



中國稀土控股有限公司

China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號：00769

年報  
*Annual Report*





## 目錄 CONTENTS

公司資料 Corporate Information	2
財務摘要 Financial Highlights	4
主席報告書 Chairman's Statement	6
董事及高級管理人員簡介 Directors and Senior Management Profile	17
企業管治報告 Corporate Governance Report	20
董事會報告 Directors' Report	27
獨立核數師報告 Independent Auditor's Report	38
綜合收益表 Consolidated Income Statement	41
綜合全面收益表 Consolidated Statement of Comprehensive Income	42
綜合財務狀況表 Consolidated Statement of Financial Position	43
財務狀況表 Statement of Financial Position	45
綜合權益變動表 Consolidated Statement of Changes in Equity	46
綜合現金流量表 Consolidated Statement of Cash Flows	48
財務報表附註 Notes to the Financial Statements	50
財務概要 Financial Summary	160

## 公司資料

### CORPORATE INFORMATION

#### 董事

##### 執行董事

蔣泉龍先生(主席)  
錢元英女士(副主席)  
蔣才南先生

##### 獨立非執行董事

劉余九先生  
黃春華先生  
金重先生

##### 審核委員會

劉余九先生  
黃春華先生  
金重先生

##### 薪酬委員會

蔣泉龍先生  
劉余九先生  
黃春華先生  
金重先生

##### 公司秘書

羅納德先生

##### 註冊辦事處

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

##### 總辦事處及主要營業地點

中國江蘇省  
宜興市

##### 香港營業地點

香港  
中環雪廠街16號  
西洋會所大廈15樓

#### DIRECTORS

##### Executive Directors

Mr Jiang Quanlong (Chairman)  
Ms Qian Yuanying (Deputy Chairman)  
Mr Jiang Cainan

##### Independent Non-executive Directors

Mr Liu Yujiu  
Mr Huang Chunhua  
Mr Jin Zhong

##### AUDIT COMMITTEE

Mr Liu Yujiu  
Mr Huang Chunhua  
Mr Jin Zhong

##### REMUNERATION COMMITTEE

Mr Jiang Quanlong  
Mr Liu Yujiu  
Mr Huang Chunhua  
Mr Jin Zhong

##### COMPANY SECRETARY

Mr Law Lap Tak

##### REGISTERED OFFICE

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

##### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Yixing  
Jiangsu Province, PRC

##### PLACE OF BUSINESS IN HONG KONG

15/F, Club Lusitano  
16 Ice House Street, Central  
Hong Kong

#### 香港法律顧問

趙不渝 馬國強律師事務所

#### HONG KONG LEGAL ADVISERS

Chiu & Partners

#### 核數師

陳葉馮會計師事務所有限公司

#### AUDITORS

CCIF CPA Limited

#### 主要往來銀行

##### 中國

中國銀行股份有限公司  
中國工商銀行股份有限公司  
中國建設銀行股份有限公司  
招商銀行股份有限公司

#### PRINCIPAL BANKERS

##### PRC

Bank of China Limited  
Industrial & Commercial Bank of China Limited  
China Construction Bank Corporation  
China Merchants Bank Company Limited

##### 香港

渣打銀行(香港)有限公司  
法國巴黎銀行  
中信銀行國際有限公司  
中國銀行(香港)有限公司  
南洋商業銀行有限公司

##### Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
BNP Paribas  
CITIC Bank International Limited  
Bank of China (Hong Kong) Limited  
Nanyang Commercial Bank, Limited

#### 主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 609  
Grand Cayman KY1-1107  
Cayman Islands

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 609  
Grand Cayman KY1-1107  
Cayman Islands

#### 香港股份過戶登記分處

香港中央證券登記有限公司  
香港  
皇后大道東183號  
合和中心17樓

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### 互聯網址

www.creh.com.hk

#### INTERNET WEBSITE

www.creh.com.hk

#### 香港聯合交易所有限公司股份代號

769

#### STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

769

#### 公關顧問

縱橫財經公關顧問有限公司

#### PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited

# 財務摘要

## FINANCIAL HIGHLIGHTS

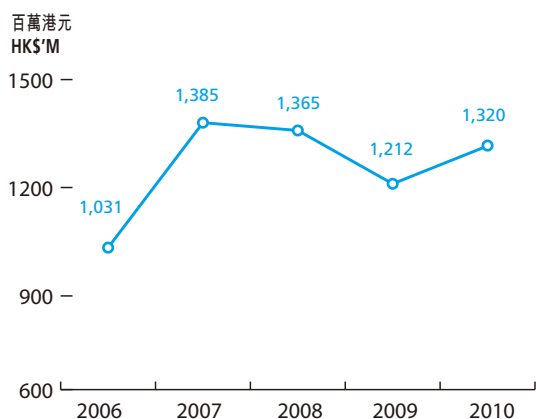
### 營業額

#### TURNOVER

截至十二月三十一日止年度  
For the year ended 31 December

百萬港元  
HK\$ 'M

2006	1,031
2007	1,385
2008	1,365
2009	1,212
2010	1,320



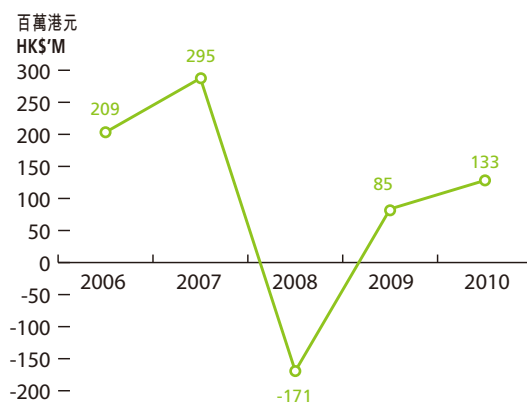
### 本公司擁有人應佔溢利／(虧損)淨額

#### NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

截至十二月三十一日止年度  
For the year ended 31 December

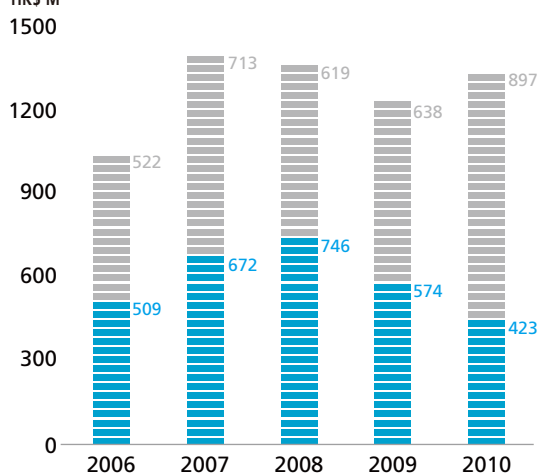
百萬港元  
HK\$ 'M

2006	209
2007	295
2008	-171
2009	85
2010	133



### 營業額 TURNOVER

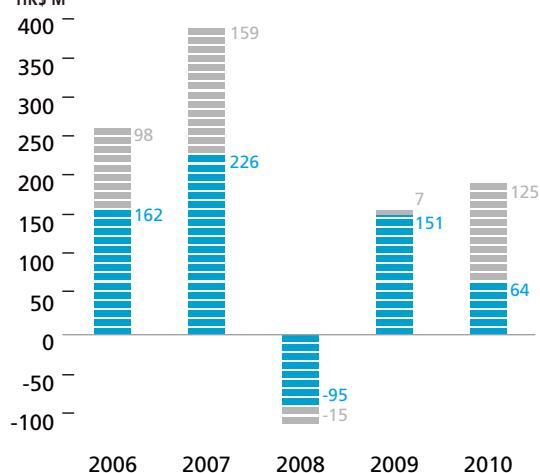
百萬港元  
HK\$'M



■ 稀土產品類 Rare Earth Products  
■ 耐火產品類 Refractory Products

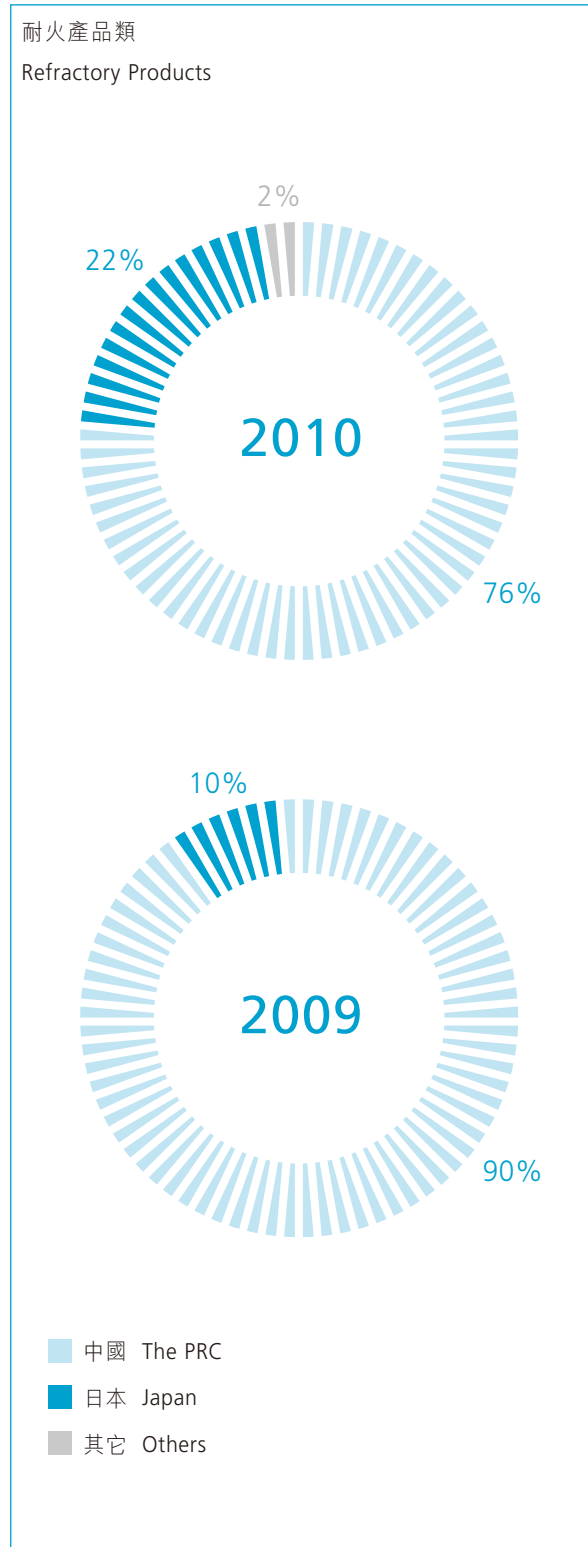
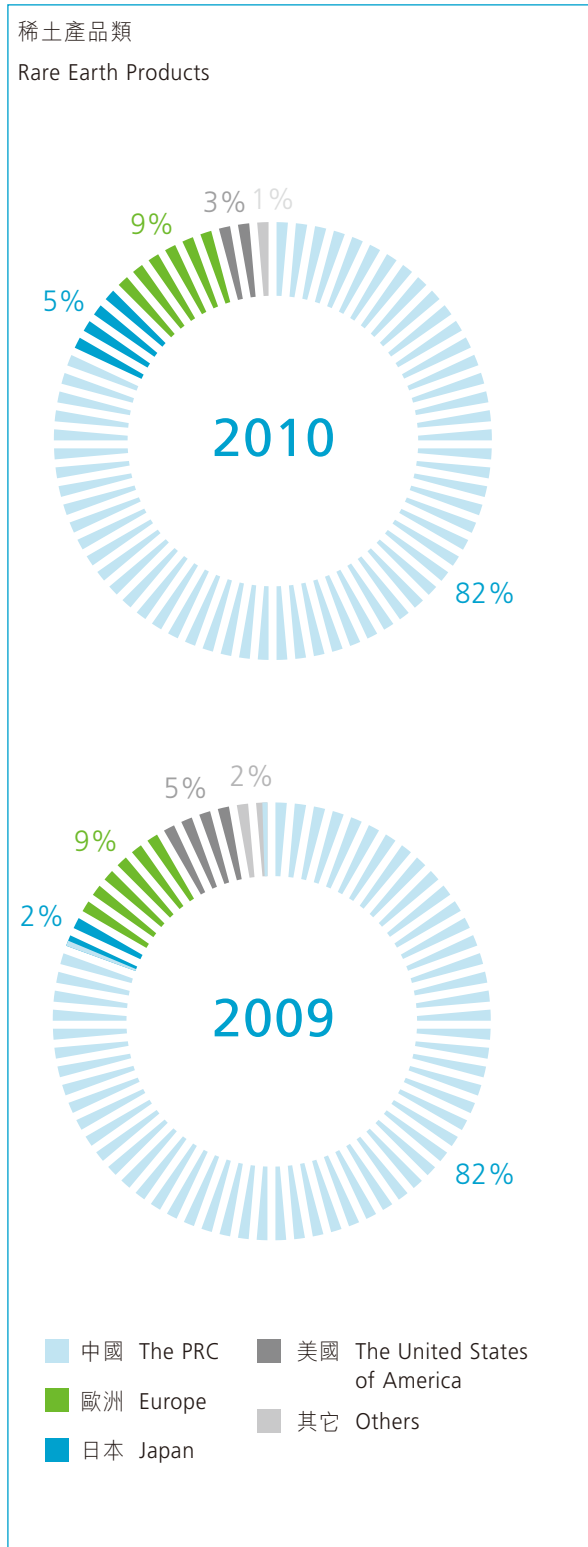
### 分部業績 SEGMENT RESULTS

百萬港元  
HK\$'M



■ 稀土產品類 Rare Earth Products  
■ 耐火產品類 Refractory Products

營業額 TURNOVER



致各位股東：

本人謹代表董事會向各位股東提呈中國稀土控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）截至二零一零年十二月三十一日止之全年業績報告。

隨著二零零九年金融海嘯的影響慢慢減退，加上中國政府於回顧年內進一步推出規範稀土資源開採和稀土產品出口秩序的新政策，刺激稀土產品價格持續上揚；故此雖然政府限制稀土供應及削減稀土出口配額，令稀土相關產品的銷售量下跌，本集團稀土業務的營業額仍受惠於稀土價格上漲而大幅飆升。上游業務方面，由於本集團於近年收購了專門從事初步分組分離稀土鹽類產品業務的江華瑤族自治縣興華稀土新材料有限公司後，不但為本集團取得了更加穩定的稀土原材料貨源，使其供應更有保障，並且在回顧年內受惠於市場對稀土上游產品的需求上升，銷售額增幅理想，為本集團增加了收入來源。

耐火材料業務方面，中國政府於回顧年內持續推出刺激經濟的措施，但鋼鐵及玻璃行業對耐火材料的應用量仍未回到金融海嘯前水準。本集團將繼續加強整合其營運，優化成本效益，並擴展上游業務，其中本集團高純鎂砂第一期生產線已經於二零一零年四季度開始投產，以進一步實現協同效應和擴闊收入來源。

### 財務業績

截至二零一零年十二月三十一日止財政年度，本集團錄得營業額約為1,319,504,000港元，與二零零九年的1,211,683,000港元比較升幅為9%。當中稀土產品的營業額約為896,451,000港元，較去年同期之637,725,000港元上升約41%，約佔

To Shareholders,

On behalf of the Board of Directors, I present to you the annual results of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2010.

The impact of the financial tsunami in 2009 gradually subsided and the Chinese Government launched new policies to restrict mining and export of rare earth resources and products which drove up the price of rare earth products. Turnover of the Group's rare earth business still recorded notable growth benefitting from the rise in prices, despite the drop in sales volume of rare earth related products as a result of the Government's policy to limit the supply and export quota of rare earth. As for upstream business, the acquisition of Jianghua Yao Nationality Autonomous County Xinghua Rare Earth Company Limited specialising in preliminary separation of rare earth salts by groups in recent year has enabled the Group to secure a reliable rare earth raw materials source and thus a more steady supply. The acquisition has also increased sales and broadened the Group's income stream during the year under review thanks to the increasing market demand for upstream rare earth products.

For the Group's refractory materials business, although the Chinese Government introduced economic stimulus measures, the utilisation of refractory materials by the steel and glass industries has not returned to the higher levels seen before the financial tsunami. The Group intends to continue to integrate its operation, enhance cost effectiveness and expand its upstream businesses. In addition, Phase I of the Group's high purity magnesium grains line has commenced production in the fourth quarter of 2010 to realise synergies and expand the Group's income stream.

### FINANCIAL RESULTS

For the financial year ended 31 December 2010, the Group recorded a turnover of approximately HK\$1,319,504,000, a rise of 9% when compared with that of HK\$1,211,683,000 in 2009. The turnover from rare earth products was approximately HK\$896,451,000, an increase of 41% over last year (2009: HK\$637,725,000) and



總營業額的68%。耐火材料產品的營業額則約為423,053,000港元，較去年的573,958,000港元下跌約26%，約佔總營業額的32%。稀土業務的銷售額及毛利上升抵消了耐火材料銷售及毛利的下跌，而本集團整體毛利率亦由去年的約19%輕微上升至本年度的約22%。

本集團於回顧年內錄得除稅後淨溢利約139,041,000港元（二零零九年度：84,683,000港元），與上年度比較上升約64%。本年度每股盈利約8.48港仙（二零零九年度：5.75港仙）。

#### 股息

為了保留資金於未來發展，以抓緊經濟復甦的增長機會，董事會建議不派發二零一零年度之末期股息（二零零九年度末期股息：無）。

accounting for about 68% of total turnover. The refractory materials business brought in approximately HK\$423,053,000 in turnover, 26% less than last year (2009: HK\$573,958,000) and accounting for about 32% of the Group's total. The increase in sales and gross profit margin of rare earth business offset the drop in sales and gross profit margin of refractory materials business. The Group's overall gross profit margin also increased slightly from approximately 19% last year to 22% this year.

Profit after taxation for the year under review amounted to approximately HK\$139,041,000 (2009: HK\$84,683,000), a rise of approximately 64% when compared with last year. Earnings per share for this year were about HK8.48 cents (2009: HK5.75 cents).

#### DIVIDENDS

To retain funds for future development and to be better positioned to capture growth opportunities as the economy revives, the Board does not recommend the payment of a final dividend for 2010 (2009: nil).



### 業務回顧

#### 稀土業務

回顧年內中國政府進一步提升對稀土這戰略資源的保護規劃，如提高稀土分離企業准入門檻，收緊對稀土礦產量的控制及進一步減少出口配額等，加上電子消費產品日新月異、汽車等行業持續復甦，均帶動市場對稀土產品的殷切需求，促使稀土產品價格大幅上揚。故雖然受到中央政府於二零一零年下半年大幅減少稀土出口配額影響，稀土業務的營業額仍比去年度上升約41%至896,451,000港元，整體毛利率則由去年的約6%上升至約19%。

稀土氧化物方面，由於市場需求普遍好轉，而中國政府加強對稀土礦產量的監管限制影響了供應，令售價顯著反彈。回顧年內，本集團於國內市場約售出2,000噸稀土氧化物，較上年度增長逾三成；整體價格亦有所上升，其中氧化鐳釷及氧化鈳比上年度飆升逾倍，氧化釧更上升接近1.8倍，其他如氧化鈹、氧化鎳則上升約五至九成。出口方面，由於上半年旺盛的市場需求，帶動稀土氧化物價格較上年度持續增長，而下半年政府公佈出口配額下調以後，更刺激稀土氧化物出口價格飆升，以全年平均計，氧化釧出口價比上年度上漲逾兩倍，氧化鈳、氧化鈳升約1.5倍，鈳鎳共沉升約三成半，氧化鈳、氧化鈳、氧化鈳等也有六至七成升幅。然而由於出口配額的大幅減少，致

### BUSINESS REVIEW

#### Rare Earth Business

During the year under review, the Chinese Government enhanced the implementation of measures to protect and better plan for the development of strategic rare earth resources, including raising the threshold for new entrants to rare earth separating industry, tightening control over rare earth ore output and further reducing the export quota. These measures, plus the launch of innovative consumer electronics products and the continuous recovery of the motor vehicle industry have also driven market demand for rare earth products and thus their prices. Despite the substantial reduction of export quotas of rare earth by the Central Government in the second half of 2010, turnover of the Group's rare earth business still increased by approximately 41% to HK\$896,451,000. Overall gross profit margin also increased from 6% last year to approximately 19%.

In the Group's rare earth oxides division, as market demand has generally improved and the regulation on rare earth ore output by the Chinese Government affected supply, the price of rare earth oxides rebounded notably. During the year under review, the Group sold about 2,000 tonnes of rare earth oxides within China, a growth of more than 30% against last year, and the prices also increased: the price of praseodymium neodymium oxide and erbium oxide more than doubled when compared with last year; the price of lanthanum oxide increased by nearly 1.8 times, and the price of terbium oxide and dysprosium oxide rose by about 50% to 90%. As for export, the strong market demand in the first half has continued to boost the price of rare earth oxides. The Government's policy to reduce the export quota in the second half has also pushed up the export price of rare earth oxides.

Calculated on an annual average basis, the export prices rose as follows: lanthanum oxide more than two-fold from last year; cerium oxide and yttrium oxide by about 1.5 times; yttrium-europium co-precipitates by about 35% and gadolinium oxide, erbium oxide and terbium oxide by 60% to 70%. However, due to the sharp drop in



使全年稀土氧化物出口量較去年下降超過五成至1,000噸以下。

但以總量計算，本集團於二零一零年的稀土氧化物產量較二零零九年上升約40%至約3,000噸。以金額計，主要產品鈮鎔共沉、氧化鏷釹及氧化鐳共佔總產量約六成。雖然供應緊張導致稀土原材料價格亦大幅上升，如氯化稀土升約六成，氧化稀土、碳酸稀土則升逾倍，但由於本集團提升了各種產品的售價，足以將上升了的成本轉嫁予客戶，稀土氧化物業務毛利轉虧為盈，毛利率約達22%。

為部署全面把握持續好轉的市況帶來的商機，及預期未來稀土原材料的成本持續上升，本集團除增加生產外，亦斥資逾4億港元，用於大量採購原材料，包括於二零一零年採購逾10,000噸稀土鹽類，較二零零九年增加約一倍。

下游產品方面，集團的熒光粉及拋光粉主要為內銷，由於客戶未能完全接受價格大幅上漲，故二零一零年價格與二零零九年比基本持平。但由於稀土氧化物價格上漲，致使成本上升，毛利下降，故於回顧

年內減少生產與銷售下游產品。二零一零年只售出約350噸，比二零零九年下降約27%，毛利率降至不足一成。上游產品方面，由於中國政府調控減少全國供應，致使價格大幅上升，故本集團屬下的江華瑤族自治縣興華稀土新材料有限公司的產品售價於二零一零年較二零零九年上升約三至四成。但亦由於原材料上漲，致使毛利率降至只



the export quota, the export volume of rare earth oxides decreased year-on-year by more than 50% to below 1,000 tonnes.

In terms of total volume, the output of rare earth oxides in 2010 jumped around 40% from 2009 to approximately 3,000 tonnes. In terms of amount, major products including yttrium-europium co-precipitates, praseodymium neodymium oxide and dysprosium oxide occupied around 60% of the Group's production. Although an intense supply shortage pushed up the material cost noticeably, for instance, chlorinated rare earth rose about 60%, with oxidized rare earth and carbonated rare earth up more than 100%, the Group managed to transfer these rises onto customers by increasing the selling prices of products. As a result, the gross profit of rare earth oxides made a turnaround with gross profit margin reaching approximately 22%.

To capture the opportunities presented by the recovering market and the expected rise in rare earth raw material costs, the Group has not only increased production, but has also invested more than HK\$400,000,000 in mass procurement of raw materials, including over 10,000 tonnes of rare earth salts in 2010, more than doubled when compared with that in 2009.

As for downstream products, the Group's fluorescent powder and polishing powder were mainly for the domestic market, where customers could not digest a significant increase in selling prices. Thus, prices remained at a similar level as that in 2009. However, as the increase in the price of rare earth oxides pushed up the costs and suppressed gross profit,

the Group reduced the production and sales of downstream products in the year under review. In 2010, only 350 tonnes were sold, which was around a 27% drop against 2009. Gross profit margin slipped to less than 10%. For upstream products, prices increased significantly because of the limited supply nationwide under the regulatory measures taken by the Chinese Government. Therefore, the selling prices of the products produced by Jianghua

有約兩成。此外，本集團另一附屬公司和平縣東冶稀土新材料有限公司亦受產品價格升幅不及原材料價格升幅的影響致使毛利率亦下降至不足一成。回顧年內兩公司對外共售出約5,200噸稀土鹽類及約360噸稀土金屬。

市場分佈方面，中國國內市場仍是本集團稀土業務的主要收入來源。由於回顧年內稀土氧化物出口業務受到配額減少影響而較上年度下跌，但國內對其需求卻有增無減，加上其他稀土產品如熒光粉、拋光粉、稀土鹽類及稀土金屬均以內銷為主，於回顧年內，本集團於中國市場的銷售，佔稀土銷售總額比例提升至約82%，而歐洲、日本和美國分別約佔9%，5%及3%。

### 耐火材料業務

回顧年內，國內玻璃和鋼鐵等行業的氣氛仍未完全恢復，尤其是經營環境在上半年較為困難，該等企業在加強成本控制下，對本集團的耐火材料業務形成壓力。本集團耐火材料業務的整體營業額由去年的573,958,000港元下跌約26%至423,053,000港元，毛利率則約為27%。

一般耐火材料方面，二零一零年本集團總銷量只錄得約45,000噸，比二零零九年下跌約17%。其中電熔鎂磚及碳化硅磚銷售數量下跌了逾四成，鎂鋁尖晶石磚下跌了約八成，AZS磚及剛玉磚更只錄得有限的銷量。然而日本鋼鐵行業帶動了本集團一般耐火材料的銷售，其中主要銷往外地的產品如電熔鎂鉻磚和鋁碳磚銷售量分別增長逾一成和三成半；另一方面，由於本集團開拓新的銷

Yao Nationality Autonomous County Xinghua Rare Earth Company Limited, a subsidiary of the Group, climbed by 30% to 40% in 2010 over 2009. In spite of the rise, higher material costs have dragged down the gross profit margin to around 20% only. Besides, the gross profit margin of another subsidiary, Heping County Dongye Rare Earth Company Limited, also declined to less than 10% as the increase in material costs exceeded those of product prices. During the year under review, the two companies sold around 5,200 tonnes of rare earth salts and around 360 tonnes of rare earth metals in aggregate.

The domestic market in China remained the major income source of the Group's rare earth business. The export of rare earth oxides was lower than last year due to the lower quota set by the Government. However, the demand for rare earth oxides in China continued to rise, and the Group's fluorescent powder, polishing powder, rare earth salts and rare earth metals were mainly for domestic consumption. The sales to China surged to account for around 82% of the total sales of rare earth segment during the year under review, while those to Europe, Japan and the US occupied 9%, 5% and 3% respectively.

### Refractory Materials Business

During the year under review, the glass and steel industries in China have not yet fully recovered from the financial tsunami and the operating environment was particularly difficult during the first half of the year. The stricter controls on costs implemented by companies in those industries have put stronger pressure on the Group's refractory materials business. Segmental turnover dropped around 26% from HK\$573,958,000 to HK\$423,053,000 and gross profit margin was approximately 27%.

As for ordinary refractory materials, total sales volume of the Group in 2010 were only approximately 45,000 tonnes, a drop of around 17% from 2009. Fused magnesium bricks and silicone carbide bricks dropped more than 40%, magnesia-alumina spinel bricks dropped around 80% and AZS bricks and corundum bricks only recorded modest sales. However, supported by the steel industry demand from Japan, refractory products mainly targeting overseas market, notably fused magnesium-chrome bricks and alumina-graphite

售模式，對個別客戶不單只售賣耐火材料，更兼顧售後服務，帶動了澆注料的銷量，較二零零九年增長了約八成。一般耐火材料的售價方面，則有升有跌，但是由於銷售產品組合有所調整，使銷售額下跌了約22%。

一般耐火材料業務的原材料和燃料成本均隨著整個行業市場的變動有所上調。主要原材料如棕剛玉的價格於二零一零年較去年度平均上升約一成，鉻精礦的升幅更接近兩成，電熔鎂鉻砂的價格則基本持平；重油的價格受國際市場價格帶動，二零一零年平均價格較去年度上升約兩成半，加上產量下跌令平均成本上升，一般耐火材料業務的毛利率下降至約兩成。

高溫陶瓷方面，由於市場主要以國內為主，情況與一般耐火材料相似，其需求亦未完全復甦。由於中國政府對節能減排的政策日益重視，市場對火力發電的需求日漸減退，為符合市場發展，本集團於下半年停止了相關產品的生產線，只剩下

bricks, grew more than 10% and 35% respectively. In addition, the Group's new sales model provided after-sales services on top of refractory materials to some customers. This move boosted the sales volume of casting materials up approximately 80% compared to 2009. However, as the price trend of different ordinary refractory materials varies during the year, the sales amount dropped around 22% after the Group adjusted the product mix.

Material and fuel costs of the ordinary refractory materials division showed an upward trend in the wake of changes in the overall market. In 2010, the prices of major raw materials, such as brown fused corundum, were around 10% higher than the previous year on average. Prices of chromium concentrate rose nearly 20% while those of fused chrome magnesite grains remained at a similar level to last year. Fuel costs increased in step with international trends, as the average price of heavy oil in 2010 climbed by around 25% from the previous year. This rise plus the increasing average cost as a result of the drop in output contributed to a decline in the gross profit margin of the ordinary refractory materials business to approximately 20%.

With major markets in China, the demand for high temperature ceramics as with ordinary refractory materials has not fully recovered. As the Chinese Government has increased its attention to the policies for energy conservation and emissions reduction, the market demand for thermal power has declined accordingly.

To cope with the market trend, the Group has suspended the production lines of related products in the second half year and continued the operation of workshop for the Sialon product series only, resulting in a year-on-year drop of over 40% in overall sales volume of high temperature ceramics. Currently, the Sialon Series produced by the workshop primarily include silicon nitride bonded silicon carbide bricks, silicon carbide bricks and Sialon corundum bricks. These products recorded a sales volume of approximately 6,000 tonnes in 2010, similar to



賽隆車間在運作，使高溫陶瓷的整體銷量比去年下降了逾四成。現時的賽隆車間主要生產氮化硅結合碳化硅磚、碳化硅磚及賽隆剛玉磚，該等產品於二零一零年的銷量約為6,000噸，與去年度相若。平均價格則增長約5%，毛利率仍維持於約三成。

鎂砂業務方面，由於此類產品屬於上游的原材料，其需求亦較早復甦。回顧年內本集團的電熔鎂砂的銷量較二零零九年上升逾兩成，達15,000噸，平均價格亦上升約一成半，使銷售額上升約四成，毛利率則與去年相若，維持於約兩成。除了電熔鎂砂外，本集團所投資的高純鎂砂項目已於二零一零年投產，並於十二月份開始正式銷售。項目於起步階段已售出約2,000噸高純鎂砂，暫時盈利貢獻有限。本集團計劃未來逐漸提高純鎂砂的產量，以抓緊市場的增長機遇，及提升耐火材料業務的整體盈利水平。

市場方面，由於本集團積極開拓其他海外市場，現已有少量產品銷往韓國及台灣，出口市場佔本集團整體耐火材料業務銷售額約24%，而中國市場比重則下跌至約76%。

#### 展望

受惠於全球經濟復甦，以及電子產品行業的營商環境改善，加上中國政府公佈的七大戰略性新興產業中，節能環保、新能源、新能源汽車及新材料等多個行業均與稀土關係密切，預計未來市場對稀土的需求將持續提升。另一方面，中央政府將對整個稀土行業進行更強力整合，淘汰落後和高污染的產能，提高集中度，為國家及產業爭取持久發展的空間。由於本集團無論在生產效率、環保措施方面均處行業的前列位置，將受惠於行業的進一步整合。

that of last year. The average selling price rose by approximately 5% while gross profit margin remained at about 30%.

For the magnesium grain business, since such type of product is an upstream raw material, the recovery of the demand was faster. During the year under review, the Group sold 15,000 tonnes of fused magnesium grain, up by more than 20% over last year. The average price also climbed by approximately 15% and sales amount rose strongly by about 40%. Gross profit margin maintained a level similar to last year at about 20%. In a new direction, the high purity magnesium grain project invested in by the Group has commenced production in 2010 with sales starting in December. Since the project was at its initial phase and sold approximately 2,000 tonnes of high purity magnesium grain, its profit contribution was still limited at the moment. The Group planned to increase the production volume of high purity magnesium grain gradually to seize growth opportunities in the market and improve overall profitability of its refractory materials business.

As a result of the Group's efforts in expanding into other overseas markets, a small amount of its products has begun to sell to Korea and Taiwan. The proportion of exports within the Group's overall refractory materials sales was approximately 24%. The proportion of domestic sales within China dropped to approximately 76%.

#### PROSPECTS

The demand for rare earth is expected to surge benefitting from the reviving global economy, the improving business environment of electronic products industry and the intimate relationship between rare earth and some industries. These include energy saving and environmental protection, alternative energy, new energy vehicles and new materials, which are included within the seven strategic emerging industries designated by the Chinese Government. On the other hand, the Central Government is stepping up efforts to consolidate the entire rare earth industry to phase out sub-standard and highly polluted production, to create favourable conditions for sustainable growth of the country as well as the industry. With its top industry position in terms of production efficiency and environmental protection measures, the Group is set to benefit from further consolidation of the industry.

中國政府在未來將繼續透過稀土產品出口配額和出口稅率的調整保護國家的稀土資源，並進一步加強控制稀土開採的源頭，減少資源浪費；另一方面相信扶持政策將陸續出台。國內稀土行業生產總規模在國家有效地調控之下，預計產品出口將會繼續縮減，主流稀土產品價格將保持高位，全行業利潤預計會繼續保持增長。隨著經濟持續發展，長遠來說稀土需求將日漸蓬勃，而稀土價格亦將受惠於市場的供不應求，保持上升軌道，本集團對整個稀土行業仍保持樂觀，並已妥善運用資金以採購稀土資源，全面把握市場的增長機遇，和加強內銷，以抵銷出口量下降及部份稀土原材料供應減少所帶來的影響。



展望未來，本集團亦策略性改變產品組合，繼續致力拓展下游產品業務如熒光材料、拋光粉等，積極調整產品結構，搶佔市場先機，並增加上游稀土鹽類產品的銷售，擴大產業鏈的垂直整合。本集團與歐司朗有限公司共同投資的歐司朗(中國)熒光材料有限公司的第一期廠房現正加緊施工，為保證施工質素，進一步鞏固廠房建設，預計將於二零一一年六、七月間正式投產，新廠房第一期的三基色熒光粉年產能將達到1,000噸。

The Chinese Government will continue to conserve rare earth resources in China by means of export quotas for rare earth products and adjustment of the export tax rate. Besides, it will tighten the control over rare earth mining to reduce resource wastage. On the other hand, the Group believes more supportive policies will be launched by the Government to maintain sustainable growth of the industry. With the total production scale of the domestic rare earth industry under the effective control of the Government, the export of rare earth products is expected to decline continuously and the price of mainstream rare earth products will remain at a high level and thus the profit generated by the entire industry is expected to maintain sustainable growth. The demand for rare earth will grow stronger due to economic growth in the long run. The prices of rare earth should also remain at a high level due to the demand-over-supply situation. Hence, the Group remains optimistic about the development of the entire rare earth industry. It has prudently utilised its capital to acquire rare earth resources to fully capture the growth opportunities in the market and enhance domestic sales to offset the effects of export declines and the decreasing supply of some rare earth raw materials.

Looking ahead, the Group will adjust its product portfolio strategically by expanding into downstream product businesses such as fluorescent materials and polishing powder to seize business opportunity and increasing the sales of upstream rare earth salt products in a bid to further the vertical integration of its industry chain. Construction of Phase I at the production facility of OSRAM (China) Fluorescent Materials Co., Ltd., a joint venture set up with OSRAM GmbH, is accelerating its construction progress. Ensuring the construction quality of the production facility, Phase I of the new facility is expected to commence operation in June to July in 2011 with an annual production capacity of 1,000 tonnes of tri-band phosphors.

耐火材料業務方面，雖然中國房地產市場的不穩定因素仍未消除，但隨著中央政府提供保障性住房等措施，將有利於整個建築市場，從而帶動水泥、鋼鐵及玻璃行業對耐火材料的需求。本集團相信未來耐火材料業務將保持平穩，且水泥行業的發展將尤佳。本集團現正與世界五百強之一的知名日本企業洽商，希望能引入該公司的優秀技術，在已停產部份的高溫陶瓷生產線的廠址，組建新的合營企業，興建需求日漸殷切的水泥行業用工業陶瓷生產線。此外，隨著本集團的高純鎂砂廠房於去年底開始投產，預計於二零一一年起，高純鎂砂將為本集團帶來不俗的盈利貢獻，成為一個新的增長動力。另外，本集團亦準備將高溫陶瓷已停止的部份生產線改裝並搬往一般耐火材料的廠房合併運作，以精簡營運，減低運作成本。



未來，本集團亦將保持穩健的經營策略，精簡業務架構，提高研發水準，增加生產效率。此外，本集團將繼續加強縱向整合，並維持多元化的產品策略，以鞏固在稀土加工行業的翹楚地位。

#### 股份配售

回顧年內，本公司進行了一項資金籌集活動。於二零一零年十月份，本公司以先舊後新形式以每股售價3.95港元發行了120,000,000股新增股

As for the refractory materials business, despite the uncertainties in the property market in China, the measures of the Central Government such as the provision of low-income housing are conducive to the whole construction market, driving the demand for refractory materials such as cement, steel and glass. The Group believes that the refractory materials business will remain stable and the development of the cement industry will be particularly encouraging. The Group is negotiating with a leading Japanese enterprise, one of the Fortune 500 companies, to introduce its leading-edge technology. It expects to set up a new joint venture with the prospective partner to build production lines for industrial ceramics used in the cement industry at the site of the suspended high temperature ceramics production lines to meet the growing demand from the cement industry. Moreover, after operations commenced at the Group's high purity magnesium grain production

facility late last year, the high purity magnesium grain

business is expected to generate a satisfactory profit contribution to the Group as it becomes a new growth driver starting from 2011.

To streamline operations and reduce operating costs, the Group is also preparing to modify and relocate part of the suspended high temperature ceramics production lines so as to merge with the operations of the ordinary refractory materials production facility.

Long ahead, adhering to its healthy operating strategies, the Group will continue to streamline its business structure, improve its research and development standard and enhance production efficiency. The Group will also continue to strengthen the vertical integration of its business lines and pursue a diversified product strategy to reinforce its leading presence in the rare earth processing industry.

#### PLACING OF SHARES

During the year, the Company embarked on a fund raising exercise. During October 2010, the Company issued 120,000,000 new shares at HK\$3.95 per share by way of top-up placing, increasing the



份。交易完成後，本集團已發行股份數目增加至1,671,943,059股。所得款項淨額已撥作一般營運資金。

#### 流動資金及財務資源

本集團一向維持審慎的資金安排。於本年內，本集團已全數償付早前獲得的30,000,000美元無抵押銀行貸款的餘下部份。另一方面，本集團亦以84,900,000元人民幣存款抵押了致使國內子公司獲得了80,000,000元人民幣的短期銀行貸款。於二零一零年十二月三十一日，本集團持有現金及銀行存款金額共約1,331,573,000港元，其中包括上述之抵押存款。另外，於年末時，本集團亦抵押了部份值768,000美元之應收賬款以獲取690,000美元的貿易融資。本集團的流動資產淨額約為2,093,870,000港元。總負債對總資產的比率約9%。

除抵押了上述之存款及應收賬款外，本集團並無其他資產已被抵押，亦無重大或然負債。

本集團並未持有任何金融衍生工具產品。除了上述銀行貸款及銀行存款存在息差外，本集團並無面臨重大的息率風險。匯率方面，本集團大部份之資產、負債及交易均以人民幣結算，另部份以美元及港元列值。於回顧期內人民幣的升值並未為本集團帶來重大的匯率風險，且美元及港元的匯率相對穩定。

#### 僱員及薪酬

於二零一零年十二月三十一日，本集團僱用各級員工共約1,200人，包括多名大學畢業生及經驗豐富的專業翹楚。本集團為員工提供完善的薪酬及福利制度，包括購股權計劃以鼓勵員工對本集團的貢獻。回顧年內，僱員成本包括董事酬金合計

number of the Group's issued shares to 1,671,943,059. The net proceeds from the placing are to be used as general working capital.

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group has continued to maintain prudent capital arrangements. During the year, the Group had repaid all the balance of unsecured bank loans at US\$30,000,000 raised previously. On the other hand, the Group pledged deposits at RMB84,900,000 in order to acquire short term bank loans at RMB80,000,000 for subsidiaries in the PRC. As at 31 December 2010, the Group has cash and bank deposits at approximately HK\$1,331,573,000 including the mentioned pledged deposits. In addition, the Group also pledged certain trade receivables at US\$768,000 to obtain trade facilities at US\$690,000 as at the end of the year. The Group had a balance of net current assets valued at approximately HK\$2,093,870,000, with the total liabilities to total assets ratio at around 9%.

Except for the stated deposits and trade receivables pledged, the Group had no other charge on assets. There was no material contingent liability.

The Group did not hold any financial derivative products. Except for the interest rate differential in bank deposits with the stated bank loans, it was not exposed to material risk from interest rate fluctuations. Regarding foreign exchange, most of the Group's assets, liabilities and transactions are denominated in Renminbi, and the rest are in US dollars or Hong Kong dollars. During the year, the Group was not exposed to material foreign exchange risks caused by appreciation of the Renminbi. The exchange rate of the US dollar and Hong Kong dollar was relatively stable.

#### STAFF AND REMUNERATION

As at 31 December 2010, the Group had a workforce of approximately 1,200 including new recruits among university graduates as well as experienced professionals. The Group provides a comprehensive staff remuneration and welfare system, including a share option scheme, to motivate staff to contribute their best efforts. During the year, the Group spent approximately

約為44,518,000港元。另外，本集團亦經常安排在職培訓與員工以保持其專業水平。

#### 致謝

本集團能持續穩健發展，實有賴各股東、投資者、客戶、供應商及業務夥伴一直以來對本集團的信賴與支持，以及為全體員工多年來努力的成果。本人謹代表董事會及管理層向彼等致以最衷心的謝意。

主席

蔣泉龍

香港，二零一一年三月三十日

HK\$44,518,000 on staff costs including directors' emoluments. It has also provided regular on-the-job training to employees to help them maintain professional standards.

#### APPRECIATION

It is the unwavering support and trust of shareholders, investors, customers, suppliers and business partners and the dedicated efforts of the entire staff that have enabled the Group to grow steadily over the years. On behalf of the Board and the management, I wish to express my heartfelt gratitude to all of you.

**Jiang Quanlong**

*Chairman*

Hong Kong, 30 March 2011

## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

#### 執行董事

**蔣泉龍先生**，58歲，本集團創辦人及主席。蔣先生負責制訂本集團整體業務發展政策。蔣先生獲江蘇省人事廳評定具高級經濟師資格。蔣先生在稀土及耐火材料行業擁有逾三十年經驗。於創辦本集團之前，蔣先生曾擔任某耐火材料製造廠的經理及某玻璃陶瓷製造公司的營業經理。此外，蔣先生亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事，及本公司主要股東YY Holdings Limited之唯一董事。蔣先生為本集團副主席錢元英女士之丈夫。

**錢元英女士**，51歲，本集團創辦人及副主席，兼為本集團行政總裁。錢女士負責本集團整體管理工作及專責本集團業務的市場推廣工作。錢女士獲江蘇省人事廳評定具高級經濟師資格，另外亦獲得中國職業經理人資格。錢女士在稀土及耐火材料行業方面擁有逾二十年經驗。於創辦本集團之前，錢女士曾任職學校教師。錢女士為本集團主席蔣泉龍先生之妻子。

**蔣才南先生**，52歲，於一九八六年加入本集團，至二零零五年獲委任為執行董事。蔣先生兼為宜興新威利成耐火材料有限公司總經理，主管耐火材料業務之運作及銷售。蔣先生在耐火材料行業擁有逾三十年的豐富經驗。

#### EXECUTIVE DIRECTORS

**Mr Jiang Quanlong**, aged 58, is a founding member and the chairman of the Group. Mr Jiang is responsible for the formulation of the Group's overall business development policies. Mr Jiang is recognized as a senior economist by Jiangsu Provincial Personnel Department. Mr Jiang has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Mr Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. Besides, Mr Jiang is also the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited, and the sole director of YY Holding Limited, a substantial shareholder of the Company. Mr Jiang is the husband of Ms Qian Yuanying, the deputy chairman of the Group.

**Ms Qian Yuanying**, aged 51, is a founding member and the deputy chairman of the Group. Ms Qian is also the chief executive officer of the Group. Ms Qian is responsible for the overall management of the Group and has particular responsibility for the marketing aspect of the Group's business. Ms Qian is recognized as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms Qian has over 20 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms Qian was a high school teacher. Ms Qian is the wife of Mr Jiang Quanlong, the chairman of the Group.

**Mr Jiang Cainan**, aged 52, joined the Group in 1986 and was appointed as an executive director in 2005. Mr Jiang is also the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited and is responsible for the operation and sales of refractory materials business. Mr Jiang has over 30 years of experience in the refractory materials industry.

## 董事及高級管理人員簡介

### DIRECTORS AND SENIOR MANAGEMENT PROFILE

#### 獨立非執行董事

**劉余九先生**，77歲，於一九九九年加入本集團，為本公司獨立非執行董事。劉先生為原國家計委稀土專家組應用開發組組長。現時劉先生是中國稀土學會名譽理事及中國稀土學報編委會成員。劉先生於一九九二年十二月至一九九七年十二月期間擔任為中國稀土開發公司總工程師。

**黃春華先生**，46歲，於二零零一年加入本集團，為本公司獨立非執行董事。黃先生擁有英國斯特克萊大學工商管理學碩士和市場學博士學位及武漢大學經濟學學士學位。現時黃先生是正道集團有限公司（其股份於香港聯合交易所有限公司上市）之副主席兼執行董事。黃先生於二零零七年五月至二零零九年四月期間為法國巴黎證券（亞洲）有限公司證券董事和中國資本市場策略師。在此之前，黃先生在二零零二年十一月至二零零七年十月擔任正道集團有限公司副主席，並曾在多所證券公司任職分析師。黃先生在金融市場上擁有豐富的知識和經驗。

**金重先生**，59歲，於二零零四年加入本集團，為本公司獨立非執行董事。金先生在武漢鋼鐵學院材料工程學系耐火專業專科畢業，曾在貴陽市耐火材料廠總廠出任副總工程師。

#### 公司秘書

**羅納德先生**，41歲，於一九九九年加入本集團，為本公司財務總監及公司秘書。羅先生畢業於香港並取得工商管理學士學位，為香港會計師公會及英國特許公認會計師公會會員。加入本集團前，羅先生曾於香港一家國際會計師行任職核數經理。

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr Liu Yujiu**, aged 77, joined the Group in 1999 as an independent non-executive director of the Company. Mr Liu was the head of the Rare-Earth Experts Group, Applications and Development Section under the State Planning Commission. Currently Mr Liu is an honorary executive of China Rare Earth Science Society and a member of the editorial committee of China Rare Earth Journal. Mr Liu was appointed as chief engineer of China Rare Earth Development Corporation for the period from December 1992 to December 1997.

**Mr Huang Chunhua**, aged 46, joined the Group in 2001 as an independent non-executive director of the Company. Mr Huang obtained a Ph.D degree in Marketing and an MBA degree from University of Strathclyde and a Bachelor degree in Economics from Wuhan University. Currently Mr Huang is the deputy chairman and an executive director of Hybrid Kinetic Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited. For the period from May 2007 to April 2009, Mr Huang was a director and China equity market strategist of BNP Paribas Securities (Asia) Limited. Prior to that he was the deputy chairman of Hybrid Kinetic Group Limited between November 2002 and October 2007 and an analyst of various securities companies. Mr Huang has extensive knowledge and experience in financial market.

**Mr Jin Zhong**, aged 59 joined the Group in 2004 as an independent non-executive director of the Company. Mr Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specializing in refractory studies. Mr Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

#### COMPANY SECRETARY

**Mr Law Lap Tak**, aged 41, joined the Group in 1999. Mr Law is the financial controller and company secretary of the Company. Mr Law graduated in Hong Kong with a degree of bachelor of business administration. Mr Law is a member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Prior to joining the Group, Mr Law was an audit manager in an international accounting firm in Hong Kong.

#### 高級管理層

俞正明先生，75歲，自一九九九年加入本集團，擔任宜興新威利成稀土有限公司的總工程師兼技術顧問。俞先生原是一家著名稀土廠的廠長及總工程師，是稀土及有色金屬行業的資深專家。

徐建文先生，42歲，於一九八八年加入本集團，現任宜興新威利成稀土有限公司總經理，主管稀土業務之運作。徐先生在稀土行業擁有逾二十年的生產管理經驗。

吳朝新先生，34歲，於一九九七年加入本集團，現任無錫新威熒光材料有限公司總經理，主管熒光材料業務之運作。吳先生在稀土及熒光材料的營銷及行政管理上擁有多年經驗。

王建平先生，49歲，於二零零四年加入本集團，現任無錫新威高溫陶瓷有限公司總經理，主管高溫陶瓷業務之運作。王先生在行政管理及營銷方面擁有逾十五年的經驗。

吳泉明先生，46歲，於一九八四年加入本集團，現任海城市蘇海鎂礦有限公司及海城新威利成鎂資源有限公司總經理，主管鎂砂業務之運作。吳先生在耐火材料原材料供應上擁有豐富的管理經驗。

趙建文先生，44歲，於一九八七年加入本集團，現任宜興新威利成稀土有限公司技術部主管。趙先生在稀土行業擁有逾二十年的經驗。

#### SENIOR MANAGEMENT

**Mr Yu Zhengming**, aged 75, joined the Group in 1999. Mr Yu is the chief engineer and technical consultant of Yixing Xinwei Leeshing Rare Earth Company Limited. Prior to joining the Group, Mr Yu was the factory general manager and chief engineer of a renowned rare earth factory. Mr Yu is an expert in rare earth and non-ferrous metals industries.

**Mr Xu Jianwen**, aged 42, joined the Group in 1998. Mr Xu is the general manager of Yixing Xinwei Leeshing Rare Earth Company Limited and is responsible for the operation of rare earth business. Mr Xu has over 20 years of experience in production management in the rare earth industry.

**Mr Wu Chaixin**, aged 34, joined the Group in 1997. Mr Wu is the general manager of Wuxi Xinwei Fluorescent Materials Company Limited and is responsible for the operation of the fluorescent materials business. Mr Wu has years of experience in sales and administrative management of rare earth and fluorescent materials industries.

**Mr Wang Jianping**, aged 49, joined the Group in 2004. Mr Wang is the general manager of Wuxi Xinwei High Temperature Ceramics Company Limited and is responsible for the operation of the high temperature ceramics business. Mr Wang has over 15 years of experience in administrative management and sales.

**Mr Wu Quanming**, aged 46, joined the Group in 1984. Mr Wu is the general manager of Haicheng City Suhai Magnesium Ore Company Limited and Hai Cheng Xinwei Leeshing Magnesium Resources Company Limited and is responsible for the operation of magnesium grains business. Mr Wu has extensive management experience in raw material supply of refractory materials.

**Mr Zhao Jianwen**, aged 44, joined the Group in 1987. Mr Zhao is the head of technology department of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr Zhao has over 20 years of experience in the rare earth industry.

### 企業管治常規

本公司致力於設立良好之企業管治常規及程序。本公司已根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「企業管治常規守則」）所載列之原則及守則條文採納其本身之企業管治守則。於截至二零一零年十二月三十一日止年度內，本公司一直遵守上市規則附錄十四所載之守則條文。

### 董事進行證券交易

本公司已就董事進行證券交易採納一套條款嚴格程度不遜於上市規則附錄十所載規定準則之守則。本公司於作出特定查詢後確認所有董事於截至二零一零年十二月三十一日止年度內一直遵守守則所述之規定準則。

### 董事會組成

本公司由董事會規管，董事會負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會委派管理人員執行其決策及日常運作。董事會包括四位執行董事及三位獨立非執行董事如下：

執行董事：蔣泉龍先生（主席）、錢元英女士（副主席兼行政總裁）、許盤鳳女士及蔣才南先生。（許盤鳳女士已於年內辭任。）

獨立非執行董事：劉余九先生、黃春華先生及金重先生。

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has adopted its own code of corporate governance based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Throughout the year ended 31 December 2010, the Company has complied with the code provisions set out in Appendix 14 of the Listing Rules.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the code throughout the year ended 31 December 2010.

### BOARD COMPOSITION

The Company is governed by a Board of directors which is responsible for directing and supervising its affairs and oversight of the Group's businesses, strategic decision and performance. Execution of the Board's decisions and daily operations are delegated to the management. The Board comprises four executive directors and three independent non-executive directors as follows:

Executive directors: Mr Jiang Quanlong (Chairman), Ms Qian Yuanying (Deputy Chairman and Chief Executive Officer), Ms Xu Panfeng and Mr Jiang Cainan. (Ms Xu Panfeng resigned during the year.)

Independent non-executive directors: Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong.

### 董事會組成(續)

董事會於年內舉行了十一次會議。出席會議之詳情如下：

董事	出席會議	Director	Attendance
蔣泉龍	11/11	Jiang Quanlong	11/11
錢元英	11/11	Qian Yuanying	11/11
許盤鳳	0/11	Xu Panfeng	0/11
蔣才南	11/11	Jiang Cainan	11/11
劉余九	11/11	Liu Yujiu	11/11
黃春華	10/11	Huang Chunhua	10/11
金重	11/11	Jin Zhong	11/11

### 董事培訓

每名新獲委任董事於其任期開始時接受綜合、正規及特定之開導，以確保其適當瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規規定其須履行之責任及義務。

倘有需要，本公司亦有適當安排向董事提供持續指導及專業發展。

### 會議常規及操守

董事會定期會議之通告至少於會議舉行日期前十四天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前三天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時可分別及獨立接觸高級管理人員。

### BOARD COMPOSITION (Continued)

The Board held eleven meetings during the year. Details of the attendance were as follows:

### TRAINING FOR DIRECTORS

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

### PRACTICES AND CONDUCT OF MEETINGS

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

#### 會議常規及操守 (續)

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。草擬的記錄一般於每次會議後在合理時間內給董事傳閱以發表意見，而最後之版本公開供董事查閱。

根據現時之董事會常規，涉及主要股東或董事利益衝突之任何重大交易將由董事會於正式召開之董事會會議上考慮及處理。

#### 主席及行政總裁

儘管董事會主席蔣泉龍先生乃行政總裁錢元英女士之丈夫，惟彼等之角色及職責乃分開。主席負責制定本集團之整體業務發展政策，而行政總裁負責本集團業務之整體管理。

#### 獨立非執行董事

本公司之獨立非執行董事乃才能超卓之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。每位獨立非執行董事已與本公司訂立服務合約，為期兩年。本公司已接獲全體獨立非執行董事就其獨立性作出之書面確認。董事會認為彼等均獨立。

#### PRACTICES AND CONDUCT OF MEETINGS (Continued)

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Although Mr Jiang Quanlong, the Chairman of the Board, is the husband of Ms Qian Yuanying, the Chief Executive Officer, their roles and responsibilities are separated. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. Each of the independent non-executive directors has entered into a service contract with the Company for a term of two years. The Company has received written confirmations from all independent non-executive directors concerning their independence. The Board considers that all of them are independent.



### 審核委員會

審核委員會包括本公司之所有獨立非執行董事，即劉余九先生、黃春華先生及金重先生。劉余九先生為該委員會之主席。審核委員會於年內已舉行定期會議，並已審閱本公司所採納之會計政策及慣例及討論審核、內部控制及財務申報事宜，包括審閱本公司本年度之中期及全年業績。

本公司任何股東如有要求，可向公司秘書瞭解審核委員會職權範圍（均遵守企業管治常規守則）。

於本年度，審核委員會舉行了兩次會議。董事出席會議之情況如下：

董事	出席會議
劉余九	2/2
黃春華	1/2
金重	2/2

### 董事之薪酬

薪酬委員會包括董事會主席蔣泉龍先生及本公司之所有獨立非執行董事，即劉余九先生、黃春華先生及金重先生。蔣泉龍先生為該委員會之主席。

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理人員薪酬政策及結構方面之推薦意見，並檢討彼等之具體薪酬組合。

本公司任何股東如有要求，可向公司秘書瞭解薪酬委員會之職權範圍（均遵守企業管治常規守則）。

### AUDIT COMMITTEE

The audit committee comprises all independent non-executive directors of the Company, namely, Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong. The committee is chaired by Mr Liu Yujiu. The audit committee has held regular meetings during the year and it has reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters, including the review of the interim and annual results of the Company for the year.

The terms of reference of the audit committee, which are in compliance with the CG Code are available from the Company Secretary upon request from any shareholders of the Company.

During the year, there were two audit committee meetings. Attendance of the directors were as follows:

Director	Attendance
Liu Yujiu	2/2
Huang Chunhua	1/2
Jin Zhong	2/2

### REMUNERATION OF DIRECTORS

The remuneration committee comprises Mr Jiang Quanlong, the Chairman of the Board, and all independent non-executive directors of the Company, namely, Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong. The committee is chaired by Mr Jiang Quanlong.

The principal function of the remuneration committee is to make recommendations to the Board of directors on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration package.

The terms of reference of the remuneration committee, which are in compliance with the CG Code are available from the Company Secretary upon request from any shareholders of the Company.

### 董事之薪酬(續)

於本年度，審核委員會舉行了一次會議。董事出席會議之情況如下：

董事	出席會議
蔣泉龍	1/1
劉余九	1/1
黃春華	1/1
金重	1/1

在該會議上，薪酬委員會檢討了薪酬政策及對董事之薪酬組合作出了建議。

### 董事提名

本公司現時並無提名委員會。根據本公司之組織章程細則，董事會有權委任任何人士為董事，以填補臨時空缺或作為董事會之新增成員。提名須考慮獲提名人士之資格、能力及對本公司有可能作出之貢獻。董事會認為現時之董事會組成恰當。

### 董事輪值退任

本公司之組織章程細則訂明每位董事須至少每三年輪值退任一次。於應屆股東週年大會上，錢元英女士及劉余九先生將輪值退任。

### 核數師之酬金

年內，本公司就核數師提供之法定審核服務(包括中期審閱)支付之酬金為3,420,000港元。核數師並無提供任何其他非審核服務。

### REMUNERATION OF DIRECTORS (Continued)

During the year, there was one remuneration committee meeting. Attendance of the directors were as follows:

Director	Attendance
Jiang Quanlong	1/1
Liu Yujiu	1/1
Huang Chunhua	1/1
Jin Zhong	1/1

During the meeting, the remuneration committee reviewed the remuneration policy and recommended the remuneration packages of directors.

### NOMINATION OF DIRECTORS

The Company does not have a nomination committee at present. According to the Articles of Association of the Company, the Board of directors has the power to appoint any person as a director either to fill a causal vacancy or as an addition to the Board. The nomination should be taken into consideration of the nominee's qualifications, ability and potential contributions to the Company. The Board considers that the current Board composition is appropriate.

### ROTATION OF DIRECTORS

The Company's Articles of Association specify that every director should be subject to retirement by rotation at least once every three years. At the forthcoming annual general meeting, Ms Qian Yuanying and Mr Liu Yujiu will retire by rotation.

### AUDITORS' REMUNERATION

During the year, the remuneration in respect of statutory audit services (including interim review) provided by the auditors of the Company was HK\$3,420,000. There was no other non-audit service provided by the auditors.

#### 董事對財務報表所負之責任

編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

#### 內部控制

董事會全面負責維持本集團內部控制之適當系統並檢討其效率。董事會已委派管理人員實施及評估內部控制系統。藉由外聘顧問的協助，本集團進行了內部控制系統的檢討，並將主要結果向審核委員會匯報。該檢討涵蓋有關財務、營運、合規及風險管理的主要及重要控制範疇。

#### 股東權利及投資者關係

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及薪酬委員會及審核委員會之主席（或於其缺席之情況下，其正式委任之代表）將於股東大會上回答提問，並於股東週年大會上就各重大事宜（包括選舉個別董事）提呈單獨決議案。股東週年大會通告連同相關文件最少於大會前二十日發送予股東，當中載列各提呈決議案的詳情、投票程序及其他有關資料。股東於股東大會上之所有投票須以點票表決方式進行。主席將於股東週年大會上就所提呈之各項決議案要求以點票方式表決，並將於股東週年大會上就決議案進行投票前對有關權利及程序作出闡釋。會上將委任獨立監票員進行點票，而點票結果將登載於本公司及香港聯合交易所有限公司網站上。

#### DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

It is the directors' responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group and the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

#### INTERNAL CONTROLS

The Board has overall responsibility for maintaining an adequate system of internal controls of the Group and for reviewing its effectiveness. The Board has delegated to the management the implementation and evaluation of the system of internal controls. With the assistance of an external advisor, the Group has conducted a review of the effectiveness of the Group's system of internal control and reported the key findings to the audit committee. The review covers major and material controls in areas of financial, operational and compliance controls and risk management functions.

#### SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the audit committee and remuneration committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings. Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors. Notice of the annual general meeting together with related papers are sent to the shareholders at least 20 clear business days before the meeting, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of shareholders at the general meeting will be decided by poll. The Chairman will demand that all resolutions put to the vote at the annual general meeting will be taken by poll and will explain such rights and procedures during the annual general meeting before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited after the annual general meeting.

#### 股東權利及投資者關係(續)

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員維持定期與機構投資者及分析師交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網站，於 [www.creh.com.hk](http://www.creh.com.hk)，廣泛登載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

#### SHAREHOLDER RIGHTS AND INVESTOR RELATIONS (Continued)

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at [www.creh.com.hk](http://www.creh.com.hk), where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

董事會同寅欣然呈報中國稀土控股有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一零年十二月三十一日止年度的年報及經審核財務報表。

### 主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火材料產品之製造及銷售。

附屬公司的主要業務載於綜合財務報表附註20。

### 分類資料

本集團分類資料的詳情載於綜合財務報表附註15。

### 業績及分派

本集團於截至二零一零年十二月三十一日止年度的業績載於本年報第41頁的綜合收益表內。

董事會建議不派發截至二零一零年十二月三十一日止年度的末期股息。

### 本公司可供分派之儲備

本公司可供派發之儲備包括股份溢價賬及累計溢利。於二零一零年十二月三十一日，本公司可供分派給股東的儲備為1,868,487,000港元。

### 財務概要

本集團於過去五個財政年度的業績概要載於本年報第160頁。

### 物業、廠房及設備以及在建工程

本集團於年內的物業、廠房及設備以及在建工程的變動詳情載於綜合財務報表附註17。

The directors have pleasure in presenting the annual report and the audited financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2010.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in Note 20 to the consolidated financial statements.

### SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in Note 15 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated income statement on page 41 of the annual report.

The directors do not recommend the payment of a final dividend for the year ended 31 December 2010.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise the share premium account and accumulated profits. As at 31 December 2010, the reserves of the Company available for distribution to shareholders amounted to HK\$1,868,487,000.

### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 160 of the annual report.

### PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS

Details of the movements in the property, plant and equipment and construction-in-progress of the Group during the year are set out in Note 17 to the consolidated financial statements.

#### 股本

本公司於二零一零年十二月三十一日的法定及已發行股本詳情載於綜合財務報表附註31。

#### 借貸

本集團於二零一零年十二月三十一日的銀行借貸詳情載於綜合財務報表附註29。

#### 退休金計劃

本集團的退休金計劃詳情載於綜合財務報表附註11。

#### 董事

年內及直至本報告刊行日期止本公司的董事為：

##### 執行董事

蔣泉龍先生(主席)

錢元英女士(副主席)

蔣才南先生

許盤鳳女士(於二零一零年五月二十八日辭任)

##### 獨立非執行董事

劉余九先生

黃春華先生

金重先生

根據本公司的公司細則第108(A)及(B)條，錢元英女士及劉余九先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

於二零一零年十二月三十一日，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

#### SHARE CAPITAL

Details of the authorized and issued share capital of the Company as at 31 December 2010 are set out in Note 31 to the consolidated financial statements.

#### BORROWINGS

Details of the bank borrowings of the Group as at 31 December 2010 are set out in Note 29 to the consolidated financial statements.

#### RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in Note 11 to the consolidated financial statements.

#### DIRECTORS

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

##### Executive directors

Mr Jiang Quanlong (*Chairman*)

Ms Qian Yuanying (*Deputy Chairman*)

Mr Jiang Cainan

Ms Xu Panfeng (resigned on 28 May 2010)

##### Independent non-executive directors

Mr Liu Yujiu

Mr Huang Chunhua

Mr Jin Zhong

In accordance with Articles 108(A) and (B) of the Company's Articles of Association, Ms Qian Yuanying and Mr Liu Yujiu will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

As at 31 December 2010, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

**董事權益及淡倉**

於二零一零年十二月三十一日，本公司依據「證券及期貨條例」第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及香港聯合交易所有限公司（「聯交所」）的本公司董事及行政總裁及其關聯人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

**1. 於本公司股份權益**

董事	權益性質／身份	股份數目	佔本公司已發行股本的百分比
Director	Nature of interest/Capacity	Number of Shares	% to the issued share capital of the Company
蔣泉龍 Jiang Quanlong	配偶之權益／受控公司之權益 Interest of spouse/Interest of controlled corporation	595,200,000	35.60%
錢元英 Qian Yuanying	信託之成立人 Founder of a trust	595,200,000	35.60%

附註：

該等股份乃透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子女全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生為YY Holdings Limited的唯一董事。

**DIRECTORS' INTERESTS AND SHORT POSITIONS**

As at 31 December 2010, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

**1. Interests in shares of the Company**

Note:

These shares are held through YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms Qian Yuanying, the spouse of Mr Jiang Quanlong, and her children. Ms Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr Jiang Quanlong is the sole director of YY Holdings Limited.

## 2. 於相聯公司股份、相關股份或股本權益

## (a) 微科資源有限公司

董事	權益性質／身份	股份類別及數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the Company
Director	Nature of interest/ Capacity	Number and class of issued shares	
蔣泉龍 Jiang Quanlong	實益擁有人 Beneficial owner	無投票權遞延股份7,000,000股 7,000,000 non-voting deferred shares	70%
錢元英 Qian Yuanying	實益擁有人 Beneficial owner	無投票權遞延股份3,000,000股 3,000,000 non-voting deferred shares	30%

## (b) 宜興新威利成稀土有限公司

董事	權益性質／身份	股本權益百分比
Director	Nature of interest/Capacity	% equity interest
蔣泉龍 Jiang Quanlong	受控公司之權益 Interest of controlled corporation	5%

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有90%權益，餘下的10%權益由其子持有。蔣先生亦為該企業的法定代表人。

Note:

The equity interest is held by Yixing Xinwei Group Co., Ltd., a PRC domestic enterprise 90% owned by Mr Jiang Quanlong, with the remaining 10% owned by his son. Mr Jiang is also the legal representative of the enterprise.



## (c) YY Holdings Limited

董事	權益性質／身份	已發行股份數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the Company
Director	Nature of interest/ Capacity	Number of issued shares	
錢元英 Qian Yuanying	信託之成立人 Founder of a trust	普通股份1股 1 ordinary share	100%
錢元英 Qian Yuanying	信託之成立人 Founder of a trust	優先股份25,000股 25,000 preference shares	100%
蔣泉龍 Jiang Quanlong	受控公司之權益 Interest of controlled corporation	普通股份1股 1 ordinary share	100%
蔣泉龍 Jiang Quanlong	受控公司之權益 Interest of controlled corporation	優先股份25,000股 25,000 preference shares	100%

## 附註：

YY Holdings Limited的全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而其受益人為蔣泉龍先生的配偶錢元英女士及其子女全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生為YYT (PTC) Limited的唯一董事。

## Note:

The entire issued share capital of YY Holdings Limited is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms Qian Yuanying, the spouse of Mr Jiang Quanlong, and her children. Ms Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr Jiang Quanlong is the sole director of YYT (PTC) Limited.

除上述披露外，於二零一零年十二月三十一日，根據「證券及期貨條例」第352條所存置之登記冊內所載，概無本公司董事或行政總裁或其關聯人士於本公司及其相聯公司之股份、相關股份及債券持有或被視為持有任何權益或淡倉。

Save as disclosed above, as at 31 December 2010, none of the directors or chief executive of the Company and their associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.

#### 購股權計劃

因應香港聯合交易所有限公司證券上市規則(「上市規則」)第17章之修訂，於二零零四年六月四日，本公司股東批准終止於一九九九年十月十四日採納之購股權計劃(「舊計劃」)及採納新的購股權計劃(「新計劃」)。於舊計劃終止時，本公司將不會根據舊計劃進一步授出購股權，惟舊計劃於所有其他方面將仍然生效以使根據舊計劃已授出而於其終止前尚未行使之購股權仍可行使。根據舊計劃之條文，該等購股權將繼續有效，並可予以行使。

新計劃之主要條款如下：

1. 新計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員(不論全職或兼職，包括任何執行董事)、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按新計劃，可予發行的總股份數目為98,695,305股，約佔於新計劃採納日期時本公司已發行股本的10%。
4. 各參與者按新計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司在當時已發行股本之1%。

#### SHARE OPTION SCHEME

On 4 June 2004, the shareholders of the Company approved the termination of the share option scheme adopted on 14 October 1999 (the "Old Scheme") and the adoption of a new scheme (the "New Scheme") for the purpose of coping with the amendments introduced to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Upon the termination of the Old Scheme, no further options would be offered pursuant to the Old Scheme but the Old Scheme would in all other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options granted under it prior to its termination, and such outstanding options will continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

The major terms of the New Scheme are as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants included any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contribution to the development and growth of the Group.
3. Under the New Scheme, the total number of shares available for issue is 98,695,305 which represents approximately 10% of the issued share capital of the Company as at the date of adoption of the New Scheme.
4. The maximum entitlement of each participant under the New Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company for the time being.

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| <p>5. 授出購股權之可行使日期可由董事會釐定，但不可於由要約日期十年後結束。</p> <p>6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。</p> <p>7. 行使價可由董事會釐定，但不可少於下列各項之最高者：</p> <p>i. 要約當日本公司股份於聯交所每日報價表所示之收市價；</p> <p>ii. 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及</p> <p>iii. 本公司股份面價。</p> <p>8. 新計劃自二零零四年六月十八日，即新計劃被採納日起十年內有效。</p> | <p>5. The exercisable period of an option granted may be determined by the directors and which should not end later than 10 years after the date of offer.</p> <p>6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.</p> <p>7. The exercise price may be determined by the directors provided that it should not be less than the highest of:</p> <p>i. the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;</p> <p>ii. the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and</p> <p>iii. the nominal value of a share of the Company.</p> <p>8. The New Scheme is valid and effective for a period of 10 years from 18 June 2004, the date on which the New Scheme was adopted.</p> |
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於本年內，並無購股權按新計劃被授出、行使、取消或失效。

During the year, no option was granted, exercised, cancelled or lapsed under the New Scheme.

於二零一零年十二月三十一日，按舊計劃已授出而尚未行使之購股權詳情如下：

Details of options which have been granted under the Old Scheme and remained outstanding as at 31 December 2010 are as follows:

被授人	授出日期	行使價	購股權數目		
			Number of options		
Grantee	Date of grant	Exercise price	於二零一零年	於二零一零年	於二零一零年
			一月一日持有	於年內行使	十二月三十一日持有
			Held at	Exercised	Held at
			1 January	during	31 December
			2010	the year	2010
<b>員工</b>					
<b>Employees</b>					
合計	二零零三年一月二十三日	1.10港元	1,500,000	800,000	700,000
In aggregate	23 January 2003	HK\$1.10			

授出之購股權之可行使期為二零零三年一月二十七日至二零一三年一月二十六日，惟授出之購股權之50%不可於二零零四年一月二十七日前行使。

The options granted are exercisable between 27 January 2003 to 26 January 2013, provided that 50% of the options granted shall not be exercised prior to 27 January 2004.

除上述披露外，年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或行政總裁或其配偶或未滿十八歲的子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enable any of the directors or chief executive of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### 主要股東權益及淡倉

據董事會所知，於二零一零年十二月三十一日，本公司依據「證券及期貨條例」第336條而存置之登記冊內所載，除本公司董事及行政總裁以外的股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YYT (PTC) Limited所持有的公司YY Holdings Limited以實益擁有人身份持有本公司股份595,200,000股，約佔本公司已發行股份的35.60%。
2. YYT (PTC) Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份595,200,000的權益。

除上述披露外，於二零一零年十二月三十一日，根據「證券及期貨條例」第336條所存置之登記冊內所載，除本公司董事及行政總裁以外，概無其他人仕通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

#### 董事於合約的權益

年內，本集團向蔣泉龍先生租用兩個辦公室單位作為銷售及市場推廣辦公室。年內，就該等租約所支付的經營租約租金合共約250,000港元。

年內，本集團向一間由錢元英女士及蔣泉龍先生被視為擁有權益的關連公司無錫泛亞環保科技有限公司支付約61,000港元，作為使用其辦公室的代價。

年內，本集團收取無錫泛亞環保科技有限公司約3,000港元，作為分享部份土地使用權的租金收入。

#### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2010, the interests and short positions of shareholders, other than the directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, was holding 595,200,000 shares of the Company, representing approximately 35.60% of the issued share capital of the Company as beneficial owner.
2. YYT (PTC) Limited was deemed to be interested in 595,200,000 shares of the Company held by YY Holdings Limited the entire issued share capital of which is held by YYT (PTC) Limited.

Save as disclosed above, no other party, other than the directors or chief executive of the Company, had notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2010.

#### DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group leased two office premises from Mr Jiang Quanlong for use as its sales and marketing office. During the year, the total operating lease rentals paid in respect of these leases amounted to approximately HK\$250,000.

During the year, the Group paid approximately HK\$61,000 as a compensation to Wuxi Pan-Asia Environmental Protection Technologies Limited, a related company in which Ms Qian Yuanying and Mr Jiang Quanlong were deemed to have beneficial interests, for the use as office premises.

During the year, the Group received approximately HK\$3,000 as rental income from Wuxi Pan-Asia Environmental Protection Technologies Limited for sharing portion of land use rights.

除上述及於綜合財務報表附註34披露外，於年結日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

#### 管理合約

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

#### 購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

#### 主要客戶及供應商

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

##### 銷售

– 最大客戶	13%
– 最大五名客戶合計	36%

##### 採購

– 最大供應商	19%
– 最大五名供應商合計	55%

據各董事所知，各董事、彼等的聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團最大五名客戶或供應商的股本中擁有任何權益。

#### 優先購股權

根據本公司之公司組織章程及細則及開曼群島之法例，本公司並無對於發行新股設立任何優先購股權之規定。

Save as disclosed above and in Note 34 to the consolidated financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the year-end date or at any time during the year.

#### MANAGEMENT CONTRACTS

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

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

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

#### MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

##### Sales

– the largest customer	13%
– five largest customers combined	36%

##### Purchases

– the largest supplier	19%
– five largest suppliers combined	55%

None of the directors, their associates or any shareholders which to the knowledge of the directors, own more than 5% of the Company's issued share capital has any interest in the share capital of any of the five largest customers or suppliers of the Group.

#### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and the Cayman Islands Companies Law in relation to the issue of new shares by the Company.

#### 足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持上市規則所規定的足夠公眾持股量。

#### 核數師

陳葉馮會計師事務所有限公司任滿告退，惟合資格並願意膺選連任。

承董事會命

蔣泉龍

主席

香港，二零一一年三月三十日

#### SUFFICIENCY OF PUBLIC FLOAT

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

#### AUDITORS

CCIF CPA Limited retires and, being eligible, offers itself for re-appointment.

On behalf of the Board

Jiang Quanlong

Chairman

Hong Kong, 30 March 2011



**CCIF**

**CCIF CPA LIMITED**

陳葉馮會計師事務所有限公司

34/F The Lee Gardens

33 Hysan Avenue

Causeway Bay Hong Kong

香港 銅鑼灣 希慎道33號

利園34樓

### 獨立核數師報告

致中國稀土控股有限公司各股東

(於開曼群島註冊成立之有限公司)

我們已審核中國稀土控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)刊於第41頁至第159頁的綜合財務報表,包括二零一零年十二月三十一日的綜合財務狀況表及貴公司財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋資料。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製及真實而公平地列報綜合財務報表,並落實其認為編製綜合財務報表所必要之內部監控,以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA RARE EARTH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 41 to 159, which comprise the consolidated and Company statements of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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



#### 核數師的責任

我們的責任是根據我們審核的結果，對該等綜合財務報表作出意見，並僅向全體股東報告，除此以外，本報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及進行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露事項有關的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤導致綜合財務報表存有重大錯誤陳述的風險。並在評估該風險評估時，核數師將考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部監控，以設計適當審核程序，但並非為對公司的內部監控的效能表達意見。審核亦包括評估所有會計政策的恰當性，董事所作的會計估算的合理性，並就綜合財務報表的整體呈列方式作出評估。

我們相信，我們所獲得的審核憑證是充足和適當地為審核意見提供基礎。

#### AUDITOR'S RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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.

## 獨立核數師報告

### INDEPENDENT AUDITOR'S REPORT

#### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按香港公司條例的披露規定妥為編製。

陳葉馮會計師事務所有限公司

執業會計師

香港，二零一一年三月三十日

何振誠

執業證書編號：P04396

#### OPINION

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

CCIF CPA Limited

Certified Public Accountants

Hong Kong, 30 March 2011

Ho Chun Shing

Practising Certificate Number P04396

# 綜合收益表

## CONSOLIDATED INCOME STATEMENT

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

			二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
		附註 Note		
營業額	Turnover	5	<b>1,319,504</b>	1,211,683
銷售成本	Cost of sales		<b>(1,031,430)</b>	(980,246)
毛利	Gross profit		<b>288,074</b>	231,437
其他收益	Other revenue	6	<b>9,887</b>	19,310
銷售及分銷費用	Selling and distribution expenses		<b>(49,600)</b>	(38,306)
管理費用	Administrative expenses		<b>(69,183)</b>	(58,314)
其他收入淨值	Other income, net		<b>6,979</b>	8,183
財務成本	Finance costs	7(a)	<b>(8,438)</b>	(17,968)
除稅前溢利	Profit before taxation	7	<b>177,719</b>	144,342
所得稅	Income tax	8	<b>(38,678)</b>	(59,659)
本年度溢利	Profit for the year		<b>139,041</b>	84,683
應佔：	Attributable to:			
本公司擁有人	Owners of the Company	12	<b>133,359</b>	84,593
非控股權益	Non-controlling interests		<b>5,682</b>	90
			<b>139,041</b>	84,683
每股盈利	Earnings per share		港仙 HK cents	港仙 HK cents
— 基本	— Basic	14(a)	<b>8.48</b>	5.75
— 攤薄	— Diluted	14(b)	<b>8.48</b>	5.75

第50頁至159頁之附註構成財務報表其中一部份。

The notes on pages 50 to 159 form part of these financial statements.

# 綜合全面收益表

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
		附註 Note	
本年度溢利	Profit for the year	<b>139,041</b>	84,683
<b>本年度其他全面收益 (扣除稅項)</b>	<b>Other comprehensive income for the year (net of tax)</b>		
換算海外業務財務報表 之匯兌差額	Exchange differences on translation of financial statements of foreign operations	<b>96,982</b>	3,966
持作自用之樓宇重估盈餘	Surplus on revaluation of buildings held for own use	17(a)(ii) <b>19,063</b>	–
持作自用之樓宇重估 遞延稅項	Deferred tax on revaluation of buildings held for own use	30(b) <b>(4,055)</b>	–
稅率變動之遞延稅項	Deferred tax arising on change in tax rate	30(b) <b>1,537</b>	–
可供出售權益證券 公平值虧損	Fair value loss on available-for-sale equity securities	22 <b>(15,760)</b>	–
<b>本年度全面收益總值</b>	<b>Total comprehensive income for the year</b>	<b>236,808</b>	88,649
<b>應佔：</b>	<b>Attributable to:</b>		
本公司擁有人	Owners of the Company	<b>229,545</b>	88,512
非控股權益	Non-controlling interests	<b>7,263</b>	137
<b>本年度全面收益總值</b>	<b>Total comprehensive income for the year</b>	<b>236,808</b>	88,649

第50頁至159頁之附註構成財務報表其中一部份。

The notes on pages 50 to 159 form part of these financial statements.

# 綜合財務狀況表

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一零年十二月三十一日 As at 31 December 2010

			二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
		附註 Note		
<b>非流動資產</b>	<b>Non-current assets</b>			
商譽	Goodwill	16	88,971	85,980
物業、廠房及設備	Property, plant and equipment	17(a)	613,923	635,542
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	18	271,035	257,106
無形資產	Intangible assets	19	329,921	349,223
可供出售權益證券	Available-for-sale equity securities	22	14,240	–
已抵押銀行存款	Pledged bank deposits	26	99,777	–
受限制銀行結餘	Restricted bank balance	26	–	23,250
遞延稅項資產	Deferred tax assets	30(b)	24,158	21,639
			<b>1,442,025</b>	<b>1,372,740</b>
<b>流動資產</b>	<b>Current assets</b>			
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	18	6,184	5,756
存貨	Inventories	23	611,727	234,590
應收賬款及其他應收款	Trade and other receivables	24	368,415	467,395
預付款項及按金	Prepayments and deposits	24	98,079	68,645
可收回稅項	Tax recoverable	30(a)	8,586	16,509
受限制銀行結餘	Restricted bank balances	26	2,868	8,822
現金及現金等值項目	Cash and cash equivalents	27	1,228,928	1,065,124
			<b>2,324,787</b>	<b>1,866,841</b>
<b>流動負債</b>	<b>Current liabilities</b>			
應付賬款	Trade payables	28	80,723	76,625
預提費用及其他應付款	Accruals and other payables	28	40,742	53,660
應付董事款項	Amounts due to directors	25	270	709
於一年內到期的銀行貸款	Bank borrowings due within one year	29	99,389	108,158
應付稅項	Tax payable	30(a)	9,793	18,807
			<b>230,917</b>	<b>257,959</b>
<b>流動資產淨值</b>	<b>Net current assets</b>		<b>2,093,870</b>	<b>1,608,882</b>
<b>資產總值減流動負債</b>	<b>Total assets less current liabilities</b>		<b>3,535,895</b>	<b>2,981,622</b>

## 綜合財務狀況表

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一零年十二月三十一日 As at 31 December 2010

			二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
		附註 Note		
<b>非流動負債</b>	<b>Non-current liabilities</b>			
銀行貸款	Bank borrowings	29	–	135,625
遞延稅項負債	Deferred tax liabilities	30(b)	<b>94,960</b>	97,878
			<b>94,960</b>	233,503
<b>資產淨值</b>	<b>NET ASSETS</b>		<b>3,440,935</b>	2,748,119
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>			
股本	Share capital	31(b)	<b>167,194</b>	155,114
儲備	Reserves	31(a)	<b>3,237,179</b>	2,563,706
本公司擁有人應佔權益	Equity attributable to owners of the Company		<b>3,404,373</b>	2,718,820
非控股權益	Non-controlling interests		<b>36,562</b>	29,299
<b>權益總值</b>	<b>TOTAL EQUITY</b>		<b>3,440,935</b>	2,748,119

董事會於二零一一年三月三十日批准及授權刊發。

Approved and authorised for issue by the board of directors on 30 March 2011.

蔣泉龍  
董事

錢元英  
董事

Jiang Quanlong  
Director

Qian Yuanying  
Director

第50頁至159頁之附註構成財務報表其中一部份。

The notes on pages 50 to 159 form part of these financial statements.

# 財務狀況表

## STATEMENT OF FINANCIAL POSITION

於二零一零年十二月三十一日 As at 31 December 2010

			二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
	附註 Note			
<b>非流動資產</b>	<b>Non-current assets</b>			
物業、廠房及設備	Property, plant and equipment	17(b)	25	35
於附屬公司之投資	Investments in subsidiaries	20	151,707	151,707
可供出售權益證券	Available-for-sale equity securities	22	14,240	–
受限制銀行結餘	Restricted bank balance	26	–	23,250
			<b>165,972</b>	174,992
<b>流動資產</b>	<b>Current assets</b>			
應收賬款及其他應收款	Trade and other receivables	24	29	67
預付款項及按金	Prepayments and deposits	24	850	746
應收附屬公司款項	Amounts due from subsidiaries	25	1,719,734	1,364,910
受限制銀行結餘	Restricted bank balance	26	–	5,279
現金及現金等值項目	Cash and cash equivalents	27	138,617	293,622
			<b>1,859,230</b>	1,664,624
<b>流動負債</b>	<b>Current liabilities</b>			
預提費用及其他應付款	Accruals and other payables	28	4,747	7,297
應付附屬公司款項	Amounts due to subsidiaries	25	264	255
應付董事款項	Amounts due to directors	25	270	875
於一年內到期的銀行貸款	Bank borrowings due within one year	29	–	96,875
			<b>5,281</b>	105,302
<b>流動資產淨值</b>	<b>Net current assets</b>		<b>1,853,949</b>	1,559,322
<b>資產總值減流動負債</b>	<b>Total assets less current liabilities</b>		<b>2,019,921</b>	1,734,314
<b>非流動負債</b>	<b>Non-current liabilities</b>			
銀行貸款	Bank borrowings	29	–	135,625
<b>資產淨值</b>	<b>NET ASSETS</b>		<b>2,019,921</b>	1,598,689
<b>資本及儲備</b>	<b>CAPITAL AND RESERVES</b>			
股本	Share capital	31(b)	167,194	155,114
儲備	Reserves	31(a)	1,852,727	1,443,575
<b>權益總值</b>	<b>TOTAL EQUITY</b>		<b>2,019,921</b>	1,598,689

董事會於二零一一年三月三十日批准及授權刊發。

Approved and authorised for issue by the board of directors on 30 March 2011.

蔣泉龍  
董事

錢元英  
董事

Jiang Quanlong  
Director

Qian Yuanying  
Director

第50頁至159頁之附註構成財務報表其中一部份。

The notes on pages 50 to 159 form part of these financial statements.

# 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔權益 Attributable to owners of the Company							總值 Total	非控股權益 Non-controlling interests	總值 Total	
		股本 Share capital	股份溢價 Share premium	資本儲備 Capital reserve	樓宇重估儲備 Buildings revaluation reserve	法定儲備 Statutory reserves	匯兌儲備 Translation reserve	公平值儲備 Fair value reserve				保留溢利 Retained profits
於二零零九年一月一日	At 1 January 2009	142,114	1,152,531	22,348	29,796	138,307	278,469	-	680,802	2,444,367	29,162	2,473,529
<b>全面收益</b>	<b>Comprehensive income</b>											
本年度溢利	Profit for the year	-	-	-	-	-	-	-	84,593	84,593	90	84,683
<b>其他全面收益</b>	<b>Other comprehensive income</b>											
換算海外業務財務報表之匯兌差異	Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	3,919	-	-	3,919	47	3,966
持作自用之樓宇重估折舊轉撥至保留溢利	Transfer to retained profits in respect of depreciation on revaluation of buildings held for own use	-	-	-	(2,782)	-	-	-	2,782	-	-	-
<b>全面收益總值</b>	<b>Total comprehensive income</b>	-	-	-	(2,782)	-	3,919	-	87,375	88,512	137	88,649
<b>與擁有人之交易</b>	<b>Transactions with owners</b>											
透過股份配售發行新股份	Issue of new shares by share placement	13,000	182,000	-	-	-	-	-	-	195,000	-	195,000
發行新股份之交易成本	Transaction costs attributable to issue of new shares	-	(9,059)	-	-	-	-	-	-	(9,059)	-	(9,059)
分配至法定儲備	Appropriations to statutory reserves	-	-	-	-	10,295	-	-	(10,295)	-	-	-
<b>與擁有人之交易總值</b>	<b>Total transactions with owners</b>	13,000	172,941	-	-	10,295	-	-	(10,295)	185,941	-	185,941
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	155,114	1,325,472	22,348	27,014	148,602	282,388	-	757,882	2,718,820	29,299	2,748,119



## 綜合權益變動表

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔權益 Attributable to owners of the Company								非控股權益	總值	
		股本	股份溢價	資本儲備	樓宇重估儲備	法定儲備	匯兌儲備	公平值儲備	保留溢利	總值	非控股權益	總值
		Share capital	Share premium	Capital reserve	Buildings revaluation reserve	Statutory reserves	Translation reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	155,114	1,325,472	22,348	27,014	148,602	282,388	-	757,882	2,718,820	29,299	2,748,119
<b>全面收益</b>	<b>Comprehensive income</b>											
本年度溢利	Profit for the year	-	-	-	-	-	-	-	133,359	133,359	5,682	139,041
<b>其他全面收益</b>	<b>Other comprehensive income</b>											
換算海外業務財務報表 之匯兌差異	Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	95,859	-	-	95,859	1,123	96,982
持作自用之樓宇重估盈餘 (附註17(a)(ii))	Surplus on revaluation of buildings held for own use (note 17(a)(ii))	-	-	-	18,602	-	-	-	-	18,602	461	19,063
持作自用之樓宇重估遞延稅項 (附註30(b))	Deferred tax on revaluation of buildings held for own use (note 30(b))	-	-	-	(3,975)	-	-	-	-	(3,975)	(80)	(4,055)
稅率變動所產生之遞延稅項 (附註30(b))	Deferred tax arising on change in tax rate (note 30(b))	-	-	-	1,460	-	-	-	-	1,460	77	1,537
持作自用之樓宇重估 折舊轉撥至保留溢利	Transfer to retained profits in respect of depreciation on revaluation of buildings held for own use	-	-	-	(2,962)	-	-	-	2,962	-	-	-
可供出售權益證券之 公平值虧損	Fair value loss on available-for-sale equity securities	-	-	-	-	-	-	(15,760)	-	(15,760)	-	(15,760)
<b>全面收益總值</b>	<b>Total comprehensive income</b>	-	-	-	13,125	-	95,859	(15,760)	136,321	229,545	7,263	236,808
<b>與擁有人之交易</b>	<b>Transactions with owners</b>											
透過股份配售發行新股份	Issue of new shares by share placement	12,000	462,000	-	-	-	-	-	-	474,000	-	474,000
根據購股權計劃發行股份	Shares issued under share option scheme	80	800	-	-	-	-	-	-	880	-	880
發行新股份之交易成本	Transaction cost attributable to issue of new shares	-	(18,872)	-	-	-	-	-	-	(18,872)	-	(18,872)
分配至法定儲備	Appropriations to statutory reserves	-	-	-	-	9,002	-	-	(9,002)	-	-	-
<b>與擁有人之交易總值</b>	<b>Total transactions with owners</b>	12,080	443,928	-	-	9,002	-	-	(9,002)	456,008	-	456,008
於二零一零年十二月三十一日	At 31 December 2010	167,194	1,769,400	22,348	40,139	157,604	378,247	(15,760)	885,201	3,404,373	36,562	3,440,935

第50頁至159頁之附註構成財務報表其中一部份。

The notes on pages 50 to 159 form part of these financial statements.

# 綜合現金流量表

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
<b>經營活動</b>	<b>Operating activities</b>		
除稅前溢利	Profit before taxation	<b>177,719</b>	144,342
調整項目：	Adjustments for:		
財務成本	Finance costs	<b>8,409</b>	17,968
利息收入	Interest income	<b>(4,891)</b>	(10,043)
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	<b>90,670</b>	94,798
經營租約下預付土地 租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	<b>5,910</b>	5,750
無形資產攤銷	Amortisation of intangible assets	<b>30,913</b>	30,369
應收賬款及其他應收款 之減值虧損	Impairment loss on trade and other receivables	<b>10,970</b>	3,996
應收賬款及其他應收款 之減值虧損撥回	Write back of impairment loss on trade and other receivables	<b>(4,996)</b>	(9,267)
出售物業、廠房及設備 之收益淨值	Net gains on disposal of property, plant and equipment	<b>(23)</b>	(309)
存貨撇除撥回	Reversal of write down of inventories	<b>(23,371)</b>	–
存貨撇除	Write down of inventories	<b>16,059</b>	22,691
壞賬撇銷	Bad debt written off	<b>258</b>	53
<b>營運資金變動前的經營 現金流量</b>	<b>Operating cash flows before changes in working capital</b>	<b>307,627</b>	300,348
存貨(增加)/減少	(Increase)/decrease in inventories	<b>(371,410)</b>	51,472
應收賬款及其他應收款 減少/(增加)	Decrease/(increase) in trade and other receivables	<b>91,971</b>	(50,199)
預付款項及按金 (增加)/減少	(Increase)/decrease in prepayments and deposits	<b>(29,560)</b>	1,397
應付賬款增加/(減少)	Increase/(decrease) in trade payables	<b>4,098</b>	(39,564)
預提費用及其他應 付款減少	Decrease in accruals and other payables	<b>(12,917)</b>	(43,460)
應付董事款項 (減少)/增加	(Decrease)/increase in amounts due to directors	<b>(439)</b>	42
<b>經營(使用)/所得的現金</b>	<b>Cash (used in)/generated from operations</b>	<b>(10,630)</b>	220,036
已付稅款	Tax paid		
已付中國企業所得稅	PRC Enterprise Income Tax paid	<b>(50,152)</b>	(49,056)
<b>經營活動(使用)/所得的 現金淨值</b>	<b>Net cash (used in)/generated from operating activities</b>	<b>(60,782)</b>	170,980

## 綜合現金流量表

### CONSOLIDATED STATEMENT OF CASH FLOWS

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

	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
<b>投資活動</b>	<b>Investing activities</b>		
購置物業、廠房及設備	Purchase of property, plant and equipment	(28,954)	(14,227)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	23	393
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	(11,034)	–
購買可供出售權益證券付款	Payment for purchase of available-for-sale equity securities	(30,000)	–
已抵押銀行存款及受限制銀行結餘(增加)/減少	(Increase)/decrease in pledged bank deposits and restricted bank balances	(70,573)	129,712
已收利息	Interest received	4,891	10,043
已付收購附屬公司之遞延代價	Deferred consideration paid for acquisition of subsidiaries	–	(115,659)
<b>投資活動(使用)/所得的現金淨值</b>	<b>Net cash (used in)/generated from investing activities</b>	<b>(135,647)</b>	<b>10,262</b>
<b>融資活動</b>	<b>Financing activities</b>		
配售新股份之所得款項淨值	Net proceeds from placement of new shares	455,128	185,941
償還銀行貸款	Repayment of bank borrowings	(288,681)	(292,111)
新造銀行貸款所得款項	Proceeds from new bank borrowings	142,437	240,658
已付銀行貸款利息	Interest paid on bank borrowings	(8,409)	(17,968)
根據購股權計劃發行股份之所得款項	Proceeds from shares issued under share option scheme	880	–
<b>融資活動所得現金淨值</b>	<b>Net cash from financing activities</b>	<b>301,355</b>	<b>116,520</b>
<b>現金及現金等值項目增加淨值</b>	<b>Net increase in cash and cash equivalents</b>	<b>104,926</b>	<b>297,762</b>
<b>年初現金及現金等值項目</b>	<b>Cash and cash equivalents at beginning of the year</b>	<b>1,065,124</b>	<b>765,252</b>
<b>外幣匯率變動之影響</b>	<b>Effect of changes in exchange rate</b>	<b>58,878</b>	<b>2,110</b>
<b>年末現金及現金等值項目</b>	<b>Cash and cash equivalents at end of the year</b>	<b>1,228,928</b>	<b>1,065,124</b>

27

第50頁至159頁之附註構成財務報表其中一部份。

The notes on pages 50 to 159 form part of these financial statements.

### 1. 一般資料

中國稀土控股有限公司(「本公司」)於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處地址及主要營業地點於本年報公司資料一節中披露。

本公司之直接母公司及最終控股人士為YY Holdings Limited(「YY Holdings」)，該公司於英屬處女群島註冊成立。YY Holdings並無編製可供公眾人士使用之財務報表。

本公司及其附屬公司(統稱為「本集團」)從事投資控股及製造及銷售稀土產品(包括熒光產品)及耐火產品(包括高溫陶瓷產品和鎂砂)。

本集團之主要業務於中華人民共和國(「中國」)進行。本綜合財務報表以港元(「港元」)列示，即本公司之功能貨幣，而中國註冊成立附屬公司之功能貨幣為人民幣(「人民幣」)。董事認為，就控制及監察本集團業績及財務狀況以及向YY Holdings(其功能貨幣為港元)報告而言，以港元列示綜合財務報表更為得宜。

### 1. GENERAL

China Rare Earth Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The immediate parent and the ultimate controlling party of the Company is YY Holdings Limited ("YY Holdings"), which is incorporated in the British Virgin Islands. YY Holdings does not produce financial statements available for public use.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in investment holding and the manufacture and sales of rare earth products (including fluorescent products) and refractory products (including high temperature ceramics products and magnesium grains).

The principal operations of the Group are conducted in the People's Republic of China ("PRC"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company, while the functional currency of the subsidiaries incorporated in the PRC is Renminbi ("RMB"). The directors consider that presenting consolidated financial statements in HK\$ is preferable when controlling and monitoring the performance and financial position of the Group and in reporting to YY Holdings whose functional currency is HK\$.

## 2. 主要會計政策

### a) 遵守聲明

此等財務報表是按照所有適用香港財務報告準則(「香港財務報告準則」)編製，該統稱包括所有由香港會計師公會(「香港會計師公會」)頒佈的個別適用的《香港財務報告準則》、《香港會計準則》(「香港會計準則」)及詮釋、香港公認會計原則，及香港《公司條例》之披露規定。此外，此等財務報表亦已遵照聯交所證券上市規則中適用的披露規定。本集團採納之主要會計政策概要載於下文。

香港會計師公會已頒佈若干修訂本及詮釋，並且現時及已經生效。彼亦已頒佈若干新訂及經修訂之香港財務報告準則，有關準則自本集團及本公司的本會計期間初次生效或可供提前採用。有關初步應用該等準則之資料載於附註3內，惟以該等準則於此等財務報表所反映之現有及過往會計期間與本集團有關者為限。

### b) 財務報表編製基準

截至二零一零年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司之財務報表以及本集團於共同控制實體之權益。

除下文會計政策另有披露者外，編製財務報表所採用之計量基準為歷史成本法。

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of compliance

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

The HKICPA has issued certain amendments and interpretations which are or have become effective. It has also issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

### b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2010 comprise the financial statements of the Company and its subsidiaries and the Group’s interest in a jointly controlled entity.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except those disclosed otherwise in the accounting policies below.

## 2. 主要會計政策 (續)

### b) 財務報表編製基準 (續)

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產、負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認，或如有關變動影響現行及未來期間，則在變動期間及未來期間確認。

管理層在應用香港財務報告準則時所作出並對財務報表有重大影響之判斷，以及作出極可能在下年度構成重大調整風險之估計，詳述於附註4。

### c) 附屬公司及非控股權益

附屬公司為本集團控制之實體。於本集團有權監管該實體之財務及經營決策，以自其業務獲取利益時，即存在控制。於評估控制權時，將計及現時可行使之潛在投票權。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

### c) Subsidiaries and non-controlling interests

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

#### 2. 主要會計政策(續)

##### c) 附屬公司及非控股權益(續)

於附屬公司之投資會自控制開始日期起合併入賬綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘及交易和集團內公司間之交易所產生之任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。

非控股權益(前稱「少數股東權益」)指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該權益持有人達成任何附加協議，致令本集團整體上對該等權益產生符合財務負債定義之法定義務。就各項業務合併而言，在計量非控股權益時，本集團可選擇按公平值計算或按非控股權益分佔附屬公司之可辨別資產淨值予以計量。

非控股權益會在綜合財務狀況表之權益項目中，與本公司權益股東之應佔權益分開呈報。而非控股權益所佔集團業績之權益則會在綜合收益表及綜合全面收益表中列作為本公司非控股權益與本公司權益股東之間的年內損益總額及全面收益總額分配。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### c) Subsidiaries and non-controlling interests (Continued)

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

Non-controlling interests (previously known as “minority interests”) represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary’s net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

#### 2. 主要會計政策(續)

##### c) 附屬公司及非控股權益(續)

非控股權益持有人之貸款及該等持有人的其他合約責任視乎負債性質根據附註2(m)、(n)或(r)於綜合財務狀況表內呈列為金融負債。

本集團於附屬公司權益之變動，如無導致失去控制權，則入賬列為股本交易，而綜合權益內的控股及非控股權益金額則予以調整以反映相關權益變動，但並不調整商譽，且不確認任何收益或虧損。

當集團失去對附屬公司的控制權時，則計為出售該附屬公司全部權益，因此而產生的收益或虧損於綜合收益表確認。失去控制權當日於該前附屬公司留存的任何權益按公平值確認(見附註2(f))，有關金額視為初步確認金融資產時的公平值或(倘適用)初步確認於共同控制實體投資的成本(見附註2(d))。

在本公司之財務狀況表內，於附屬公司之投資按成本值減去任何減值虧損(見附註2(j)(ii))列賬(除非該投資被分類為持作出售)。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### c) Subsidiaries and non-controlling interests (Continued)

Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(m), (n) or (r) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in consolidated income statement. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in jointly controlled entity (see note 2(d)).

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment loss (see note 2(j)(ii)), unless the investments are classified as held for sale.



## 2. 主要會計政策(續)

### d) 共同控制實體

共同控制實體是指根據本集團或本公司與其他方的合約安排進行營運之實體，根據此種合約安排，本集團或本公司與一個或多個其他方對該實體之經濟活動擁有共同控制權。

本集團按比例綜合其於共同控制實體之權益予以確認，惟投資分類為持有待售時，根據香港財務報告準則第5號「持有待售非流動資產及已終止經營業務」列賬，或倘投資於初始確認時指定為按公平值計入損益或分類為持作貿易用途，則根據香港會計準則第39號「金融工具：確認及計量」列賬。本集團應佔各共同控制實體之資產、負債、收入及支出乃於綜合財務報表中與本集團之相似項目逐一合併。

本集團及其共同控制實體間之交易所產生之未變現盈虧均在本集團之被投資公司權益中沖銷；惟倘未變現虧損是由已轉讓資產的耗損產生，則須即時於綜合收益表中確認。

倘本集團對共同控制實體不再具有共同控制權，將會當作出售有關被投資公司之全部權益入賬，而所得盈虧將於綜合收益表中確認入賬。於不再具有共同控制權當日在該前被投資公司仍然保留之任何權益將按公平值確認入賬，而此金額將被視為金融資產於首次確認時之公平值。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### d) Jointly controlled entity

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

The Group recognises its interest in a jointly controlled entity using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5, Non-current Assets held for Sale and Discounted Operations or when the investment is designated as at fair value through profit or loss upon initial recognition or is classified as held for trading in which case it is accounted for under HKAS 39 Financial Instrument: Recognition and Measurement. The Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity are combined with the Group's similar line items, line by line, in the consolidated financial statements.

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in consolidated income statement.

When the Group ceases to have joint control over a jointly controlled entity, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in consolidated income statement. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

## 2. 主要會計政策 (續)

### e) 商譽

商譽指：

- (i) 已轉移代價之公平值、在被收購方之非控股權益之金額及本集團早前所持被收購方股權之公平值之總金額；超出
- (ii) 於收購日期本集團於被收購方之可辨別資產及負債之公平淨值之金額。

如(ii)之金額大於(i)，則超出之金額即時在綜合收益表確認入賬作為議價購入之收益。

商譽按成本值減累計減值虧損列賬。業務合併所產生之商譽被分配至預期可受惠於合併之協同效益之賺取現金單位或一組賺取現金單位，並須每年作減值測試(見附註2(j)(ii))。

於年內出售單一賺取現金單位時，其應佔已收購商譽金額會於計算出售交易之盈虧時計入其中。

### f) 其他權益證券投資

本集團及本公司之權益證券投資(除附屬公司及共同控制實體投資外)政策如下：

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### e) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in consolidated income statement as a gain on a bargain purchase.

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

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

### f) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and jointly controlled entities, are as follows:

### 2. 主要會計政策(續)

#### f) 其他權益證券投資(續)

權益證券投資初步按公平值(即其交易價格)列賬;但如可根據只包括可觀察市場數據之變數之估值方法更可靠地估計出公平值則除外。成本包括應佔交易成本;惟下文所述者除外。此等投資其後因應所屬分類入賬如下:

持作貿易用途之權益證券投資被歸類為流動資產,任何應佔交易成本於產生時在綜合收益表中確認。於各個申報期間結算日,會重新計算公平值,所得之盈虧於綜合收益表中確認。在綜合收益表中確認之盈虧淨額並不包括從此等投資賺取所得之任何股息或利息。

其他不屬上述任何類別的權益證券投資被歸類為可供出售權益證券。於各個申報期間結算日,會重新計算公平值,所得之盈虧會於其他全面收入中確認,及單項累計呈列於權益中之公平值儲備,惟貨幣項目之攤銷成本變動所產生之外匯盈虧則除外。從此等投資所得之股息收入會於綜合收益表內確認,或倘該等投資為計息,有關利息則使用實際利息法按附註2(s)(ii)所載政策於綜合收益表確認。當終止確認此等投資或此等投資出現減值(見附註2(j))時,累計收益或虧損將由權益轉至綜合收益表核算。

投資會於本集團承諾買入/賣出或投資到期當日確認/終止確認。

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Other investments in equity securities (Continued)

Investments in equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in equity securities held for trading are classified as current assets. Any attributable transaction costs are recognised in consolidated income statement as incurred. At the end of each reporting period, the fair value is remeasured with any resultant gain or loss being recognised in consolidated income statement. The net gain or loss recognised in consolidated income statement does not include any dividends or interest earned on these investments.

Investments in equity securities which do not fall into any of the above categories are classified as available-for-sale equity securities. At the end of each reporting period, the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve, except foreign exchange gains and losses resulting from changes in the amortised cost of monetary items. Dividend income from these investments is recognised in consolidated income statement and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in consolidated income statement in accordance with the policy set out in note 2(s)(ii). When these investments are derecognised or impaired (see note 2(j)), the cumulative gain or loss is reclassified from equity to consolidated income statement.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

#### 2. 主要會計政策(續)

##### g) 物業、廠房及設備

持作自用之樓宇部份在財務狀況表中按重估值(即其於重估日期之公平值)減去其後任何累計折舊列賬。

公司會經常進行重估，以確保此等資產之賬面值與其於申報期間結算日之公平值並無重大差異。

除持作自用之樓宇外，其他物業、廠房及設備於財務狀況表內按成本值減累計折舊及累計減值虧損入賬(見附註2(j)(ii))。

重估持作自用之樓宇所產生之變動一般撥入樓宇重估儲備處理，但下列情況除外：

- 倘出現重估虧絀，超出於緊接重估前就同一項資產於重估儲備內持有之金額部份會在收益表支銷；及
- 倘出現重估盈餘，便會計入收益表，並以就同一項資產先前已於收益表內支銷之重估虧絀為限計算。

自行興建之物業、廠房及設備之成本，包括材料成本、直接工資、(如適用)初步估計拆卸及搬遷項目以及恢復項目所在地原貌之成本，以及適當比例之其他成本及貸款成本(見附註2(u))。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### g) Property, plant and equipment

Buildings held for own use are stated in the statement of financial position at their revalued amount, being their fair values at the date of revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of the reporting period.

Except for buildings held for own use, other property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses (see note 2(j)(ii)).

Changes arising on the revaluation of buildings held for own use are generally dealt with in the building revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to the income statement to the extent that it exceeds the amount held in the revaluation reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to the income statement to the extent that a deficit on revaluation in respect of that same asset had previously been charged to income statement.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(u)).

#### 2. 主要會計政策(續)

##### g) 物業、廠房及設備(續)

當租賃包括土地及樓宇部份，本集團需評估各部分擁有權之絕大部份風險與報酬是否轉移至本集團以將各部分單獨劃分為融資租賃或經營租賃。

租金能夠可靠的分配時，入賬為經營租賃的租賃土地權益應在綜合財務狀況表中列為「預付租金」，並按直線法在租賃期間攤銷。

歷史成本包括收購項目的直接開支。成本亦可包括自權益轉撥以外幣購買物業、廠房及設備的合資格現金流量對沖所產生的任何收益／虧損。

日後成本僅在本集團可能獲得與該項目有關的未來經濟利益及該項目的成本能可靠計算時，計入資產賬面值或確認為獨立資產(如適用)。被替代部份之賬面值取消確認。所有其他維修及保養費用於產生的財政期間內於收益表扣除。

如資產的賬面值較其估計可收回金額為高，則將資產的賬面值即時撇減至其可收回金額。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### g) Property, plant and equipment (Continued)

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.

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.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

An asset's carrying amount is written down immediately to its recoverable amount of the asset's carrying amount is greater than its estimated recoverable amount.

2. 主要會計政策(續)

g) 物業、廠房及設備(續)

報廢或出售物業、廠房及設備項目所產生之收益或虧損，乃以出售所得款項淨額與項目賬面值之差異釐定，並於報廢或出售日期於收益表確認。任何相關重估盈餘乃從重估儲備轉撥至保留溢利，不會重新分類至收益表內。

物業、廠房及設備之折舊乃使用直線法按其如下估計可使用年期撇銷其成本值或估值減估計剩餘價值(如有)：

– 持作自用之樓宇	20年
– 機器及設備	10年
– 辦公室設備及裝置	5年
– 汽車	5年

當一項物業、廠房及設備之各部份有不同的可使用年期，此項目各部份之成本值或估值將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

在建工程指興建中和有待安裝的物業、廠房及設備，按成本減累計減值虧損(如有)列賬。成本包括樓宇建築成本、機器及設備成本以及在興建或安裝及測試期間為收購該等資產融資貸款所產生的利息費用。在建工程截至相關資產建設完成且可作擬定用途前不會計提折舊。有關資產投入使用時，該等成本會撥歸其他物業、廠房及設備，並按上文所載的政策折舊。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to income statement.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings held for own use	20 years
– Machinery and equipment	10 years
– Office equipment and fixtures	5 years
– Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction-in-progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the costs of machinery and equipment and interest charges arising from borrowings used to finance the acquisition of these assets during the period of construction or installation and testing. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are available for their intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

2. 主要會計政策 (續)

h) 無形資產 (商譽除外)

研究活動之開支於產生期間確認為開支。倘有關產品或工序在技術上及商業上屬可行，而且本集團有充足資源及意向完成開發工作，則開發活動之開支會撥充資本。已撥充資本之開支包括物料成本、直接工資及直接屬於開發活動之間接開支及貸款成本 (倘適用) 按適當比例計算之金額 (見附註2(u))。已撥充資本之開發成本按成本值減去累計攤銷及減值虧損 (見附註2(j)(ii)) 列賬。其他開發開支於產生時確認為開支。

本集團收購所得之其他無形資產在財務狀況表中按成本值減去累計攤銷 (如估計可使用年期有限) 及減值虧損 (見附註2(j)(ii)) 列賬。內部產生商譽及品牌之支出於產生期間確認為開支。

具有限使用年期之無形資產之攤銷，於有關資產之估計可使用年期 (董事釐定為有限期) 內按直線法自收益表扣除。下列具有限使用年期之無形資產自彼等可供使用之日起計算攤銷，而彼等之估計可使用年期如下：

- 稀土礦物獨家採購權	16年
- 稀土礦物初步分離之技術專業知識	10年
- 稀土金屬產品之技術專業知識	10年

攤銷年期及方法，以及無形資產之可使用年期為無限期之結論均會每年檢討。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(u)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(j)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(j)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to the income statement on a straight-line basis over the assets' estimated useful lives which are determined by the directors to be finite. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- Exclusive right to purchase rare earth minerals	16 years
- Technical know-how for preliminary separation of rare earth minerals	10 years
- Technical know-how for rare earth metal products	10 years

Both the period and method of amortisation and any conclusion that the useful life of an intangible asset is indefinite are reviewed annually.

## 2. 主要會計政策(續)

### i) 租賃資產

倘本集團決定安排在協定期限內出讓一項特定資產或多項資產之使用權，以換取一筆付款或一連串付款，則有關安排(包括一項交易或一連串交易)即屬於或包括租賃。有關決定根據對安排本質之評估(不論安排是否以法定租賃形式)作出。

#### i) 出租予本集團之資產分類

倘本集團根據租賃持有資產而有關租賃將擁有權涉及之絕大部份風險及回報轉移至本集團，則有關資產列作根據融資租賃持有。並無將擁有權涉及之絕大部份風險及回報轉移至本集團之租賃則列作經營租賃。

#### ii) 經營租賃費用

如屬本集團根據經營租賃使用資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額方式計入收益表中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在收益表中確認為總租賃付款淨額的一部份。或有租金於其產生之會計期間計入收益表中。

根據經營租賃持有之土地之收購成本乃於租賃期內以直線法攤銷。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### i) Lease assets

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

#### i) Classification of assets leased to the Group

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

#### ii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.



## 2. 主要會計政策(續)

### j) 資產減值

#### i) 應收款項之減值

按成本值或攤銷成本列賬的流動與非流動應收款項會於各個申報期間結算日進行檢討，以判斷有否存在客觀減值證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### j) Impairment of assets

#### i) Impairment of receivables

Current and non-current receivables that are carried at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

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

2. 主要會計政策(續)

j) 資產減值(續)

i) 應收款項之減值(續)

如存在任何上述證據，則會釐定及確認減值虧損如下：

- 就按攤銷成本列賬之貿易及其他金融資產而言，減值虧損按資產之賬面值與按金融資產最初之實際利率(即此等資產最初確認時計算所得之實際利率)(如折現影響重大)估計之未來現金流量現值之差額計算。如按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似的逾期情況及並未單獨被評估為出現減值，則有關的評估會以組合形式進行。金融資產之未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產之過往虧損情況以組合形式評估減值。

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會撥回綜合收益表。減值虧損之撥回不應導致資產之賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定之數額。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other financial assets carried at amortised cost, 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 financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

2. 主要會計政策 (續)

j) 資產減值 (續)

i) 應收款項之減值 (續)

減值虧損從相應資產中直接撇銷，惟如包含在應收賬款及其他應收款中之應收賬款及票據，其是否可以收回屬難以預料，而並非微乎其微，則就其確認之減值虧損不會從相應的資產中直接撇銷。在此情況下，呆壞賬之減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款之機會微乎其微，則被視為不可收回之金額會直接從應收賬款及應收票據中撇銷，而在撥備賬中就有關債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於收益表確認。

ii) 其他資產之減值

本集團會於每個申報期間結算日審閱內部及外界所得資料，以確定下列資產(商譽除外)是否出現減值或先前已確認之減值虧損不再存在或已經減少：

- 商譽；
- 物業、廠房及設備(按重估數額列賬之樓宇除外)；
- 經營租約下預付土地租金；
- 無形資產；及
- 於附屬公司之投資。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of receivables (Continued)

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

ii) Impairment of other assets

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

- goodwill;
- property, plant and equipment (other than buildings carried at revalued amounts);
- prepaid lease payments on land under operating leases;
- intangible assets; and
- investments in subsidiaries.

2. 主要會計政策(續)

j) 資產減值(續)

ii) 其他資產之減值(續)

倘出現任何該等跡象，則估計資產之可收回數額。此外，就商譽、尚未可供使用之無形資產及並無固定使用年期之無形資產而言，其可收回數額會每年估計(不論有否出現減值跡象)。

– 可收回數額計算

資產之可收回數額乃指公平值減銷售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前折現率折現至現值，而該折現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別(即賺取現金單位)釐定可收回數額。

– 減值虧損確認

倘資產或其所屬之賺取現金單位之賬面值超過其可收回數額，則於收益表確認減值虧損。就賺取現金單位確認之減值虧損而言，其首先用作減少已分配至賺取現金單位(或單位類別)之任何商譽之賬面值，其後按比例基準用作減少單位(或單位類別)內其他資產之賬面值；惟資產之賬面值將不得減少至低於其個別公平值減出售成本或使用價值(如能計算)。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

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

– Recognition of impairment losses

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

### 2. 主要會計政策 (續)

#### j) 資產減值 (續)

##### ii) 其他資產之減值 (續)

- 減值虧損撥回

就商譽以外的資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。商譽之減值虧損不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入綜合收益表內。

##### iii) 中期財務報告及減值

根據聯交所證券上市規則，本集團須按照《香港會計準則》第34號「中期財務報告」之規定就有關財政年度首六個月編製中期財務報告。於中期期末，本集團採用其於財政年度結束時將採用之同一減值測試、確認及撥回標準（見附註2(j)(i)及(ii)）。

於中期期間就商譽確認之減值虧損不會於其後的期間撥回。假設有關於中期期間的減值評估於財政年度結束時進行，即使沒有確認虧損或確認較少之虧損，均採用以上相同處理方法。

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### j) Impairment of assets (Continued)

##### ii) Impairment of other assets (Continued)

- Reversals of impairment losses

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

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

##### iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

#### 2. 主要會計政策(續)

##### k) 存貨

存貨按成本值及可變現淨值(以較低者為準)列賬。

成本根據加權平均成本公式計算，包括所有採購成本以及使存貨達至現址和現況所產生之轉換成本及其他成本。

可變現淨值乃於日常業務過程中之估計售價減估計完成成本及進行銷售所必要之估計成本。

當售出存貨時，該等存貨之賬面值乃於確認相關收入之期間確認為一項開支。任何存貨撇減至可變現淨值之金額及存貨之所有虧損均於發生撇減或虧損之期間確認為一項開支。任何存貨撇減之回撥金額乃於回撥發生之期間確認為先前已列為一項開支之存貨金額之減少。

##### l) 應收賬款及其他應收款

應收賬款及其他應收款初步按公平值確認，其後按攤銷成本減呆賬減值撥備列賬(見附註2(j)(i))，惟倘應收款項為向關連人士作出之免息貸款且無任何固定償還年期或折現之影響並不重大則除外。於該等情況下，應收款項按成本減呆賬減值撥備列賬(見附註2(j)(i))。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

##### l) Trade and other receivables

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

#### 2. 主要會計政策 (續)

##### m) 計息貸款

計息貸款初步按公平值減應佔之交易成本確認。於初步確認後，計息貸款按攤銷成本列賬，而初步確認之金額與贖回價值兩者之任何差額連同任何應付之利息及費用，乃採用實際利率法按貸款之期間於收益表確認。

##### n) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本列賬，除非折現之影響並不重大，於此情況下則按成本列賬。

##### o) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭之現金、存放於銀行及其他金融機構之活期存款，以及於購入時至到期日為三個月以內之可輕易轉換為已知數額現金且價值變動風險不大之短期高流動性投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理整體一部份之銀行透支，亦列為現金及現金等值項目之組成部份。

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### m) Interest-bearing borrowings

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

##### n) Trade and other payables

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

##### o) Cash and cash equivalents

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

2. 主要會計政策 (續)

p) 僱員福利

i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、已付年假、向界定供款退休計劃之供款及非貨幣福利之成本均於僱員提供相關服務之年度內預提。倘付款或結算被遞延且影響重大，則該等金額按其現值列賬。

ii) 於二零零二年十一月七日後授予僱員並於二零零五年一月一日前歸屬之購股權

所授出購股權之財務影響於該等購股權獲行使之前並不於綜合財務報表記錄，而有關所授出購股權價值之支出乃於綜合收益表確認。於購股權獲行使後，就此發行之股份乃按股份之面值列為額外股本，而每股行使價超出股份面值之差額列為股份溢價。於行使日期前失效或被註銷之購股權乃自尚未行使購股權之登記冊中剔除。

iii) 終止福利

終止福利僅當本集團明確表示會終止僱用或因自願遣散 (透過制訂並無實際可能遭撤銷之正式詳盡計劃) 而提供福利時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Employee benefits

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

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

ii) Share options granted to employee after 7 November 2002 and vested before 1 January 2005

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

iii) Termination benefits

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



2. 主要會計政策 (續)

q) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均於收益表確認，惟與於其他全面收益或直接於權益確認之項目有關者，則有關稅項分別於其他全面收益或直接於權益內確認。

本期稅項是按本年度應課稅收入採用於申報期間結算日已執行或實質上已執行之稅率計算之預期應付稅項，以及就過往年度應付稅項之任何調整。

遞延稅項資產和負債分別由可抵扣和應課稅暫時差異，即作財務報告用途之資產和負債之賬面值與彼等稅基之間之差異而產生。遞延稅項資產亦可因未運用稅務虧損及未運用稅務抵免而產生。

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產（僅限於未來很可能取得應課稅溢利而令該項資產得以運用之部份）均予以確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅溢利包括其將由目前之應課稅暫時性差異撥回之部份，而此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未運用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或抵免能動用之期間內撥回方計算在內。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax

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

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

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

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

## 2. 主要會計政策(續)

### q) 所得稅(續)

確認遞延稅項資產及負債之有限例外情況：包括不可在稅務方面獲得扣減之商譽所引致之暫時差異、首次確認但並不影響會計溢利及應課稅溢利之資產或負債(惟其不可為企業合併之部份)，以及有關於附屬公司投資所引致之暫時差異；如為應課稅差異，只限於本集團可以控制撥回時間，且在可預見將來不大可能撥回之暫時差異或如為可予扣減差異，則只限於可能在未來撥回之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以申報期間結算日採用或主要採用之稅率計算。遞延稅項資產及負債均不作折現計算。

本集團會在每個申報期間結算日評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅溢利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅溢利時，已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### q) Income tax (Continued)

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

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

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

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

2. 主要會計政策 (續)

q) 所得稅 (續)

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。僅當本公司或本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利及能符合下列額外條件時，本期稅項資產可抵銷本期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債：本公司或本集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
  - 同一應課稅單位；或
  - 如為不同之應課稅單位，預期在未來每一個週期將清償或收回顯著數目之遞延稅項負債，或資產及計劃以淨額基準變現本期稅項資產及清償本期稅項負債，或計劃同時變現本期稅項資產及清償本期稅項負債。

r) 撥備及或然負債

倘若本公司或本集團須就已發生之事件承擔法律或推定責任，而履行該責任預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就不確定之時間或數額之負債計提準備。如金錢的時間價值重大，則按預計履行責任所需開支之現值計提撥備。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

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

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

r) Provisions and contingent liabilities

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

2. 主要會計政策(續)

r) 撥備及或然負債(續)

倘若含有經濟效益之資源外流之可能性很低，或是無法對有關款額作出可靠之估計，便會將該責任披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或有負債；但假如這類資源外流之可能性極低則除外。

s) 收入確認

收入按已收或應收代價之公平值計量。收入乃於經濟效益可能會流入本集團，以及能夠可靠地計算收入及成本(如適用)時，根據下列方法於收益表內確認：

i) 銷售貨品

收入乃當本集團已向客戶轉讓貨品之重大風險及所有權回報時確認。收入不包括增值及營業稅，並經扣減任何貨品退貨及貿易折扣。

ii) 利息收入

利息收入乃採用實際利率法於應計時確認。

iii) 經營租賃產生之租金收入

根據經營租賃應收之租金收入於租賃期間內以等額方式在綜合收益表中確認；除非有另一基準更能代表使用租賃資產所產生之利益之模式。已授出之租賃獎勵於綜合收益表中確認為將予收取之總租賃款項淨額的一部份。或然租金於賺取之會計期間確認為收入。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Provisions and contingent liabilities (Continued)

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

s) Revenue recognition

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

i) Sale of goods

Revenue is recognised when the Group has transferred to the customer the significant risks and rewards of ownership of the goods. Revenue excludes value added and business taxes, and is after deduction of any goods returns and trade discounts.

ii) Interest income

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

iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in consolidated income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in consolidated income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

## 2. 主要會計政策 (續)

### t) 外幣換算

年內外幣換算乃按於交易日期通行之匯率換算為港元。以外幣計值之貨幣性資產及負債均按於申報期間結算日通行之匯率換算為港元。匯兌盈虧乃於綜合全面收益表確認。

以歷史成本計量之外幣非貨幣性資產及負債乃按交易日通行之匯率換算。以公平值列賬之外幣非貨幣性資產及負債乃以於釐定公平值日期之匯率換算。

境外業務之業績乃按交易日通行之概約匯率換算為港元。財務狀況表項目(包括因合併二零零五年一月一日或之後購入之境外業務之賬目所產生之商譽)則按申報期間結算日通行之匯率換算為港元。匯兌差額直接於其他全面收益確認，並於匯兌儲備之權益中獨立累計。因合併二零零五年一月一日之前購入之境外業務之賬目所產生之商譽則按收購境外業務當日之適用匯率換算。

於出售境外業務時，與該境外業務有關並於權益中確認之累計匯兌差額會於計算出售盈虧時包括在內。

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### t) Translation of foreign currencies

Foreign currency transaction during the year are translated into HK\$ at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into HK\$ at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the consolidated statement of comprehensive income.

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

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

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

2. 主要會計政策 (續)

u) 貸款成本

與購入、建造或生產需經一段長時期準備方可作預期運用或出售之資產直接有關之貸款成本，乃作為該項資產之部份成本撥充資本。其他貸款成本於產生期間內支銷。

貸款成本乃於資產之開支產生、貸款成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合格資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時暫停或停止資本化貸款成本。

v) 關連人士

就此等財務報表而言，某人士於下列情況下將被視為與本集團有關連：

- i) 該人士有能力直接或間接透過一個或多個中介人控制本集團，或可於作出財務及經營決策時對本集團行使重大影響力，或擁有本集團之共同控制權；
- ii) 本集團及該人士均受共同控制；
- iii) 該人士為本集團之聯繫人士或本集團為合營方之合營企業；
- iv) 該人士為本集團或本集團母公司之主要管理人員、或為有關人士之近親家庭成員、或受該等個別人士控制、或共同控制或重大影響之實體；

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

v) Related parties

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

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

### 2. 主要會計政策 (續)

#### v) 關連人士 (續)

v) 該人士為附註2(v)(i)所指之人士之近親家庭成員或受該等個人控制、共同控制或重大影響之實體；或

vi) 屬提供福利予本集團僱員或與集團關聯之實體之僱員之離職後福利計劃。

個人之近親家庭成員指可影響該個人與該實體交易之家庭成員，或受該個人與該實體交易影響之家庭成員。

#### w) 分部報告

綜合財務報表所呈報之經營分部及各分部項目之款項乃於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首席營運決策人提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部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部符合大部份此等準則，則該等經營分部可能合併處理。

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### v) Related parties (Continued)

v) the party is a close family member of a party referred to in note 2(v)(i) or is an entity under the control, joint control or significant influence of such individuals; or

vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

#### w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker 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 aggregate for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. 採納新訂及經修訂香港財務報告準則  
(「香港財務報告準則」)

於本年度，本集團已於適用情況下應用下列由香港會計師公會所頒佈之現時或已經生效之修訂及詮釋(「新香港財務報告準則」)。

香港財務報告準則(修訂本)	香港財務報告準則第5號之修訂本，作為於二零零八年頒佈之香港財務報告準則之改進部份
香港財務報告準則(修訂本)	作為於二零零九年頒佈之香港財務報告準則之改進
香港會計準則第27號 (二零零八年修訂)	合併及獨立財務報表
香港會計準則第32號(修訂本)	供股的分類
香港會計準則第39號(修訂本)	合資格對沖項目
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
香港財務報告準則第1號(修訂本)	首次採納者之額外豁免
香港財務報告準則第2號(修訂本)	集團以現金結算之以股份基礎支付之交易
香港財務報告準則第3號 (二零零八年修訂)	業務合併
香港財務報告準則第5號(修訂本)	持作銷售的非流動資產及終止經營業務
香港(國際財務報告詮釋委員會)-詮釋第17號	向擁有人分派非現金資產
香港(詮釋)第5號	財務報表的呈列-借貸人對包含按要求償還條款的定期貸款的分類

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

In the current year, the Group has where applicable applied the following amendments and interpretations (“new HKFRSs”) issued by the HKICPA which are or have become effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 1 (Amendments)	First-time Adoption of HKFRSs
HKFRS 1 (Amendments)	Additional Exemption for First-time adoption
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised 2008)	Business Combination
HKFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK (Int) 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause



#### 3. 採納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39號之修訂及香港（詮釋）第5號均對本集團之財務報表並無重大影響。此乃由於該修訂及詮釋之結論與本集團已採納之政策一致。其他改進導致會計政策變動，但該等政策變動概無對本期間或比較期間帶來重大影響，原因如下：

- 對香港財務報告準則第3號、香港會計準則第27號、香港會計準則第32號、香港財務報告準則第1號、香港財務報告準則第2號、香港財務報告準則第5號及香港（國際財務報告詮釋委員會）詮釋第17號之大多數修訂尚未對本集團之財務報表帶來重大影響，原因是該等變動將於本集團訂立相關交易（例如業務合併、出售一間附屬公司或非現金分派）時方會首次生效，且毋須重列先前有關交易所錄得之金額。
- 對香港財務報告準則第3號之修訂（有關確認被收購方的遞延稅項資產）及香港會計準則第27號之修訂（有關分配予非控股權益（前稱為「少數股東權益」）而超過其權益之虧損）尚未帶來重大影響，因為毋須重列以往期間所錄得之金額，且本期間並無產生有關遞延稅項資產或虧損。
- 香港財務報告準則之改進（二零零九年）提出有關香港會計準則第17號「租約」綜合準則之修訂，導致本集團若干位於香港特別行政區之租賃土地權益之分類有變，惟這並不對該等租賃已確認之金額構成重大影響，原因是與所有該等租賃相關之地價均已付清並按剩餘租期攤銷。

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

The amendment to HKAS 39 and the issuance of HK (Int) 5 have had no material impact on the Group's financial statements as the amendment and the Interpretation's conclusions were consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3, HKAS 27, HKAS 32, HKFRS 1, HKFRS 2, HKFRS 5 and HK(IFRIC)-Int 17 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquirer's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.
- The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS 17, Leases, resulted in a change of classification of certain of the Group's leasehold land interests located in the Hong Kong Special Administrative Region, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

#### 3. 採納新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

該等會計政策之變動詳情如下：

- 由於採納香港財務報告準則第3號（二零零八年修訂），於二零一零年一月一日或以後進行之任何業務收購將根據香港財務報告準則第3號（二零零八年經修訂）所載之新規定及詳盡指引予以確認。其採用影響本年度業務合併之會計處理。
- 香港財務報告準則第3號（二零零八年修訂）容許按每項交易基準以公平值或非控股權益分佔被收購方之已確認可識別資產淨值計量於收購日期之非控股權益。因此，就該收購確認之商譽反映非控股權益之公平值與彼等分佔被收購方可識別資產淨值之已確認數額之差額之影響。
- 香港財務報告準則第3號（二零零八年修訂）改變或然代價之確認及其後之會計要求。此前，只有當有可能支付或然代價且其金額能可靠地計量時，才會於收購日期確認或然代價；或然代價之任何其後調整列入收購成本內。根據經修訂準則，或然代價按於收購日期之公平值計量。對代價之其後調整（如有）則僅於計量期間（最長為收購日期起12個月）獲得關於收購日期公平值新資料時，才會於收購成本確認。分類為資產或負債之或然代價的所有其他其後調整均於收益表確認。

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

Further details of these changes in accounting policy are as follows:

- As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). Its application has affected the accounting for business combinations in the current year.
- HKFRS 3 (revised 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree. Consequently, the goodwill recognised in respect of the acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of the recognised amount of the identifiable net assets of the acquiree.
- HKFRS 3 (revised 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, if any, to the consideration are recognised against the cost of the 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 date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in income statement.

#### 3. 採納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（二零零八年修訂）規定，當業務合併清算本集團與被收購方之已有關係時，須確認清算盈虧。
- 香港財務報告準則第3號（二零零八年修訂）規定，收購相關成本將與業務合併分開入賬，導致該等成本於產生時於收益表確認為開支，而該等成本此前乃作為收購成本的一部份入賬。

香港財務報告準則第3號（二零零八年修訂）規定，倘被收購方所累計的稅項虧損或其他暫時可抵扣差異在收購日期並不符合遞延稅項資產之確認標準，則該等資產之任何其後確認將在收益表中確認，而並非如以往政策般列作商譽調整。

根據香港財務報告準則第3號（二零零八年修訂）之過渡性條文，該等新會計政策未來將應用於當前或未來期間進行之任何業務合併。有關確認遞延稅項資產變動之新政策未來亦將應用於過往業務合併中所收購之累計稅項虧損及其他暫時可抵扣差異。本集團並無對任何其收購日期在採用該項經修訂準則之前的業務合併中所產生之資產與負債之賬面值作出任何調整。

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

- HKFRS 3 (revised 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.
- HKFRS 3 (revised 2008) requires acquisition-related costs to be accounted for separately from the business combination, with those costs being recognised as an expense in income statement as incurred. Previously, they were accounted for as part of the cost of the acquisition.

HKFRS 3 (revised 2008) requires that where the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, any subsequent recognition of these assets will be recognised in income statement, rather than as an adjustment to goodwill as was previously the policy.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying amounts of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

#### 3. 採納新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

- 由於採用香港會計準則第27號（二零零八年修訂），下列政策變動將自二零一零年一月一日起適用：
  - 如本集團增購非全資擁有附屬公司的額外權益，該交易將計為與權益股東（非控股權益）以擁有人身份之交易，因此將不會就有關交易確認商譽。同樣地，如本集團出售一家附屬公司部分權益，但仍保留控制權，該交易亦將計為與權益股東（非控股權益）以擁有人身份之交易，因此將不會就有關交易確認損益。過往本集團之會計政策視有關交易為分段交易及部分出售。
  - 如本集團失去一家附屬公司的控制權，該交易將計為出售該附屬公司全部權益，本集團保留之任何剩餘權益按公平值確認，猶如再收購。此外，由於採納香港財務報告準則第5號的修訂，如本集團於申報期間結算日有意出售一家附屬公司之控股權益，不論本集團將保留權益之份額，該附屬公司之全部權益將歸類為持作出售（假設符合香港財務報告準則第5號中的持作出售之標準）。過往有關交易被視為部分出售。

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

(Continued)

- As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:
  - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions and partial disposals, respectively.
  - If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the date of the end of reporting period the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

#### 3. 採納新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

根據香港會計準則第27號的過渡條文，該等新訂會計政策將適用於本期間或未來期間之交易，因此過往期間並不重列。

- 為了符合上述香港財務報告準則第3號及香港會計準則第27號的修訂以及由於香港會計準則第31號有關合營公司之權益之修訂，本集團將於二零一零年一月一日起採用以下政策：

- 倘若本集團在緊接取得重大影響力或共同控制權前持有被收購方的權益，該等權益將以假設在取得重大影響力或共同控制權當日已售出及按公平值被重新收購方式處理。本集團以往就此採用遞進法處理，據此商譽猶如在各個收購階段累積計算。
- 如果本集團失去重大影響力或共同控制權，有關交易將列作出售在被投資方的全部權益，而任何剩餘權益則以假設被重新收購的方式按公平值確認。有關交易以往列作部分出售項目。

為了符合香港財務報告準則第3號及香港會計準則第27號的過渡條文，該等新會計政策將適用於本期間或未來期間之交易，因此過往期間並不重列。

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

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

- In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 31, Interests in Joint Ventures, the following policies will be applied as from 1 January 2010:

- If the Group holds interests in the acquiree immediately prior to obtaining significant influence or joint control, these interests will be treated as if disposed of and reacquired at fair value on the date of obtaining significant influence or joint control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.
- If the Group loses significant influence or joint control, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

#### 3. 採納新訂及經修訂香港財務報告準則 （「香港財務報告準則」）（續）

與本集團綜合財務報表相關之其他會計政策變動如下：

- 由於香港會計準則第27號之修訂，自二零一零年一月一日起，即使在計入非控股權益之綜合權益內引致赤字，非全資附屬公司產生之任何虧損將按彼等於該實體之權益分配至控股及非控股權益之間。過往，如分配至非控股權益之虧損可能引致赤字，除非非控股權益受約束而須承擔有關虧損，否則該虧損將不會分配入非控股權益。根據香港會計準則第27號之過渡條文，新訂會計政策將適用於未來期間，因此過往期間並無重列。
- 由於香港會計準則第17號「租約」之修訂（此乃因香港財務報告準則之改進（二零零九年）綜合準則而產生），在本集團的判斷下，本集團已就租約是否轉讓土地擁有權的絕大部分風險及回報以致本集團在經濟上處於與買方類似的位置，對於租賃土地權益的分類進行重新評估。本集團已得出結論將該等租約分類為經營租約仍屬合適，但於已註冊並可轉讓擁有權的香港特別行政區土地及須取決於政府於續訂時不用支付額外土地溢價之土地政策的權益則除外。因本集團認為本集團與買主的經濟地位相似，該等租賃權益將不再被本集團分類為經營租賃。由於所有有關租賃的租賃溢價已全數支付並已按租賃期餘下之時間攤銷，此會計政策變更對本期間或過往期間並無重大影響。

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

(Continued)

Other changes in accounting policies which are relevant to the Group’s consolidated financial statements are as follows:

- As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.
- As a result of the amendment to HKAS 17, Leases, arising from the “Improvements to HKFRSs (2009)” omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group’s judgement, the lease transfers substantially all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate, with the exception of those interests which are registered and transferable ownership interests in land located in the Hong Kong Special Administrative Region and subject to the Government’s land policy of renewal without payment of additional land premium. These leasehold interests will no longer be classified by the Group as operating leases as the Group considers that it is in a position economically similar to that of a purchaser. This change in accounting policy has no material impact on the current or previous periods as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

3. 採納新訂及經修訂香港財務報告準則  
 (「香港財務報告準則」) (續)

應用新香港財務報告準則對本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式並無造成重大影響，因此毋須作出往年調整。

本集團並無提早應用下列於自二零一零年一月一日開始之年度期間已頒佈但尚未生效之任何新訂及經修訂準則、修訂或詮釋。

香港財務報告準則(修訂本)	二零一零年香港財務報告準則的改進，惟香港財務報告準則第3號(二零零八年經修訂)、香港會計準則第1號及香港會計準則第28號除外 <sup>1</sup>
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 <sup>2</sup>
香港會計準則第24號(經修訂)	關連方披露 <sup>3</sup>
香港會計準則第32號(修訂本)	供股的分類 <sup>4</sup>
香港財務報告準則第1號(修訂本)	首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免 <sup>5</sup>
香港財務報告準則第7號(修訂本)	披露—金融資產轉讓 <sup>6</sup>
香港財務報告準則第9號	金融工具 <sup>7</sup>
香港(國際財務報告詮釋委員會)—詮釋第14號(修訂本)	預付最低資本規定 <sup>3</sup>
香港(國際財務報告詮釋委員會)—詮釋第19號	以股本工具抵銷金融負債 <sup>5</sup>

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

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment is required.

The Group has not early applied any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effect for annual periods beginning on 1 January 2010.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKAS 1 and HKAS 28 <sup>1</sup>
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>2</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>3</sup>
HKAS 32 (Amendments)	Classification of Rights Issues <sup>4</sup>
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters <sup>5</sup>
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets <sup>6</sup>
HKFRS 9	Financial Instruments <sup>7</sup>
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirements <sup>3</sup>
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>5</sup>

**3. 採納新訂及經修訂香港財務報告準則  
（「香港財務報告準則」）（續）**

- 1 於二零一一年一月一日或其後開始之年度期間生效，惟於二零一零年七月一日或其後開始之年度期間生效之香港財務報告準則第3號、香港會計準則第21號、香港會計準則第28號及香港會計準則第31號除外
- 2 於二零一二年一月一日或其後開始之年度期間生效
- 3 於二零一一年一月一日或其後開始之年度期間生效
- 4 於二零一零年二月一日或其後開始之年度期間生效
- 5 於二零一零年七月一日或其後開始之年度期間生效
- 6 於二零一一年七月一日或其後開始之年度期間生效
- 7 於二零一三年一月一日或其後開始之年度期間生效

本集團正評估該等新訂及經修訂準則、修訂或詮釋預期於首次應用期間之影響。至目前為止，採用該等新訂及經修訂準則、修訂或詮釋被認為不太可能對於本集團的經營業績及財務狀況造成重大影響。

**4. 關鍵會計判斷及估計不確定之主要來源**

**a) 估計不確定性之主要來源**

於應用附註2所述之本集團會計政策之過程中，管理層已作出若干主要假設，該等假設涉及未來及於申報期間結算日估計不確定性之其他主要來源，該等假設可能存在導致資產及負債之賬面值於下個財政年度作出重大調整之重大風險，有關詳情討論如下。

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

(Continued)

- 1 Effective for annual periods beginning on or after 1 January 2011 except for the amendments to HKFRS 3, HKAS 21, HKAS 28 and HKAS 31, which is effective for annual period beginning on or after 1 July 2010
- 2 Effective for annual periods beginning on or after 1 January 2012
- 3 Effective for annual periods beginning on or after 1 January 2011
- 4 Effective for annual periods beginning on or after 1 February 2010
- 5 Effective for annual periods beginning on or after 1 July 2010
- 6 Effective for annual periods beginning on or after 1 July 2011
- 7 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of what the impact of these new and revised standards, amendments or interpretation is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group’s results of operations and financial position.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**a) Key sources of estimation uncertainty**

In the process of applying the Group’s accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.



4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

i) 商譽減值之估算

於釐定商譽是否減值時，需要對已獲分配商譽之賺取現金單位之使用價值作出估計。使用價值計算需要本集團估計預期賺取現金單位產生之未來現金流量及合適折現率以計算現值。倘未來實際現金流量少於預期，則可能會產生重大減值虧損。於二零一零年十二月三十一日，商譽之賬面值約為88,971,000港元（二零零九年：85,980,000港元）。有關可收回金額計算之詳情於附註16披露。

ii) 物業、廠房及設備之可使用年期及剩餘價值

管理層根據附註2(g)所載之會計政策釐定本集團物業、廠房及設備之估計可使用年期及剩餘價值。本集團將修訂折舊支出（如可使用年期及剩餘價值與先前估計不同），或撇銷或撇減已被棄用或出售之在技術上過時或屬非策略性之資產。

iii) 機器及設備減值之估算

於釐定資產是否減值或以往導致減值之事件是否不再存在時，本集團須在評估是否曾發生可能影響資產價值之事件或有關影響資產價值之事件是否不曾存在作出判斷。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

i) Estimation of impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2010, the carrying amount of goodwill is approximately HK\$88,971,000 (2009: HK\$85,980,000). Details of the recoverable amount calculation are disclosed in note 16.

ii) Useful lives and residual values of property, plant and equipment

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment in accordance with the accounting policy stated in note 2(g). The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

iii) Estimation of impairment of machinery and equipment

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in assessing whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence.

4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)  
iii) 機器及設備減值之估算 (續)

該估值乃基於若干涉及不確定因素之假設，並可能與實際結果有重大差異。於行使判斷時，本集團會考慮有關機器及設備的重置費之款額等信息，並會對於各申報期間結算日存在之樓齡、狀況、經濟或設施陳舊及環境因素而作出扣減。於二零一零年十二月三十一日，機器及設備之賬面值約326,743,000港元(二零零九年：317,687,000港元)。

iv) 持作自用樓宇公平值之估算

如附註17(a)(ii)所述，持作自用樓宇乃於二零一零年十二月三十一日由獨立專業合資格估值師採用成本重置法予以重估。該估值乃基於若干涉及不確定因素之假設，並可能與實際結果有重大差異。於作出判斷時，本集團會考慮有關樓宇的重置費之款額等信息，並會對於各申報期間結算日存在之樓齡、狀況、經濟或設施陳舊及環境因素而作出扣減。於二零一零年十二月三十一日，持作自用之樓宇之賬面值約246,549,000港元(二零零九年：237,866,000港元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)  
iii) Estimation of impairment of machinery and equipment (Continued)

Such assessment was based on certain assumptions, which are subject to uncertainty and might differ materially from the actual results. In exercising judgement, the Group considers information such as the amounts of the replacement cost of the machinery and equipment and deductions to account for the age, condition, economic or functional obsolescence and environmental factors existing at the end of each reporting period. As at 31 December 2010, the carrying amount of machinery and equipment is approximately HK\$326,743,000 (2009: HK\$317,687,000).

iv) Estimation of fair value of buildings held for own use

As described in note 17(a)(ii), the buildings held for own use were revalued at 31 December 2010 using the cost replacement approach by independent professional qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainties and might materially differ from the actual results. In making the judgement, the Group considers information such as the amounts of the replacement cost of the buildings and deductions to account for the age, condition, economic or functional obsolescence and environmental factors existing at the end of each reporting period. As at 31 December 2010, the carrying amount of buildings held for own use is approximately HK\$246,549,000 (2009: HK\$237,866,000).

4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

v) 無形資產減值之估算

本集團根據附註2(j)(ii)所載之會計政策，每年對無形資產是否出現減值進行評估。賺取現金單位之可收回金額乃根據使用價值計算而釐定。該等計算需要使用管理層對業務之未來營運作出之估計及假設、稅前折現率以及其他有關使用價值計算之假設。董事認為，於二零一零年及二零零九年十二月三十一日，無形資產並無減值。於二零一零年十二月三十一日，無形資產之賬面值約329,921,000港元(二零零九年：349,223,000港元)。

vi) 無形資產之攤銷

無形資產乃根據附註2(h)所載會計政策按其估計可使用年期以直線基準予以攤銷。可使用年期之釐定涉及管理層作出之估計。本集團重估無形資產之可使用年期，而如預期與原有估計不同，則有關差異可能影響本年度之攤銷，而估計將於未來期間作出調整。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

v) *Estimation of impairment of intangible assets*

The Group performs annual assessments on whether there has been impairment of intangible assets in accordance with the accounting policy stated in note 2(j)(ii). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. The directors are of opinion that intangible assets are not impaired as at 31 December 2010 and 2009. As at 31 December 2010, the carrying amount of intangible assets is approximately HK\$329,921,000 (2009: HK\$349,223,000).

vi) *Amortisation of intangible assets*

Intangible assets are amortised on a straight-line basis over their estimated useful lives in accordance with the accounting policy stated in note 2(h). The determination of the useful lives involves management's estimation. The Group re-assesses the useful life of the intangible assets and, if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

vii) 應收款項減值之估算

本集團之應收款項減值確認政策乃根據對應收賬款收回可能性之評估、賬齡分析及管理層判斷制定實行。在評估該等應收款項最終能否變現時，需要作出大量判斷，包括每名客戶之現時信譽及過往收款紀錄。倘本集團客戶之財務狀況轉差，將會影響其還款能力，因而可能需要作出額外減值。於二零一零年十二月三十一日，應收賬款及其他應收款之賬面值約為368,415,000港元(二零零九年：467,395,000港元)。應收款項減值之詳情已於附註24(c)作出披露。

viii) 存貨之可變現淨值

存貨乃按成本與可變現淨值之較低者列賬。可變現淨值根據估計售價減作出銷售所必要之估計成本釐定。董事主要根據最近期之發票價格及現時市況估計存貨之可變現淨值。於二零一零年十二月三十一日，董事按逐項產品基準對存貨進行檢討，並撇減為數約16,059,000港元(二零零九年：22,691,000港元)之存貨及撥回存貨撇減約23,371,000港元(二零零九年：零港元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

vii) *Estimation of impairment of receivables*

The policy for recognising impairment on receivables of the Group is based on the evaluation of collectibility, ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. As at 31 December 2010, the carrying amount of trade and other receivables is approximately HK\$368,415,000 (2009: HK\$467,395,000). Details of the impairment of receivables are disclosed in note 24(c).

viii) *Net realisable value of inventories*

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price less the estimated costs necessary to make the sale. The directors estimate the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2010, the directors performed a review on a product-by-product basis and made a write down of its inventories of approximately HK\$16,059,000 (2009: HK\$22,691,000) and a reversal of write-down of inventories of approximately HK\$23,371,000 (2009: HK\$Nil).

#### 4. 關鍵會計判斷及估計不確定之主要來源 (續)

##### b) 在應用本集團會計政策時所作之重大會計判斷

在釐定部分資產及負債之賬面值時，本集團就不確定的未來事件對申報期間結算日資產及負債之影響作出假設。有關估計涉及對現金流量及所用貼現率之假設。本集團根據過往經驗及對未來事件之預計作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用會計政策時亦作出判斷。

##### i) 所得稅及遞延稅項

本集團在香港須繳付所得稅，而在中國須繳付不同稅項。於釐定稅項撥備時須作出重大判斷。於一般業務過程中存有頗多交易及計算，使得最終稅務釐定存在不確定性。本集團根據對是否須繳納額外稅項之估計就預期稅務事宜確認負債。倘上述事宜之最終稅務結果與最初記錄之金額有所不同，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

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

(Continued)

##### b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

##### i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 關鍵會計判斷及估計不確定之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷 (續)

i) 所得稅及遞延稅項 (續)

有關若干暫時差異及若干稅項虧損之遞延稅項資產，乃於管理層認為日後可能有可動用應課稅溢利抵銷暫時差異或稅項虧損之情況下方予以確認。倘該項預期有別於原來估計，該等差額將影響更改有關改變估計期間所確認之遞延稅項資產及稅項。就此而言，本集團已於二零一零年十二月三十一日確認遞延稅項資產及負債分別約24,158,000港元(二零零九年：21,639,000港元)及94,960,000港元(二零零九年：97,878,000港元)。

ii) 分派股息所產生之預扣稅

本集團乃根據派付股息的時間判斷釐定是否應計若干附屬公司分派的股息產生的預扣稅(根據相關稅務司法權區徵收)。本集團認為，倘於可預見未來將不會分派溢利，則毋須就有關預扣稅提供撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

i) *Income taxes and deferred taxation (Continued)*

Deferred tax assets relating to certain temporary differences and certain tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax in the periods in which such estimate is changed. In this regard, the Group has recognised deferred tax assets and liabilities in the amount of approximately HK\$24,158,000 (2009: HK\$21,639,000) and HK\$94,960,000 (2009: HK\$97,878,000) as at 31 December 2010 respectively.

ii) *Withholding taxes arising from the distributions of dividends*

The Group's determination as to whether to accrue for withholding taxes arising from the distributions of dividends from certain subsidiaries according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividend. The Group considered that if the profits will not be distributed in the foreseeable future, then no withholding taxes should be provided.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 5. 營業額

營業額指供應予客戶之貨品銷售價值(不包括增值稅及營業稅)，並扣除任何退貨及貿易折扣。本年度於營業額中確認之收益之各主要類別金額如下：

#### 5. TURNOVER

Turnover represents the sales value of goods supplied to customers which excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
稀土產品 (包括熒光產品)銷售	Sales of rare earth products (including fluorescent products)	896,451	637,725
耐火產品 (包括高溫陶瓷產品及鎂砂) 銷售	Sales of refractory products (including high temperature ceramics products and magnesium grains)	423,053	573,958
		<b>1,319,504</b>	1,211,683

#### 6. 其他收益

#### 6. OTHER REVENUE

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
銀行存款利息收入(附註)	Interest income from bank deposits (note)	4,891	10,043
應收賬款及其他應收款 減值虧損撥回	Write back of impairment loss on trade and other receivables	4,996	9,267
		<b>9,887</b>	19,310

附註：

銀行存款利息收入指並非按公平值列入損益之金融資產利息收入總額。

Note:

Interest income from bank deposits represents the total interest income on financial assets not at fair value through profit or loss.

7. 除稅前溢利

除稅前溢利已扣除／(計入)下列各項：

7. PROFIT BEFORE TAXATION

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
<b>a) 財務成本</b>	<b>a) Finance costs</b>		
須於五年內悉數償還 之銀行貸款利息支出	Interest expenses on bank borrowings wholly repayable within five years	<b>8,409</b>	17,968
其他貸款成本	Other borrowing costs	<b>29</b>	–
	Total interest expense on financial liabilities not at fair value through profit or loss	<b>8,438</b>	17,968
<b>b) 員工成本(包括附註9 所載之董事酬金)</b>	<b>b) Staff costs (including directors' emoluments in note 9)</b>		
薪金及工資	Salaries and wages	<b>42,025</b>	36,020
退休福利計劃供款 (附註11)	Retirement benefits scheme contributions (note 11)	<b>2,493</b>	2,426
		<b>44,518</b>	38,446
<b>c) 其他項目</b>	<b>c) Other items</b>		
核數師酬金	Auditor's remuneration	<b>3,420</b>	3,360
存貨成本(附註23(b))	Cost of inventories (note 23(b))	<b>1,031,430</b>	980,246
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	<b>90,670</b>	94,798
經營租約下預付土地 租金攤銷	Amortisation of prepaid lease payments on land under operating leases	<b>5,910</b>	5,750
無形資產攤銷	Amortisation of intangible assets	<b>30,913</b>	30,369
壞賬撇銷	Bad debt written off	<b>258</b>	53
應收賬款及其他應 收款之減值虧損	Impairment loss on trade and other receivables	<b>10,970</b>	3,996
出售物業、廠房及設備 之收益淨額	Net gains on disposal of property, plant and equipment	<b>(23)</b>	(309)
匯兌虧損淨額	Net exchange loss	<b>2,630</b>	206
租賃物業經營租賃支出	Operating lease charges on rented premises	<b>1,457</b>	1,451
研發支出	Research and development expenditure	<b>1,542</b>	399



8. 綜合收益表內之所得稅

a) 綜合收益表內之所得稅指：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
本期稅項- 中國企業 所得稅(「企業所得稅」) 年度撥備(附註30(a))	<b>Current tax – PRC Enterprise Income Tax ("EIT")</b> Provision for the year (note 30(a))	<b>49,000</b>	69,454
遞延稅項 暫時性差異之產生 及撥回(附註30(b))	<b>Deferred taxation</b> Origination and reversal of temporary differences (note 30(b))	<b>(10,322)</b>	(9,795)
所得稅支出	Income tax charge	<b>38,678</b>	59,659

附註：

本公司根據開曼群島法律在開曼群島註冊成立為獲豁免有限責任公司，因此，獲豁免支付開曼群島所得稅。

於二零零八年六月二十六日，香港立法會通過二零零八年收入條例草案，將企業利得稅改為16.5%，自二零零八年／二零零九年課稅年度起生效。截至二零一零年及二零零九年十二月三十一日止兩年度內，由於本集團並無應課稅溢利淨額，並無就香港利得稅計提撥備。

根據中國企業所得稅法例(「企業所得稅法」)及實施條例，自二零零八年一月一日起，本集團中國附屬公司之稅率為25%。

本集團中國附屬公司宜興威爾發非金屬材料有限公司及海城新威利成鎂資源有限公司有權自二零零八年起計兩年獲豁免中國企業所得稅，隨後三年獲50%稅項減免。

本集團中國附屬公司宜興新威利成稀土有限公司於二零零九年十二月二十二日起成為外商投資之「高新技術企業」，並可享有優惠所得稅率15%。

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

a) Income tax in the consolidated income statement represents:

Note:

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and corporate profits tax rate became 16.5%, which was effective from the year of assessment 2008/09. No provision for Hong Kong Profits Tax has been made as the Group had no net assessable profits for the two years ended 31 December 2010 and 2009.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1 January 2008 onwards.

The PRC subsidiaries of the Group, Yixing Wellfire Nonmetal Materials Co., Ltd. and Hai Cheng Xinwei Leeshing Magnesium Resources Co., Ltd. are entitled to the exemptions from PRC EIT for two years starting from 2008, followed by a 50% tax relief for the next three years.

The PRC subsidiary of the Group, Yixing Xinwei Leeshing Rare Earth Company Limited became a foreign invested "encouraged hi-tech enterprise" with effective from 22 December 2009 and was entitled to a preferential income tax rate of 15%.

8. 綜合收益表內之所得稅(續)

- b) 所得稅支出與會計溢利之間按適用稅率計算之對賬如下：

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

- b) Reconciliation between income tax charge and accounting profit at applicable tax rates is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
除稅前溢利	Profit before taxation	177,719	144,342
除稅前溢利 按有關司法權區適用稅率 計算之名義稅項	Notional tax on profit before taxation, calculated at the rates applicable to the jurisdictions concerned	38,653	40,929
不可抵扣支出之稅務影響	Tax effect of non-deductible expenses	5,432	676
毋須課稅收入之稅務影響	Tax effect of non-taxable income	(87)	(380)
未動用未確認之稅項虧損 之稅務影響	Tax effect of unused tax losses not recognised	–	10,643
動用未確認稅務虧損之 稅務影響	Tax effect of utilisation of tax loss not recognised	(6,485)	–
不可用於稅項扣減之 稅務虧損之稅務影響	Tax effect of tax loss not allowed for tax deduction	1,694	9,106
中國附屬公司獲授稅務豁免 之稅務影響	Tax effect of tax exemption granted to a PRC subsidiary	(529)	(1,315)
所得稅支出	Income tax charge	38,678	59,659

9. 董事酬金

- a) 根據香港公司條例第161條披露的董事酬金如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
執行董事	Executive directors		
– 薪金及津貼	– salaries and allowance	2,484	2,606
獨立非執行董事	Independent non-executive directors		
– 袍金	– fees	163	162
		<b>2,647</b>	<b>2,768</b>

- b) 截至二零一零年及二零零九年十二月三十一日止年度，個別董事之董事酬金詳情如下：

9. DIRECTORS' REMUNERATION

- a) Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance are as follows:

- b) Details of directors' remuneration by individual director for the years ended 31 December 2010 and 2009 are as follows:

截至二零一零年十二月三十一日止年度 Year ended 31 December 2010			
	董事袍金	基本薪金、津貼 及實物福利 Basic salaries, allowance and benefits-in-kind	酬金總額 Total emoluments
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
<b>執行董事</b>	<b>Executive directors</b>		
蔣泉龍	Jiang Quanlong	–	1,320
錢元英	Qian Yuanying	–	1,014
許盤鳳(附註)	Xu Panfeng (note)	–	11
蔣才南	Jiang Cainan	–	139
<b>獨立非執行董事</b>	<b>Independent non-executive directors</b>		
劉余九	Liu Yujiu	50	–
黃春華	Huang Chunhua	72	–
金重	Jin Zhong	41	–
		<b>163</b>	<b>2,484</b>
			<b>2,647</b>

附註：已於二零一零年五月二十八日辭任。

Note: Resigned on 28 May 2010.

9. 董事酬金 (續)

b) (續)

9. DIRECTORS' REMUNERATION (Continued)

b) (Continued)

截至二零零九年十二月三十一日止年度

Year ended 31 December 2009

		基本薪金、津貼 及實物福利			酬金總額
		Director's fees	allowance and benefits-in-kind	Total emoluments	
		千港元 HK\$' 000	千港元 HK\$' 000	千港元 HK\$' 000	
<b>執行董事</b>		<b>Executive directors</b>			
蔣泉龍	Jiang Quanlong	–	1,320	1,320	
錢元英	Qian Yuanying	–	1,014	1,014	
許盤鳳	Xu Panfeng	–	136	136	
蔣才南	Jiang Cainan	–	136	136	
<b>獨立非執行董事</b>		<b>Independent non-executive directors</b>			
劉余九	Liu Yujiu	49	–	49	
黃春華	Huang Chunhua	72	–	72	
金重	Jin Zhong	41	–	41	
		162	2,606	2,768	

截至二零一零年及二零零九年十二月三十一日止兩年度內，概無董事放棄任何酬金。截至二零一零年及二零零九年十二月三十一日止兩年度內，概無向任何董事支付或應付加入本集團或加入本集團時之獎勵或離職補償。

During the two years ended 31 December 2010 and 2009, no directors waived any emoluments. No inducement payments to join or upon joining the Group or as compensation for loss of office was paid or payable to any director for the two years ended 31 December 2010 and 2009.

10. 最高薪人士

截至二零一零年十二月三十一日止年度，本集團五名最高薪人士中，其中三名(二零零九年：三名)為本公司董事，其酬金於附註9披露。其餘兩名(二零零九年：兩名)最高薪人士之酬金總額如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
基本薪金、津貼及實物福利	Basic salaries, allowance and benefits-in-kind	1,127	1,079
退休福利計劃供款	Retirement benefits scheme contribution	56	54
		<b>1,183</b>	1,133

截至二零一零年十二月三十一日止年度，其餘兩名(二零零九年：兩名)最高薪人士之酬金介乎於下列範圍：

		二零一零年 2010	二零零九年 2009
零-1,000,000港元	Nil - HK\$1,000,000	2	2

於兩個年度內，本集團並無向五位最高薪人士(包括董事及僱員)支付任何酬金，作為鼓勵其加入或於加入本集團時的報酬或離職賠償。

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the year ended 31 December 2010, out of the five highest paid individuals in the Group, three (2009: three) are directors of the Company whose emoluments are disclosed in note 9. The aggregate emoluments in respect of the remaining two (2009: two) highest paid individuals are as follows:

For the year ended 31 December 2010, the emoluments of the remaining two (2009: two) highest paid individuals are within the following band:

No emoluments were paid to the five highest individuals including directors and employees as inducement to join or upon joining the Group or as compensation for loss of office in both years.

#### 11. 僱員退休福利

如中國有關規則及條例的規定，本公司的中國附屬公司須為其全體僱員向國營退休計劃供款，供款額為僱員基本薪金的17%–20%（二零零九年：17%–20%）。僱員退休後的生活津貼由國營退休計劃負責支付。本公司的中國附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至二零一零年十二月三十一日止年度，退休計劃供款額約為2,437,000港元（二零零九年：2,372,000港元）。該計劃供款即時歸屬。

本集團旗下在香港營運的公司自二零零零年十二月一日起已參與強積金計劃（「強積金計劃」）。該計劃為定額供款退休金計劃。該公司每月按僱員基本薪金5%向該計劃供款。截至二零一零年十二月三十一日止年度，本集團向強積金計劃供款約56,000港元（二零零九年：54,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。該計劃供款按時歸屬。

#### 12. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利包括虧損約19,016,000港元（二零零九年：25,920,000港元），該款項已於本公司財務報表內處理。

#### 11. EMPLOYMENT RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the PRC subsidiaries of the Company are required to contribute to a state-sponsored retirement plan for all of their employees based on 17% to 20% (2009: 17% to 20%) of the employee's basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and the PRC subsidiaries of the Company have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the year ended 31 December 2010, the retirement plan contributions amounted to approximately HK\$2,437,000 (2009: HK\$2,372,000). Contributions to the plan vest immediately.

A company in the Group operating in Hong Kong has participated in Mandatory Provident Fund Scheme ("MPF Scheme"), which is a defined contribution pension scheme, since 1 December 2000. The Company makes monthly contributions to the scheme based on 5% of the employees' basic salaries. For the year ended 31 December 2010, the Group's contributions to the MPF Scheme were approximately HK\$56,000 (2009: HK\$54,000). The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers. Contributions to the plan vest progressively.

#### 12. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company includes a loss of approximately HK\$19,016,000 (2009: HK\$25,920,000) which has been dealt with in the financial statements of the Company.

13. 股息

截至二零一零年及二零零九年十二月三十一日止兩個年度，董事並不建議或宣派中期及末期股息。

13. DIVIDENDS

No interim and final dividend has been proposed or declared by the directors for the two years ended 31 December 2010 and 2009.

14. 每股盈利

a) 每股基本盈利

每股基本盈利乃根據本公司擁有人應佔盈利約133,359,000港元(二零零九年：84,593,000港元)及本年度已發行普通股加權平均數1,572,688,000股(二零零九年：1,472,075,000股)計算，如下：

14. EARNINGS PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share is based on the earnings attributable to owners of the Company of approximately HK\$133,359,000 (2009: HK\$84,593,000) and the weighted average number of 1,572,688,000 (2009: 1,472,075,000) ordinary shares in issue during the year, calculated as follows:

		二零一零年 2010 千股 '000	二零零九年 2009 千股 '000
於一月一日發行普通股	Issued ordinary shares at 1 January	<b>1,551,143</b>	1,421,143
透過股份配售發行新股份之影響(附註31(b))	Effect of issue of new shares by share placement (note 31(b))	<b>21,370</b>	50,932
根據購股權計劃已發行股份之影響(附註31(b))	Effect of share issued under share option scheme (note 31(b))	<b>175</b>	-
於十二月三十一日普通股加權平均數	Weighted average number of ordinary shares at 31 December	<b>1,572,688</b>	1,472,075

14. 每股盈利(續)

b) 每股攤薄盈利

截至二零一零年十二月三十一日止年度之每股攤薄盈利乃根據本公司擁有人應佔溢利約133,359,000港元(二零零九年: 84,593,000港元)及普通股加權平均數1,573,349,000股(二零零九年: 1,472,345,000股)計算, 如下:

14. EARNINGS PER SHARE (Continued)

b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2010 is based on the profit attributable to owners of the Company of approximately HK\$133,359,000 (2009: HK\$84,593,000) and the weighted average number of 1,573,349,000 (2009: 1,472,345,000) ordinary shares, calculated as follows:

		二零一零年	二零零九年
		2010	2009
		千股	千股
		'000	'000
於二零一零年十二月三十一日之普通股之加權平均數	Weighted average number of ordinary share at 31 December 2010	1,572,688	1,472,075
根據本公司購股權計劃視作以零代價發行股份之影響(附註33)	Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 33)	661	270
於二零一零年十二月三十一日之普通股之加權平均數(攤薄)	Weighted average number of ordinary share (diluted) at 31 December 2010	1,573,349	1,472,345



#### 15. 分部報告

本集團按業務性質劃分分部及進行管理。於採納香港財務報告準則第8號「經營分部」及與向被確認為本集團首席營運決策人之行政總裁內部呈報用以資源分配及表現評估之資料一致，本集團呈列了兩個呈報分部如下：

稀土：製造及銷售稀土產品（包括熒光產品）

耐火：製造及銷售耐火產品（包括高溫陶瓷產品及鎂砂）

##### a) 分部業績、資產及負債

根據香港財務報告準則第8號，於綜合財務報表披露之分部資料乃按照本集團行政總裁就評估分部表現及分配分部間之資源所採用資料一致之方式編製。就此而言，本集團行政總裁按照下列基準監察各個呈報分部應佔之業績、資產及負債：

分部資產包括所有有形及無形資產及流動資產，但不包括未分配至個別呈報分部之其他企業資產。分部負債包括個別分部之製造及銷售活動應佔之應付賬款、預提費用及其他應付款，以及由分部直接管理之銀行借款，但不包括未分配至個別呈報分部之其他企業負債。

#### 15. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. On adoption of HKFRS 8, Operating segments, and in a manner consistent with the way in which information is reported internally to the Chief Executive Officer, who has been identified as the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented two reportable segments as follows:

Rare Earth: The manufacture and sales of rare earth products (including fluorescent products)

Refractory: The manufacture and sales of refractory products (including high temperature ceramics products and magnesium grains)

##### a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the consolidated financial statements has been prepared in a manner consistent with the information used by the Group's Chief Executive Officer for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's Chief Executive Officer monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets and current assets with the exception of other corporate assets which are unallocated to an individual reportable segment. Segment liabilities include trade payables, accruals and other payables attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments with the exception of other corporate liabilities which are unallocated to an individual reportable segment.

#### 15. 分部報告 (續)

##### a) 分部業績、資產及負債 (續)

收益及開支乃經參考呈報分部之銷售額及開支或該等分部應佔資產之折舊或攤銷所引致之開支，分配至該等分部。

呈報分部溢利所使用之計量方法為「經調整扣除利息及稅項前溢利」(「經調整 EBIT」)。為計算經調整扣除利息及稅項前溢利，本集團之溢利會就並非特定個別呈報分部應佔之項目作出進一步調整，如利息收入及其他未分配企業開支。

除獲得有關經調整 EBIT 之分部資料外，管理層亦獲提供有關收益(包括分部間銷售)、由分部直接管理之現金結餘及借款之利息收入及開支、折舊、攤銷及減值虧損以及分部於營運中所使用之非流動分部資產增置之分部資料。分部間銷售參考就同類訂單收取外部第三方之價格訂價。

年內，就提供予本集團行政總裁用作分配資源及評估分部表現之本集團呈報分部資料載列如下：

#### 15. SEGMENT REPORTING (Continued)

##### a) Segment results, assets and liabilities (Continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measurement used for reporting segment profit is "adjusted profit before interest and taxes" ("Adjusted EBIT"). To arrive at adjusted profit before interest and taxes, the Group's profits are further adjusted for items not specifically attributed to an individual reportable segment, such as interest income and other unallocated corporate expenses.

In addition to the receiving of segment information concerning adjusted EBIT, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance for the year is as follows:

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 15. 分部報告 (續)

##### a) 分部業績、資產及負債 (續)

#### 15. SEGMENT REPORTING (Continued)

##### a) Segment results, assets and liabilities (Continued)

		稀土 Rare earth		耐火 Refractory		總計 Total	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
來自對外客戶之收益	Revenue from external customers	896,451	637,725	423,053	573,958	1,319,504	1,211,683
分部間收益	Inter-segment revenue	15	25	-	-	15	25
呈報分部收益	Reportable segment revenue	896,466	637,750	423,053	573,958	1,319,519	1,211,708
呈報分部溢利 (經調整EBIT)	Reportable segment profit (adjusted EBIT)	125,228	7,258	64,053	150,533	189,281	157,791
利息收入	Interest income	1,054	6,081	2,206	1,843	3,260	7,924
財務成本	Finance costs	(707)	(4,761)	(186)	-	(893)	(4,761)
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	(41,892)	(45,378)	(48,767)	(49,413)	(90,659)	(94,791)
經營租約下預付土地 租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	(2,863)	(2,757)	(3,047)	(2,993)	(5,910)	(5,750)
無形資產之攤銷	Amortisation of intangible assets	(30,913)	(30,369)	-	-	(30,913)	(30,369)
出售物業、廠房及設備 之收益淨額	Net gains on disposal of property, plant and equipment	-	139	23	170	23	309
應收賬款及其他應收款 之減值虧損	Impairment loss on trade and other receivables	(2,031)	(2,395)	(8,939)	(1,601)	(10,970)	(3,996)
應收賬款及其他應收款 之減值虧損撥回	Write back of impairment loss on trade and other receivables	390	665	4,606	8,602	4,996	9,267
租金收入	Rental income	3	-	-	-	3	-
所得稅	Income tax	(19,350)	(20,504)	(19,328)	(39,155)	(38,678)	(59,659)
呈報分部資產	Reportable segment assets	2,285,901	1,628,663	1,794,069	1,654,053	4,079,970	3,282,716
呈報分部負債	Reportable segment liabilities	703,127	520,023	204,339	175,913	907,466	695,936
添置非流動分部資產：	Additions to non-current segment assets:						
– 物業、廠房及設備	– Property, plant and equipment	26,816	13,922	2,138	283	28,954	14,205
– 經營租約下預付 土地租金	– Prepaid lease payments on land under operating leases	11,034	-	-	-	11,034	-
		37,850	13,922	2,138	283	39,988	14,205

15. 分部報告 (續)

b) 呈報分部溢利、資產及負債之對賬

15. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment profit, assets and liabilities

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
<b>收益</b>	<b>Revenue</b>		
呈報分部收益	Reportable segment revenue	<b>1,319,519</b>	1,211,708
撇銷分部間收益	Elimination of inter-segment revenue	<b>(15)</b>	(25)
綜合營業額	Consolidated turnover	<b>1,319,504</b>	1,211,683
<b>溢利</b>	<b>Profit</b>		
呈報分部溢利	Reportable segment profit	<b>189,281</b>	157,791
撇銷分部間溢利	Elimination of inter-segment profit	<b>-</b>	-
來自本集團對外客戶之呈報 分部溢利	Reportable segment profit derived from Group's external customers	<b>189,281</b>	157,791
其他收益	Other revenue	<b>9,887</b>	19,310
未分配其他收入淨值	Unallocated other income, net	<b>254</b>	175
財務成本	Finance costs	<b>(8,438)</b>	(17,968)
未分配企業開支	Unallocated corporate expenses	<b>(13,265)</b>	(14,966)
綜合除稅前溢利	Consolidated profit before taxation	<b>177,719</b>	144,342
<b>資產</b>	<b>Assets</b>		
呈報分部資產	Reportable segment assets	<b>4,079,970</b>	3,282,716
撇銷分部間應收款項	Elimination of inter-segment receivables	<b>(586,607)</b>	(445,146)
未分配現金及現金等值項目	Unallocated cash and cash equivalents	<b>3,493,363</b>	2,837,570
未分配企業資產	Unallocated corporate assets	<b>158,523</b>	295,118
未分配企業資產	Unallocated corporate assets	<b>114,926</b>	106,893
綜合資產總值	Consolidated total assets	<b>3,766,812</b>	3,239,581
<b>負債</b>	<b>Liabilities</b>		
呈報分部負債	Reportable segment liabilities	<b>907,466</b>	695,936
撇銷分部間應付款項	Elimination of inter-segment payables	<b>(586,607)</b>	(445,146)
未分配銀行借貸	Unallocated bank borrowings	<b>320,859</b>	250,790
未分配企業負債	Unallocated corporate liabilities	<b>-</b>	232,500
未分配企業負債	Unallocated corporate liabilities	<b>5,018</b>	8,172
綜合負債總值	Consolidated total liabilities	<b>325,877</b>	491,462

15. 分部報告 (續)

c) 地區資料

下表載列有關(i)本集團來自對外客戶之收益及(ii)本集團之物業、廠房及設備、經營租約下預付土地租金、無形資產及商譽(「特定非流動資產」)所在地區的資料。客戶所在地區按提供服務或貨品付運地點劃分。特定非流動資產所在地區，就物業、廠房及設備以及經營租約下預付土地租金而言按資產實際所在地點劃分，就無形資產及商譽而言按其分配的營運所在地點劃分。

15. SEGMENT REPORTING (Continued)

c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, prepaid lease payments on land under operating leases, intangible assets and goodwill ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment and prepaid lease payments on land under operating leases, and the location of the operation to which they are allocated in the case of intangible assets and goodwill.

		對外客戶之收益 Revenue from external customers		特定非流動資產 Specified non-current assets	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
中國(註冊地點)	The PRC (place of domicile)	1,058,931	1,036,856	1,303,825	1,327,816
日本	Japan	142,025	73,365	-	-
歐洲	Europe	80,026	58,332	-	-
美國	The United States of America	30,401	30,670	-	-
其他	Others	8,121	12,460	25	35
		260,573	174,827	25	35
		1,319,504	1,211,683	1,303,850	1,327,851

d) 有關主要客戶之資料

本集團之客戶基礎分散，於截至二零一零年十二月三十一日止年度，僅有一名稀土分部客戶之銷售額約為172,860,000港元(二零零九年：148,220,000港元)，超過本集團營業額之10%。

d) Information about major customers

The Group's customer base is diversified and includes only one customer in rare earth segment with whom sales amounted to approximately HK\$172,860,000 (2009: HK\$148,220,000) for the year ended 31 December 2010 that exceeded 10% of the Group's turnover.

16. 商譽  
本集團

16. GOODWILL  
The Group

千港元  
HK\$'000

成本	Cost	
於二零零九年一月一日	At 1 January 2009	296,884
匯兌差異	Exchange differences	255
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	297,139
匯兌差異	Exchange differences	5,587
於二零一零年十二月三十一日	At 31 December 2010	302,726
<b>累計減值</b>	<b>Accumulated impairment</b>	
於二零零九年一月一日	At 1 January 2009	211,041
匯兌差異	Exchange differences	118
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	211,159
匯兌差異	Exchange differences	2,596
於二零一零年十二月三十一日	At 31 December 2010	213,755
<b>賬面值</b>	<b>Carrying amount</b>	
於二零一零年十二月三十一日	At 31 December 2010	88,971
於二零零九年十二月三十一日	At 31 December 2009	85,980

賺取現金單位(「賺取現金單位」)(包括商譽)  
之減值測試

於二零一零年十二月三十一日，賬面值約88,971,000港元(二零零九年：85,980,000港元)之商譽來自稀土分部。

就減值測試而言，稀土分部之商譽乃於截至二零零八年十二月三十一日止年度收購附屬公司時產生。

截至二零零八年十二月三十一日止年度收購之附屬公司主要從事稀土業務。

Impairment test for cash-generating unit ("CGU")  
containing goodwill

Carrying amount of goodwill of approximately HK\$88,971,000 as at 31 December 2010 (2009: HK\$85,980,000) is attributable to rare earth segment.

For the purposes of impairment testing, goodwill for rare earth segment arose from the acquisition of subsidiaries during the year ended 31 December 2008.

Subsidiaries acquired during the year ended 31 December 2008 are principally engaged in rare earth business.

16. 商譽 (續)

賺取現金單位 (「賺取現金單位」) (包括商譽) 之減值測試 (續)

於二零一零年十二月三十一日，本集團參考與本集團並無關連之獨立合資格專業估值師威格斯資產評估顧問有限公司 (「威格斯」) 作出之評估，對稀土分部賺取現金單位之減值測試進行檢討。稀土分部賺取現金單位之可收回金額乃根據使用價值計算釐定。該等計算使用根據管理層批准覆蓋五年期間之財政預算 (基於稀土分部賺取現金單位的平均業務及經營年期計算) 計算之現金流量預測。超出五年期之現金流量乃使用下文所述之估計比率推算。增長率並無超出稀土分部賺取現金單位所經營業務之有關長期平均增長率。

使用價值計算所用之主要假設：

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

管理層根據過往表現及對市場發展之預期釐定預算毛利率。該折現率為稅前率，並反映相關分部之特定風險。管理層亦相信，稀土分部之賺取現金單位之可收回款額所採用之假設出現任何合理變動，將不會導致稀土分部之賺取現金單位之賬面值超過其可收回款額。

根據使用價值計算，稀土分部賺取現金單位之可收回金額高於其賬面值。因此，於截至二零一零年及二零零九年十二月三十一日止兩個年度之綜合收益表內並無就稀土分部之商譽確認減值虧損。

16. GOODWILL (Continued)

Impairment test for cash-generating unit ("CGU") containing goodwill (Continued)

As at 31 December 2010, the Group performed an impairment review for the CGU of rare earth segment with reference to the valuation carried out by Vigers Appraisal & Consulting Limited ("Vigers"), independent qualified professional valuers not connected with the Group. The recoverable amount of the CGU of the rare earth segment is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period, which is based on the average business and operation life over the CGU of the rare earth segment. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rates do not exceed the respective long-term average growth rates for the business in which the CGU of the rare earth segment operates.

Key assumptions used for value in use calculations:

		本集團	
		The Group	
		二零一零年	二零零九年
		2010	2009
毛利率	Gross margin	20%-45%	25%-47%
增長率	Growth rate	3%	3%
折現率	Discount rate	15%-16%	14%

Management determined the budgeted gross margin based on past performance and its expectation for market development. This discount rate used is pre-tax rate and reflects specific risks relating to the relevant segment. Management also believes that any reasonably change in assumptions on which the recoverable amount of the CGU of rare earth segment is based would not cause the carrying amount of the CGU of rare earth segment to exceed recoverable amount.

The recoverable amounts of the CGU of rare earth segment is higher than their carrying amount based on value in use calculations. Accordingly, no impairment loss on goodwill of rare earth segment is recognised in the consolidated income statement for the two years ended 31 December 2010 and 2009.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 17. 物業、廠房及設備

##### a) 本集團

#### 17. PROPERTY, PLANT AND EQUIPMENT

##### a) The Group

		持作 自用之樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
<b>成本或估值</b>	<b>Cost or valuation</b>						
於二零零九年一月一日	At 1 January 2009	255,596	858,771	7,360	6,662	70,076	1,198,465
添置	Additions	-	1,454	86	330	12,357	14,227
由在建工程轉入	Transfer from construction-in-progress	260	5,038	-	-	(5,298)	-
處置	Disposals	-	(824)	-	(681)	-	(1,505)
匯兌差異	Exchange differences	406	1,371	11	11	116	1,915
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	256,262	865,810	7,457	6,322	77,251	1,213,102
重估盈餘(附註ii)	Surplus on revaluation (note ii)	19,063	-	-	-	-	19,063
添置	Additions	406	15,032	208	1,058	12,250	28,954
由在建工程轉入	Transfer from construction-in-progress	-	53,813	-	-	(53,813)	-
處置	Disposals	-	(2,302)	-	(179)	-	(2,481)
累計折舊抵銷	Elimination of accumulated depreciation	(38,104)	-	-	-	-	(38,104)
匯兌差異	Exchange differences	8,922	31,276	250	235	1,965	42,648
於二零一零年十二月三十一日	At 31 December 2010	246,549	963,629	7,915	7,436	37,653	1,263,182
<b>包括：</b>	<b>Comprising:</b>						
於二零一零年十二月三十一日	At 31 December 2010						
按成本	At cost	-	963,629	7,915	7,436	37,653	1,016,633
按估值	At valuation	246,549	-	-	-	-	246,549
		246,549	963,629	7,915	7,436	37,653	1,263,182
於二零零九年十二月三十一日	At 31 December 2009						
按成本	At cost	-	865,810	7,457	6,322	77,251	956,840
按估值	At valuation	256,262	-	-	-	-	256,262
		256,262	865,810	7,457	6,322	77,251	1,213,102



17. 物業、廠房及設備 (續)

a) 本集團 (續)

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

a) The Group (Continued)

		持作 自用之樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
<b>累計折舊及減值</b>	<b>Accumulated depreciation and impairment</b>						
於二零零九年一月一日	At 1 January 2009	-	472,865	6,476	4,000	-	483,341
本年度計提	Charge for the year	18,382	75,271	275	870	-	94,798
處置撥回	Written back on disposals	-	(824)	-	(597)	-	(1,421)
匯兌差異	Exchange differences	14	811	10	7	-	842
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	18,396	548,123	6,761	4,280	-	577,560
本年度計提	Charge for the year	18,741	70,806	286	837	-	90,670
處置撥回	Written back on disposals	-	(2,302)	-	(179)	-	(2,481)
重估抵銷	Elimination on revaluation	(38,104)	-	-	-	-	(38,104)
匯兌差異	Exchange differences	967	20,259	228	160	-	21,614
於二零一零年十二月三十一日	At 31 December 2010	-	636,886	7,275	5,098	-	649,259
<b>賬面值</b>	<b>Carrying amount</b>						
於二零一零年十二月三十一日	At 31 December 2010	246,549	326,743	640	2,338	37,653	613,923
於二零零九年十二月三十一日	At 31 December 2009	237,866	317,687	696	2,042	77,251	635,542

17. 物業、廠房及設備(續)

a) 本集團(續)

- i) 持作自用之樓宇乃位於中國根據中期租約持有之土地。
- ii) 本集團持作自用之樓宇於二零一零年十二月三十一日之重估值乃根據威格斯於該日進行之估值基準達致。有關估值乃以重置成本折舊法進行，經考慮有關樓宇重置成本扣除於該日存在之樓齡、狀況、經濟或功能退化及環境因素計算。

截至二零一零年十二月三十一日止年度，持作自用之樓宇之重估盈餘約19,063,000港元已於其他全面收益內確認。

於二零一零年十二月三十一日，倘該等持作自用之樓宇按成本減累計折舊及減值列賬，則賬面值將約為187,927,000港元(二零零九年：227,775,000港元)。

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

a) The Group (Continued)

- i) The buildings held for own use are situated on land held under medium-term leases in the PRC.
- ii) The revaluation of the Group's buildings held for own use as at 31 December 2010 has been arrived at on the basis of valuations carried out on that date by Vigers. The valuation is based on a depreciable replacement cost approach and is arrived at by taking into consideration of the replacement cost of the buildings and deductions to account for the age, condition, economic or functional obsolescence and environmental factors existing at that date.

For the year ended 31 December 2010, revaluation surplus for buildings held for own use of approximately HK\$19,063,000 have been recognised in other comprehensive income.

As at 31 December 2010, had these buildings held for own use been carried at cost less accumulated depreciation and impairment, the carrying amount would have been approximately HK\$187,927,000 (2009: HK\$227,775,000).

17. 物業、廠房及設備 (續)

b) 本公司

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

b) The Company

辦公室設備及裝置

Office  
equipment  
and fixtures

千港元

HK\$' 000

成本	Cost	
於二零零九年一月一日	At 1 January 2009	345
添置	Additions	22
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	367
添置	Additions	-
於二零一零年十二月三十一日	At 31 December 2010	367
<b>累計折舊</b>	<b>Accumulated depreciation</b>	
於二零零九年一月一日	At 1 January 2009	325
本年度計提	Charge for the year	7
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	332
本年度計提	Charge for the year	10
於二零一零年十二月三十一日	At 31 December 2010	342
<b>賬面值</b>	<b>Carrying amount</b>	
於二零一零年十二月三十一日	At 31 December 2010	25
於二零零九年十二月三十一日	At 31 December 2009	35

18. 經營租約下預付土地租金

18. PREPAID LEASE PAYMENTS ON LAND UNDER OPERATING LEASES

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日之賬面值	Carrying amount at 1 January	262,862	268,190
添置	Additions	11,034	–
本年度攤銷	Amortisation for the year	(5,910)	(5,750)
匯兌差異	Exchange differences	9,233	422
於十二月三十一日之賬面值	Carrying amount at 31 December	277,219	262,862
於中國之租賃土地：	Leasehold land in the PRC:		
中期租約	Medium-term leases	277,219	262,862
就報告目的而作出之分析如下：	Analysed for reporting purposes as:		
流動資產	Current asset	6,184	5,756
非流動資產	Non-current asset	271,035	257,106
		277,219	262,862

本年度攤銷支出約1,378,000港元(二零零九年：1,353,000港元)及4,532,000港元(二零零九年：4,397,000港元)分別計入綜合收益表中銷售成本及管理費用內。

The amortisation charges of approximately HK\$1,378,000 (2009: HK\$1,353,000) and HK\$4,532,000 (2009: HK\$4,397,000) for the year are included in cost of sales and administrative expenses respectively in the consolidated income statement.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 19. 無形資產

##### 本集團

#### 19. INTANGIBLE ASSETS

##### The Group

		稀土礦物 獨家採購權	稀土礦物初步 分離之技術 專業知識	稀土金屬產品之 技術專業知識	總值
		Exclusive right to purchase rare earth minerals	Technical know-how for preliminary separation of rare earth minerals	Technical know-how for rare earth metal products	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
<b>成本</b>	<b>Cost</b>				
於二零零九年一月一日	At 1 January 2009	201,502	61,687	115,825	379,014
匯兌差額	Exchange differences	320	98	184	602
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	201,822	61,785	116,009	379,616
匯兌差異	Exchange differences	7,021	2,149	4,036	13,206
於二零一零年十二月三十一日	At 31 December 2010	208,843	63,934	120,045	392,822
<b>累計攤銷</b>	<b>Accumulated amortisation</b>				
於二零零九年一月一日	At 1 January 2009	-	-	-	-
本年度攤銷	Amortisation for the year	12,604	6,173	11,592	30,369
匯兌差異	Exchange differences	10	5	9	24
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	12,614	6,178	11,601	30,393
本年度攤銷	Amortisation for the year	12,830	6,284	11,799	30,913
匯兌差異	Exchange differences	661	325	609	1,595
於二零一零年十二月三十一日	At 31 December 2010	26,105	12,787	24,009	62,901
<b>賬面值</b>	<b>Carrying amount</b>				
於二零一零年十二月三十一日	At 31 December 2010	182,738	51,147	96,036	329,921
於二零零九年十二月三十一日	At 31 December 2009	189,208	55,607	104,408	349,223

19. 無形資產 (續)

a) 稀土礦物獨家採購權

於二零零七年十一月十五日，江華瑤族自治縣興華稀土新材料有限公司（「興華稀土」）與一家獲當地政府授予開採礦藏位於中國湖南省江華縣之稀土礦獨家開採權之稀土礦物供應商（「該供應商」）（一家在中國註冊成立之公司）就收購稀土礦物獨家採購權訂立了協議（「採購協議」）。根據採購協議，該供應商同意於二零二七年十一月三十日屆滿之20年期間向興華稀土獨家出售稀土礦物。於該20年期間，興華稀土享有向該供應商之稀土礦物獨家採購權。

稀土礦物獨家採購權作為於截至二零零八年十二月三十一日止年度內收購興華稀土之業務合併組成部份。

稀土礦物獨家採購權具有有限使用年期，並以直線法參考稀土礦藏量16年的估計使用年期進行攤銷。

b) 稀土礦物初步分離之技術專業知識

該技術專業知識與將減省若干加工階段及原材料使用之稀土礦物初步分離技術有關，並作為於截至二零零八年十二月三十一日止年度內收購興華稀土業務合併之組成部份。

技術專業知識具有有限使用年限，按直線法於其估計可使用年限10年進行攤銷。

19. INTANGIBLE ASSETS (Continued)

a) Exclusive right to purchase rare earth minerals

On 15 November 2007, Jianghua Yao Nationality Autonomous County Xinghua Rare Earth Company Limited ("Xinghua Rare Earth") entered into an Agreement for the acquisition of the exclusive right to purchase rare earth minerals ("Purchase Agreement") from a rare earth minerals supplier ("the Supplier"), a company established in the PRC with exclusive rare earth mining rights granted by the local government for exploiting rare earth minerals from a mine located in Jianghua County of Hunan Province, the PRC. Pursuant to the Purchase Agreement, the Supplier agreed to exclusively sell rare earth minerals to Xinghua Rare Earth throughout a period of 20 years expiring on 30 November 2027. During the 20-year period, Xinghua Rare Earth is entitled to the exclusive right to purchase rare earth minerals from the Supplier.

The exclusive right to purchase rare earth minerals was acquired as part of the business combination of Xinghua Rare Earth during the year ended 31 December 2008.

The exclusive right to purchase rare earth minerals has finite useful life and is amortised on a straight-line basis over the estimated useful live of 16 years with reference to the minerals reserves of the rare earth mine.

b) Technical know-how for preliminary separation of rare earth minerals

The technical know-how relates to the technology on the preliminary separation of rare earth minerals which will reduce certain processing phases and raw materials usage and was acquired as part of the business combination of Xinghua Rare Earth during the year ended 31 December 2008.

The technical know-how has finite useful live and is amortised on a straight-line basis over its estimated useful live of 10 years.

19. 無形資產 (續)

c) 稀土金屬產品之技術專業知識

該技術專業知識與生產金屬形態稀土產品之技術有關，並作為於截至二零零八年十二月三十一日止年度內收購和平縣東冶稀土新材料有限公司業務合併之組成部份。

技術專業知識具有有限使用年期，並按直線法於其估計使用年期10年進行攤銷。

本公司董事認為，於二零一零年及二零零九年十二月三十一日，並無跡象顯示稀土礦物獨家採購權及專業技術知識之賬面值出現減值，因此，無需作出減值撥備。

19. INTANGIBLE ASSETS (Continued)

c) Technical know-how for rare earth metal products

The technical know-how relates to the technology on manufacturing of rare earth products in metal form and was acquired as part of the business combination of Heping County Dongye Rare Earth Company Limited during the year ended 31 December 2008.

The technical know-how has finite useful live and is amortised on a straight-line basis over its estimated useful live of 10 years.

The directors of the Company are of the opinion that there is no indication of impairment in the carrying amounts of the exclusive right to purchase rare earth minerals and technical know-how as at 31 December 2010 and 2009 and accordingly no impairment is necessary.

20. 於附屬公司之投資

20. INVESTMENTS IN SUBSIDIARIES

		本公司	
		The Company	
		二零一零年	二零零九年
		2010	2009
		千港元	千港元
		HK\$' 000	HK\$' 000
非上市股份，按成本值	Unlisted shares, at cost	151,707	151,707

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 20. 於附屬公司之投資 (續)

於二零一零年十二月三十一日，附屬公司詳情如下：

#### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

At as 31 December 2010, the details of subsidiaries are as follows:

附屬公司名稱 Name of subsidiary	註冊成立/營運 之地點及日期 Place and date of incorporation/ operations	持有股份 類別 Class of shares held	已註冊及 已繳足股本 Registered and fully paid capital	已發行及 已繳足股本 Issued and fully paid capital	本公司應佔權益/ 有投票權股本實際百分比 Effective percentage of equity interests/ voting rights held by the Company		主營業務 Principal activities
					直接 Directly %	間接 Indirectly %	
利成控股有限公司	英屬處女群島 一九九八年十二月三日	普通股	-	20美元	100	-	投資控股
Lee Shing Holdings Limited	British Virgin Islands 3 December 1998	Ordinary	-	US\$20	100	-	Investment holding
龍科國際貿易(上海)有限公司 (附註(a))	中國 二零零零年二月二十四日	繳入資本	200,000美元	-	100	-	貿易
Wellfire (Shanghai) Company Limited (note (a))	The PRC 24 February 2000	Contributed capital	US\$200,000	-	100	-	Trading
Dynamic Goal Worldwide Inc.	英屬處女群島 二零零零年五月三十一日	普通股	-	2美元	-	100	投資控股
Dynamic Goal Worldwide Inc.	British Virgin Islands 31 May 2000	Ordinary	-	US\$2	-	100	Investment holding
宜興新威利成稀土有限公司 (附註(b))	中國 一九九三年七月十七日	繳入資本	15,660,000美元	-	-	95	製造及銷售稀土 氧化物產品
Yixing Xinwei Leeshing Rare Earth Company Limited (note (b))	The PRC 17 July 1993	Contributed capital	US\$15,660,000	-	-	95	Manufacturing and sales of rare earth oxide products
宜興新威利成耐火材料有限公司 (附註(a))	中國 一九九九年七月三十日	繳入資本	17,000,000美元	-	-	100	製造及銷售 耐火產品
Yixing Xinwei Leeshing Refractory Materials Co., Ltd. (note (a))	The PRC 30 July 1999	Contributed capital	US\$17,000,000	-	-	100	Manufacturing and sales of refractory products



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 20. 於附屬公司之投資 (續)

#### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/營運 之地點及日期 Place and date of incorporation/ operations	持有股份 類別 Class of shares held	已註冊及 已繳足股本 Registered and fully paid capital	已發行及 已繳足股本 Issued and fully paid capital	本公司應佔權益/ 有投票權股本實際百分比 Effective percentage of equity interests/ voting rights held by the Company		主營業務 Principal activities
					直接 Directly %	間接 Indirectly %	
無錫新威熒光材料有限公司 (附註(a))	中國 二零零一年十二月二十日	繳入資本	8,520,000美元	-	-	100	製造及銷售 熒光產品
Wuxi Xinwei Fluorescent Materials Co., Ltd. (note (a))	The PRC 20 December 2001	Contributed capital	US\$8,520,000	-	-	100	Manufacturing and sales of fluorescent products
微科資源有限公司	香港 一九九八年十月二十三日	普通股	-	2港元	-	100	貿易
Microtech Resources Limited	Hong Kong 23 October 1998	Ordinary	-	HK\$2	-	100	Trading
中國稀土貿易有限公司	香港 二零零零年三月二十四日	普通股	-	2港元	-	100	暫無業務
China Rare Earth Trading Limited	Hong Kong 24 March 2000	Ordinary	-	HK\$2	-	100	Dormant
無錫新威高溫陶瓷有限公司 (附註(a))	中國 二零零二年四月一日	繳入資本	30,000,000港元	-	-	100	製造及銷售 高溫陶瓷產品
Wuxi Xinwei High Temperature Ceramics Co., Ltd. (note (a))	The PRC 1 April 2002	Contributed capital	HK\$30,000,000	-	-	100	Manufacturing and sales of high temperature ceramics products
海城市蘇海鎂礦有限公司 (附註(c))	中國 二零零二年四月二十七日	繳入資本	人民幣 25,000,000元	-	-	100	製造及銷售 鎂砂產品
Haicheng City Suhai Magnesium Ore Co., Ltd. (note (c))	The PRC 27 April 2002	Contributed capital	RMB25,000,000	-	-	100	Manufacturing and sales of magnesium products

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 20. 於附屬公司之投資 (續)

#### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/營運 之地點及日期 Place and date of incorporation/ operations	持有股份 類別 Class of shares held	已註冊及 已繳足股本 Registered and fully paid capital	已發行及 已繳足股本 Issued and fully paid capital	本公司應佔權益/ 有投票權股本實際百分比 Effective percentage of equity interests/ voting rights held by the Company		主營業務 Principal activities
					直接 Directly %	間接 Indirectly %	
宜興威爾發非金屬材料有限公司 (附註(a))	中國 二零零六年九月二十七日	繳入資本	3,000,000美元	-	-	100	製造及銷售 耐火相關產品
Yixing Wellfire Nonmetal Materials Co., Ltd. (note (a))	The PRC 27 September 2006	Contributed capital	US\$3,000,000	-	-	100	Manufacturing and sales of refractory related products
海城新威利成鎂資源有限公司 (附註(a))	中國 二零零六年九月二十八日	繳入資本	3,500,000美元	-	-	100	製造及銷售 鎂砂產品
Hai Cheng Xinwei Leeshing Magnesium Resources Co., Ltd. (note (a))	The PRC 28 September 2006	Contributed capital	US\$3,500,000	-	-	100	Manufacturing and sales of magnesium products
和平縣東冶稀土新材料有限公司 (附註(c))	中國 二零零五年十一月十五日	繳入資本 人民幣20,000,000元		-	-	95	製造及銷售稀土 金屬產品
Heping County Dongye Rare Earth Company Limited (note (c))	The PRC 15 November 2005	Contributed capital	RMB20,000,000	-	-	95	Manufacturing and sales of rare earth metal products
江華瑤族自治縣興華稀土 新材料有限公司(附註(c))	中國 二零零六年五月二十二日	繳入資本 人民幣20,000,000元		-	-	95	製造及銷售稀土礦物
Jianghua Yao Nationality Autonomous County Xinghua Rare Earth Company Limited (note (c))	The PRC 22 May 2006	Contributed capital	RMB20,000,000	-	-	95	Manufacturing and sales of rare earth minerals
銀茂控股有限公司	香港 二零零九年一月二十三日	普通股	-	1港元	-	100	投資控股
Silver Mile Holdings Limited	Hong Kong 23 January 2009	Ordinary	-	HK\$1	-	100	Investment holding

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 20. 於附屬公司之投資 (續)

附屬公司名稱	註冊成立/營運 之地點及日期
Name of subsidiary	Place and date of incorporation/ operations

#### 20. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱	註冊成立/營運 之地點及日期	持有股份 類別	已註冊及 已繳足股本	已發行及 已繳足股本	本公司應佔權益/ 有投票權股本實際百分比		主營業務
					Effective percentage of equity interests/ voting rights held by the Company	Principal activities	
		Class of shares held	Registered and fully paid capital	Issued and fully paid capital	直接 Directly	間接 Indirectly	
					%	%	
宜興常容貿易發展有限公司 (附註(a))	中國 二零一零年十一月二十六日	繳入資本	200,000,000港元	-	-	100	尚未營業
Yixing Changrong Trading Development Co., Ltd. (note (a))	The PRC 26 November 2010	Contributed capital	HK\$200,000,000	-	-	100	Not yet commenced business
金茂控股有限公司	香港 二零一零年十二月六日	普通股	-	1港元	-	100	尚未營業
Golden Mile Holdings Limited	Hong Kong 6 December 2010	Ordinary	-	HK\$1	-	100	Not yet commenced business

附註：

- 根據中國法例註冊成立為外商獨資企業。
- 根據中國法例註冊成立為中外合營企業。
- 根據中國法例註冊成立為有限責任公司。

概無附屬公司擁有任何於年結日或年內任何時間持續有效之債務證券。

Notes:

- Registered under the laws of the PRC as a wholly-owned foreign enterprise.
- Registered under the laws of the PRC as a sino-foreign equity enterprise.
- Registered under the laws of the PRC as a limited liability enterprise.

None of the subsidiaries had any debt securities subsisting at the end of the year or within any time during the year.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 21. 於共同控制實體之權益

於二零一零年十二月三十一日，本集團於下列主要共同控制實體擁有權益：

實體名稱 Name of entity	業務架構形式 Form of business structure	註冊成立/ 營運地點 Place of incorporation/ operation	所持股份類別 Class of shares held	本集團所持 註冊資本面值之比例 Proportion of nominal value of registered capital held by the Group		所持投票權之比例 Proportion of voting power held		主營業務 Principal activity
				二零一零年 2010	二零零九年 2009	二零一零年 2010	二零零九年 2009	
歐司朗(中國)螢光材料 有限公司	註冊公司	中國	繳入資本	49.9%	-	50%	-	研究、開發、生產及 銷售螢光產品
OSRAM (China) Fluorescent Materials Co. Ltd.	Incorporated	The PRC	Contributed capital	49.9%	-	50%	-	Research, development, production and sales of phosphor products

年內，實體之註冊資本總額14,500,000歐元已悉數支付。

Total registered capital of the entity of EURO14,500,000 has been fully paid during the year.

就本集團於共同控制實體權益按比例併法以每項申報形式入賬之財務資料概要如下：

The summarised financial information in respect of the Group's interests in the jointly controlled entity which is accounted for using proportionate consolidation with the line-by-line reporting format is set out below:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
流動資產	Current assets	52,442	-
非流動資產	Non-current assets	23,981	-
流動負債	Current liabilities	(4,397)	-
非流動負債	Non-current liabilities	-	-
		<b>二零一零年 2010 千港元 HK\$'000</b>	<b>二零零九年 2009 千港元 HK\$'000</b>
收入	Income	42	-
支出	Expenses	(874)	-

22. 可供出售權益證券

22. AVAILABLE-FOR-SALE EQUITY SECURITIES

本集團及本公司

The Group and the Company

二零一零年	二零零九年
2010	2009
千港元	千港元
HK\$'000	HK\$'000

按公平值列賬之香港 上市權益證券	Listed equity securities at fair value in Hong Kong	14,240	–
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年內，本集團可供出售投資之虧損總額15,760,000港元(二零零九年：零港元)已於其他全面收益確認。

During the year, the gross loss in respect of the Group's available-for-sale investment recognised in other comprehensive income amounted to HK\$15,760,000 (2009: HK\$Nil).

上市權益證券之公平值乃根據市價計算。於二零一零年及二零零九年十二月三十一日，並無就可供出售權益證券作出減值撥備。

The fair value of listed equity securities are based on market prices. There were no impairment provisions on available-for-sale equity securities as at 31 December 2010 and 2009.

截至二零一零年十二月三十一日止年度期間，本集團按每股0.375港元收購香港上市權益證券之80,000,000普通股份。於收購後，本公司獨立非執行董事黃春華先生獲委任為該上市公司之副主席。

During the year ended 31 December 2010, the Group acquired 80,000,000 ordinary shares of a listed equity security in Hong Kong at HK\$0.375 each. Subsequent to the acquisition, Mr. Huang Chunhua, an independent non-executive director of the Company, was appointed as the deputy chairman of the listed company.

23. 存貨

a) 綜合財務狀況表之存貨包括：

23. INVENTORIES

a) Inventories in the consolidated statement of financial position comprise:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
原材料	Raw materials	311,957	44,035
在製品	Work in progress	124,102	100,291
產成品	Finished goods	175,668	90,264
		<b>611,727</b>	234,590

b) 確認為開支之存貨金額之分析如下：

b) The analysis of the amount of inventories recognised as an expense is as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已售存貨之賬面值	Carrying amount of inventories sold	1,038,742	957,555
存貨撇減	Write down of inventories	16,059	22,691
存貨撇減撥回	Reversal of write-down of inventories	(23,371)	-
		<b>1,031,430</b>	980,246

產生存貨撇銷撥回乃由於市況變動及若干產品於往年撇減至可變現淨值之銷售，導致若干產品之估計可變現淨值增加。

The reversal of write-down of inventories arose due to an increase in the estimated net realisable value of certain products as a result of change in market condition and sales of certain products which had been written down to net realisable value in prior years.

## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 24. 應收賬款及其他應收款、預付款項及按金

#### 24. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

		本集團		本公司	
		The Group		The Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
應收賬款(附註(b))	Trade receivables (note (b))	345,053	382,815	–	–
應收合營夥伴之款項 (附註25)	Amount due from a joint venture partner (note 25)	3,595	–	–	–
其他應收款	Other receivables	19,767	84,580	29	67
貸款及應收款項	Loans and receivables	368,415	467,395	29	67
預付款項及按金	Prepayments and deposits	98,079	68,645	850	746
		<b>466,494</b>	<b>536,040</b>	<b>879</b>	<b>813</b>

附註：

- a) 除預付款項及按金外，所有應收賬款及其他應收款預期可於一年內收回。
- b) 應收賬款之賬齡分析如下：

Notes:

- a) All of the trade and other receivables, apart from prepayments and deposits, are expected to be recovered within one year.
- b) The ageing analysis of the trade receivables is as follows:

		本集團	
		The Group	
		二零一零年	二零零九年
		2010	2009
		千港元	千港元
		HK\$'000	HK\$'000
即期至6個月以內	Current to less than 6 months	314,178	365,996
6個月至1年以內	6 months to less than 1 year	26,974	13,861
1至2年以內	1 to less than 2 years	12,602	13,451
2年以上	Over 2 years	18,120	10,747
		<b>371,874</b>	<b>404,055</b>
減：應收賬款減值虧損	Less: Impairment loss on trade receivables	(26,821)	(21,240)
		<b>345,053</b>	<b>382,815</b>

本集團給予其貿易客戶30至180日之平均信貸期。

本集團信貸於評估客戶的財政能力及付款往績後授出。本集團為所有客戶制定信貸限額，僅在本集團高級人員之批准下方可超過信貸限額。與客戶進行被視為產生信貸風險之業務將按現金基準進行。管理層監督已逾期之應收賬款並跟進收回。

The Group allows an average credit period of 30 to 180 days to its trade customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval of senior officers of the Group. Business with customers considered to have a credit risk is conducted on a cash basis. Management monitors overdue trade receivables and follows up collections.

24. 應收賬款及其他應收款、預付款項及按金 (續)

附註：(續)

c) 應收賬款及其他應收款減值

應收賬款及其他應收款減值虧損之變動如下：

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日	At 1 January	23,005	28,235
本年度應收賬款及其他應收款減值虧損撥回	Write back of impairment loss on trade and other receivables during the year	(4,996)	(9,267)
本年度已確認之應收賬款及其他應收款減值虧損	Impairment loss on trade and other receivables recognised during the year	10,970	3,996
匯兌差異	Exchange differences	903	41
於十二月三十一日	At 31 December	29,882	23,005

應收賬款及其他應收款之減值虧損採用準備賬列賬，除非本集團認為該款項之收回性微乎其微，在該情況下，減值虧損將在應收賬款及其他應收款直接撇銷(見附註2(j)(i))。

應收賬款及其他應收款減值虧損撥回指先前認為予以減值之該等應收賬款及其他應收款之債項回收。過往年度已作出之不可收回款項之準備相應予以撥回。

於二零一零年十二月三十一日，本集團為數約29,882,000港元(二零零九年：23,005,000港元)應收賬款及其他應收款個別釐定為減值並已作出全數撥備。該等個別減值應收款為於申報期間結算日起過1年尚未償還或為應收陷入財務困境公司之款項。因此，特定呆賬準備約10,970,000港元(二零零九年：3,996,000港元)已於年內確認。本集團並無就該等結餘持有任何抵押品。

24. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes: (Continued)

c) Impairment of trade and other receivables

The movement of impairment loss on trade and other receivables are as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日	At 1 January	23,005	28,235
本年度應收賬款及其他應收款減值虧損撥回	Write back of impairment loss on trade and other receivables during the year	(4,996)	(9,267)
本年度已確認之應收賬款及其他應收款減值虧損	Impairment loss on trade and other receivables recognised during the year	10,970	3,996
匯兌差異	Exchange differences	903	41
於十二月三十一日	At 31 December	29,882	23,005

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly (see note 2(j)(i)).

Write back of impairment loss on trade and other receivables represents the recovery of debts due from these trade and other receivables previously considered to be impaired. An allowance for the non-recoverable amounts that had been made in previous years was written back accordingly.

As at 31 December 2010, trade and other receivables of the Group amounting to approximately HK\$29,882,000 (2009: HK\$23,005,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables had been outstanding for over 1 year as at the end of the reporting period or were due from companies with financial difficulties. Accordingly, specific allowances for doubtful debts of approximately HK\$10,970,000 (2009: HK\$3,996,000) were recognised during the year. The Group does not hold any collateral over these balances.



24. 應收賬款及其他應收款、預付款項及按金(續)

附註：(續)

c) 應收賬款及其他應收款減值(續)

本集團於個別釐定該等應收賬款及其他應收款是否出現減值時考慮之因素包括以下各點：

- 債務人面臨重大財務困境；
- 應收款已被拖欠若干期間；
- 債務人因經濟或法律原因而面對的財政困難，本集團向債務人授出於其他時候不會考慮之寬限；
- 債務人可能申請破產或進行其他財務重組；及
- 自初次確認後，儘管減少數額未能確認，但有客觀數據顯示來自債務人之估計未來現金流量出現可計量之減少，有關數據包括：
  - 本集團債務人之付款情況出現不利變動；及
  - 與本集團應收賬款及其他應收款遭拖欠有關之經濟狀況。

d) 並無減值之應收賬款

並無個別或共同視為將出現減值之應收賬款之賬齡分析如下：

24. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes: (Continued)

c) Impairment of trade and other receivables (Continued)

The factors which the Group considered in determining whether these trade and other receivables were individually impaired include the following:

- significant financial difficulty of the debtor;
- receivables that have been outstanding for a certain period;
- the Group granting to the debtor, for economic or legal reasons relating to the debtor's financial difficulty, a concession that the Group would not otherwise consider;
- it is becoming probable that the debtor will enter into bankruptcy or other financial reorganisation; and
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the debtor since their initial recognition, although the decrease cannot yet be identified including:
  - adverse changes in the payment status of debtors of the Group; and
  - economic conditions that correlate with defaults on the trade and other receivables of the Group.

d) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
未逾期且未減值	Neither past due nor impaired	314,178	366,740
逾期少於6個月	Less than 6 months past due	26,974	14,445
逾期超過6個月但少於1年	More than 6 months but less than 1 year past due	3,537	272
逾期超過1年但少於2年	More than 1 year but less than 2 years past due	364	1,358
		<b>30,875</b>	<b>16,075</b>
		<b>345,053</b>	<b>382,815</b>

24. 應收賬款及其他應收款、預付款項及按金(續)

附註：(續)

d) 並無減值之應收賬款(續)

未逾期且未減值之應收款項乃與多名近期沒有拖欠紀錄之客戶有關。

已逾期但未減值之應收款項與多名與本集團保持良好往績記錄之獨立客戶有關。按照過往經驗，管理層相信，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故毋須就有關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

25. 應收／(應付)附屬公司、合營夥伴及董事款項

應收／(應付)附屬公司、合營夥伴及董事之款項為無抵押、免息及須按要求時償還。

26. 已抵押銀行存款及受限制銀行結餘

於二零一零年十二月三十一日，已抵押銀行存款及受限制銀行結餘如下：

24. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Note: (Continued)

d) Trade receivables that are not impaired (Continued)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

25. AMOUNTS DUE FROM/(TO) SUBSIDIARIES, A JOINT VENTURE PARTNER AND DIRECTORS

Amounts due from/(to) subsidiaries, a joint venture partner and directors are unsecured, interest-free and repayable on demand.

26. PLEDGED BANK DEPOSITS AND RESTRICTED BANK BALANCES

As at 31 December 2010, the pledged bank deposits and restricted bank balances are as follows:

		本集團 The Group		本公司 The Company	
		二零一零年 2010	二零零九年 2009	二零一零年 2010	二零零九年 2009
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
已抵押銀行存款 (附註(a))	Pledged bank deposits (note (a))	99,777	-	-	-
受限制銀行結餘 (附註(b))	Restricted bank balances (note (b))	2,868	32,072	-	28,529
		102,645	32,072	-	28,529
減：即期部份	Less: Current portion	(2,868)	(8,822)	-	(5,279)
非即期部份	Non-current portion	99,777	23,250	-	23,250

26. 已抵押銀行存款及受限制銀行結餘 (續)

- a) 於二零一零年十二月三十一日，已抵押銀行存款約99,777,000港元指為獲取授予本集團之銀行貸款而抵押予銀行之存款。該存款按固定年利率1.25%計息。
- b) 於二零一零年及二零零九年十二月三十一日，受限制銀行結餘指銀行就向若干供應商發行信用證所規定及限制之銀行結餘，以及為本集團之無抵押長期銀行貸款維持最低銀行存款之財務契約規定，分別為數約2,868,000港元(二零零九年：8,822,000港元)及約零港元(二零零九年：23,250,000港元)。受限制銀行結餘將於各自之交易完成後予以解除。受限制銀行結餘按市場利率為0.36%(二零零九年：0.32%至0.36%)計息。
- c) 本集團管理層認為，存款之賬面值與其公平值相若。

26. PLEDGED BANK DEPOSITS AND RESTRICTED BANK BALANCES (Continued)

- a) At 31 December 2010, pledged bank deposits of approximately HK\$99,777,000 are pledged to bank to secure bank borrowings granted to the Group. The deposits carry fixed interest rate at 1.25% per annum.
- b) At 31 December 2010 and 2009, restricted bank balances represent deposits required and restricted by banks in respect of the issue of letters of credit to certain suppliers and the financial covenant requirement for the Group to maintain minimum bank deposit for unsecured long-term bank borrowings amounting to approximately HK\$2,868,000 (2009: HK\$8,822,000) and approximately HK\$Nil (2009: HK\$23,250,000) respectively. The restricted bank balances will be released upon the completion of the respective transactions. The restricted bank balances carry interest at market rates of 0.36% (2009: 0.32% to 0.36%).
- c) The management of the Group considers that the carrying amount of deposits approximates their fair values.

27. 現金及現金等值項目

27. CASH AND CASH EQUIVALENTS

		本集團		本公司	
		The Group		The Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
銀行存款	Deposits with banks	148,606	210,609	113,282	210,609
銀行及手頭之現金	Cash at bank and on hand	1,080,322	854,515	25,335	83,013
現金及現金等值項目	Cash and cash equivalents	1,228,928	1,065,124	138,617	293,622

現金及現金等值項目包括本集團持有之現金及按現行市場利率介乎0.11%至0.38%計息之到期日為三個月或以下之短期銀行存款。董事認為，現金及現金等值項目之賬面值與彼等於申報期間結算日之公平值並無重大差異。

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with a maturity of three months or less at prevailing market interest rates at 0.11% to 0.38%. In the opinion of the directors, the carrying amount of cash and cash equivalents has no material difference from their fair values at the end of the reporting period.

28. 應付賬款、預提費用及其他應付款

28. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

		本集團		本公司	
		The Group		The Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
應付賬款	Trade payables	<b>80,723</b>	76,625	-	-
預提開支及其他應付款項	Accrued expenses and other payables	<b>23,758</b>	23,394	<b>4,747</b>	7,297
收購物業、廠房及設備之應付款項	Payables for acquisition of property, plant and equipment	<b>3,644</b>	13,619	-	-
按攤銷成本計算之財務負債	Financial liabilities measured at amortised cost	<b>108,125</b>	113,638	<b>4,747</b>	7,297
預收款項	Receipt in advance	<b>6,366</b>	7,811	-	-
其他應付稅項	Other tax payables	<b>6,974</b>	8,836	-	-
		<b>121,465</b>	130,285	<b>4,747</b>	7,297

應付賬款之賬齡分析如下：

The ageing analysis of trade payables is as follows:

		本集團	
		The Group	
		二零一零年	二零零九年
		2010	2009
		千港元	千港元
		HK\$'000	HK\$'000
即期至6個月以內	Current to less than 6 months	<b>70,868</b>	64,640
6個月至1年以內	6 months to less than 1 year	<b>7,691</b>	7,491
1至2年以內	1 to less than 2 years	<b>868</b>	3,225
2年以上	Over 2 years	<b>1,296</b>	1,269
		<b>80,723</b>	76,625

29. 銀行貸款

於二零一零年十二月三十一日，須償還之銀行貸款如下：

29. BANK BORROWINGS

As at 31 December 2010, the bank loans are repayable as follows:

		本集團		本公司	
		The Group		The Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
1年內或按要求	Within 1 year or on demand	99,389	108,158	-	96,875
1年後但2年內	After 1 year but within 2 years	-	116,250	-	116,250
2年後但5年內	After 2 years but within 5 years	-	19,375	-	19,375
銀行貸款總額	Total bank loans	99,389	243,783	-	232,500
就報告目的而作出之分析如下：	Analysis for reporting purposes as:				
流動負債	Current liabilities	99,389	108,158	-	96,875
非流動負債	Non-current liabilities	-	135,625	-	135,625
		99,389	243,783	-	232,500

於二零一零年十二月三十一日，銀行借貸之詳情載列如下：

As at 31 December 2010, the details of bank borrowings is as follows:

		本集團		本公司	
		The Group		The Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
有抵押	Secured	99,389	11,283	-	-
無抵押	Unsecured	-	232,500	-	232,500
		99,389	243,783	-	232,500

29. 銀行貸款 (續)

附註：

- a) 本集團所有銀行貸款均以美元計值，惟於二零一零年十二月三十一日，銀行貸款約94,018,000港元以人民幣計值。
- b) 所有銀行貸款均為浮動年利率介乎3.28%至5.10% (二零零九年：介乎0.36%至4.43%) 貸款，惟定息貸款約零港元 (二零零九年：155,000,000港元) 按當期年利率6.5%計算除外。
- c) 除無抵押長期銀行貸款約零港元 (二零零九年：232,500,000港元) 外，餘下銀行貸款乃以已抵押銀行存款約99,777,000港元 (二零零九年：零港元) 及應收賬款約5,980,000港元 (二零零九年：12,942,000港元) 作抵押。於二零一零年十二月三十一日，本集團於年內償還有關銀行貸款後並無尚未提取之銀行信貸 (二零零九年：29,721,000港元)。
- d) 就截至二零零九年十二月三十一日未償還之賬面總額為約232,500,000港元之無抵押長期銀行貸款而言，本集團須履行若干財務契據 (一般可於與金融機構訂立之貸款安排內找到)。倘本集團違反契約，則已提取之信貸將須按要求償還。本集團定期監管其對該等契約之合規情況。有關本集團流動資金風險管理之進一步詳情載於附註35(b)。
- e) 董事認為，銀行貸款之賬面值與彼等於申報期間結算日之公平值並無重大差異。

29. BANK BORROWINGS (Continued)

Notes:

- a) All of the Group's bank borrowings are denominated in United States dollars, except for bank borrowings of approximately HK\$94,018,000 which are denominated in RMB as at 31 December 2010.
- b) All bank borrowings are variable-rate borrowings which carry prevailing interest rates ranging from 3.28% to 5.10% (2009: ranging from 0.36% to 4.43%) per annum, except for fixed-rate borrowings of approximately HK\$Nil (2009: HK\$155,000,000), which are charged at prevailing interest rate at 6.50% per annum.
- c) Except for unsecured long-term bank borrowings of approximately HK\$Nil (2009: HK\$232,500,000), the remaining bank borrowings were secured by the pledged bank deposits of approximately HK\$99,777,000 (2009: HK\$Nil) and trade receivables of approximately HK\$5,980,000 (2009: HK\$12,942,000). As at 31 December 2010, the Group has no undrawn banking facilities after repayment of relevant bank borrowings during the year (2009: HK\$29,721,000).
- d) In respect of the unsecured long-term bank borrowings with an aggregate carrying amount of approximately HK\$232,500,000 outstanding at 31 December 2009, the Group is subject to the fulfillment of certain financial covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the facilities drawn down would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 35(b).
- e) In the opinion of the directors, the carrying amounts of bank borrowings are not significantly different from their fair values at the end of the reporting period.

30. 於綜合財務狀況表之所得稅

- a) 於綜合財務狀況表確認之本期所得稅與年內之變動如下：

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- a) Current income tax recognised in the consolidated statement of financial position and the movement during the year are as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
中國企業所得稅	PRC EIT		
於一月一日	At 1 January	2,298	(18,087)
本年度撥備(附註8(a))	Provision for the year (note 8(a))	49,000	69,454
本年度支付之企業所得稅	EIT paid during the year	(50,152)	(49,056)
匯兌差異	Exchange differences	61	(13)
於十二月三十一日	At 31 December	<b>1,207</b>	2,298
於綜合財務狀況表 確認之可收回所得稅	Income tax recoverable recognised in the consolidated statement of financial position	<b>(8,586)</b>	(16,509)
於綜合財務狀況表 確認之應付所得稅	Income tax payable recognised in the consolidated statement of financial position	<b>9,793</b>	18,807
應付之稅項淨額	Net tax payable	<b>1,207</b>	2,298

30. 於綜合財務狀況表之所得稅 (續)

b) 已確認之遞延稅項資產及負債

於申報期間結算日及截至該日止年度計提之遞延稅項資產/(負債)之主要組成部份如下：

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised

The major components of the deferred tax assets/(liabilities) provided for at the end of the reporting period and for the year then ended are as follows:

		持作 自用樓宇 之重估	物業、廠房 及設備之 公平值調整	經營 租約下預付 土地租金之 公平值調整	無形資產之 公平值調整	遞延開支	總值
		Revaluation of buildings held for own use	Fair value adjustment on property, plant and equipment	Fair value adjustment on prepaid lease payments on land under operating leases	Fair value adjustment on intangible assets	Deferred expenditure	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
就下列各項產生之遞延稅項：	Deferred tax arising from:						
於二零零九年一月一日	At 1 January 2009	(10,460)	(1,312)	15,118	(94,565)	5,314	(85,905)
收益表計入/(列支)	Credited/(charged) to income						
(附註8(a))	statement (note 8(a))	957	95	(313)	7,570	1,486	9,795
匯兌差異	Exchange differences	(17)	(2)	24	(144)	10	(129)
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	(9,520)	(1,219)	14,829	(87,139)	6,810	(76,239)
其他全面收益列支	Charged to other						
comprehensive income		(4,055)	-	-	-	-	(4,055)
收益表計入/(列支)	Credited/(charged) to income						
(附註8(a))	statement (note 8(a))	785	97	(319)	7,705	2,054	10,322
因稅率變動之影響	Credited to equity for effect						
計入權益	on change in tax rate	1,537	-	-	-	-	1,537
匯兌差異	Exchange differences	(213)	(41)	510	(2,897)	274	(2,367)
於二零一零年十二月三十一日	At 31 December 2010	(11,466)	(1,163)	15,020	(82,331)	9,138	(70,802)



30. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產及負債(續)

以下乃就財務報告目的而言之遞延稅項結餘分析：

30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於綜合財務狀況表 確認之遞延稅項資產	Deferred tax assets recognised in the consolidated statement of financial position	<b>24,158</b>	21,639
於綜合財務狀況表 確認之遞延稅項負債	Deferred tax liabilities recognised in the consolidated statement of financial position	<b>(94,960)</b>	(97,878)
		<b>70,802</b>	(76,239)

c) 尚未確認之遞延稅項資產

根據附註2(q)所載之會計政策，本集團並無就於二零一零年十二月三十一日之累計稅務虧損約1,475,000港元(二零零九年：43,236,000港元)確認遞延稅項資產，因為於有關稅務司法權區及實體不大可能有可運用之稅務虧損以抵扣未來應課稅溢利。

c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$1,475,000 (2009: HK\$43,236,000) as at 31 December 2010 as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity.

#### 30. 於綜合財務狀況表之所得稅(續)

##### d) 未確認遞延稅項負債

根據於二零零八年一月一日起生效之中國企業所得稅法，並無於中國成立或設有業務之非駐居企業或於中國成立或設有業務但相關收入並非實際與於中國成立或設有業務相關，則將須就各類被動收入(如源自中國之股息)按10%稅率繳納預扣所得稅。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)1號，據此，於二零零七年十二月三十一日前自外資企業保留溢利作出之股息分派將獲豁免繳納預扣所得稅。

於二零一零年十二月三十一日，有關附屬公司自二零零八年之未分配溢利之暫時差異為475,031,000港元(二零零九年：271,443,000港元)。由於本公司能控制該等附屬公司之股息政策，且釐定溢利不大可能於可見將來分派，故尚未就分派該等保留溢利之應付稅項確認遞延稅項負債47,503,000港元(二零零九年：27,144,000港元)。

#### 31. 股本及儲備

- a) 本集團綜合權益之各項部份於年初及年末之對賬載於綜合權益變動表內。有關本公司權益之個別部份於年初至年末期間之變動詳情，載列如下：

#### 30. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

##### d) Deferred tax liabilities not recognised

Under the EIT Law of the PRC with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Minister of Finance and State Administration of Tax approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained profits of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

At 31 December 2010, temporary differences relating to the undistributed profits of subsidiaries since 2008 amounted to HK\$475,031,000 (2009: HK\$271,443,000). Deferred tax liabilities of HK\$47,503,000 (2009: HK\$27,144,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

#### 31. SHARE CAPITAL AND RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

31. 股本及儲備 (續)

a) (續)

31. SHARE CAPITAL AND RESERVES (Continued)

a) (Continued)

		股份溢價 Share premium 千港元 HK\$'000	公平值儲備 Fair value reserve 千港元 HK\$'000	累計虧損 Accumulated losses 千港元 HK\$'000	總值 Total 千港元 HK\$'000
於二零零九年一月一日	At 1 January 2009	1,302,481	-	(5,927)	1,296,554
<b>全面收益</b>	<b>Comprehensive income</b>				
本年度虧損	Loss for the year	-	-	(25,920)	(25,920)
<b>全面收益總值</b>	<b>Total comprehensive income</b>	-	-	(25,920)	(25,920)
<b>與擁有人之交易</b>	<b>Transactions with owners</b>				
透過股份配售發行新股份	Issue of new shares by share placement	182,000	-	-	182,000
發行新股份之交易成本	Transaction costs attributable to issue of new shares	(9,059)	-	-	(9,059)
<b>與擁有人之交易總值</b>	<b>Total transactions with owners</b>	172,941	-	-	172,941
於二零零九年十二月三十一日 及二零一零年一月一日	At 31 December 2009 and 1 January 2010	1,475,422	-	(31,847)	1,443,575
<b>全面收益</b>	<b>Comprehensive income</b>				
本年度虧損	Loss for the year	-	-	(19,016)	(19,016)
<b>其他全面收益</b>	<b>Other comprehensive income</b>				
可供出售權益證券之 公平值虧損	Fair value loss on available-for-sale equity securities	-	(15,760)	-	(15,760)
<b>全面收益總值</b>	<b>Total comprehensive income</b>	-	(15,760)	(19,016)	(34,776)
<b>與擁有人之交易</b>	<b>Transactions with owners</b>				
透過股份配售發行新股份	Issue of new shares by share placement	462,000	-	-	462,000
根據購股權計劃發行新股份	Issue of new shares under share option scheme	800	-	-	800
發行新股份之交易成本	Transaction cost attributable to issue of new shares	(18,872)	-	-	(18,872)
<b>與擁有人之交易總值</b>	<b>Total transactions with owners</b>	443,928	-	-	443,928
於二零一零年十二月三十一日	At 31 December 2010	1,919,350	(15,760)	(50,863)	1,852,727

31. 股本及儲備 (續)

b) 法定及已發行股本

		本集團及本公司 The Group and the Company			
		二零一零年 2010		二零零九年 2009	
		股份數目 No. of shares	金額 Amount	股份數目 No. of shares	金額 Amount
		千股 '000	千港元 HK\$'000	千股 '000	千港元 HK\$'000
法定—每股面值0.10港元 之普通股	Authorised – Ordinary shares of HK\$0.10 each				
於一月一日及十二月三十一日	At 1 January and 31 December	<b>2,000,000</b>	<b>200,000</b>	2,000,000	200,000
已發行及繳足—每股面值 0.10港元之普通股	Issued and fully paid – Ordinary shares of HK\$0.10 each				
於一月一日	At 1 January	<b>1,551,143</b>	<b>155,114</b>	1,421,143	142,114
透過股份配售發行新股份	Issue of new shares by share placement	<b>120,000</b>	<b>12,000</b>	130,000	13,000
根據購股權計劃發行新股份	Issue of new shares under share option scheme	<b>800</b>	<b>80</b>	–	–
於十二月三十一日	At 31 December	<b>1,671,943</b>	<b>167,194</b>	1,551,143	155,114

於二零零九年七月二十八日，本公司及YY Holdings與配售代理訂立配售及認購協議，以：(1)按每股1.50港元之價格配售YY Holdings所持有之本公司130,000,000股普通股份（「二零零九年配售事項」）；及(2)按每股1.50港元之價格由YY Holdings認購本公司130,000,000股新普通股份（「二零零九年認購事項」）。二零零九年配售事項及二零零九年認購事項均已於二零零九年八月十一日完成。二零零九年認購事項之所得款項淨額約為185,941,000港元。

於二零一零年十月十二日，本公司根據購股權計劃行使購股權而按每股1.10港元配發及發行800,000股普通股份。

31. SHARE CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital

		本集團及本公司 The Group and the Company			
		二零一零年 2010		二零零九年 2009	
		股份數目 No. of shares	金額 Amount	股份數目 No. of shares	金額 Amount
		千股 '000	千港元 HK\$'000	千股 '000	千港元 HK\$'000
法定—每股面值0.10港元 之普通股	Authorised – Ordinary shares of HK\$0.10 each				
於一月一日及十二月三十一日	At 1 January and 31 December	<b>2,000,000</b>	<b>200,000</b>	2,000,000	200,000
已發行及繳足—每股面值 0.10港元之普通股	Issued and fully paid – Ordinary shares of HK\$0.10 each				
於一月一日	At 1 January	<b>1,551,143</b>	<b>155,114</b>	1,421,143	142,114
透過股份配售發行新股份	Issue of new shares by share placement	<b>120,000</b>	<b>12,000</b>	130,000	13,000
根據購股權計劃發行新股份	Issue of new shares under share option scheme	<b>800</b>	<b>80</b>	–	–
於十二月三十一日	At 31 December	<b>1,671,943</b>	<b>167,194</b>	1,551,143	155,114

On 28 July 2009, the Company and YY Holdings entered into a placing and subscription agreement with a placing agent for: (1) the placement of 130,000,000 ordinary shares of the Company owned by YY Holdings at a price of HK\$1.50 per share (“the 2009’s Placing”); and (2) the subscription of 130,000,000 new ordinary shares of the Company by YY Holdings at a price of HK\$1.50 per share (the “2009’s Subscription”). The 2009’s Placing and 2009’s Subscription were both completed on 11 August 2009. The net proceeds from the 2009’s Subscription amount to approximately HK\$185,941,000.

On 12 October 2010, the Company allotted and issued 800,000 ordinary shares by way of share options exercised under share option scheme at HK\$1.10 per share.

31. 股本及儲備 (續)

b) 法定及已發行股本 (續)

於二零一零年十月十四日，本公司及 YY Holdings 與一名配售代理訂立另一份配售及認購協議，以：(i) 按每股3.95 港元之價格配售 YY Holdings 所持有之本公司120,000,000股普通股份 (「二零一零年配售事項」)；及(2)按每股3.95 港元之價格由 YY Holdings 認購本公司120,000,000股新普通股份 (「二零一零年認購事項」)。二零一零年配售事項及二零一零年認購事項均已於二零一零年十月二十七日完成。二零一零年認購事項之所得款項淨額約為455,128,000 港元。

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法 (一九九八年修訂本)，股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日期後，本公司將有能力於日常業務過程中償還其到期債務。

ii) 資本儲備

資本儲備指本集團因應集團重組而已資本化之分配至法定儲備之總額。

31. SHARE CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital (Continued)

On 14 October 2010, the Company and YY Holdings entered into another placing and subscription agreement with a placing agent for: (1) the placement of 120,000,000 ordinary shares of the Company owned by YY Holdings at a price of HK\$3.95 per share ("the 2010's Placing"); and (2) the subscription of 120,000,000 new ordinary shares of the Company by YY Holdings at a price of HK\$3.95 per share (the "2010's Subscription"). The 2010's Placing and 2010's Subscription were completed on 27 October 2010. The net proceeds from the 2010's Subscription amount of approximately HK\$455,128,000.

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

c) Nature and purpose of reserves

i) Share premium

Under the Companies Law (1998 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

ii) Capital reserve

The capital reserve represents the capitalised aggregate appropriations to the statutory reserves made by the Group as a result of Group reorganisation.

31. 股本及儲備 (續)

c) 儲備之性質及目的 (續)

iii) 樓宇重估儲備

樓宇重估儲備包括經重估金額 (扣除遞延稅項) 與持作自用樓宇之賬面值兩者之差額。樓宇重估儲備已予設立並根據附註2(g)所載有關持作自用樓宇之會計政策予以處理。樓宇重估儲備為不可分派。

iv) 法定儲備

自保留盈利撥至法定儲備金乃根據有關之中國規則及規例以及本公司於中國成立之附屬公司之公司章程而作出，並經由各自之董事會批准。

法定儲備金可用於彌補過往年度之虧損 (如有) 並可轉換為實繳資本，惟於進行該轉換後之法定儲備金結餘不得少於實體註冊資本之25%。

本公司若干於中國之附屬公司須最低限度向法定儲備轉撥按中國會計規則及規例釐定之純利之10%，直至該儲備結餘達至註冊資本之50%為止。作出之轉撥須於向權益擁有人分派股息之前進行。

v) 匯兌儲備

匯兌儲備包括因換算境外經營業務之財務報表而產生之所有匯兌差額。該儲備乃根據附註2(t)所載之會計政策予以處理。

vi) 公平值儲備

公平值儲備包括於申報期間結算日所持有可供出售權益證券之公平值之累計變動淨額，並根據附註2(f)所載之會計政策予以處理。

31. SHARE CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

iii) Buildings revaluation reserve

The buildings revaluation reserve comprises the difference between the revalued amount, net of deferred tax, and the carrying amount of buildings held for own use. The buildings revaluation reserve has been set up and is dealt with in accordance with the accounting policy adopted for buildings held for own use as set out in note 2(g). The buildings revaluation reserve is not distributable.

iv) Statutory reserves

Transfers from retained earnings to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserve fund can be used to make good previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of the entity's registered capital.

The Company's certain subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations to the statutory reserve until the reserve balances reaches 50% of the registered capital. The transfer must be made before distribution of dividends to owners.

v) Translation reserve

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

vi) Fair value reserve

The fair value reserve comprises the cumulative net change on the fair value of available-for-sale equity securities held at the end of the reporting period and is dealt with in accordance with the accounting policy set out in note 2(f).

### 31. 股本及儲備 (續)

#### d) 儲備之可供分派情況

於二零一零年十二月三十一日，可供分派予擁有人之本公司儲備總額約為1,868,487,000港元(二零零九年：1,443,575,000港元)，其中包括本公司股份溢價約1,919,350,000港元(二零零九年：1,475,422,000港元)，減累計虧損約50,863,000港元(二零零九年：31,847,000港元)，惟緊隨建議宣派股息之日，本公司必須有能力償還於日常業務中到期的債項，方能作出分派。

#### e) 資本管理

本集團管理資本之主要目標乃保障本集團持續經營之能力以為股東帶來回報及讓其他股東獲益，並維持優化之資本架構以減少資金成本。

本集團會積極及定期審閱及管理其資金架構，以在盡可能提高股東回報與穩健資本狀況可承受之較高貸款水平之間取得平衡，並因應經濟狀況之變動對資本架構作出調整。為維持或調整資本架構，本集團可透過調整向股東支付之股息金額、發行新股、退還資本予股東或出售資產以減債。

與業界慣例一致，本集團以資產負債比率監控資本架構。該比率以本集團之銀行貸款減現金及現金等值項目除以其權益計算。本集團於二零一零年及二零零九年十二月三十一日並無淨債項。

本公司及其任何附屬公司毋須遵守外界實施之資本規定。

### 31. SHARE CAPITAL AND RESERVES (Continued)

#### d) Distributability of reserves

At 31 December 2010, the aggregate amount of the Company's reserves available for distribution to owners was approximately HK\$1,868,487,000 (2009: HK\$1,443,575,000). This includes the Company's share premium of approximately HK\$1,919,350,000 (2009: HK\$1,475,422,000) less and accumulated losses of approximately HK\$50,863,000 (2009: HK\$31,847,000) and is available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

#### e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher stakeholder returns that might be possible with higher levels of borrowings afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

Consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as the Group's bank borrowings less cash and cash equivalents over its equity. There is no net debts for the Group as at 31 December 2010 and 2009.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

32. 承擔

- a) 於申報期間結算日，本集團於綜合財務報表內未撥備但已批准及已訂約的資本承擔如下：

32. COMMITMENTS

- a) At the end of the reporting period, the Group had the authorised capital commitments contracted but not provided for in the consolidated financial statements as follows:

		<b>The Group</b>	
		二零一零年 <b>2010</b> 千港元 <b>HK\$'000</b>	二零零九年 2009 千港元 HK\$'000
物業、廠房及設備 之收購及建築	Acquisition and construction of property, plant and equipment	<b>6,212</b>	25,548
成立共同控制實體之 權益投資	Equity investment in respect of formation of a jointly controlled entity	-	80,508
		<b>6,212</b>	106,056

權益投資指就於中國成立從事研究、開發、生產及銷售熒光粉產品之共同控制實體之注資。而本集團及合營夥伴分別於共同控制實體持有49.9%及50.1%股權。

The equity investment represents the capital contribution in respect of the formation of a jointly controlled entity in the PRC to engage in research, development, production and sale of phosphor products. The Group and the joint venture partner holds equity interests of the jointly controlled entity of 49.9% and 50.1% respectively.



32. 承擔 (續)

a) (續)

除上述者外，本集團應佔其共同控制實體之已訂約但未撥備資本承擔如下：

32. COMMITMENTS (Continued)

a) (Continued)

In addition to the above, the Group's share of capital commitments contracted but not provided for of its jointly controlled entity is as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
收購及興建物業、廠房及設備	Acquisition and construction of property, plant and equipment	53,910	—
預付經營租約下土地之預付租金	Prepayment of prepaid lease payments on land under operating leases	915	—
		<b>54,825</b>	—

b) 於申報期間結算日，根據不可撤銷之土地及樓宇經營租賃於日後所須繳付的最低租金款項承擔如下：

b) At the end of the reporting period, operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
1年內	Within one year	1,605	1,151
第2至第5年(包括首尾兩年)	In the second to fifth year inclusive	2,485	304
		<b>4,090</b>	1,455

經營租賃付款指本集團就其若干辦公室及廠房物業應付之租金。租約及租金乃通過磋商釐定，平均為期三年。概無租賃涉及或然租金。

Operating lease payments represent rentals payable by the Group for certain of its office and factory premises. Leases and rentals are negotiated and fixed for an average of three years. None of the leases includes contingent rentals.

#### 33. 購股權計劃

於二零零四年六月四日舉行之股東周年大會上，本公司股東批准終止於一九九九年十月十四日採納之購股權計劃（「舊計劃」）及採納新購股權計劃（「新計劃」）。

根據新計劃，董事可酌情邀請對本集團有所貢獻或將有貢獻之本集團全職僱員（包括本公司及其附屬公司之董事）、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在新計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照新計劃予以提早終止。於終止舊計劃後，並無據此進一步授出購股權，但於所有其他方面，舊計劃之條文仍具效力，而於該終止前授出之所有購股權繼續有效及可據此予以行使。於截至二零一零及二零零九年十二月三十一日止兩個年度，本公司並無授出購股權。

行使價將由本公司董事釐定，惟不可少於要約當日本公司股份的收市價、緊接要約當日前五個營業日本公司股份的平均收市價，以及本公司股份面值三項中之最高者。

#### 33. SHARE OPTION SCHEME

At the annual general meeting of the Company held on 4 June 2004, the shareholders of the Company approved the termination of the Company's share option scheme adopted on 14 October 1999 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme").

Under the New Scheme, the directors may, at their discretion, invite full-time employees of the Group, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the Group to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by the eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors to each grantee at the time of making the offer, but in any event, shall not exceed the period of ten years from the date of grant of the particular option, subject to the early termination of the New Scheme. Upon the termination of the Old Scheme, no further share options were granted thereunder, but in all other respects, the provisions of the Old Scheme remained in force and all share options granted prior to such termination continued to be valid and exercisable in accordance therewith. No option has been granted by the Company during the two years ended 31 December 2010 and 2009.

The exercise price is to be determined by the directors of the Company, and should not be less than the highest of the closing price of the Company's shares at the date of offer, the average closing price of the Company's shares for the five business days immediately preceding the date of offer and the nominal value of the Company's shares.

33. 購股權計劃 (續)

截至二零一零年十二月三十一日止年度購股權之變動如下：

		根據購股權可予發行之股份數目							
		Number of shares issuable under options							
授出日期	行使期	行使價	於二零一零年	年內授出	年內行使	年內沒收	於二零一零年	尚未行使	
			一月一日				十二月三十一日		
Date of grant	Exercisable period	Exercise price	Outstanding	Granted	Exercised	Forfeited	Outstanding at	31 December	
			at 1 January				2010		
僱員	二零零三年 一月二十三日	二零零三年一月二十七日 至二零一三年一月二十六日	1.10	1,500,000	-	(800,000)	-	700,000	
Employee	23 January 2003	27 January 2003-26 January 2013	1.10	1,500,000	-	(800,000)	-	700,000	

截至二零零九年十二月三十一日止年度之購股權變動如下：

		根據購股權可予發行之股份數目							
		Number of shares issuable under options							
授出日期	行使期	行使價	於二零零九年	年內授出	年內行使	年內沒收	於二零零九年	尚未行使	
			一月一日				十二月三十一日		
Date of grant	Exercisable period	Exercise price	Outstanding	Granted	Exercised	Forfeited	Outstanding at	31 December	
			at 1 January				2009		
僱員	二零零三年 一月二十三日	二零零三年一月二十七日 至二零一三年一月二十六日	1.10	1,500,000	-	-	-	1,500,000	
Employee	23 January 2003	27 January 2003-26 January 2013	1.10	1,500,000	-	-	-	1,500,000	

33. SHARE OPTION SCHEME (Continued)

Movements of share options for the year ended 31 December 2010 are as follows:

Movements of share options for the year ended 31 December 2009 are as follows:

33. 購股權計劃 (續)

於申報期間結算日，根據舊計劃授出而尚未行使之購股權涉及之本公司股份數目為700,000股(二零零九年：1,500,000股)，佔於該日本公司已發行股份之0.04% (二零零九年：0.10%)。按舊計劃，於任何時候未經本公司股東允許，可授出之購股權並不可以超過本公司已發行股份之10%。

於二零一零年十二月三十一日尚未行使之購股權之餘下合約年期約為兩年(二零零九年：三年)。

34. 關連人士交易

a) 與關連人士之交易

董事認為，年內下列人士屬本集團之重大關連人士：

<u>人士名稱</u>	<u>與本集團之關係</u>
蔣泉龍	本公司執行董事
無錫泛亞環保 科技有限公司 (「無錫泛亞」)	本公司執行董事 蔣泉龍擁有 權益
歐司朗(中國)熒光 材料有限公司 (「歐司朗中國」)	本集團共同控制 實體

33. SHARE OPTION SCHEME (Continued)

At the end of the reporting period, the number of shares in respect of which options had been granted and remained outstanding under the Old Scheme was 700,000 (2009: 1,500,000), representing approximately 0.04% (2009: 0.10%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Old Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The options outstanding at 31 December 2010 have remaining contractual lives of approximately 2 years (2009: 3 years).

34. RELATED PARTY TRANSACTIONS

a) Transactions with related parties

The directors consider that the following are the significant related parties of the Group during the year:

<u>Name of party</u>	<u>Relationship with the Group</u>
Jiang Quanlong	Executive director of the Company
Wuxi Pan-Asia Environmental Protection Technologies Limited ("Wuxi Pan-Asia")	Jiang Quanlong, an executive director of the Company, has a beneficial interest
OSRAM (China) Fluorescent Materials Co. Ltd. ("OCFM")	Jointly controlled entity of the Group

#### 34. 關連人士交易 (續)

##### a) 與關連人士之交易 (續)

###### i) 予蔣泉龍之租金費用

截至二零一零年十二月三十一日止年度，本集團就向本集團提供物業而向蔣泉龍支付之租金費用約為250,000港元(二零零九年：245,000港元)。

###### ii) 予無錫泛亞之租金費用

截至二零一零年十二月三十一日止年度，本集團就向本集團提供物業而向無錫泛亞支付之租金費用約為61,000港元(二零零九年：60,000港元)。

###### iii) 無錫泛亞之租金收入

截至二零一零年十二月三十一日止年度，本集團已就向無錫泛亞提供物業收取租金約3,000港元(二零零九年：零港元)。

###### iv) 予歐司朗中國之銷售

截至二零一零年十二月三十一日止年度，本集團出售產品約5,639,000港元(二零零九年：零港元)予歐司朗中國。

董事認為，上述交易乃於一般業務過程中按正常商業條款訂立或根據規管該等交易之協議訂立，並已獲獨立非執行董事確認。

#### 34. RELATED PARTY TRANSACTIONS (Continued)

##### a) Transactions with related parties (Continued)

###### i) Rental expenses to Jiang Quanlong

During the year ended 31 December 2010, the Group paid rental expenses of approximately HK\$250,000 (2009: HK\$245,000) to Jiang Quanlong for providing premises to the Group.

###### ii) Rental expenses to Wuxi Pan-Asia

During the year ended 31 December 2010, the Group paid rental expenses of approximately HK\$61,000 (2009: HK\$60,000) to Wuxi Pan-Asia for providing premises to the Group.

###### iii) Rental income from Wuxi Pan-Asia

During the year ended 31 December 2010, the Group received rental income of approximately HK\$3,000 (2009: HK\$Nil) for providing premises to Wuxi Pan-Asia.

###### iv) Sales to OCFM

During the year ended 31 December 2010, the Group sold products approximately HK\$5,639,000 (2009: HK\$Nil) to OCFM.

The directors are of the opinion that the above transactions were entered into under the normal course of business and on normal commercial terms or in accordance with the agreements governing such transactions, and this has been confirmed by independent non-executive directors.

34. 關連人士交易(續)

b) 與主要管理人員之交易

主要管理人員之酬金(包括附註9所披露之支付予本公司董事之金額及附註10所披露之支付予若干最高薪酬人士之金額)如下:

34. RELATED PARTY TRANSACTIONS (Continued)

b) Transactions with key management personnel

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10 are as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
基本薪金、津貼及實物福利	Basic salaries, allowance and benefits-in-kind	3,774	3,847
退休福利計劃供款	Retirement benefits scheme contributions	56	54
		<b>3,830</b>	<b>3,901</b>

c) 與關連人士之結餘

於二零一零年及二零零九年十二月三十一日與關連人士之結餘之詳情載於附註25。

c) Balances with related parties

Details of the balances with related parties as at 31 December 2010 and 2009 are set out in note 25.

35. 財務風險管理目標及政策

本集團之主要金融工具包括現金及現金等值項目、已抵押銀行存款、受限制銀行結餘、應收賬款及其他應收款、應付賬款及其他應付款以及銀行貸款。金融工具之詳情披露於各附註。該等金融工具之風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險及貨幣風險。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include cash and cash equivalents, pledged bank deposits, restricted bank balances, trade and other receivables, trade and other payables and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk and currency risk arises in the normal course of the Group's business.

### 35. 財務風險管理目標及政策(續)

#### a) 信貸風險

- i) 於二零一零年十二月三十一日，最大信貸風險為綜合財務狀況表各金融資產經扣除任何減值撥備後之賬面值。
- ii) 為盡量減低風險之應收賬款及其他應收款，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團並無就其金融資產要求任何抵押品。債務一般自開單日期起180日內到期。

本集團須承受之信貸風險主要受各名客戶之個別特點所影響。客戶所經營行業及國家之拖欠風險亦會對信貸風險有所影響，但程度較低。於申報期間結算日，本集團承受來自其最大客戶及五大客戶應收賬款總額之若干集中信貸風險分別為21.42% (二零零九年：11.54%)及45.89% (二零零九年：37.15%)。

有關本集團來自應收賬款及其他應收款之信貸風險之量化披露載於附註24。

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Credit risk

- i) As at 31 December 2010, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance.
- ii) In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition is performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets. Debts are usually due within 180 days from the date of billing.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has a certain concentration of credit risk as 21.42% (2009: 11.54%) and 45.89% (2009: 37.15%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 24.

#### 35. 財務風險管理目標及政策 (續)

##### a) 信貸風險 (續)

- iii) 現金乃存放於集團公司經營所在地具高信貸評級之金融機構，本集團就任何單一金融機構所承擔之風險有限。鑑於彼等具有高信貸評級，管理層並不預期任何該等金融機構無法履行其責任。

##### b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准後，方可作實。本集團之政策為定期監察當前及預計之流動資金需求，以及遵守貸款契諾，確保本集團能維持充裕的現金及從主要金融機構取得足夠的承諾信貸融資，以滿足其短期及長期流動資金需要。本集團依賴銀行貸款作為流動資金來源。

以下流動資金表載列本集團及本公司之金融負債於申報期間結算日，基於合約未折現現金流(包括使用合約利率計得之利息付款或，如按浮息，則按申報期間結算日當日之利率計)及本集團須予償還之最早日期所得之餘下合約期：

#### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### a) Credit risk (Continued)

- iii) Cash is deposited with financial institutions with high credit ratings that are located where the group companies are operated and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

##### b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on bank borrowings as a source of liquidity.

The following liquidity table set out the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company is required to pay:



## 財務報表附註

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 35. 財務風險管理目標及政策 (續)

##### b) 流動資金風險 (續)

		二零一零年 2010					二零零九年 2009				
		一年內或 按 要求償還	一年以上 兩年以內	兩年以上 五年以內	合約未折現 現金流量總額	賬面值	一年內或 按 要求償還	一年以上 兩年以內	兩年以上 五年以內	合約未折現 現金流量總額	賬面值
		More than Within 1 year or on demand 千港元 HK\$'000	More than 1 year but less than 2 years 千港元 HK\$'000	More than 2 years but less than 5 years 千港元 HK\$'000	Total undiscounted cash flow 千港元 HK\$'000	Carrying amount 千港元 HK\$'000	More than Within 1 year or on demand 千港元 HK\$'000	More than 1 year but less than 2 years 千港元 HK\$'000	More than 2 years but less than 5 years 千港元 HK\$'000	Total undiscounted cash flow 千港元 HK\$'000	Carrying amount 千港元 HK\$'000
<b>本集團</b>	<b>The Group</b>										
應付賬款	Trade payables	80,723	-	-	80,723	80,723	76,625	-	-	76,625	76,625
預提開支及 其他應付款	Accrued expenses and other payables	27,402	-	-	27,402	27,402	37,013	-	-	37,013	37,013
應付董事款項	Amounts due to directors	270	-	-	270	270	709	-	-	709	709
銀行貸款	Bank borrowings	101,393	-	-	101,393	99,389	117,545	119,359	19,409	256,313	243,783
		<b>209,788</b>	<b>-</b>	<b>-</b>	<b>209,788</b>	<b>207,784</b>	<b>231,892</b>	<b>119,359</b>	<b>19,409</b>	<b>370,660</b>	<b>358,130</b>
<b>本公司</b>	<b>The Company</b>										
預提開支及 其他應付款	Accrued expenses and other payables	4,747	-	-	4,747	4,747	7,297	-	-	7,297	7,297
應付附屬公司款項	Amounts due to subsidiaries	264	-	-	264	264	255	-	-	255	255
應付董事款項	Amounts due to directors	270	-	-	270	270	875	-	-	875	875
銀行貸款	Bank borrowings	-	-	-	-	-	106,246	119,359	19,409	245,014	232,500
		<b>5,281</b>	<b>-</b>	<b>-</b>	<b>5,281</b>	<b>5,281</b>	<b>114,673</b>	<b>119,359</b>	<b>19,409</b>	<b>253,441</b>	<b>240,927</b>

概無任何銀行貸款包含香港(詮釋)第5號「財務報表的呈列 – 借貸人對包含按要價還條款的定期貸款的分類」有關按要價還條款。

None of bank borrowings contain a repayment on demand clause in relation to HK (Int) 5, Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause.

35. 財務風險管理目標及政策 (續)

c) 利率風險

本集團及本公司須承受有關以浮動利率計算的現金及現金等值項目、已抵押銀行存款、受限制銀行結餘及銀行貸款的現金流利率風險。

i) 利率組合

下表詳細載列本集團及本公司的銀行貸款於申報期間結算日的利率組合：

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Interest rate risk

The Group and the Company are exposed to cash flow interest rate risk in relation to cash and cash equivalents, pledged bank deposits, restricted bank balances and bank borrowings at floating interest rate.

i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's bank borrowings at the end of reporting period:

		本集團 The Group				本公司 The Company			
		二零一零年 2010		二零零九年 2009		二零一零年 2010		二零零九年 2009	
		實際利率 Effective interest rate		實際利率 Effective interest rate		實際利率 Effective interest rate		實際利率 Effective interest rate	
		%	千港元	%	千港元	%	千港元	%	千港元
		%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000
固定利率貸款	Fixed rate borrowings	不適用N/A	-	6.50	155,000	不適用N/A	-	6.50	155,000
浮動利率貸款	Variable-rate borrowings	3.28-5.10	99,389	0.36-4.43	88,783	不適用N/A	-	3.26-4.43	77,500
銀行貸款總額	Total bank borrowings		99,389		243,783		-		232,500
固定利率貸款 佔貸款總額的 百分比	Fixed rate borrowings as a percentage of total borrowings		0%		64%		0%		67%

#### 35. 財務風險管理目標及政策(續)

##### c) 利率風險(續)

##### ii) 敏感度分析

屬於固定利率工具的本集團所有已抵押銀行存款、受限制銀行結餘、定息銀行存款及銀行貸款對任何利率變動不敏感。於申報期間結算日的利率變動不會影響損益。

於二零一零年十二月三十一日，在所有其他變量保持不變的情況下，估計利率整體上升或下降50個基點將減少或增加本集團本年度溢利約3,478,000港元(二零零九年：3,807,000港元)。利率整體上升或下降對綜合權益的其他部份並無影響。

上述敏感度分析乃假設利率於申報期間結算日產生變動而釐定，並應用於該日的非衍生金融工具的利率風險。50個基點的上升或下降為管理層對直至下一個申報期間結算日止期間內利率的合理可能變動的評估。二零零九年已以相同基準作出分析。

#### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### c) Interest rate risk (Continued)

##### ii) Sensitivity analysis

All of the pledged bank deposits, restricted bank balances, fixed bank deposits and bank borrowings of the Group which are fixed rate instruments are insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss.

At 31 December 2010, it is estimated that a general increase or decrease of 50 basis points in interest rates, with all other variables held constant, would decrease or increase the Group's profit for the year by approximately HK\$3,478,000 (2009: HK\$3,807,000). Other components of consolidated equity would not change in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 50 basis points increase or decrease represents management's assessment of reasonably possible changes in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2009.

35. 財務風險管理目標及政策 (續)

d) 貨幣風險

本集團主要因以與有關實體的功能貨幣以外的貨幣進行買賣而面對貨幣風險。

i) 所承擔之貨幣風險

下表詳列本集團就來自以與實體有關之功能貨幣以外貨幣計值之已確認資產或負債所承受貨幣風險。

本集團

應收賬款及其他應收款	Trade and other receivables	-	42,532	-	-	53,311	-
現金及現金等值項目	Cash and cash equivalents	35,364	65,779	200,102	-	115,024	100
應付賬款及其他應付款	Trade and other payables	-	(1,186)	-	-	(3,344)	-
銀行借貸	Bank borrowings	-	(5,348)	-	-	(243,783)	-
所承受整體貨幣風險	Overall exposure to currency risk	35,364	101,777	200,102	-	(78,792)	100

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the entity to which they relate.

i) Exposure to currency risk

The following table details the Group's exposure to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

The Group

所承擔之貨幣風險 (以千港元列值)

Exposure to currency risk (expressed in HK\$'000)

		二零一零年			二零零九年		
		2010			2009		
	歐元	美元	港元	歐元	美元	港元	
	United States	Hong Kong		United States	Hong Kong		
	EURO	Dollars	Dollars	EURO	Dollars	Dollars	
應收賬款及其他應收款	-	42,532	-	-	53,311	-	
現金及現金等值項目	35,364	65,779	200,102	-	115,024	100	
應付賬款及其他應付款	-	(1,186)	-	-	(3,344)	-	
銀行借貸	-	(5,348)	-	-	(243,783)	-	
所承受整體貨幣風險	35,364	101,777	200,102	-	(78,792)	100	

35. 財務風險管理目標及政策 (續)

d) 貨幣風險 (續)

i) 所承擔之貨幣風險 (續)

本公司

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Currency risk (Continued)

i) Exposure to currency risk

The Company

所承擔之貨幣風險  
(以千港元列值)

Exposure to currency risk  
(expressed in HK\$'000)

二零一零年      二零零九年  
2010                      2009

美元

United States Dollars

應收賬款及其他應收款	Trade and other receivables	67	67
現金及現金等值項目	Cash and cash equivalents	28,055	111,267
預提開支及其他應付款	Accrued expenses and other payables	(1,172)	(586)
銀行借貸	Bank borrowings	-	(232,500)
所承受整體貨幣風險	Overall exposure to currency risk	26,950	(121,752)

本集團現時並無就外幣負債採取外幣對沖政策。本集團將密切監察外幣風險，並將在有需要時考慮對沖重大貨幣風險。

The Group currently does not have a foreign currency hedging policy in respect its of foreign currency debts. The Group will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arises.

35. 財務風險管理目標及政策 (續)

d) 貨幣風險 (續)

ii) 敏感度分析

下表說明本集團於申報期間結算日就匯率可能合理之變動對本集團除稅後溢利及保留溢利之概約變動。

本集團

		外幣匯率 增加/(減少)	除稅後溢利及 保留溢利之 增加/(減少)	
		Increase/ (decrease) in foreign exchange rates	Increase/(decrease) on profit after taxation and retained profits	
			二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
美元	United States Dollars	5%	5,089	(3,940)
		(5)%	(5,089)	3,940
港元	Hong Kong Dollars	5%	(10,005)	(5)
		(5)%	10,005	5
歐元	EURO	5%	1,768	—
		(5)%	(1,768)	—

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

The Group

		外幣匯率 增加/(減少)	除稅後溢利及 保留溢利之 增加/(減少)	
		Increase/ (decrease) in foreign exchange rates	Increase/(decrease) on profit after taxation and retained profits	
			二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
美元	United States Dollars	5%	5,089	(3,940)
		(5)%	(5,089)	3,940
港元	Hong Kong Dollars	5%	(10,005)	(5)
		(5)%	10,005	5
歐元	EURO	5%	1,768	—
		(5)%	(1,768)	—

35. 財務風險管理目標及政策(續)

- d) 貨幣風險(續)  
ii) 敏感度分析(續)

本公司

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

- d) Currency risk (Continued)  
ii) Sensitivity analysis (Continued)

The Company

		外幣匯率 增加/(減少) Increase/ (decrease) in foreign exchange rates	除稅後溢利及 累計虧損之 增加/(減少) Increase/(decrease) on profit after taxation and accumulated losses
			二零一零年 2010 千港元 HK\$'000
			二零零九年 2009 千港元 HK\$'000
美元	United States Dollars	5%	(1,348)
		(5)%	1,348

上述敏感度分析乃假設匯率變動於申報期間結算日已發生並應用於本集團於該日承擔之金融工具貨幣風險而釐訂，而所有其他變數，尤其是利率，維持不變。上表呈列之分析結果代表對本集團實體除稅後溢利之整體結果。上述變動即管理層評估匯率於截至下一個申報期間結算日止期間之合理潛在變動。有關分析按與二零零九年相同之基準進行。

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit after taxation. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2009.

35. 財務風險管理目標及政策 (續)

e) 公平值

重大金融資產及負債的公平值與其於二零一零年及二零零九年十二月三十一日的賬面值相若。

i) 現金及現金等值項目、應收賬款及其他應收款、應付賬款及其他應付款

由於該等項目於短期內到期，故此其賬面值與其公平值相若。

ii) 銀行貸款

根據條款及到期日相若的銀行貸款現行貸款利率計算，銀行貸款的賬面值與其公平值相若。

iii) 按公平值列賬之金融工具

下表呈列於申報期間結算日，按香港財務報告準則第7號「金融工具：披露」所界定之公平值等級制度之三個等級中，按公平值計量之金融工具之賬面值，其中每項被分類之金融工具之公平值全數基於對公平值計量屬重大之最低輸入等級。有關等級界定如下：

- 第1級(最高等級)：利用在活躍市場中相同金融工具之報價(未經調整)計量公平值；
- 第2級：利用在活躍市場中類似金融工具之報價，或所有重要輸入數據均直接或間接基於可觀察市場數據之估值技術計量公平值；及

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Fair value

The carrying amounts of significant financial assets and liabilities approximate their respective fair values as at 31 December 2010 and 2009.

i) Cash and cash equivalents, trade and other receivables, trade and other payables

The carrying values approximate their fair values because of the short maturity of these items.

ii) Bank borrowings

The carrying amount of bank borrowings approximate their fair values based on the borrowing rates currently available for bank borrowings with similar terms and maturities.

iii) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments;
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data; and



35. 財務風險管理目標及政策 (續)

e) 公平值 (續)

iii) 按公平值列賬之金融工具 (續)

- 第3級 (最低等級) : 利用任何重要輸入數據並非基於可觀察市場數據之估值技術計量公平值。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Fair value (Continued)

iii) Financial instruments carried at fair value (Continued)

- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

本集團及本公司

The Group and the Company

第1級	第2級	第3級	總計
Level 1	Level 2	Level 3	Total
千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000

資產

Assets

可供出售權益  
證券

Available-for-sales  
equity securities

14,240	–	–	14,240
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年內，第2級及第3級並無任何金融工具。

During the year there were no financial instruments in Level 2 and Level 3.

f) 估計公平值

下文概述用於估計金融工具公平值之主要方法和假設。

f) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

證券

公平值乃根據申報期間結算日之市場報價釐定，且並無就交易成本作任何扣減。

Securities

Fair value is based on quoted market prices at the end of the reporting period without any deduction for transactions costs.

# 財務概要

## FINANCIAL SUMMARY

		截至十二月三十一日止年度 For the year ended 31 December				
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
營業額	Turnover	<b>1,319,504</b>	1,211,683	1,364,890	1,385,345	1,031,082
銷售成本	Cost of sales	<b>(1,031,430)</b>	(980,246)	(1,015,603)	(931,232)	(732,577)
毛利	Gross profit	<b>288,074</b>	231,437	349,287	454,113	298,505
除稅前溢利／ (虧損)	Profit/(loss) before taxation	<b>177,719</b>	144,342	(118,551)	396,134	274,075
所得稅	Income tax	<b>(38,678)</b>	(59,659)	(53,856)	(97,054)	(62,384)
本年度溢利／ (虧損)	Profit/(loss) for the year	<b>139,041</b>	84,683	(172,407)	299,080	211,691
應佔：	Attributable to:					
本公司擁有人	Owners of the Company	<b>133,359</b>	84,593	(170,972)	295,045	209,255
非控股權益	Non-controlling interests	<b>5,682</b>	90	(1,435)	4,035	2,436
		<b>139,041</b>	84,683	(172,407)	299,080	211,691
		於十二月三十一日 As at 31 December				
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
流動資產	Current assets	<b>2,324,787</b>	1,866,841	1,713,801	1,536,144	1,384,641
非流動資產	Non-current assets	<b>1,442,025</b>	1,372,740	1,500,535	1,262,120	1,080,770
資產總值	Total assets	<b>3,766,812</b>	3,239,581	3,214,336	2,798,264	2,465,411
流動負債	Current liabilities	<b>230,917</b>	257,959	479,470	248,340	227,454
非流動負債	Non-current liabilities	<b>94,960</b>	233,503	261,337	-	-
負債總值	Total liabilities	<b>325,877</b>	491,462	740,807	248,340	227,454
資產淨值	Net assets	<b>3,440,935</b>	2,748,119	2,473,529	2,549,924	2,237,957
股本	Share capital	<b>167,194</b>	155,114	142,114	142,114	142,114
儲備	Reserves	<b>3,237,179</b>	2,563,706	2,302,253	2,379,578	2,074,519
本公司擁有人 應佔權益	Equity attributable to owners of the Company	<b>3,404,373</b>	2,718,820	2,444,367	2,521,692	2,216,633
非控股權益	Non-controlling interests	<b>36,562</b>	29,299	29,162	28,232	21,324
權益總值	Total equity	<b>3,440,935</b>	2,748,119	2,473,529	2,549,924	2,237,957



中國稀土控股有限公司  
China Rare Earth Holdings Limited

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