12月31日之負債比率如下：

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
Debt (note (a))	債項(附註(a))	213,280	179,945
Cash and cash equivalents	現金及現金等值項目	(189,322)	(151,973)
Net debt	債項淨值	23,958	27,972
Equity (note (b))	權益(附註(b))	250,437	208,698
Gearing ratio	負債比率	9.6%	13.4%

附註：

- (a) 債項包括長期及短期借貸、融資租賃債務及可換股貸款票據，詳情分別載於附註32、31及33。
- (b) 權益包括本集團所有資本及儲備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS

46. 金融工具

(a) Categories of financial instruments

(a) 金融工具分類

		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元 (Restated) (重列)
Financial assets	金融資產		
Fair value through profit or loss	按公平值計入損益		
— Held for trading	— 持有作買賣	17	10
Derivative financial instruments	衍生金融工具	—	—
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及 現金等值項目)	454,968	375,600
Available-for-sale financial assets	可供出售金融資產	9,552	15,252
Financial liabilities	金融負債		
Amortised cost	攤銷成本	589,585	558,324

(b) Financial risk management objectives and policies

(b) 金融風險管理目標及政策

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

本集團之活動使其須面對多種金融風險：市場風險（包括貨幣風險、利率風險及其他價格風險）、信用風險及流動性風險。本集團之整體風險管理計劃針對金融市場之不可預測性，並務求盡量減低可能對本集團財務表現構成之不利影響。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) **Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates, interest rates and equity prices. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risks, including:

- forward foreign exchange contracts are entered into in respect of highly probable foreign currency forecast sales to limit its exposure to exchange rate risk in relation to foreign currency denominated monetary items.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) **市場風險**

本集團之活動主要面對涉及匯率、利率及股本價格變動之金融風險。本集團訂立多項衍生金融工具，以管理其所面對之外幣風險，其中包括：

- 就極可能發生之外幣預期銷售而訂立遠期外匯合約，以降低本集團所面對有關以外幣為單位貨幣項目之匯率風險。

所面對之市場風險乃使用敏感度分析而計量。

本集團所面對之市場風險或本集團管理及計量風險之方式並無變動。

外幣風險管理

本集團數間附屬公司以外幣進行銷售及採購，使本集團面對外幣風險。管理層監察所面對之外匯風險，並會於有需要時考慮對沖重大之外幣風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) Market risk (continued)

Foreign currency risk management
(continued)

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

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) 市場風險 (續)

外幣風險管理 (續)

本集團於呈報日期以外幣為單位之貨幣資產及貨幣負債之賬面值如下：

		Liabilities 負債		Assets 資產	
		2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元	2010 HK\$'000 港幣千元	2009 HK\$'000 港幣千元
USD	美金	43,531	30,488	98,707	21,277
RMB	人民幣	79,320	59,297	145,455	102,542
EUR	歐元	25,400	59,479	20,922	2,090
JPY	日圓	34	122	28	6
SGD	新加坡幣	15,975	10,436	40,278	33,169
MYD	馬幣	11,375	9,248	31,555	16,794
GBP	英鎊	4	77	399	17
THB	泰銖	9,510	—	—	—



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For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) **Market risk** (continued)

*Foreign currency risk management
(continued)*

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in USD, RMB, EUR, JPY, SGD, MYD, GBP and THB.

The following table details the Group's sensitivity to a 5% increase and decrease in the Hong Kong dollars 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 outstanding foreign currency denominated monetary items and foreign currency forward contracts, and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the Hong Kong dollars strengthen 5% against the relevant currency. For a 5% weakening of the Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) 市場風險 (續)

外幣風險管理 (續)

敏感度分析

本集團主要面對美金、人民幣、歐元、日元、新加坡幣、馬幣、英鎊及泰銖波動之影響。

下表詳列因應本集團對於港元兌相關外幣匯率上下波動5%之敏感度。5%為向內部主要管理人員匯報外幣風險所用之敏感率，並指管理層對匯率可能合理變動之評估。敏感度分析包括以外幣計算之尚未平倉貨幣項目及外幣遠期合約，並於期末調整其換算以反映匯率之5%變動。敏感度分析包括對外貸款以及予本集團內之外國業務之貸款，而貸款之幣值為借方或貸方之貨幣者。下列正數表示港元兌相關外幣出現港元轉強5%，以致盈利及其他權益增加。倘港元兌相關外幣出現港元減弱5%，將會對盈利及其他權益造成相等及相反之影響，而下列結餘將會為負數。

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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) Market risk (continued)

Foreign currency risk management
(continued)

Sensitivity analysis (continued)

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) 市場風險 (續)

外幣風險管理 (續)

敏感度分析 (續)

		Impact of USD 美金之影響		Impact of RMB 人民幣之影響	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Profit or loss (note)	盈利或虧損(附註)	2,759	461	3,307	2,162
		Impact of EUR 歐元之影響		Impact of JPY 日圓之影響	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Profit or loss (note)	盈利或虧損(附註)	224	2,869	—	6
		Impact of SGD 新加坡幣之影響		Impact of MYD 馬幣之影響	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Profit or loss (note)	盈利或虧損(附註)	1,215	1,137	1,009	377
		Impact of THB 泰銖之影響		Impact of GBP 英鎊之影響	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Profit or loss (note)	盈利或虧損(附註)	476	—	20	3

Note:

This is mainly attributable to the exposure outstanding on receivables and payables denominated in respective currencies at the end of the reporting period.

附註：

主要來自於報告期末時以相關貨幣為單位之應收及應付賬款仍然面對之風險。



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財務報表附註

For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) **Market risk** (continued)

Interest rate risk management

The Group's cash flow interest rate risk relates primarily to variable-rate borrowings (note 32). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial assets and financial liabilities are 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 HIBOR arising from the Group's Hong Kong dollar denominated borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For variable-rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease in HIBOR is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) **市場風險** (續)

利率風險管理

本集團之現金流利率風險主要與浮息借貸有關(附註32)。本集團政策是將借貸維持於浮動利率，以盡量減低公平值利率風險。

本集團就金融資產及金融負債而面對之利率風險在本附註的「流動資金風險管理」一節詳述。本集團之現金流利率風險主要集中在本集團以港元為單位的借貸所產生之香港銀行同業拆息之波動風險。

敏感度分析

以下敏感度分析乃根據於報告期末之衍生工具及非衍生工具之利率風險而釐定。就浮息借貸而言，該分析乃假設於報告期末仍未償還之負債金額於整個年度仍不會償還。當向內部主要管理人員匯報利率風險時，乃使用香港銀行同業拆息增加或減少50個基點，並指管理層對利率可能合理變動之評估。

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For the year ended December 31, 2010
截至2010年12月31日止年度

46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) **Market risk** (continued)

Interest rate risk management (continued)

Sensitivity analysis (continued)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2010 would decrease/increase by HK\$101,000 (2009: HK\$90,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has increased during the current period mainly due to the increase in variable rate borrowings.

Other price risks

The Group is exposed to equity price risk through its investment in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities operating in logistics, manufacturing and trading sectors quoted in the Stock Exchange. In addition, the Group has monitor the price risk and will consider hedging the risk exposure should the need arise.

46. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險(續)

利率風險管理(續)

敏感度分析(續)

倘利率增加／減少50個基點，而所有其他變數維持不變，則本集團於截至2010年12月31日止年度之盈利應會減少／增加港幣101,000元(2009年：港幣90,000元)，主要由於本集團所面對浮息借貸之利率風險所致。

本集團於本期間對於利率之敏感度上升，主要由於浮息借貸增加所致。

其他價格風險

本集團透過於上市股本證券之投資而面對股本價格風險。管理層透過維持具不同風險及回報之投資組合而管理該風險。本集團之股本價格風險主要集中於聯交所報價之從事物流、製造及貿易行業公司的股本證券。此外，本集團已監察價格風險，並會於有需要時考慮對沖有關風險。



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For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(i) **Market risk** (continued)

Other price risks (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If equity prices had been 5% higher/lower, the Group's profit for the year ended December 31, 2010 would increase/decrease by HK\$900 (2009: HK\$500). This is mainly due to the changes in fair value of other financial assets at fair value through profit or loss.

The Group's sensitivity to equity prices has not changed significantly from prior year.

(ii) **Credit risk**

At December 31, 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to 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 the financial guarantees provided by the Group as disclosed in note 42.

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) **市場風險** (續)

其他價格風險 (續)

敏感度分析

以下敏感度分析乃根據於呈報日期所面對之股本價格風險而釐定。

倘股本價格增加／減少5%，則本集團於截至2010年12月31日止年度之盈利應會增加／減少港幣900元(2009年：港幣500元)，主要由於按公平值計入損益之其他金融資產之公平值變動所致。

本集團對於股本價格之敏感度與上年度比較並無重大變動。

(ii) **信貸風險**

於2010年12月31日，本集團由於交易對手未能履行責任及本集團提供財務擔保而會導致本集團招致財務損失之最大信貸風險主要來自：

- 綜合財務狀況表所列之相關已確認金融資產之賬面值；及
- 附註42所披露與本集團所提供財務擔保有關之或然負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investments at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

46. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險(續)

為了盡量減低信貸風險，本集團管理層已委派專責隊伍，負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動以收回逾期債項。此外，本集團於各報告期末均檢討每項個別貿易債項及債務投資的可收回金額，以確保就不能收回金額作出充足減值虧損。在此方面，本公司董事認為本集團的信貸風險已大為降低。

由於交易對手是獲國際評級機構給予高度信貸評級之銀行，因此流動資金之信貸風險有限。

除流動資金存放在獲高度信貸評級之數間銀行造成信貸風險集中外，本集團並無其他重大信貸集中之風險。貿易往來應收賬款涉及大量客戶，而彼等遍佈多個行業及地區市場。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At December 31, 2010, the Group has available unutilised overdrafts and short and medium term bank loan facilities of HK\$12,137,000 (2009: HK\$10,379,000) and HK\$93,557,000 (2009: HK\$118,001,000) respectively.

The following tables detail the Group's remaining contractual maturity for its financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. For non-derivative financial liabilities, the tables reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

For derivative instruments settle on a net basis, undiscounted net cash outflows are presented. Whereas they require gross settlement, the undiscounted gross outflows on these derivatives are shown in the table.

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 流動資金風險管理

流動資金風險管理之最終責任由董事會承擔，而董事會已設立合適之流動資金風險管理架構，以管理本集團之短期、中期及長期融資及流動資金管理需要。本集團透過維持充足儲備、銀行信貸及後備借貸額度而管理流動資金風險，方法是持續監察預測及實際現金流量以及安排金融資產及金融負債之到期日得到配合。

於2010年12月31日，本集團有未動用之透支及短期與中期銀行信貸分別港幣12,137,000元(2009年：港幣10,379,000元)及港幣93,557,000元(2009年：港幣118,001,000元)。

下表詳列本集團金融負債之餘下合約到期情況，該等因素已列入向內部主要管理人員提供作管理流動資金風險用途之到期情況分析。就非衍生金融負債而言，該等附表反映根據本集團被要求還款之最早日期而釐定之非折現現金流量。該等附表包括利息及本金之現金流量。

就以淨值基準結算之衍生工具而言，會列出非折現淨現金流出。當需要總額結算時，該等衍生工具之非折現流出總額會在表內呈列。

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For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk management (continued)

At December 31, 2010

		Weighted average effective interest rate 加權平均 實際利率 %				Total undiscounted cash flows 非折現現金 流量總額 HK\$'000 港幣千元	Total carrying amount 賬面總值 HK\$'000 港幣千元
			Within 1 year 1年內 HK\$'000 港幣千元	2 to 5 years 2至5年 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元		
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables	貿易往來及其他 應付賬款	—	347,691	—	—	347,691	
Bills payables	應付票據	—	25,588	—	—	25,588	
Obligation under finance leases	融資租賃債務	5.06	96	240	—	336	
Amount due to a jointly controlled entity	應付一間共同控制 實體款項	—	2,585	—	—	2,585	
Amounts due to related companies	應付關聯公司款項	—	441	—	—	441	
Convertible loan note	可換股貸款票據	11.77	—	12,763	—	12,763	
Borrowings	貸款	4.00	201,332	—	—	201,332	
			577,733	13,003	—	590,736	
						589,585	

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 流動資金風險管理 (續)

於2010年12月31日



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

46. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Liquidity risk management (continued)

At December 31, 2009 (Restated)

	Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	%	1年內	2至5年	5年以上	非折現現金流量總額	賬面總值
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Non-derivative financial liabilities						
Trade and other payables		345,340	—	—	345,340	345,340
Bills payables		32,080	—	—	32,080	32,080
Obligation under finance leases	5.06	88	308	—	396	396
Amounts due to related companies	—	959	—	—	959	959
Borrowings	4.71	173,543	2,012	3,994	179,549	179,549
		552,010	2,320	3,994	558,324	558,324

46. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 流動資金風險管理 (續)

於2009年12月31日 (重列)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

46. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- (i) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- (ii) the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For an option-based derivative, the fair value is estimated using option pricing model (for example, the Black-Scholes option pricing model).

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

46. 金融工具(續)

(c) 金融工具之公平值

金融資產及金融負債之公平值乃按以下方式釐定：

- (i) 具標準條款及條件並在活躍流通市場買賣之金融資產及金融負債(包括衍生工具)之公平值乃分別參考市場所報之買入價及賣出價而釐定；及
- (ii) 其他金融資產及金融負債(包括衍生工具)之公平值乃根據一般採納之定價模式、基於折現現金流量分析而釐定，並使用來自可觀察現有市場交易之價格或利率作為輸入數據。就以優先認股權為基礎之衍生工具而言，公平值乃使用優先認股權定價模式(例如柏力克•舒爾斯優先認股權定價模式)而估計。

董事認為綜合財務報表所記錄之金融資產及金融負債賬面值與其公平值相若。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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46. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

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;
- 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); and
- 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).

46. 金融工具 (續)

(c) 金融工具之公平值 (續)

於綜合財務狀況表中確認之公平值計量

下表為按公平值作初始確認後計量之金融工具分析，乃根據公平值之可觀察程度歸類為三個層級：

- 第一層級之公平值計量指就相同之資產或負債而從活躍市場報價(未經調整)所得者；
- 第二層級之公平值計量指就資產或負債直接(即價格)或間接(從價格所得)觀察惟不屬於第一層級報價之輸入數據；及
- 第三層級之公平值計量指根據包括並非基於資產或負債之可觀察市場數據(不可觀察輸入數據)之估值技巧所得出者。

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46. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

*Fair value measurements recognised in the consolidated statement of financial position
(continued)*

		December 31, 2010 2010年12月31日			
		Level 1 第1層級 HK\$'000 港幣千元	Level 2 第2層級 HK\$'000 港幣千元	Level 3 第3層級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Financial assets	金融資產				
Other financial assets at fair value through profit or loss	其他以公平值 計入損益的 金融資產	17	—	—	17
Available-for-sale financial assets	可供出售之金融資產				
Unlisted equity securities	無牌價之股本證券	—	—	9,300	9,300
Total	合計	17	—	9,300	9,317
		December 31, 2009 2009年12月31日			
		Level 1 第1層級 HK\$'000 港幣千元	Level 2 第2層級 HK\$'000 港幣千元	Level 3 第3層級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Financial assets	金融資產				
Other financial assets at fair value through profit or loss	其他以公平值計入 損益的金融資產	10	—	—	10
Available-for-sale financial assets	可供出售之金融資產				
Unlisted equity securities	無牌價之股本證券	—	—	15,000	15,000
Total	合計	10	—	15,000	15,010

There were no transfers between Levels 1 and 2 in the current year.

於綜合財務狀況表中確認之公平價
計量(續)

(c) 金融工具之公平值(續)

本年度並無第1層級與第2層級之間
之轉移。



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For the year ended December 31, 2010
截至2010年12月31日止年度

46. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets

		Unquoted equity investments 無牌價之股本投資	
		2010	2009
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Opening balance	年初結餘	15,000	21,000
Gains or losses recognised in:	於下列項目中確認之盈虧：		
— profit or loss	— 損益	(5,700)	(6,000)
Closing balance	年終結餘	9,300	15,000

46. 金融工具 (續)

(c) 金融工具之公平值 (續)

第3層級金融資產公平值計量之對賬

47. SHARE OPTION SCHEME

On August 23, 2001, the Stock Exchange has announced amendments to Chapter 17 of the Listing Rules, which has come into effect on September 1, 2001. In compliance with the amendments to the Listing Rules and the announcement of the Stock Exchange, the Company adopted a new share option scheme ("2002 Scheme") and terminated the share option scheme, which was adopted pursuant to a resolution passed on June 28, 2001, on May 30, 2002 pursuant to a resolution passed on that date. The purpose of the 2002 Scheme is to provide incentives or rewards to participants for their contribution to the Group and enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any company in which the Group holds any equity interest. The 2002 Scheme will expire on the 10th anniversary of date of adoption.

47. 優先認股權計劃

於2001年8月23日，聯交所宣布修訂上市規則第17章並於2001年9月1日起生效。為符合上市規則修訂及聯交所之公布內容，本公司於2002年5月30日採納另一新優先認股權計劃（「2002年計劃」）及根據於該日通過之決議案終止於2001年6月28日通過決議案採納之優先認股權計劃。2002年計劃旨在鼓勵或嘉獎對本集團有所貢獻之參與人士，同時使本集團可招攬及挽留能幹之員工，並吸引重要之人才為本集團及任何本集團持有任何股份權益之公司作出貢獻。2002年計劃將自採納日期起計第10週年屆滿。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
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47. SHARE OPTION SCHEME (continued)

Under the 2002 Scheme, the Board may at their discretion grants options to the following participants of the Company, its subsidiaries and any company in which the Group holds any equity interest, to subscribe for shares in the Company:

1. eligible employees, including Directors; or
2. suppliers or customers; or
3. any person or entity that provides research, development or other technological support; or
4. shareholders; or
5. employees, partners or directors of any business partners, joint venture partners, financial advisers and legal advisers.

Options granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the INEDs of the Company (excluding any INED who is the grantee).

47. 優先認股權計劃 (續)

根據2002年計劃，董事會可酌情決定向與本公司、其附屬公司及任何本集團持有任何股份權益之公司有關之以下參與人士授出優先認股權，以認購本公司股份：

1. 合資格僱員，包括董事；或
2. 供應商或客戶；或
3. 提供研究、開發或其他技術支援之任何人士或公司；或
4. 股東；或
5. 任何業務合夥人、合營企業合夥人、財務顧問及法律顧問之任何僱員、合夥人或董事。

授出優先認股權予本公司董事、主要行政人員或主要股東或彼等各自之聯繫人士，必須經本公司獨立非執行董事(不包括同時為承授人之任何獨立非執行董事)批准。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010

截至2010年12月31日止年度

47. SHARE OPTION SCHEME (continued)

The total number of shares in respect of which options may be granted under the 2002 Scheme and any other share option schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. Subject to the above rule, the total number of shares in respect of which options may be granted under the 2002 Scheme and any other share option schemes must not, in aggregate, exceed 10% of the issued share capital of the Company at the adoption date of the 2002 Scheme without prior approval from the Company's shareholders. Pursuant to an ordinary resolution passed by the Company's shareholder at the special general meeting held on April 30, 2008, the scheme limit of the 2002 Scheme was refreshed so that the total number of shares of the Company which may be issued upon exercise of all options to be granted under the 2002 Scheme must not exceed 10% of the issued share capital of the Company at April 30, 2008. Options granted prior to April 30, 2008 under the 2002 Scheme were not counted for the purpose of calculating the refreshed scheme limit of the 2002 Scheme.

The number of shares in respect of which options may be granted to any participant in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder, or an INED of the Company or any of their respective associates under the 2002 Scheme and any other share option schemes in any one year in excess of 0.1% of the Company's issued share capital or with a value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5 million must be approved in advance by the Company's shareholders.

47. 優先認股權計劃(續)

按2002年計劃及任何其他優先認股權計劃可授出之優先認股權涉及之股份總數，合共不得超過本公司不時已發行股本之30%。除上述規則外，如未經本公司股東事先批准，按2002年計劃及任何其他優先認股權計劃可授出之優先認股權涉及之股份總數，合共不得超過本公司於採納2002年計劃當日已發行股本之10%。根據本公司股東於2008年4月30日舉行之股東特別大會上通過之一項普通決議案，2002年計劃之計劃上限已經更新，以致因行使2002計劃將授出之優先認股權而可發行之本公司股份總數不得超過本公司於2008年4月30日當日已發行股本之10%。於計算2002年計劃之經更新計劃上限時，於2008年4月30日前已根據2002年計劃授出之優先認股權不會計算在內。

如未經本公司股東事先批准，於任何1年向任何參與人士授出之優先認股權涉及之股份數目不得超過本公司在任何時候之已發行股份之1%。任何1年根據2002年計劃及任何其他優先認股權計劃向本公司1名主要股東、獨立非執行董事或彼等各自之聯繫人士授出優先認股權，如超過本公司已發行股本0.1%，或按授出當日本公司股份收市價計算超過港幣5,000,000元，則須經本公司股東事先批准。

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47. SHARE OPTION SCHEME (continued)

Options granted must be taken up within 28 days of the date of grant upon payment of HK\$1 per each grant of options. The exercise period of the share options granted under the 2002 Scheme shall be determined by the Board when such options are granted, provided that such period shall not end later than 6 years from the date of grant. The subscription price is determined by the Board and will not be less than the higher of the closing price of the Company's shares on the date of grant, or the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant, or the nominal value of a Company's share.

For the year ended December 31, 2010, the numbers of share options granted and exercised were 17,000,000 and 41,250,000[#] respectively (2009: 23,100,000 and 6,098,000 respectively).

At December 31, 2010, the number of shares in respect of which options had been granted and remained outstanding under the 2002 Scheme was 95,140,000[#] (2009: 24,538,000) representing 4.15% (2009: 5.45%) of the issued share capital of the Company at that date.

47. 優先認股權計劃 (續)

參與人可於獲提出授予優先認股權當日起計28日內接納優先認股權，並須於接納優先認股權時繳付港幣1元作為代價。根據2002年計劃授出之優先認股權之行使期於授出時由董事會決定，惟不得遲於董事會提出授予優先認股權日期起計之6年後屆滿。股份認購價由董事會決定，惟認購價不得低於下列三者中之最高者：於授出日期本公司股份的收市價；於緊接授出日期前5個交易日本公司股份的平均收市價（以聯交所日報表所載者為準）；或本公司股份面值。

截至2010年12月31日止年度內，授出及獲行使之優先認股權數目分別為17,000,000股及41,250,000股[#]（2009年：分別為23,100,000股及6,098,000股）。

於2010年12月31日，有關根據2002年計劃授出惟尚未行使之優先認股權之股份數目為95,140,000股[#]（2009年：24,538,000股），佔本公司當日之已發行股本之4.15%（2009年：5.45%）。



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47. SHARE OPTION SCHEME (continued)

The fair value of the options granted in 2007, 2009 and 2010 measured at the date of grant on June 11, 2007, August 9, 2007, September 25, 2007, June 12, 2009, November 11, 2009 and July 7, 2010 were approximately HK\$172,000, HK\$322,000, HK\$1,659,000, HK\$1,493,000, HK\$178,000 and HK\$793,000 respectively and it had been expensed as share-based payments during 2007, 2009 and 2010. Options were priced using the Binomial or Black-Scholes models. The following significant assumptions were used to derive the fair value using the Binomial or Black-Scholes option pricing models at the dates of grant:

	June 11, 2007	August 9, 2007	September 25, 2007	June 12, 2009	November 11, 2009	July 7, 2010	
Date of share options granted	2007年	2007年	2007年	2009年	2009年	2010年	
授出優先認股權日期	6月11日	8月9日	9月25日	6月12日	11月11日	7月7日	
Granted date share price (HK\$)	授出日期之股份價格 (港幣元)	0.80	1.23	0.97	0.295	0.78	0.135
Exercise price (HK\$)	行使價 (港幣元)	1.00	1.278	1.044	0.295	0.78	0.15
Expected volatility (%)	預期波幅 (%)	83.12	102.30	113.75	111.88	107.30	88.14
Contractual option life (years)	合約優先認股權年期 (年)	6.00	6.00	6.00	6.00	6.00	6.00
Dividend yield (%)	股息率 (%)	0.00	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate (%)	無風險利率 (%)	4.088	3.920	3.791	2.493	1.842	1.735

Where relevant, the expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility.

In 2010, the weighted average share price at the share price at the date of exercise price for share options exercised during the year was HK\$0.182.

47. 優先認股權計劃 (續)

於授出日期2007年6月11日、2007年8月9日、2007年9月25日、2009年6月12日、2009年11月11日及2010年7月7日計算之2007年、2009年及2010年授出優先認股權的公平值分別約為港幣172,000元、港幣322,000元、港幣1,659,000元、港幣1,493,000元、港幣178,000元及港幣793,000元，而該等金額已於2007年、2009年及2010年年內列作以股份為基礎付款之開支。優先認股權乃使用二項式或柏力克•舒爾斯模式定價。以下為於授出日期使用二項式或柏力克•舒爾斯優先認股權定價模式計算公平值所用之重大假設：

在適用情況下，已根據管理層之最佳估計而調整該模式所使用之預期年期，以反映不可轉讓、行使限制(包括達到優先認股權所附市場條件的可能性)及行為考慮因素之影響。預期波幅乃基於歷史股價波動而計算。

於2010年，行使優先認股權當日之股價之加權平均股價為港幣0.182元。

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47. SHARE OPTION SCHEME (continued)

The options outstanding at December 31, 2010 had the weighted average exercise price of HK\$0.75 (2009: HK\$0.75) and weighted average remaining contractual life of 4.53 years (2009: 4.53 years).

The following table discloses details and movements of the Company's share options granted under the 2002 Scheme held by employees (including Directors) during the year:

2010

Date of grant 授出日期	Outstanding at January 1, 2010 於2010年 1月1日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Adjustment during the year [#] 年內的調整 [#]	Outstanding at December 31, 2010 [#] 於2010年 12月31日 尚未行使 [#]	Exercisable period 行使期	Exercise price 行使價	
								Before adjustment* 調整前*	After adjustment [#] 調整後 [#]
								HK\$ 港幣元	HK\$ 港幣元
June 11, 2007 2007年6月11日	660,000	—	(294,000)*	—	1,464,000	1,830,000	June 11, 2007 – June 10, 2013 2007年6月11日 至2013年6月10日	0.8333	0.1667
August 9, 2007 2007年8月9日	624,000	—	(180,000)*	(180,000) [#]	1,776,000	2,040,000	August 9, 2007 – August 8, 2013 2007年8月9日 至2013年8月8日	1.0650	0.2130
September 25, 2007 2007年9月25日	7,064,000	—	(1,376,000)* (300,000) [#]	(1,620,000) [#]	22,752,000	26,520,000	September 25, 2007 – September 24, 2013 2007年9月25日 至2013年9月24日	0.8700	0.1740
June 12, 2009 2009年6月12日	15,190,000	—	(2,390,000)* (19,000,000) [#]	(1,500,000) [#]	51,200,000	43,500,000	June 12, 2009 – June 11, 2015 2009年6月12日 至2015年6月11日	0.2950	0.0590
November 11, 2009 2009年11月11日	1,000,000	—	(150,000)*	—	3,400,000	4,250,000	November 11, 2009 – November 10, 2015 2009年11月11日 至2015年11月10日	0.7800	0.1560
July 7, 2010 2010年7月7日	—	17,000,000	—	—	—	17,000,000	July 7, 2011 – July 6, 2017 2011年7月7日 至2017年7月6日	0.1500	
Grand Total 總計	24,538,000	17,000,000	(4,390,000)* (19,300,000) [#]	(3,300,000) [#]	80,592,000	95,140,000			

47. 優先認股權計劃 (續)

於2010年12月31日尚未行使優先認股權之加權平均行使價為港幣0.75元(2009年: 港幣0.75元)，而加權平均餘下合約年期為4.53年(2009年: 4.53年)。

下表披露於年內，本公司根據2002年計劃授出予僱員(包括董事)所持之優先認股權變動之詳情：



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47. SHARE OPTION SCHEME (continued)

47. 優先認股權計劃 (續)

Date of grant 授出日期	Outstanding at January 1, 2009	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding at December 31, 2009	Exercisable period 行使期	Exercise price 行使價 HK\$ 港幣元
	於2009年 1月1日 尚未行使				於2009年 12月31日 尚未行使		
June 11, 2007 2007年6月11日	840,000	—	—	(180,000)	660,000	June 11, 2007 – June 10, 2013 2007年6月11日至2013年6月10日	0.8333
August 9, 2007 2007年8月9日	720,000	—	—	(96,000)	624,000	August 9, 2007 – August 8, 2013 2007年8月9日至2013年8月8日	1.0650
September 25, 2007 2007年9月25日	9,528,000	—	(28,000)	(2,436,000)	7,064,000	September 25, 2007 – September 24, 2013 2007年9月25日至2013年9月24日	0.8700
June 12, 2009 2009年6月12日	—	22,100,000	(6,070,000)	(840,000)	15,190,000	June 12, 2009 – June 11, 2015 2009年6月12日至2015年6月11日	0.2950
November 11, 2009 2009年11月11日	—	1,000,000	—	—	1,000,000	November 11, 2009 – November 10, 2015 2009年11月11日至2015年11月10日	0.7800
Grand Total 總計	11,088,000	23,100,000	(6,098,000)	(3,552,000)	24,538,000		

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47. SHARE OPTION SCHEME (continued)

Details of the share options held by the Directors included in the above table are as follows:

2010

Date of grant 授出日期	Outstanding at January 1, 2010 於2010年 1月1日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Adjustment during the year [#] 年內的調整 [#]	Outstanding at December 31, 2010 [#] 於2010年 12月31日 尚未行使 [#]	Exercisable period 行使期	Exercise price 行使價	
								Before adjustment* 調整前* HK\$ 港幣元	After adjustment* 調整後* HK\$ 港幣元
June 11, 2007 2007年6月11日	540,000	—	(264,000)*	—	1,104,000	1,380,000	June 11, 2007 – June 10, 2013 2007年6月11日 至2013年6月10日	0.8333	0.1667
September 25, 2007 2007年9月25日	4,200,000	—	—	—	16,800,000	21,000,000	September 25, 2007 – September 24, 2013 2007年9月25日 至2013年9月24日	0.8700	0.1740
June 12, 2009 2009年6月12日	12,200,000	—	(1,800,000)* (9,500,000) [#]	—	41,600,000	42,500,000	June 12, 2009 – June 11, 2015 2009年6月12日 至2015年6月11日	0.2950	0.0590
November 11, 2009 2009年11月11日	500,000	—	—	—	2,000,000	2,500,000	November 11, 2009 – November 10, 2015 2009年11月11日 至2015年11月10日	0.7800	0.1560
July 7, 2010 2010年7月7日	—	10,500,000	—	—	—	10,500,000	July 7, 2011 – July 6, 2017 2011年7月7日 至2017年7月6日	0.1500	
Grand Total 總計	17,440,000	10,500,000	(2,064,000)* (9,500,000) [#]	—	61,504,000	77,880,000			

47. 優先認股權計劃 (續)

上表所載由董事持有之優先認股權詳情如下：



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47. SHARE OPTION SCHEME (continued)

47. 優先認股權計劃 (續)

Date of grant 授出日期	Outstanding at January 1, 2009	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding at December 31, 2009	Exercisable period 行使期	Exercise price 行使價 HK\$ 港幣元
	於2009年 1月1日 尚未行使				於2009年 12月31日 尚未行使		
June 11, 2007 2007年6月11日	600,000	—	—	(60,000)	540,000	June 11, 2007 – June 10, 2013 2007年6月11日至2013年6月10日	0.8333
September 25, 2007 2007年9月25日	5,244,000	—	—	(1,044,000)	4,200,000	September 25, 2007 – September 24, 2013 2007年9月25日至2013年9月24日	0.8700
June 12, 2009 2009年6月12日	—	12,200,000	—	—	12,200,000	June 12, 2009 – June 11, 2015 2009年6月12日至2015年6月11日	0.2950
November 11, 2009 2009年11月11日	—	500,000	—	—	500,000	November 11, 2009 – November 10, 2015 2009年11月11日至2015年11月10日	0.7800
Grand Total 總計	5,844,000	12,700,000	—	(1,104,000)	17,440,000		

* Before adjustment for the share subdivision which was effective on February 17, 2010.

* 未就2010年2月17日生效之股份拆細作出調整。

After adjustment for the share subdivision which was effective on February 17, 2010.

已就2010年2月17日生效之股份拆細作出調整。

48. DIVIDEND

No dividend was paid or proposed for 2010 and 2009, nor has any dividend been proposed since the end of the reporting period.

48. 股息

於2010年及2009年概無任何派息或擬派發股息，自報告期末起亦無任何擬派發股息。

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49. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

49. 主要附屬公司

本公司主要附屬公司之詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration 成立地點/ 註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之 股權百分比	Issued and fully paid share capital or registered capital 已發行及繳足 股本或註冊資本	Principal activities 主要業務
Direct Subsidiary 直接附屬公司				
Wo Kee Hong (B.V.I.) Limited	British Virgin Islands 英屬處女群島	100	30,000 shares of US\$0.01 each 每股面值美金0.01元之 股份30,000股	Investment holding 投資控股
Indirect Subsidiaries 間接附屬公司				
Auto Italia Limited 快意汽車有限公司	Hong Kong 香港	75.4	10,000 shares of HK\$10 each 每股面值港幣10元之 股份10,000股	Trading of cars and related accessories and provision of car repairing services 買賣汽車及相關配件 及提供汽車維修服務
Common Joy Limited 普熹有限公司	Hong Kong 香港	100	1 share of HK\$1 each 每股面值港幣1元之 股份1股	Property holding 物業持有
Dalian Auto Italia Car Trading Co., Ltd. 大連快意汽車貿易 有限公司	Mainland China 中國內地	75.4	Registered and fully paid capital of RMB5,000,000 註冊及已繳足資本 人民幣5,000,000元	Trading of cars 買賣汽車



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49. PRINCIPAL SUBSIDIARIES (continued)

49. 主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration 成立地點/ 註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之 股權百分比	Issued and fully paid share capital or registered capital 已發行及繳足 股本或註冊資本	Principal activities 主要業務
Indirect Subsidiaries (continued) 間接附屬公司 (續)				
Italian Motors (Sales & Service) Limited 勵駿汽車有限公司	Hong Kong 香港	75.4	60,000 shares of HK\$10 each 每股面值港幣10元之 股份60,000股	Investment holding 投資控股
Noble Brand Investments Limited 力保派有限公司	Hong Kong 香港	90.0	1 share of HK\$1 each 每股面值港幣1元之 股份1股	Trading of yachts and accessories 買賣遊艇及配件
Rise Champ Limited	Hong Kong 香港	100	1 share of HK\$1 each 每股面值港幣1元之 股份1股	Property holding 物業持有
Technorient Limited 勵安有限公司	Hong Kong 香港	75.4	461,687 shares of HK\$100 each 每股面值港幣100元之 股份461,687股	Investment holding 投資控股
Wo Kee Administration Limited 和記管理有限公司	Hong Kong 香港	100	1 share of HK\$1 each 每股面值港幣1元之 股份1股	Treasury and administration 庫務及行政管理

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49. PRINCIPAL SUBSIDIARIES (continued)

49. 主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration 成立地點/ 註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之 股權百分比	Issued and fully paid share capital or registered capital 已發行及繳足 股本或註冊資本	Principal activities 主要業務
Indirect Subsidiaries (continued) 間接附屬公司 (續)				
Wo Kee Hong Distribution Pte Ltd	Singapore 新加坡	100	4,500,000 ordinary shares of S\$1 each 每股面值新加坡幣1元之 普通股份4,500,000股	Distribution of home audio and car audio equipment and accessories 分銷家用音響及 汽車音響器材及配件
Wo Kee Hong Electronics Sdn Bhd	Malaysia 馬來西亞	100	1,000,000 ordinary shares of RM\$1 each 每股面值馬幣1元之 普通股份1,000,000股	Distribution of audio- equipment 分銷影音設備
Wo Kee Hong Finance Limited 和記電業財務有限公司	Hong Kong 香港	100	2 shares of HK\$1 each 每股面值港幣1元之 股份2股	Finance and money lending 財務及借貸
Wo Kee Hong Limited 和記電業有限公司	Hong Kong 香港	100	10,000 non-voting deferred shares of HK\$1,000 each and 2 ordinary shares of HK\$1,000 each 每股面值港幣1,000元之 無投票權遞延股份 10,000股及每股面值 港幣1,000元之 普通股份2股	Distribution of air- conditioning products, audio-visual equipment, car audio and other electrical appliances 分銷空調產品、影音 設備、汽車音響及 其他電器



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49. PRINCIPAL SUBSIDIARIES (continued)

49. 主要附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration 成立地點/ 註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及繳足股本或註冊資本	Principal activities 主要業務
Indirect Subsidiaries (continued) 間接附屬公司 (續)				
Wo Kee Hong Marketing Pte Ltd	Singapore 新加坡	94.8	6,200,000 shares of S\$1 each 每股面值新加坡幣1元之股份6,200,000股	Distribution of air-conditioning products 分銷空調產品
Wo Kee Hong Trading Sdn Bhd	Malaysia 馬來西亞	100	5,100,000 ordinary shares of RM\$1 each 每股面值馬幣1元之普通股份5,100,000股	Distribution of audio-visual equipment 分銷影音設備
上海新概念服飾有限公司	Mainland China 中國內地	51.0	Registered and fully paid capital of US\$3,000,000 註冊及已繳足資本美金3,000,000元	Distribution and retail of fashion apparels 分銷及零售時裝
新概念溢華(上海)貿易有限公司	Mainland China 中國內地	51.0	Registered and fully paid capital of US\$2,000,000 註冊及已繳足資本美金2,000,000元	Distribution of fashion apparels 分銷時裝
南京快意汽車貿易有限公司	Mainland China 中國內地	75.4	Registered and fully paid capital of RMB10,000,000 註冊及已繳足資本人民幣10,000,000元	Trading of cars 買賣汽車

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended December 31, 2010
截至2010年12月31日止年度

49. PRINCIPAL SUBSIDIARIES (continued)

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

49. 主要附屬公司 (續)

年終概無附屬公司發行任何債務證券。

董事認為，上表只載列對本集團業績或資產有重要影響之本公司附屬公司。如載列其他附屬公司詳情，董事則認為所佔用之篇幅將會過於冗長。

50. PRINCIPAL ASSOCIATE

50. 主要聯營公司

Name of associate 聯營公司名稱	Place of incorporation/ registration 成立地點/ 註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之 股權百分比	Issued and fully paid share capital 已發行及繳足股本	Principal activities 主要業務
China Premium Lifestyle Enterprise, Inc.	USA 美國	49.8	24,534,491 shares of common stock of US\$0.005 each 每股面值美金0.005元之 普通股24,534,491股	Investment holding 投資控股



SCHEDULE OF GROUP PROPERTIES

集團物業表

For the year ended December 31, 2010
截至2010年12月31日止年度

(A) INVESTMENT PROPERTIES

(A) 投資物業

Address 地點	Existing use 現有用途	Category of lease 契約類別	Percentage held by the Group 本集團持有百分比
Units A, B and C on Level 24, New Times Plaza, No. 42 Wenwu Lu, Xinhua Da Dao, Qinyang District, Chengdu, Mainland China 中國四川省 成都市青羊區 新華大道文武路42號 新時代廣場 24層A、B及C單位	Commercial 商業	Medium-term lease 中期	100%

(B) PROPERTIES HELD FOR SALE

(B) 持作出售物業

Address 地點	Existing use 現有用途	Category of lease 契約類別	Percentage held by the Group 本集團持有百分比
Units 1912, 1915-1918 on Level 19, Bright China Chang An Building, No. 7 Jianguomennei Da Jie, Dongcheng District, Beijing, Mainland China 中國北京東城區 建國門內大街7號 光華長安大廈第19層 1912、1915至1918單位	Commercial 商業	Medium-term lease 中期	100%

SHARE OPTION INFORMATION

優先認股權資料

The following table discloses movement in the Company's share options granted under the 2002 Scheme for the year ended December 31, 2010:

下表披露本公司根據2002年計劃授出之優先認股權於2010年12月31日止年度之變動情況：

Eligible person 合資格人士	Date of grant 授出日期	Outstanding at January 1, 2010 於2010年 1月1日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Adjustment during the year [#] 年內的調整 [#]	Outstanding at December 31, 2010 [#] 於2010年 12月31日 尚未行使 [#]	Exercisable period 行使期	Exercise price 行使價	
									Before adjustment [#] 調整前 [#] HK\$ 港幣元	After adjustment [#] 調整後 [#] HK\$ 港幣元
Dr. Richard Man Fai LEE (Director) 李文輝博士 (董事)	June 11, 2007 2007年6月11日	264,000	—	(264,000)*	—	—	—	June 11, 2007 – June 10, 2013 2007年6月11日 至2013年6月10日	0.8333	0.1667
	June 12, 2009 2009年6月12日	2,900,000	—	(1,000,000)* (9,500,000) [#]	—	7,600,000	—	June 12, 2009 – June 11, 2015 2009年6月12日 至2015年6月11日	0.2950	0.0590
	July 7, 2010 2010年7月7日	—	6,000,000	—	—	—	6,000,000	July 7, 2011 – July 6, 2017 2011年7月7日 至2017年7月6日	0.1500	
		3,164,000	6,000,000	(1,264,000)* (9,500,000) [#]	—	7,600,000	6,000,000			
Mr. Jeff Man Bun LEE (Director) 李文彬先生 (董事)	June 11, 2007 2007年6月11日	120,000	—	—	—	480,000	600,000	June 11, 2007 – June 10, 2013 2007年6月11日 至2013年6月10日	0.8333	0.1667
	September 25, 2007 2007年9月25日	144,000	—	—	—	576,000	720,000	September 25, 2007 – September 24, 2013 2007年9月25日 至2013年9月24日	0.8700	0.1740
	June 12, 2009 2009年6月12日	2,900,000	—	—	—	11,600,000	14,500,000	June 12, 2009 – June 11, 2015 2009年6月12日 至2015年6月11日	0.2950	0.0590
	July 7, 2010 2010年7月7日	—	1,000,000	—	—	—	1,000,000	July 7, 2011 – July 6, 2017 2011年7月7日 至2017年7月6日	0.1500	
		3,164,000	1,000,000	—	—	12,656,000	16,820,000			



SHARE OPTION INFORMATION

優先認股權資料

Eligible person 合資格人士	Date of grant 授出日期	Outstanding at January 1, 2010 於2010年 1月1日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Adjustment during the year [#] 年內的調整 [#]	Outstanding at December 31, 2010 [#] 於2010年 12月31日 尚未行使 [#]	Exercisable period 行使期	Exercise price 行使價	
									Before adjustment* 調整前* HK\$ 港幣元	After adjustment [#] 調整後 [#] HK\$ 港幣元
Mr. Tik Tung WONG (Director) 汪濼東先生 (董事)	September 25, 2007	3,480,000	—	—	—	13,920,000	17,400,000	September 25, 2007 – September 24, 2013	0.8700	0.1740
	2007年9月25日							2007年9月25日 至2013年9月24日		
	June 12, 2009	2,900,000	—	(500,000)*	—	9,600,000	12,000,000	June 12, 2009 – June 11, 2015	0.2950	0.0590
	2009年6月12日							2009年6月12日 至2015年6月11日		
	July 7, 2010	—	3,500,000	—	—	—	3,500,000	July 7, 2011 – July 6, 2017	0.1500	
	2010年7月7日							2011年7月7日 至2017年7月6日		
		6,380,000	3,500,000	(500,000)*	—	23,520,000	32,900,000			
Mr. Boon Seng TAN (Director) 陳文生先生 (董事)	September 25, 2007	204,000	—	—	—	816,000	1,020,000	September 25, 2007 – September 24, 2013	0.8700	0.1740
	2007年9月25日							2007年9月25日 至2013年9月24日		
	June 12, 2009	300,000	—	(300,000)*	—	—	—	June 12, 2009 – June 11, 2015	0.2950	0.0590
	2009年6月12日							2009年6月12日 至2015年6月11日		
		504,000	—	(300,000)*	—	816,000	1,020,000			
Mr. Ying Kwan CHEUNG (Director) 張應坤先生 (董事)	June 11, 2007	60,000	—	—	—	240,000	300,000	June 11, 2007 – June 10, 2013	0.8333	0.1667
	2007年6月11日							2007年6月11日 至2013年6月10日		
	September 25, 2007	204,000	—	—	—	816,000	1,020,000	September 25, 2007 – September 24, 2013	0.8700	0.1740
	2007年9月25日							2007年9月25日 至2013年9月24日		
	June 12, 2009	300,000	—	—	—	1,200,000	1,500,000	June 12, 2009 – June 11, 2015	0.2950	0.0590
	2009年6月12日							2009年6月12日 至2015年6月11日		
		564,000	—	—	—	2,256,000	2,820,000			

SHARE OPTION INFORMATION

優先認股權資料

Eligible person 合資格人士	Date of grant 授出日期	Outstanding at January 1, 2010 於2010年 1月1日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Adjustment during the year [#] 年內的調整 [#]	Outstanding at December 31, 2010 [#] 於2010年 12月31日 尚未行使 [#]	Exercisable period 行使期	Exercise price 行使價	
									Before adjustment [#] 調整前 [#] HK\$ 港幣元	After adjustment [#] 調整後 [#] HK\$ 港幣元
Mr. Peter Pi Tak YIN (Director) 尹俊德先生 (董事)	November 11, 2009 2009年11月11日	500,000	—	—	—	2,000,000	2,500,000	November 11, 2009 – November 10, 2015 2009年11月11日 至2015年11月10日	0.7800	0.1560
		500,000	—	—	—	2,000,000	2,500,000			
Ms. Kam Har YUE (Director) 余金霞女士 (董事)	June 11, 2007 2007年6月11日	96,000	—	—	—	384,000	480,000	June 11, 2007 – June 10, 2013 2007年6月11日 至2013年6月10日	0.8333	0.1667
	September 25, 2007 2007年9月25日	168,000	—	—	—	672,000	840,000	September 25, 2007 – September 24, 2013 2007年9月25日 至2013年9月24日	0.8700	0.1740
	June 12, 2009 2009年6月12日	2,900,000	—	—	—	11,600,000	14,500,000	June 12, 2009 – June 11, 2015 2009年6月12日 至2015年6月11日	0.2950	0.0590
		3,164,000	—	—	—	12,656,000	15,820,000			



SHARE OPTION INFORMATION

優先認股權資料

Eligible person 合資格人士	Date of grant 授出日期	Outstanding at January 1, 2010 於2010年 1月1日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Adjustment during the year [#] 年內的調整 [#]	Outstanding at December 31, 2010 [#] 於2010年 12月31日 尚未行使 [#]	Exercisable period 行使期	Exercise price 行使價	
									Before adjustment* 調整前* HK\$ 港幣元	After adjustment [#] 調整後 [#] HK\$ 港幣元
Continuous contract employees 持續合約員工	June 11, 2007 2007年6月11日	120,000	—	(30,000)*	—	360,000	450,000	June 11, 2007 – June 10, 2013 2007年6月11日 至2013年6月10日	0.8333	0.1667
	August 9, 2007 2007年8月9日	624,000	—	(180,000)*	(180,000) [#]	1,776,000	2,040,000	August 9, 2007 – August 8, 2013 2007年8月9日 至2013年8月8日	1.0650	0.2130
	September 25, 2007 2007年9月25日	2,864,000	—	(1,376,000)* (300,000) [#]	(1,620,000) [#]	5,952,000	5,520,000	September 25, 2007 – September 24, 2013 2007年9月25日 至2013年9月24日	0.8700	0.1740
	June 12, 2009 2009年6月12日	2,990,000	—	(590,000)* (9,500,000) [#]	(1,500,000) [#]	9,600,000	1,000,000	June 12, 2009 – June 11, 2015 2009年6月12日 至2015年6月11日	0.2950	0.0590
	November 11, 2009 2009年11月11日	500,000	—	(150,000)*	—	1,400,000	1,750,000	November 11, 2009 – November 10, 2015 2009年11月11日 至2015年11月10日	0.7800	0.1560
	July 7, 2010 2010年7月7日	—	6,500,000	—	—	—	6,500,000	July 7, 2011 – July 6, 2017 2011年7月7日 至2017年7月6日	0.1500	
			7,098,000	6,500,000	(2,326,000)* (9,800,000) [#]	(3,300,000) [#]	19,088,000	17,260,000		
		24,538,000	17,000,000	(4,390,000)* (19,300,000) [#]	(3,300,000) [#]	80,592,000	95,140,000			

* Before adjustment for the share subdivision which was effective on February 17, 2010. * 未就2010年2月17日生效之股份拆細作出調整。

After adjustment for the share subdivision which was effective on February 17, 2010. # 已就2010年2月17日生效之股份拆細作出調整。



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