

# PPacific Powerwell

宏峰太平洋集團有限公司  
Powerwell Pacific Holdings Limited

(a company incorporated in Bermuda with limited liability)

(於百慕達註冊成立的有限公司)

Stock code 股份代號: 8265



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## Corporate Information

### Board of Directors

#### Executive Directors

Mr. LIU Tin Chak, Arnold (*Chairman*)  
Mr. LAM Chi Wai, Peter (*CEO, Hong Kong Operation*)  
Mr. WONG Yu Man, Elias  
Mr. YANG Yijun (*CEO, PRC Operation*)

#### Independent Non-executive Directors

Mr. CHEUNG Chi Man, Dennis  
Professor LUI Tai Lok  
Mr. YIP Kwok Kwan

#### Company Secretary

Mr. CHAN Sun Kwong

#### Compliance Officer

Mr. LIU Tin Chak, Arnold

#### Authorized Representatives

Mr. LAM Chi Wai, Peter  
Mr. LIU Tin Chak, Arnold

#### Audit Committee

Mr. CHEUNG Chi Man, Dennis (*Chairman*)  
Professor LUI Tai Lok  
Mr. YIP Kwok Kwan

#### Remuneration Committee

Mr. YIP Kwok Kwan (*Chairman*)  
Mr. CHEUNG Chi Man, Dennis  
Professor LUI Tai Lok

#### Auditor

BDO Limited  
*Certified Public Accountants*

#### Compliance Advisor

CIMB Securities (HK) Limited

#### Principal Bankers

Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## 公司資料

### 董事會

#### 執行董事

廖天澤先生(*主席*)  
林志偉先生(*行政總裁, 香港業務*)  
黃汝文先生  
楊一軍先生(*行政總裁, 中國業務*)

#### 獨立非執行董事

張志文先生  
呂大樂教授  
葉國均先生

#### 公司秘書

陳晨光先生

#### 監察主任

廖天澤先生

#### 授權代表

林志偉先生  
廖天澤先生

#### 審核委員會

張志文先生(*主席*)  
呂大樂教授  
葉國均先生

#### 薪酬委員會

葉國均先生(*主席*)  
張志文先生  
呂大樂教授

#### 核數師

香港立信德豪會計師事務所有限公司  
*執業會計師*

#### 合規顧問

聯昌國際證券(香港)有限公司

#### 主要往來銀行

恒生銀行有限公司  
渣打銀行(香港)有限公司

# PP Pacific Powerwell

**Registered Office**

Clarendon House, 2 Church Street  
Hamilton HM 11 Bermuda

**Headquarter and Place of Business**

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131 Wo Yi Hop Road  
Kwai Chung, New Territories  
Hong Kong

**Principal Share Registrar and Transfer Office**

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM 08 Bermuda

**Hong Kong Branch Share Registrar and Transfer Office**

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

**Stock Code**

8265

**Company Website**

[www.hklistco.com/8265](http://www.hklistco.com/8265)

**註冊辦事處**

Clarendon House, 2 Church Street  
Hamilton HM 11 Bermuda

**總辦事處及營業地點**

香港  
新界葵涌  
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恆利中心 19 樓

**股份過戶登記總處及轉讓辦事處**

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM 08 Bermuda

**香港股份過戶登記分處及轉讓辦事處**

卓佳證券登記有限公司  
香港灣仔  
皇后大道東 28 號  
金鐘滙中心 26 樓

**股份代號**

8265

**公司網站**

[www.hklistco.com/8265](http://www.hklistco.com/8265)

## Chairman's Statement

On behalf of the board of directors (the "Board") of Powerwell Pacific Holdings Limited (the "Company"), I am pleased to present the first annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 December 2010.

The year 2010 has been a particular meaningful and eventful one for the Group. The Group had during the year acquired two famous PRC watch brands, Tianba and Harpo, and established assembly line and distribution networks for these brands of watches in the PRC. The Group also saw remarkable improvement and attained record high revenue in its provision of sourcing and procurement solutions business (the "Sourcing Business") as the United States of America ("USA"/"US") and European countries, where our major customers have notable presence, recovered from the economic downfall brought on by the year 2008 credit crisis. Straddling on the benefits from both the export and domestic demands on its Sourcing Business and design, manufacture and sale of the Tianba and Harpo brands of watches business in the PRC (the "PRC Watch Business") respectively, the Company had in December 2010 announced plan for listing on the Growth Enterprise Market of the Stock Exchange to facilitate its development in the two business segments. The listing has been successfully completed on 26 January 2011.

The listing of the Company is an important strategic move for the Group's development. The enhanced public accountability, information transparency and corporate governance generally associated with a listed company would boost up customers' confidence in the Group's services, products and reliability overall and be helpful in broadening our customer base for sourcing business. The same attributes are of equal importance for the Group's effort in revitalizing and elevating the brand equity of Tianba and Harpo watches that it acquired in 2010. Heightened market awareness of our Group and brands provides more effective and efficient market penetration and consumer reach at locations with established outlets and are also beneficial to the expansion of its watch distribution network in the PRC. The funding brought in by the listing also provides the Group with firmer financial support for its development.

## 主席報告

本人欣然代表宏峰太平洋集團有限公司(「本公司」)董事會(「董事會」)呈報本公司及其附屬公司(統稱「本集團」)截至2010年12月31日止財政年度的首份年報。

本集團在2010年經歷了多項重要發展里程碑，意義尤其深遠。年內，本集團不單成功收購天霸及海霸兩個中國著名鐘錶品牌，更在中國為上述鐘錶品牌建立組裝線及分銷網絡。我們的主要客戶在美利堅合眾國(「美國」)及歐洲國家設有一定業務，當地經濟步出2008年信貸危機的陰霾後，本集團的提供貨源搜尋及採購解決方案業務(「貨源搜尋業務」)表現亦顯著改善，收入再創新高。憑藉本集團貨源搜尋業務和中國鐘錶業務於中國設計、製造及銷售天霸及海霸鐘錶品牌業務(「中國鐘錶業務」)的外銷內需優勢，本公司於2010年12月公佈計劃於聯交所創業板上市，促進兩個業務分部的發展，並於2011年1月26日成功上市。

本公司上市實為本集團日後發展的重要策略部署。上市公司必須提升公眾問責性、資料透明度及企業管治，令客戶加倍信賴本集團的服務及產品優質、整體可靠性高，有助擴大貨源搜尋業務的客戶群。此外，本集團致力振興及提高剛於2010年收購的天霸、海霸鐘錶品牌價值，上市令本集團的推廣活動如虎添翼。本集團及品牌的知名度日增，既有效提高現有零售店舖的市場滲透率及擴闊客戶層面，亦有助擴展本集團的中國鐘錶分銷網絡。上市所得的資金更為本集團的未來發展提供強大財政後盾。

In the longer term, the Company going public also provides a foundation for developing alliance with our customers or other operators in the market whose business may synergize with and who share the same business vision as ours, that is, to become the one-stop sourcing solution provider of choice for renowned brands worldwide and a reputable distributor of branded products in the PRC.

In the management discussion and analysis to follow, we will share more details on the performance, financial position and other information of the Group in the year 2010 with shareholders.

Taking this special opportunity, the Board would like to express our sincere gratitude to all our customers, suppliers, business partners, staff members and shareholders for their support for the Group through all the years. We shall persist with best efforts in striving for optimal development for the Group and returns for our shareholders in the times to come.

**Liu Tin Chak, Arnold**  
*Chairman and Executive Director*

Hong Kong, 11 March 2011

長遠而言，本公司上市亦奠定了基礎，使本公司得以透過業務與我們產生協同效應及和我們一樣高瞻遠矚的客戶或其他經營者合作，攜手成為國際知名品牌的一站式優先貨源搜尋解決方案供應商，以及中國品牌產品的頂尖分銷商。

本公司將於下文的管理層討論及分析向股東提供更多有關本集團於2010年的業績、財務狀況及其他資料。

董事會謹藉此特別機會，向我們的所有客戶、供應商、業務夥伴、員工及股東多年來對本集團的支持致以衷心謝意。我們將全力以赴，令本集團業務更上一層樓，回饋各股東。

主席兼執行董事  
廖天澤

香港，2011年3月11日

## Management Discussion and Analysis

During the financial year ended 31 December 2010 (the “Year”), the Group is principally engaged in the Sourcing Business to our customers who are mainly brand owners and importers in Hong Kong and foreign countries. The products we sourced included watches, costume jewelries, and display and packaging products. The Group ventured into a new business segment, the PRC Watch Business, during the Year. In this connection, the Group acquired Shenzhen Tianhaiba Watches Company Limited 深圳天海霸鐘錶有限公司 (the “Tianhaiba”) at a cash consideration of Renminbi (“RMB”) 1.0 million on 1 February 2010 to carry out this business.

### Milestones

The Group went through a number of milestone events in its development during the Year.

We acquired two classic and iconic PRC watch brands, namely Tianba and Harpo, during the Year. These brands were among the few and earliest consumer lifestyle products launched in the PRC in the early 1980s following the opening up and modernization of the PRC economy at the time. Leveraging on our product design and development expertise, the Group is determined to revitalize the brands and build up a distinctive distribution network for branded goods in the PRC.

Benefiting from the economic recovery worldwide after the crash brought on by the year 2008 credit crisis, particularly in the US and European countries, the Group recorded a remarkable business turnaround from 2009. Despite the profitability of Sourcing Business lags behind following rebound of revenue, we believe it is a natural process in market adjustment and are confident in overcoming the downtrend by strengthening our product offerings, cross-selling our products and broadening our client base.

We conceived that a sound and solid corporate framework and financial foundation are essential for the Group’s development in both the PRC Watch Business and Sourcing Businesses outlined earlier and the Company announced its plan to list on the Growth Enterprise Market of the Stock Exchange by a prospectus issued on 29 December 2010 (the “Prospectus”). The listing was successfully completed on 26 January 2011 by placing of shares of the Company (the “Listing”).

## 管理層討論及分析

於截至2010年12月31日止財政年度(「本年度」)，本集團主要從事為客戶(以香港及海外品牌擁有人及進口商為主)提供貨源搜尋的業務。我們所搜尋的產品包括鐘錶、人造珠寶及陳列包裝品。本集團於本年度投入新業務分部中國鐘錶業務。就此，本集團於2010年2月1日以現金代價人民幣(「人民幣」)1.0百萬元收購深圳天海霸鐘錶有限公司(「天海霸」)以進行此業務。

### 里程碑

本集團於本年度經歷了多項重要發展里程碑。

我們於本年度收購了兩個極具代表性的經典鐘錶品牌——天霸及海霸。1980年代初中國經濟改革開放現代化後，這些品牌於中國面世，是當時少數最早期的生活消費品。本集團決意利用我們的產品設計開發專長振興品牌，於中國建立品牌產品獨有的分銷網絡。

全球步出2008年信貸危機的陰霾，尤其是受惠於歐美國家的經濟復蘇，本集團的業務較2009年明顯好轉。儘管貨源搜尋業務的盈利能力落後於收入回升速度，惟我們相信此乃市場調整的必經階段，深信透過加強產品種類、交叉銷售產品及擴闊客戶基礎，定能克服劣勢。

我們認為，完善穩健的企業架構及財政基礎對上述本集團的中國鐘錶及貨源搜尋業務發展相當重要，而本公司已透過於2010年12月29日刊發之招股章程(「招股章程」)公佈其計劃於聯交所創業板上市。本公司透過配售其股份，成功於2011年1月26日上市(「上市」)。



## Summary of Financial Information

## 財務資料概要

		Year ended 31 December 截至12月31日止年度		
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Revenue	收入	208,195	164,511	199,128
Profit before income tax	除所得稅前溢利	11,751	20,795	13,611
Basic earnings per share (HK cents)	每股基本盈利(港仙)	7.0	15.3	9.7

		As at 31 December 於12月31日		
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Total assets	總資產	102,419	59,504	70,508
Total liabilities	總負債	(72,042)	(22,689)	(32,820)
Net assets	資產淨值	30,377	36,815	37,688

## Financial Review

### Revenue

The Group's revenue for the Year amounted to approximately HK\$208.2 million (2009: approximately HK\$164.5 million) and recorded a year-on-year increase of approximately HK\$43.7 million or 26.6% from the year ended 31 December 2009 (the "Previous Year"). The revenue derived from the Sourcing Business increased by approximately HK\$35.8 million to approximately HK\$200.3 million (2009: approximately HK\$164.5 million) while the new PRC Watch Business brought in additional revenue of approximately HK\$7.9 million for the Year.

## 財務回顧

### 收入

本集團於本年度的收入約達208.2百萬港元(2009年:約164.5百萬港元),由截至2009年12月31日止年度(「上一年度」)錄得年增長約43.7百萬港元或26.6%。來自貨源搜尋業務的收入增加約35.8百萬港元至約200.3百萬港元(2009年:約164.5百萬港元),而新中國鐘錶業務則於本年度帶來約7.9百萬港元的額外收入。

Benefiting from economic recovery worldwide after the crash brought on by the year 2008 credit crisis, particularly in the US and European countries where our largest customer operates in, revenue from watches sourcing grew by HK\$34.2 million to approximately HK\$106.0 million (2009: approximately HK\$71.8 million). Similarly, our costume jewelries sourcing revenue increased by HK\$3.5 million to approximately HK\$23.0 million (2009: approximately HK\$19.5 million) as economy recovered.

During the Year, display and packaging products sourcing revenue was approximately HK\$71.3 million, a decrease of approximately HK\$1.9 million or 2.6% from approximately HK\$73.2 million in the Previous Year, and hinged on the brand imaging and product promotion plan of our second largest customer. We believe our customer devoted additional resources in marketing their products during the harsh economic times in the Previous Year and accordingly placed a higher amount of display and packaging products with us.

#### Cost of sales and gross profit

Cost of sales of the Group increased by approximately 27.4% from HK\$125.9 million for the Previous Year to approximately HK\$160.4 million for the Year.

The overall gross profit of the Group increased from approximately HK\$38.6 million in 2009 to approximately HK\$47.8 million in 2010, representing an increase of 23.8%. The gross profit of the Sourcing Business rose by approximately HK\$5.2 million to approximately HK\$43.8 million (2009: approximately HK\$38.6 million), and gross profit margin of the Sourcing Business was 21.9%, slightly decrease from 23.5% of the Previous Year, primarily due to increase in cost of raw materials resulting from the increase in purchase prices charged by our contracted manufacturers. The PRC Watch Business, which we started to engage during the Year, contributed additional gross profit of approximately HK\$4.0 million with gross profit margin of 51.5% to the Group.

全球步出2008年信貸危機的陰霾，尤其是受惠於我們的主要客戶經營所在歐美國家的經濟復蘇，鐘錶貨源搜尋收入增長34.2百萬港元至約106.0百萬港元(2009年：約71.8百萬港元)。由於經濟復蘇，我們的人造珠寶貨源搜尋收入亦增加3.5百萬港元至約23.0百萬港元(2009年：約19.5百萬港元)。

年內，陳列包裝品貨源搜尋收入由上一年度約73.2百萬港元減少約1.9百萬港元或2.6%至約71.3百萬港元，與品牌形象及第二大客戶的產品宣傳計劃息息相關。我們相信，客戶在上一年度的經濟困境下投放了更多資源推廣產品，因此向我們訂購了更多陳列包裝品。

#### 銷售成本及毛利

本集團的銷售成本由上一年度的125.9百萬港元上升約27.4%至本年度約160.4百萬港元。

本集團的整體毛利由2009年約38.6百萬港元增加至2010年約47.8百萬港元，增幅為23.8%。貨源搜尋業務毛利增加約5.2百萬港元至約43.8百萬港元(2009年：約38.6百萬港元)，而貨源搜尋業務的毛利率為21.9%，較上一年度微跌23.5%，乃主要由於合約生產商所收取的買價增加引致的原材成本上漲。於本年度開展的中國鐘錶業務則為本集團帶來額外毛利約4.0百萬港元，毛利率為51.5%。

## Expenses

Selling and distribution costs for the Year increased by approximately HK\$7.2 million which was mainly as a result of advertising expenses relating to television advertisement and employee benefit expenses incurred for the PRC Watch Business.

Administrative and other operating expenses for the Year were approximately HK\$27.0 million (2009: approximately HK\$17.9 million), an increase of approximately HK\$9.1 million from the Previous Year, primarily due to the increase in employee benefit expenses and listing expenses for the Listing.

## Profit attributable to owners of the Company

The profit attributable to owners of the Company decreased by approximately 54.2% from approximately HK\$16.5 million for the Previous Year to approximately HK\$7.6 million for the Year.

## Liquidity, Financial Resources and Capital Structure

The Group generally finances its daily operations from internally generated cash flows. As at 31 December 2010, the Group had bank balances and cash of approximately HK\$28.3 million (2009: approximately HK\$15.2 million) and did not have any borrowing (2009: approximately HK\$0.7 million). The gearing ratio representing the ratio of total borrowings to the total assets of the Group was 1.1% as at 31 December 2009. Taking into account the cash reserves and recurring cash flows from its core business, the Group's financial position is healthy, positioning the Group advantageously to expand its core business and to achieve its business objectives.

## Charges on Assets

As at 31 December 2010, the Group did not have any charges on its assets.

## Foreign Exchange Exposure

The Group's transactions are mainly denominated in United States dollars ("US\$"), Hong Kong dollars and RMB. Therefore, the Group is exposed to foreign currency exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider hedging the foreign exchange exposure if it is significant to the Group.

## 開支

本年度的銷售及分銷成本增加約7.2百萬港元，乃主要由於中國鐘錶業務產生電視廣告及僱員福利開支所致。

本年度的行政及其他經營開支為約27.0百萬港元(2009年：約17.9百萬港元)，較上一年度增加約9.1百萬港元，乃主要由於僱員福利開支增加及上市的上市開支所致。

## 本公司擁有人應佔溢利

本公司擁有人應佔溢利由上一年度約16.5百萬港元減少約54.2%至本年度約7.6百萬港元。

## 流動資金、財務資源及資本架構

本集團一般以內部產生的現金流量為其日常業務提供資金。於2010年12月31日，本集團的銀行結餘及現金約為28.3百萬港元(2009年：約15.2百萬港元)及並無任何借貸(2009年：約0.7百萬港元)。於2009年12月31日，本集團的負債比率(即總借貸對總資產的比率)為1.1%。經考慮現金儲備及來自其核心業務的經常性現金流量，本集團的財務狀況健全，讓本集團具備有利條件可擴充其核心業務並達成其業務目標。

## 資產抵押

於2010年12月31日，本集團並無任何資產抵押。

## 外匯風險

本集團的交易主要以美元(「美元」)、港元及人民幣計值。因此，本集團承受外匯風險。本集團現時並無實行任何外幣對沖政策。然而，管理層持續監察所承受的外匯風險，並將於外匯風險對本集團有重大影響時進行對沖。

### Contingent Liabilities and Capital Commitment

As at 31 December 2010, the Group did not have any material contingent liabilities or capital commitment.

### Significant Investments held, Material Acquisitions and Disposals of subsidiaries, and Future Plans for Material Investments or Capital Assets

Save for those disclosed in this report, there were no significant investments held as at 31 December 2010, nor were there material acquisitions and disposals of subsidiaries during the Year. There is no plan for material investments or capital assets as at the date of this report.

### Dividends

The Directors declared a final dividend of HK2.0 cents per share for the Year payable on or about 25 May 2011, Wednesday to shareholders whose name appear on the register of members of the Company as at the close of business on 3 May 2011, Tuesday.

### Employees and Remuneration Policies

The Group had approximately 247 (2009: 45) employees as at the end of the Year, comprised of 50 employed in Hong Kong and 197 in the PRC. The total staff costs for the Year, including directors' remuneration, amounted to HK\$17.7 million (2009: HK\$12.0 million). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee.

We recognise the importance of a good relationship with our employees. The remuneration payable to our employees includes salaries and allowances. Other benefits include training, discretionary bonus and share option scheme.

### Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Prospectus for the period from 21 December 2010, being the latest practicable date as defined in the Prospectus ("LPD") to 30 June 2011 (the "Review Period") with the Group's actual business progress up to 31 December 2010 is set out below:

### 或然負債及資本承擔

於2010年12月31日，本集團並無任何重大或然負債或資本承擔。

### 所持重大投資、附屬公司的重大收購及出售以及未來重大投資或資本資產計劃

除本報告所披露者外，於2010年12月31日並無持有重大資產，年內亦無附屬公司的重大收購及出售。於本報告日期，並無有關重大投資或資本資產的具體計劃。

### 股息

董事宣佈向於2011年5月3日(星期二)營業時間結束時名列本公司股東名冊的股東派付本年度之末期股息每股2.0港仙，末期股息於2011年5月25日(星期三)或前後支付。

### 僱員及薪酬政策

於本年度年終時，本集團約有247名(2009年：45名)僱員，包括50名香港僱員及197名中國僱員。本年度的總員工成本(包括董事酬金)為17.7百萬港元(2009年：12.0百萬港元)。本集團的薪酬政策符合現行市場慣例，並根據個別僱員的表現、資歷及經驗而釐定。

我們明白與僱員建立良好關係的重要性。應付僱員的薪酬包括薪金及津貼。其他福利包括培訓、酌情花紅及購股權計劃。

### 業務目標與實際業務進展的比較

招股章程所載2010年12月21日(即招股章程所界定的最後實際可行日期(「最後可行日期」))至2011年6月30日期間(「審閱期」)的業務目標與本集團截至2010年12月31日止的實際業務進展的比較分析載列如下：

Business objectives for the Review Period	Actual business progress up to 31 December 2010	審閱期的業務目標	截至2010年12月31日止的實際業務進展
<b>Sourcing Business</b>		<b>貨源搜尋業務</b>	
Strengthen our current Sourcing Business capabilities	Regular email contacts and visits have been arranged in due course by the sales team to strengthen the networking with existing customers.	壯大現有的貨源搜尋業務實力	我們已經安排銷售團隊定期通過電子郵件聯絡客戶並拜訪客戶，以鞏固銷售網絡。
	Continue to develop design on new product series.		我們繼續開發設計新產品系列。
	The Group's websites were updated regularly with the latest information.		我們定期更新本集團網站，發佈最新資訊。
Cross-selling of our products and broadening our client bases	We have registered to attend Hong Kong International Jewellery Show 2011, Hong Kong Gifts & Premium Fair, and Basel World 2011.	進行產品交叉銷售，擴闊客戶基礎	我們已經登記參加香港國際珠寶展2011、香港禮品及贈品展及Basel World 2011。
	Evaluation on current product range and mix is carrying out.		我們正評估現有產品種類及組合。
Enhancing our level of inventory	Evaluated the level of plastic raw materials and watch movements.	提高存貨水平	我們已評估塑膠原材及機芯庫存狀況。
<b>PRC Watch Business</b>		<b>中國鐘錶業務</b>	
Expanding our PRC Watch Business	Launched new models each month to enrich our product range. Evaluation on current product range and mix is on-going.	擴充中國鐘錶業務	每月推出新型號，以豐富我們的產品種類。我們會持續評估現有產品種類及組合。
	Identified new distribution channels to sell our "Tianba" watches in the bulk purchase market.		我們確認團購市場為銷售我們的「天霸」鐘錶的新分銷渠道。
Enhancing brand equity of Tianba in the PRC	Continue to monitor and evaluate the result of television advertising in China Central Television for the Tianba watch business.	提升天霸於中國的品牌價值	持續監察及評估於中央電視台播放的電視廣告對天霸鐘錶業務的成效。

## Use of Proceeds

The net proceeds from the issue of new shares of the Company under the placing as set out in the Prospectus (the "Placing") were approximately HK\$17.1 million, which was different from the estimated net proceeds of approximately HK\$24.1 million (estimated on the assumption that the placing price would be the mid-point of the stated range as stated in the Prospectus). We intend to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, and approximately HK\$10.0 million, HK\$5.7 million and HK\$1.4 million were adjusted for the corporate expansion of the Group, the expansion of the PRC Watch Business and general working capital respectively for the Review Period. As stated in the Prospectus, we plan to expand the Group's Sourcing Business and PRC Watch Business in the forthcoming future. As at the date of this report, we do not anticipate any change to the plan. During the period between the LPD and 31 December 2010, there was no usage made out of the net proceeds from the Listing. Since the successful Listing, the unused net proceeds have been placed as interest bearing deposits with licensed bank in Hong Kong.

## Outlook

The Group was listed on the GEM of The Stock Exchange on 26 January 2011. The funds raised from the Listing have helped to strengthen a solid foundation for the future development of the Group.

We are cognizant of the uncertainty of global economy. The Group is optimistic and cautiously confident that the economy will show stable growth momentum over the next few years. The Group is committed to provide our customers with a comprehensive sourcing and management solutions, strengthen our product design and development capability, continuous improvement in quality and efficiency management our contracted manufacturers, and delivery of quality and reliable products.

Looking forward, the Group will remain committed to the development of our core business. We intended to refine our distribution network and further develop and manage our presence of sales networks in a systematic way for the PRC Watch Business newly expanded during the Year. We would actively make substantial progress to enhance growth and strive for potential business opportunities to synergize with our existing businesses and product lines.

## 所得款項用途

根據招股章程所載的配售(「配售事項」)而發行本公司新股籌得的所得款項淨額約為17.1百萬港元，有別於估計所得款項淨額約24.1百萬港元(按配售價將為招股章程所述指定範圍的中間價的假設而作出估計)。我們擬以招股章程所列示的相同方式及相同比例調整所得款項用途，以及於審閱期內分別就本集團的公司擴展、中國鐘錶業務的擴展及一般營運資金作出約10.0百萬港元、5.7百萬港元及1.4百萬港元之調整。誠如招股章程所述，我們計劃於不久將來拓展本集團的貨源搜尋業務及中國鐘錶業務。於本報告日期，本集團並不預期該計劃將有任何改變。於最後可行日期至2010年12月31日期間，本集團並無動用上市籌得的所得款項淨額。自成功上市後，未動用的所得款項淨額已存放於香港持牌銀行作計息存款。

## 前景

本集團於2011年1月26日於聯交所創業板上上市。上市籌集的資金已令本集團的根基更加穩固，為本集團的未來發展鋪路。

我們明白全球經濟不明朗。本集團對未來數年經濟穩步增長審慎樂觀。本集團致力為客戶提供全面的貨源搜尋及管理解決方案，加強產品設計及開發能力，不斷提升合約生產商的質量及效率管理，以及交付優質可靠的產品。

展望未來，本集團將繼續努力發展核心業務。我們擬有系統地改善我們的分銷網絡、進一步發展及管理我們於本年度新拓展的中國鐘錶業務銷售網絡。我們將積極邁步向前，加快增長，及爭取潛在與現有業務及生產線產生協同效益的商機。

## Corporate Governance Report

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2010. This report highlights the key corporate governance practices of the Company.

### Corporate Governance Practices

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Company.

The Company adopted the provisions of Appendix 15 Code on Corporate Governance Practices of the GEM Listing Rules as its own code (the "CG Code") effective from 26 January 2011 (the "Listing Date") upon the listing of the Company and had complied with the CG Code since then and up to the date of this report.

### Directors Securities Transactions

The Company adopted the Model Code on terms no less exacting than the required standard of dealings set out in Rule 5.46 to 5.67 of the GEM Listing Rules effective from 26 January 2011 upon the listing of the Company. On specific enquiry made, all the Directors have confirmed compliance with the Model Code since its effective date up to the date of this report.

### Board of Directors

The Board is currently composed of seven Directors, four being executive Directors and three being independent non-executive Directors as set out below.

#### Executive Directors

Mr. Liu Tin Chak, Arnold (*Chairman*)  
 Mr. Lam Chi Wai, Peter (*CEO, Hong Kong Operation*)  
 Mr. Wong Yu Man, Elias  
 Mr. Yang Yijun (*CEO, PRC Operation*)

#### Independent Non-executive Directors

Mr. Cheung Chi Man, Dennis  
 Professor Lui Tai Lok  
 Mr. Yip Kwok Kwan

## 企業管治報告

根據創業板上市規則第 18.44 條，董事會欣然呈報截至 2010 年 12 月 31 日止年度的企業管治報告。本報告羅列本公司的主要企業管治常規。

### 企業管治常規

本集團致力維持高水平的企業管治。董事會認為，加強公眾問責性及企業管治有利於本集團的穩健增長，提升客戶及供應商信心，並保障本公司股東的利益。

本公司由 2011 年 1 月 26 日（「上市日期」）本公司上市起採納創業板上市規則附錄十五企業管治常規守則的條文作為其本身的守則（「企業管治守則」），自此直至本報告日期，本公司一直遵守企業管治守則。

### 董事的證券交易

本公司由 2011 年 1 月 26 日本公司上市起採納標準守則，條款不寬鬆於創業板上市規則第 5.46 至 5.67 條所載的交易必守標準。經向所有董事作出特定查詢後，他們已確認自標準守則生效日期起至本報告日期一直遵守標準守則。

### 董事會

董事會現由七名董事組成，其中四名為執行董事，三名為獨立非執行董事，詳情載列如下。

#### 執行董事

廖天澤先生(*主席*)  
 林志偉先生(*行政總裁，香港業務*)  
 黃汝文先生  
 楊一軍先生(*行政總裁，中國業務*)

#### 獨立非執行董事

張志文先生  
 呂大樂教授  
 葉國均先生

The biographical details of the Directors are set out in the section “Biographical Details of Directors and Senior Management” of this Annual Report.

As identified above, the roles of Board chairman and chief executive officer are segregated and exercised by different individuals in accordance with the CG Code. The chairman leads the Board in making strategic direction, setting objectives and budget, considering major business ventures and investments, financial reporting and upholding internal control. The chief executive officers execute strategies set by the Board and assume daily management of the Group and report back to the Board on a regular basis. The functions of the independent non-executive Directors are primarily to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts at board meetings.

#### **Appointment and Re-election of Directors**

All the Directors, including independent non-executive Directors, are appointed for an initial term of three years and subject to retirement by rotation and eligible for re-election in accordance with the Company's Bye-laws. At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

#### **Confirmation of Independence**

Each of the independent non-executive Directors has made an annual confirmation of independence by reference to Rule 5.09 of the GEM Listing Rules and the Company considers that all the independent non-executive Directors are independent during the Year.

#### **Board Meetings Held and Attendance**

The Company adopted the CG Code effective from the Listing Date which requires regular meeting of the Board be held at least four times a year at approximately quarterly intervals. The CG Code was not applicable for the Year and accordingly no statistics on meetings held and attendance in respect of the Year are provided in this report. Two meetings of the Board were held after the Listing Date and attended by all the members of the Board.

董事的履歷詳情載於本年報「董事及高級管理人員的履歷詳情」一節。

如上文所示，依照企業管治守則，董事會主席與行政總裁的角色分開，並由不同人士擔任。主席領導董事會作出策略性指示、訂立目標及預算、考慮重大業務創投及投資、作出財務申報及維護內部監控。行政總裁執行董事會訂立的策略，負責本集團的日常管理，並定期向董事會報告。獨立非執行董事的職能主要為於董事會會議上就策略、政策、表現、問責性、資源、主要委任及操守標準事宜作出獨立判斷。

#### **董事委任及重選**

所有董事(包括獨立非執行董事)的初步任期為三年，並須根據本公司細則輪值退任及符合資格重選。於各股東週年大會上，不少於三分之一當時在任的董事須退任，而每名董事須最少每三年輪值退任一次。

#### **確認獨立性**

各獨立非執行董事已根據創業板上市規則第5.09條作出年度獨立性確認，本公司認為所有獨立非執行董事於本年度均為獨立人士。

#### **已舉行的董事會會議及出席情況**

本公司由上市日期起採納企業管治守則，規定董事會須每年最少舉行四次定期會議，大約每季舉行一次。企業管治守則並不適用於本年度，故本報告並無提供本年度已舉行會議及出席情況的數據。董事會於上市日期後舉行兩次會議，董事會全體成員均出席會議。



## Remuneration Committee

The Company established a remuneration committee (“Remuneration Committee”) on 22 December 2010 with written terms of reference effective from the Listing Date. The Remuneration Committee is currently composed of the three independent non-executive Directors and chaired by Mr. Yip Kwok Kwan. The primary duties of the Remuneration Committee are to make recommendations to the Board on the remuneration of Directors and determine on behalf of the Board specific employment terms and conditions of Directors. The terms of reference of the Remuneration Committee are in conformity with the requirements of the CG Code.

The Remuneration Committee did not hold any meeting during the Year before the Company was listed. One meeting of the Remuneration Committee was held after the Listing Date to review the remuneration package of the Directors and senior management. All members of the Remuneration Committee attended the meeting.

## Audit Committee

The Company established an audit committee (“Audit Committee”) on 22 December 2010 with written terms of reference that are in conformity of the requirements of the CG Code. The Audit Committee is currently composed of the three independent non-executive Directors and chaired by Mr. Cheung Chi Man, Dennis, who has appropriate professional qualifications and experience as required by the GEM Listing Rules. The primary duties of the Audit Committee include the following:

- (a) monitor and ensure a proper relationship with the Company's auditor;
- (b) review of the Group's quarterly, interim and annual reports and compliance with accounting standards, the GEM Listing Rules, and legal requirements before submission to the Board; and
- (c) oversight of the Company's financial reporting process and internal control system.

The Audit Committee has reviewed the audited financial statements of the Group for the Year and recommended approval to the Board.

## 薪酬委員會

本公司於2010年12月22日設立薪酬委員會（「薪酬委員會」），並已制定書面職權範圍，由上市日期起生效。薪酬委員會現由三名獨立非執行董事組成，並由葉國均先生擔任主席。薪酬委員會的主要職責為就董事的薪酬向董事會提供推薦建議，並代表董事會釐定董事的具體僱用條款及條件。薪酬委員會的職權範圍符合企業管治守則的規定。

薪酬委員會於本年度在本公司上市前並無舉行任何會議。薪酬委員會於上市日期後舉行一次會議，以檢討董事及高級管理人員的薪酬待遇。薪酬委員會全體成員均出席會議。

## 審核委員會

本公司於2010年12月22日設立審核委員會（「審核委員會」），並已制定符合企業管治守則規定的書面職權範圍。審核委員會現由三名獨立非執行董事組成，張志文先生擔任主席，他具備創業板上市規則規定的適當專業資格及經驗。審核委員會的主要職責包括以下各項：

- (a) 監察並確保與本公司核數師的關係恰當；
- (b) 於提交董事會前審閱本集團的季度、中期及年度報告，以及遵守會計準則、創業板上市規則及法律規定的情況；及
- (c) 監督本公司的財務申報程序及內部監控系統。

審核委員會已審閱本集團的本年度經審核財務報表，並推薦董事會批准。

The Audit Committee did not come into effect until the Listing Date and accordingly no meetings had been held during the Year. One meeting of the Audit Committee was held after the Listing Date to review the final results and financial statements of the Group for the Year, and the 2010 Annual Report of the Company.

### Nomination of Directors

The Company has not established a nomination committee. The Board is empowered under the Company's Bye-Laws to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are based on the assessment of their professional qualifications, experience, and integrity.

### Internal Control

The Board acknowledges that it is overall responsibility for maintaining an adequate and effective internal control system of the Group. The Group's internal control system includes a well defined management structure with limits of authority which is designed for the achievement of business objectives, to safeguard the Group's assets against unauthorized use and disposition, to ensure compliance with relevant legislation and regulations, and to protect the interests of shareholders of the Company.

With the view of enhancing the Group's internal control system, prior to listing, the Company has appointed Lau & Au Yeung C.P.A. Limited, an independent internal control advisor, to assist the management in assessing the Group's internal control systems and recommending actions to improve our internal controls.

The Group's external auditors, BDO Limited, contribute an independent perspective on relevant internal controls arising from the audit and report findings to the Audit Committee.

### Auditor's Remuneration

During the year, the Group was charged HK\$970,000 for auditing services and HK\$1,500,000 for non-auditing services by the Company's auditor, BDO Limited.

### Financial Reporting

The Directors acknowledge their responsibility for preparation of the Group's financial statements to give a true and fair view. The responsibilities of auditors in respect of the financial statements are set out in the report of the auditors forming part of this Annual Report.

審核委員會於上市日期前尚未成立，故於本年度並無舉行任何會議。審核委員會於上市日期後舉行一次會議，以審閱本集團本年度的末期業績及財務報表，以及本公司2010年年報。

### 董事提名

本公司並無設立提名委員會。根據本公司細則，董事會獲授權可委任任何人士為董事，以填補臨時空缺或作為董事會新增成員。合資格候選人將提議董事會考慮，而甄選準則乃根據他們的專業資格、經驗及誠信而定。

### 內部監控

董事會知悉其須全面負責維持本集團足夠而有效的內部監控系統。本集團的內部監控系統包括一個權限分明的管理架構以達成業務目標、保障本集團資產不會被未經授權使用及處置、確保遵守相關法例及法規，以及保障本公司股東的利益。

為提升本集團的內部監控系統，本公司已於上市前委任獨立內部監控顧問劉歐陽會計師事務所有限公司協助管理層評核本集團的內部監控系統，以及建議應採取以加強我們的內部監控的行動。

本集團的外聘核數師香港立信德豪會計師事務所有限公司對審核產生的相關內部監控得出獨立觀點，並向審核委員會報告結果。

### 核數師酬金

於本年度，本集團就本公司核數師香港立信德豪會計師事務所有限公司提供的審核服務及非審核服務分別支付970,000港元及1,500,000港元。

### 財務申報

董事知悉他們須負責編製本集團的財務報表，以真實及公平地反映業務狀況。核數師有關財務報表的責任載於本年報的核數師報告內。

## Biographical Details of Directors and Senior Management

### Directors

#### Executive Directors

**Liu Tin Chak, Arnold** (廖天澤), aged 58, is an executive Director and the Chairman of the Board appointed on 9 July 2010. He is also the compliance officer of our Company appointed on 22 December 2010. He founded and joined the Group in 1995 and is a director of all of our subsidiaries except Shenzhen Tianhaiba Watches Company Limited ("Tianhaiba"). He is responsible for finance and the overall management of our Group. He obtained a Master Degree in Business Administration from Macau University of Science and Technology in 2002. Mr. Liu had over 16 years' corporate banking experience with a major international bank. He was a director and the vice chairman of Watary International Holdings Limited and was a director and then a general manager of a subsidiary of United Power Investment Limited. His experience with banking and electronic and watch manufacturing is invaluable for the management and development of the Group.

**Lam Chi Wai, Peter** (林志偉), aged 51, is an executive Director appointed on 9 July 2010. He is also known as Lam Chi Wai Michael. He founded the Group in 1995 and is now the Group's Chief Executive Officer — Hong Kong Operation and a director of all of our subsidiaries except Tianhaiba. He is responsible for the overall sales and marketing of our Group. Mr. Lam started to be involved in the timepiece industry in 1989 as project manager with a watch company before founding the Group and has accumulated over 15 years of experience in sales and marketing since then. Mr. Lam graduated with a diploma in Business Administration from Hong Kong Shue Yan College (now Hong Kong Shue Yan University) in 1986. He is currently an affiliate member of the Chartered Institute of Marketing.

**Wong Yu Man, Elias** (黃汝文), aged 45, is an executive Director appointed on 9 July 2010. He founded the Group in 1995 and is a director of three subsidiaries companies of the Company. He is responsible for the overall design and development of watch, jewelry and display and packaging products of our Group. Mr. Wong has accumulated over 20 years of experience in product design and development. He started to be involved in the timepiece industry in 1984 and has since worked for a number of companies in watch business where his responsibilities ranged from producing technical drawings and designing watch appearances to overall watch product design and development. He then founded our Group in 1995. Mr. Wong attained a Certificate in Design (Jewelry) in Lee Wai Lee Technical Institute (now known as Hong Kong Institute of Vocational Education (Lee Wai Lee)) in 1990.

## 董事及高級管理人員的履歷詳情

### 董事

#### 執行董事

**廖天澤**，58歲，於2010年7月9日獲委任為執行董事兼董事會主席，並於2010年12月22日獲委任為本公司的監察主任。他於1995年創辦及加入本集團，亦為我們各附屬公司（深圳市天海霸鐘錶有限公司（「天海霸」）除外）的董事，負責本集團的財務及整體管理工作。他於2002年取得澳門科技大學工商管理碩士學位。廖先生於一間大型國際銀行累積逾16年企業銀行經驗。他曾擔任Watary International Holdings Limited的董事及副主席，並先後擔任友力投資（控股）有限公司的附屬公司的董事及總經理。他於銀行、電子及鐘錶製造的經驗對本集團的管理及發展相當重要。

**林志偉**，51歲，於2010年7月9日獲委任為執行董事。他於1995年創辦本集團，現為本集團的香港業務行政總裁及我們各附屬公司（天海霸除外）的董事，負責本集團的整體銷售及市場推廣工作。林先生於1989年投身時計行業，於創辦本集團前加入一間鐘錶公司擔任項目經理，自此積逾15年銷售及市場推廣經驗。林先生在1986年於香港樹仁學院（現稱香港樹仁大學）工商管理文憑畢業，現為英國特許市務學會附屬會員。

**黃汝文**，45歲，於2010年7月9日獲委任為執行董事。他於1995年創辦本集團，亦為本公司三間附屬公司的董事，負責本集團的整體鐘錶、珠寶及陳列包裝品設計及開發工作。黃先生累積逾20年產品設計及開發經驗。他於1984年投身時計行業，自此曾任職多間從事鐘錶業務的公司，負責製作鐘錶技術繪圖、鐘錶外觀設計及整體鐘錶產品設計及開發。他其後於1995年創辦本集團。黃先生於1990年取得李惠利工業學院（現稱香港專業教育學院（李惠利））設計（珠寶）證書。

**Yang Yijun (楊一軍)**, aged 40, is an executive Director appointed on 17 September 2010. He joined our Group in 2010 and is the Group's Chief Executive Officer — PRC Operation and the legal representative of Tianhaiba. He is responsible for the overall management of our PRC watch business, including the supervision of assembly process and the sales and marketing of Tianba and Harpo watches. Mr. Yang was employed as production managers, general manager by various watch companies in Shenzhen during the period from 1989 to 2004. He was the general manager of one of the Group's contract manufacturer for watches, where he was primarily responsible for supervising its overall production process as well as the strategic planning since 2005. He is a standing committee member of the Shenzhen Watch & Clock Association (深圳市鐘錶行業協會).

#### Independent Non-executive Directors

**Cheung Chi Man, Dennis (張志文)**, aged 43, is an independent non-executive Director and he joined the Group in 2010. He is an executive director, the chief financial officer and company secretary of Mongolia Investment Group Limited (stock code 402). Mr. Cheung has over 15 years of experience in accounting and financial management since 1994 serving multi-national corporations and Hong Kong listed companies. He obtained a bachelor degree in mechanical engineering from the University of London in 1990, a master degree in commerce from the University of New South Wales, Australia in 1992 and is a member of the Hong Kong Institute of Certified Public Accountants, Australian Society of Certified Practicing Accountants and the Taxation Institute of Hong Kong. He is the chairman of our audit committee and a member of our remuneration committee.

**Lui Tai Lok (呂大樂)**, aged 52, is an independent non-executive Director and he joined the Group in 2010. He is currently the Associate Dean of Faculty of Social Sciences and a professor at the Sociology Department at the University of Hong Kong. He held various academic posts at the University of Hong Kong, City Polytechnic (now known as the City University of Hong Kong) and the Chinese University of Hong Kong during the period from 1981 to 2009. Professor Lui obtained a doctor of philosophy in sociology from the University of Oxford in 1991, a master degree of philosophy in sociology from the University of Oxford in 1985, a master degree of philosophy in sociology from the University of Hong Kong in 1984 and a bachelor degree in arts from the University of Hong Kong in 1981 respectively. He is a member of our audit committee and remuneration committee.

**楊一軍**，40歲，於2010年9月17日獲委任為執行董事。他於2010年加入本集團，現為本集團的中國業務行政總裁及天海霸的法定代表人，負責我們中國鐘錶業務的整體管理工作，包括監督天霸及海霸鐘錶的組裝工序以及銷售及市場推廣工作。楊先生於1989年至2004年間受僱於多間深圳鐘錶公司，擔任生產部經理及總經理。他為本集團其中一間合約鐘錶生產商的總經理，自2005年起負責監督其整體生產工序及策略性規劃工作。他為深圳市鐘錶行業協會的常務委員會委員。

#### 獨立非執行董事

**張志文**，43歲，獨立非執行董事，並於2010年加入本集團。他為蒙古投資集團有限公司(股份代號：402)的執行董事、財務總監兼公司秘書。張先生擁有逾15年會計及財務管理經驗，自1994年起受聘於多間跨國企業及香港上市公司。他於1990年取得倫敦大學機械工程系學士學位，於1992年獲頒澳洲新南威爾斯大學商業碩士學位，為香港會計師公會、澳洲會計師公會及香港稅務學會會員。他為審核委員會主席兼薪酬委員會成員。

**呂大樂**，52歲，獨立非執行董事，並於2010年加入本集團。他現為香港大學社會科學學院副院長兼社會學系教授。於1981年至2009年間，他於香港大學、城市理工(現稱香港城市大學)及香港中文大學執教。呂教授分別於1991年獲頒牛津大學社會學哲學博士學位，於1985年獲頒牛津大學社會學哲學碩士學位，於1984年獲頒香港大學社會學哲學碩士學位，以及於1981年獲頒香港大學文學士學位。他為審核委員會兼薪酬委員會成員。

**Yip Kwok Kwan (葉國均)**, aged 61, is an independent non-executive Director and he joined the Group in 2010. Mr. Yip has over 30 years of experience in the equity and debt markets in Asia from his employment with various financial institutions and management consultancy firm during the period from 1974 to 2005 where his responsibilities included managing investments in listed equities, bonds, broking operations and overall corporate management. Mr. Yip is currently and has been the chief executive officer of UOB Asia (Hong Kong) Limited where he supervised its operations in sponsorship and lead management, of initial public offerings in Hong Kong, financial advisory services to Hong Kong listed companies, and merger and acquisition activities in the Asian regional market since July 2005. Mr. Yip is also an independent non-executive director of Hop Fung Group Holdings Limited (stock code 2320). He obtained a bachelor's degree in Business Administration (Honours) from the University of Singapore (now National University of Singapore) in 1971. He is the chairman of our remuneration committee and a member of our audit committee.

### Senior Management

**Tam Chiu Ming, Tammy (談昭明)**, aged 45, is the general manager of our Company. She is the spouse of Mr. Tong Wai Kuen, Tony and joined our Group in March 1995. She monitors the administration of our Group. She has extensive working experience in shipping and merchandising from her employment with a number of trading and manufacturing companies during the period from 1983 to 1994 before joining our Group.

**Tong Wai Kuen, Tony (唐偉權)**, aged 48, is the production manager of our Company. He is the spouse of Ms. Tam Chiu Ming, Tammy. He is responsible for overseeing the quality assurance and quality control of our watches since he joined our Group in 1995. He has over 20 years of experience in the watch industry working as production manager for different timepieces manufacturers since 1989 before he joined our Group.

**Cheng Man Wah (鄭文華)**, aged 29, is the financial controller of the Company. He joined our Group in January 2010 and is responsible for our overall financial management. Mr. Cheng graduated from the Hong Kong Polytechnic University with a Bachelor of Arts in Accountancy degree in 2003 and has over 7 years of experience in financial management. He worked for Golden Resources Development International Limited and PricewaterhouseCoopers. He is a member of the Association of Chartered Certified Accountants.

**葉國均**，61歲，獨立非執行董事，並於2010年加入本集團。葉先生擁有逾30年亞洲股票及債務市場經驗，於1974年至2005年間獲多間金融機構及管理顧問公司聘用，負責管理上市股票及債券投資、經紀業務及整體企業管理。葉先生自2005年7月起擔任新加坡大華亞洲(香港)有限公司的行政總裁，負責監督該公司的香港首次公開發售保薦及牽頭經辦業務，為香港上市公司提供財務顧問服務，以及亞洲地區市場的併購活動。葉先生亦為合豐集團控股有限公司(股份代號：2320)的獨立非執行董事。他於1971年獲頒新加坡大學(現稱新加坡國立大學)工商管理(榮譽)學士學位。他為薪酬委員會主席兼審核委員會成員。

### 高級管理人員

**談昭明**，45歲，本公司的總經理，為唐偉權先生的配偶，於1995年3月加入本集團，負責監察本集團的行政管理工作，具備廣泛的船務及採購工作經驗。於加入本集團前，她於1983年至1994年期間任職於多間貿易及製造公司。

**唐偉權**，48歲，本公司的生產部經理，為談昭明女士的配偶，自1995年加入本集團起一直負責管理我們的鐘錶質保質控工作，擁有逾20年鐘錶行業經驗。於加入本集團前，他自1989年起於多間時計製造商擔任生產部經理。

**鄭文華**，29歲，本公司的財務總監，於2010年1月加入本集團，負責我們的整體財務管理工作。鄭先生於2003年香港理工大學畢業，獲頒會計系文學士學位，擁有逾7年財務管理經驗。他曾於金源米業國際有限公司及羅兵咸永道會計師事務所任職。他為英國特許會計師公會會員。

**Lee Ka Ho (李家豪)**, aged 30, is the accounting manager of our Group. He joined our Group in June 2010 and is responsible for overseeing the accounting operations in both Hong Kong and the PRC and consolidated financial reportings of our Group. Mr. Lee is a member of the Association of Chartered Certified Accountants. He has over 6 years of experience in accounting and auditing for Hong Kong listed companies and PRC companies and he worked in an international audit firm prior to joining our Group. Mr. Lee graduated from the Hong Kong Polytechnic University with major in Accounting in 2004.

**Wu Yan (吳岩)**, aged 44, is the sales and marketing chief supervisor of Tianhaiba. She joined Tianhaiba in March 2010 and is responsible for sales and marketing of our watches. Ms. Wu graduated from 天津大學冶金分校 (Tianjin University Ye Jin Branch\*) with a bachelor's degree in engineering in 1989. She has over 10 years of experience in the watch industry. She worked in 宜進利時計(深圳)有限公司 (Yi Jin Li Shi Ji (Shenzhen) Company Limited\*) as supervisor of sales business for 8 years before joining Tianhaiba.

**Huang Guorong (黃國榮)**, aged 44, is the assistant to chief manager (administration/market supervision/examination) of Tianhaiba. He joined Tianhaiba in March 2010 and is responsible for business management of Tianhaiba. He has over 20 years' experience in business management by holding managerial or supervisory positions in 句容市無線電配件廠 (Jurong Wireless Electronic Accessories Factory\*) and 句容市郭莊鎮人民政府 (the People's Government of Guo Zhuang Village, Jurong City\*).

### Company Secretary

**Chan Sun Kwong (陳晨光)**, aged 44, is the company secretary of the Company appointed on 6 December 2010. He has obtained the Diploma of Business Administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990. He has over 20 years of auditing, accounting and company secretarial experience serving various listed companies in Hong Kong since 1992 and from his own certified public accounting practice. He is currently and has been the company secretary and an executive director of Sam Woo Holdings Limited (stock code 2322) since March 2003. He is a fellow member of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators in the United Kingdom, the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

### Compliance Officer

**Mr. Liu Tin Chak, Arnold** is the compliance officer of our Company. For details of his biography, please refer to the paragraph headed "Executive Directors" under this section.

**李家豪**，30歲，本集團的會計部經理，於2010年6月加入本集團，負責管理香港及中國的會計運作及本集團的綜合財務報告。李先生為英國特許會計師公會會員，積逾6年香港上市公司及中國公司的會計及審計經驗，於加入本集團前曾於一家國際核數師行工作。李先生於2004年畢業於香港理工大學，主修會計系。

**吳岩**，44歲，天海霸的銷售及市場推廣部首席監理，於2010年3月加入天海霸，負責我們的鐘錶銷售及市場推廣工作。吳女士於1989年畢業於天津大學冶金分校，獲頒工程系學士學位，擁有逾10年鐘錶行業經驗。於加入天海霸前，她曾於宜進利時計(深圳)有限公司任職銷售業務部監理8年。

**黃國榮**，44歲，天海霸的總經理助理(行政管理/市場監督/檢驗)，於2010年3月加入天海霸，負責天海霸的業務管理工作，曾於句容市無線電配件廠及句容市郭莊鎮人民政府擔任管理或主管職位，積逾20年業務管理經驗。

### 公司秘書

**陳晨光**，44歲，於2010年12月6日獲委任為本公司的公司秘書。他於1990年取得香港樹仁學院(現稱香港樹仁大學)工商管理文憑，擁有逾20年審核、會計及公司秘書經驗。他自1992年起任職於多間香港上市公司，並執業會計事務多年。他自2003年3月起一直擔任三和集團有限公司(股份代號：2322)的公司秘書兼執行董事。他為香港特許秘書公會、英國特許秘書及行政人員公會、英國特許會計師公會及香港會計師公會資深會員。

### 監察主任

**廖天澤先生**為本公司的監察主任。有關他的履歷詳情，請參閱本節「執行董事」一段。

## Directors' Report

The directors ("Directors") of Powerwell Pacific Holdings Limited (the "Company") are pleased to present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively 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 Company's subsidiaries are set out in note 18 to the consolidated financial statements.

### Results and Appropriations

The results of the Group for the year ended 31 December 2010 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 32 to 99.

An interim dividend of approximately HK\$14.3 million was paid during the year. The Directors recommend the payment of a final dividend of HK 2.0 cents per share, totalling HK\$3.0 million, in respect of the year ended 31 December 2010.

### Closure of Register of Members

The register of members of the Company will be closed from 28 April 2011, Thursday to 3 May 2011, Tuesday, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 27 April 2011, Wednesday.

### Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

### Share Capital

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

### Purchase, Sale or Redemption of Listed Securities of The Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

## 董事會報告

宏峰太平洋集團有限公司(「本公司」)董事(「董事」)欣然呈報本公司及其附屬公司(統稱「本集團」)截至2010年12月31日止年度的年報及經審核綜合財務報表。

### 主要業務

本公司的主要業務為投資控股。本公司的附屬公司的主要業務載於綜合財務報表附註18。

### 業績及分派

本集團截至2010年12月31日止年度的業績以及本公司及本集團於該日的財務狀況載於第32至99頁的綜合財務報表。

於年內派付中期股息約14.3百萬港元。董事建議派發截至2010年12月31日止年度的末期股息每股2.0港仙，合共3.0百萬港元。

### 暫停辦理股份過戶登記

本公司的股東名冊將於2011年4月28日(星期四)至2011年5月3日(星期二)(包括首尾兩日)暫停辦理股份過戶登記手續。為符合資格收取末期股息，所有股份過戶文件連同有關股票須於2011年4月27日(星期三)下午4時30分前送交本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

### 物業、廠房及設備

有關本集團物業、廠房及設備於年內的變動詳情載於綜合財務報表附註15。

### 股本

有關本公司股本於年內的變動詳情載於綜合財務報表附註28。

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2010年12月31日止年度概無購買、出售或贖回任何本公司上市證券。

### Distributable Reserves of the Company

At 31 December 2010, the Company's reserves available for cash distribution and/or distribution in specie amounted to approximately HK\$30.3 million, as computed in accordance with the Companies Act 1981 of Bermuda.

### Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in note 29 to the consolidated financial statements.

### Major Customers and Suppliers

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

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合計

Mr. Yang Yijun, an executive Director, has interest in Shenzhen Longgang District Henggang Town Xunlong Metal Processing Factory ("Xunlong Factory"), which is one of the Group's five largest suppliers for the year. Details of transactions with Xunlong Factory are disclosed under the Connected Transactions and Continuing Connected Transactions section of this report.

Save as aforesaid, at no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

### Directors

The Directors of the Company during the year and up to the date of this report were as follows:

#### Executive Directors

Mr. Liu Tin Chak, Arnold	(appointed on 9 July 2010)
Mr. Lam Chi Wai, Peter	(appointed on 9 July 2010)
Mr. Wong Yu Man, Elias	(appointed on 9 July 2010)
Mr. Yang Yijun	(appointed on 17 September 2010)

#### Independent non-executive Directors

Mr. Cheung Chi Man, Dennis	(appointed on 27 September 2010)
Professor Lui Tai Lok	(appointed on 27 September 2010)
Mr. Yip Kwok Kwan	(appointed on 27 September 2010)

In accordance with the Company's Bye-laws, Messrs. Liu Tin Chak, Arnold, Lam Chi Wai, Peter, and Wong Yu Man, Elias retire by rotation and, being eligible, offers themselves for re-election for the forthcoming year.

### 本公司的可供分派儲備

於2010年12月31日，本公司的可供現金分派及／或實物分派儲備金額約為30.3百萬港元，該儲備金額乃根據百慕達1981年公司法計算。

### 儲備

有關本集團及本公司儲備於年內的變動詳情載於綜合財務報表附註29。

### 主要客戶及供應商

本集團的主要客戶及供應商應佔本財政年度銷售及採購的概約百分比如下：

	Sales 銷售	Purchases 採購
The largest customer	50.0%	N/A 不適用
Five largest customers in aggregate	89.1%	N/A 不適用
The largest supplier	N/A 不適用	24.2%
Five largest suppliers in aggregate	N/A 不適用	55.7%

執行董事楊一軍先生於深圳龍崗區橫崗鎮迅隆五金加工廠(「迅隆廠」)擁有權益，該廠為本集團本年度五大供應商之一。有關與迅隆廠的交易詳情，請參閱本報告關連交易及持續關連交易一節。

除前述者外，各董事、他們的聯繫人士或任何據董事所知擁有本公司股本超過5%的本公司股東於年內概無擁有該等主要客戶及供應商的任何權益。

### 董事

於年內及截至本報告日期為止，本公司的董事如下：

#### 執行董事

廖天澤先生	(於2010年7月9日獲委任)
林志偉先生	(於2010年7月9日獲委任)
黃汝文先生	(於2010年7月9日獲委任)
楊一軍先生	(於2010年9月17日獲委任)

#### 獨立非執行董事

張志文先生	(於2010年9月27日獲委任)
呂大樂教授	(於2010年9月27日獲委任)
葉國均先生	(於2010年9月27日獲委任)

根據本公司的細則，廖天澤先生、林志偉先生及黃汝文先生將於來年輪值退任，並符合資格膺選連任。



## Emolument Policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in the section headed "Share Option Scheme" below.

## Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 14 to the consolidated financial statements.

## Directors' Interests in Contracts

Save as disclosed in the section "Connection Transactions and Continuing Connected Transactions" of this report and in note 31 to the financial statements, no contracts of significance to which the Company, its holding company, subsidiaries or any of its fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## Directors' Service Contracts

Each of Mr. Liu Tin Chak, Arnold, Mr. Lam Chi Wai, Peter, Mr. Wong Yu Man, Elias and Mr. Yang Yijun has entered into a service contract with our Company for a term of three years from the Listing Date with monthly remuneration at the rate of HK\$80,000. Under the service contracts, after each completed year of service, they will each be entitled to payment of a sum equal to a month's salary and a discretionary bonus.

Each of Mr. Cheung Chi Man, Dennis, Professor Lui Tai Lok and Mr. Yip Kwok Kwan, the independent non-executive Directors, has entered into a letter of appointment with our Company for an initial term of three years commencing from 27 September 2010 with remuneration of HK\$240,000 per year.

None of the Directors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## 酬金政策

本集團僱員的酬金政策由薪酬委員會按其表現、資歷及能力而訂立。

本公司董事的酬金由薪酬委員會經考慮本公司的經營業績、個人表現及可比較市場統計數據而釐定。

本公司已採納購股權計劃，作為對合資格董事及僱員的獎勵，計劃的詳情載於下文「購股權計劃」一節。

## 董事及五名最高酬金人士的薪酬

有關董事及五名最高酬金人士的薪酬詳情載於綜合財務報表附註14。

## 董事於合約的權益

除本報告「關連交易及持續關連交易」一節及財務報表附註31所披露者外，於年終或年內任何時間，本公司、其控股公司、附屬公司或其任何同系附屬公司概無訂立任何本公司董事直接或間接擁有重大權益的重大合約。

## 董事的服務合約

廖天澤先生、林志偉先生、黃汝文先生及楊一軍先生各自與本公司訂立服務合約，由上市日期起計為期三年，每月酬金為80,000港元。根據服務合約，於每個服務年期完結後，他們將各自獲發放金額相等於月薪的款項及酌情花紅。

獨立非執行董事張志文先生、呂大樂教授及葉國均先生已各自與本公司訂立委任狀，初步任期由2010年9月27日起計為期三年，每年酬金為240,000港元。

概無董事與本公司訂立於一年內不可免付賠償（法定賠償除外）而終止的服務合約。

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at the date of this report, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange pursuant to the model code for securities transactions by Directors of the Company (the "Model Code"), were as follows:

#### Long positions in shares of the Company

##### (a) Interest in the share of the Company

Director 董事	Capacity/Nature of interest 身份／權益性質
Mr. Liu Tin Chak, Arnold 廖天澤先生	Corporate interest (Note) 公司權益(附註)

Note: These shares are held by an associated corporation Data Champion Limited. Directors' interests in an associated corporation are as disclosed immediately below.

##### (b) Interest in the share of an associated corporation

Name of associated corporation: Data Champion Limited

### 董事及最高行政人員於本公司或任何相聯法團股份、相關股份及債券的權益及淡倉

於本報告日期，按本公司根據證券及期貨條例第352條存置的登記冊所記錄，或按本公司及聯交所根據本公司董事進行證券交易的標準守則(「標準守則」)所獲通知，董事及他們的聯繫人於本公司及其相聯法團的股份、相關股份及債券的權益如下：

#### 於本公司股份的好倉

##### (a) 於本公司股份的權益

Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本的百分比
108,000,000	72.00%

附註：該等股份由相聯法團Data Champion Limited持有。董事於相聯法團的權益於下文披露。

##### (b) 於相聯法團股份的權益

相聯法團名稱：Data Champion Limited

Director 董事	Capacity/Nature of interest 身份／權益性質	Number of shares held 所持股份數目	Percentage of shareholding 持股百分比
Mr. Liu Tin Chak, Arnold 廖天澤先生	Beneficial owner 實益擁有人	952	47.60%
Mr. Lam Chi Wai, Peter 林志偉先生	Beneficial owner 實益擁有人	476	23.80%
Mr. Wong Yu Man, Elias 黃汝文先生	Beneficial owner 實益擁有人	476	23.80%

## Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Since the Scheme has become effective on 22 December 2010, no share options were granted, exercised or cancelled by the Company under the Scheme during the period under review and there were no outstanding share options under the Scheme as at 31 December 2010.

## Arrangements to Purchase Shares or Debentures

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Substantial Shareholders interests in shares

As at the date of this report, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that, other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

### Long positions

#### Ordinary shares of the Company

Name of shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本的百分比
Data Champion Limited	Beneficial owner 實益擁有人	108,000,000	72.00%

## Connected Transactions and Continuing Connected Transactions

During the year, the Company has entered into a number of transactions with the following entities and persons, who will constitute connected persons to the Company upon listing of the Company and hence, the transactions with them will constitute connected and continuing connected transactions.

## 購股權計劃

本公司設立一項購股權計劃(「計劃」)，向為本集團業務成功作出貢獻的合資格參與者提供獎勵及回報。自計劃於2010年12月22日生效後，本公司並無於回顧期內授出、行使或註銷購股權，及於2010年12月31日並無根據計劃尚未行使的購股權。

## 收購股份或債券的安排

於年內任何時間內，本公司、其控股公司或其任何附屬公司或同系附屬公司概無參與任何安排，致令本公司董事可藉購入本公司或任何其他法團的股份或債券而獲得利益。

## 主要股東於股份的權益

於本報告日期，本公司根據證券及期貨條例第336條存置的主要股東登記冊顯示，除上文所披露有關若干董事的權益外，以下股東已通知本公司於本公司的已發行股本中擁有相關權益。

### 好倉

#### 本公司的普通股

Name of shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本的百分比
Data Champion Limited	Beneficial owner 實益擁有人	108,000,000	72.00%

## 關連交易及持續關連交易

本公司已於年內與以下實體及人士(將於本公司上市後構成本公司的關連人士)訂立數項交易，因此，與他們的交易將構成關連及持續關連交易。

Details of the connected transactions and continuing connected transactions for the year are as follows:

#### Continuing connected transactions

**(a) Tenancy agreement between Tianhaiba and Shenzhen Guifeng Watch Company Limited (“Guifeng”)**

On 26 August 2010, Tianhaiba as principal tenant and Guifeng as sub-tenant entered into a tenancy agreement commencing from 1 August 2010 to 31 March 2011 at a monthly rent of RMB11,500 (approximately HK\$13,110) (exclusive of management fee, water, electricity and other outgoings) for use as a factory.

**(b) Outsourcing arrangement with Guifeng**

On 21 December 2010, the Company and Guifeng entered into a master agreement whereby Guifeng agrees to carry out watch assembly work for our Group based on purchase orders placed by our Group from time to time for a term from 21 December 2010 until 31 December 2012.

**(c) Supply arrangement with Xunlong Factory**

On 21 December 2010, the Company and Xunlong Factory entered into a master supply agreement whereby Xunlong Factory agrees to supply watch components including watch cases, stainless steel bands, glass and silver rings to our Group based on purchase orders placed by our Group from time to time for a term from 21 December 2010 until 31 December 2012.

**(d) Supply arrangement with Pohint Industries Limited (“Pohint”)**

On 16 December 2010, the Company and Pohint entered into a master supply agreement whereby Pohint agrees to supply display and packaging products to our Group based on purchase orders placed by our Group from time to time for a term from 16 December 2010 until 30 April 2011. Pohint which will cease to the continuing connected transactions after April 2011.

Details of the above continuing connected transactions are set out in the Prospectus.

於年內的關連交易及持續關連交易詳情如下：

#### 持續關連交易

**(a) 天海霸與深圳市桂峰表業有限公司(「桂峰」)的租賃協議**

於2010年8月26日，天海霸(作為主租客)與桂峰(作為分租客)訂立一份租賃協議，租期由2010年8月1日起至2011年3月31日止，月租人民幣11,500元(約13,110港元)(不包括管理費、水電及其他支出)，作工廠之用。

**(b) 與桂峰的外判安排**

於2010年12月21日，本公司與桂峰訂立一份總協議，據此，桂峰同意按照本集團不時發出的購貨訂單，為本集團進行鐘錶組裝工作，年期由2010年12月21日起至2012年12月31日止。

**(c) 與迅隆廠的供應安排**

於2010年12月21日，本公司與迅隆廠訂立一份總供應協議，據此，迅隆廠同意按照本集團不時發出的購貨訂單，向本集團供應鐘錶部件，包括錶殼、不銹鋼錶帶、玻璃及銀圈，年期由2010年12月21日起至2012年12月31日止。

**(d) 與寶興實業有限公司(「寶興」)的供應安排**

於2010年12月16日，本公司與寶興訂立一份總供應協議，據此，寶興同意按照本集團不時發出的購貨訂單，向本集團供應陳列包裝品，年期由2010年12月16日起至2011年4月30日止。寶興將於2011年4月後不再屬於持續關連交易。

以上持續關連交易的詳情載於招股章程。

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has granted a waiver pursuant to Rule 20.42(3) of the GEM Listing Rules from strict compliance with the announcement and independent shareholders’ approval requirements in relation to the above continuing connected transactions. Subjected to the waiver Conditions as stipulated in paragraph 2 of “Application For Waivers” in the section headed “Connected Transactions and Waiver” in the Prospectus of the Company dated 29 December 2010.

香港聯合交易所有限公司(「聯交所」)已根據創業板上市規則第20.42(3)條就上述持續關連交易授予豁免嚴格遵守公佈及獨立股東批准的規定，惟須符合於2010年12月29日刊發的本公司招股章程「關連交易及豁免」一節「豁免申請」第2段所列明的豁免條件。

### Annual Caps and Actual Figures of Non-Exempted Continuing Connected Transactions of the Company

### 本公司未獲豁免持續關連交易的年度上限及實際數字

Transactions	交易	Annual Caps	Actual
		for the year ended 31 December 2010	Figures for the year ended 31 December 2010
		截至2010年12月31日止年度的年度上限	截至2010年12月31日止年度的實際數字
		HK\$'000	HK\$'000
		千港元	千港元
1. Tenancy agreement between Tianhaiba and Guifeng	天海霸與桂峰的租賃協議	67	67
2. Outsourcing arrangement with Guifeng	與桂峰的外判安排	7,588	6,619
3. Supply arrangement with Xunlong Factory	與迅隆廠的供應安排	22,733	21,403
4. Supply arrangement with Pohint	與寶興的供應安排	49,674	41,757

During the Year, the Group has duly complied with the requirements of Chapter 20 of the GEM Listing Rules.

於本年度內，本集團已妥為遵守創業板上市規則第20章的規定。

The independent non-executive Directors, Cheung Chi Man, Dennis, Lui Tai Lok and Yip Kwok Kwan, have reviewed the above continuing connected transactions and confirmed that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (3) in accordance with the relevant agreement with terms which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In accordance with Rule 20.38 of the GEM Listing Rules, the Board engaged the auditors of the Company to perform certain factual finding procedures on the continuing connected transactions on a sample basis in accordance with Hong Kong Standard on Related Services 4400, "Engagement to Perform Agreed-Upon Procedures Regarding Financial Information" issued by Hong Kong Institute of Certified Public Accountants. The auditors have reported their factual findings for the selected samples based on the agreed procedures to the Board.

The auditor of the Company have confirmed that the continuing connected transactions:

- (1) have been approved by the Board;
- (2) have been entered into in accordance with the terms of the relevant agreements governing the transactions;
- (3) involving the provision of goods or services are in accordance with the pricing policies of the Group; and
- (4) have not exceeded the annual caps for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 29 December 2010.

### Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

獨立非執行董事張志文、呂大樂及葉國均已審閱上述持續關連交易，並確認該等交易：

- (1) 為本公司的一般及日常業務；
- (2) 為正常商業條款，或不遜於本公司向獨立第三方提供或取得(按適用)的條款；及
- (3) 根據相關協議訂立，條款公平合理，並符合本公司股東的整體利益。

根據創業板上市規則第20.38條，董事會委聘本公司核數師根據香港會計師公會頒佈的香港相關服務準則第4400號「對財務信息執行商定程序」，就持續關連交易以抽樣形式進行若干事實性調查程序。核數師已按協定程序就被選取的樣本向董事會匯報其事實性調查結果。

本公司核數師已確認持續關連交易：

- (1) 已獲董事會批准；
- (2) 乃根據有關交易的協議條款進行；
- (3) 涉及提供貨品或服務乃按照本集團的定價政策而進行；及
- (4) 並無超逾本公司於2010年12月29日刊發的招股章程所披露截至2010年12月31日止年度的年度上限。

### 優先購買權

本公司細則或百慕達法例並無載有優先購買權條文規定本公司須按比例向現有股東發售新股。

## Sufficiency of Public Float

Based on the information available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float since its shares became listed on the Growth Enterprise Market of the Stock Exchange on 26 January 2011 and up to the date of this report.

## Directors' interest in a competing business

As at the date of this report, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 13 to 16 of this report.

## Interests of the Compliance Adviser

As notified by the compliance adviser of the Company, CIMB Securities (HK) Limited ("CIMB"), as at 31 December 2010, except for (i) CIMB's participation as one of the joint sponsors and the sole bookrunner in relation to the Listing; and (ii) the compliance adviser agreement entered into between the Company and the CIMB dated 3 December 2010, neither CIMB or its directors, employees or associates had any interest in relation to the Group.

## Subsequent Events

Details of material subsequent events of the Group are set out in note 37 to the consolidated financial statements.

## Auditor

During the Year, Grant Thornton Hong Kong (now known as JBPB & Co.) resigned and BDO Limited was appointed auditor of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

**Liu Tin Chak, Arnold**

*Chairman and Executive Director*

Hong Kong, 11 March 2011

## 足夠公眾持股量

根據本公司所得資料及就董事所知，本公司自其股份於2011年1月26日於聯交所創業板上市起及截至本報告日期一直保持足夠公眾持股量。

## 董事於競爭業務的權益

於本報告日期，概無本公司的董事、管理層股東及他們各自的聯繫人(定義見創業板上市規則)於導致或可能導致與本集團業務有重大競爭的業務中擁有任何權益，而任何有關人士並無與或可能與本集團有任何其他利益衝突。

## 企業管治

本公司採納的主要企業管治常規報告載於本報告第13至16頁。

## 合規顧問的權益

誠如本公司合規顧問聯昌國際證券(香港)有限公司(「聯昌國際」)的告知，於2010年12月31日，除(i)上市項目中擔任其中一位聯席保薦人及獨家帳簿管理人及(ii)於2010年12月3日本公司與聯昌國際訂立的合規顧問協議外，聯昌國際或其董事、僱員或聯繫人概無擁有與本集團有關的任何權益。

## 其後事項

有關本集團重大其後事項的詳情載於綜合財務報表附註37。

## 核數師

年內，均富會計師行(現稱莊栢會計師行)辭任，而香港立信德豪會計師事務所有限公司獲委任為本公司核數師。本公司將於應屆股東週年大會上提呈有關續聘香港立信德豪會計師事務所有限公司為本公司核數師的決議案。

代表董事會

**廖天澤**

*主席兼執行董事*

香港，2011年3月11日

## Independent Auditor's Report

## 獨立核數師報告



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### To the shareholders of Powerwell Pacific Holdings Limited

宏峰太平洋集團有限公司

(incorporated in Bermuda with limited liability)

### 致宏峰太平洋集團有限公司各股東

(於百慕達註冊成立的有限公司)

We have audited the consolidated financial statements of Powerwell Pacific Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 32 to 99, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

我們已審計刊載於第32頁至99頁宏峰太平洋集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，當中包括於2010年12月31日的綜合及貴公司財務狀況表與截至該日止年度的綜合全面收益表、綜合現金流量表及綜合權益變動表，以及主要會計政策概要及其他附註解釋資料。

### 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.

### 董事就綜合財務報表須承擔的責任

貴公司董事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》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以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。

### 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, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照《百慕達1981年公司法》第90條僅向整體股東作出報告，除此之外，本報告別無其他目的。我們概不會就本報告內容向任何其他人士負責或承擔責任。

BDO Limited  
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



### Auditor's Responsibility (Continued)

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

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

### Opinion

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

#### **BDO Limited**

*Certified Public Accountants*

#### **Chiu Wing Cheung Ringo**

Practising Certificate no. P04434

Hong Kong, 11 March 2011

### 核數師的責任(續)

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們須遵守道德規範，以及計劃及進行審計，以合理確定綜合財務報表是否不存有重大錯誤陳述。

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司及貴集團於2010年12月31日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥善編製。

#### 香港立信德豪會計師事務所有限公司

執業會計師

#### 招永祥

執業證書編號 P04434

香港，2011年3月11日

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2010

截至2010年12月31日止年度

		For the year ended 31 December 截至12月31日止年度	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
		Notes 附註	
<b>Revenue</b>	收入	6	
Cost of sales	銷售成本		
<b>Gross profit</b>	毛利		
Other income	其他收入	6	
Selling and distribution costs	銷售及分銷成本		
Administrative expenses	行政開支		
Other operating expenses	其他經營開支		
Finance costs	融資成本	8	
<b>Profit before income tax</b>	除所得稅前溢利	9	
Income tax expense	所得稅開支	10	
<b>Profit for the year</b>	年內溢利		
<b>Other comprehensive income for the year</b>	年內其他全面收益		
— Exchange differences arising on translation of foreign operations	— 換算海外業務產生的匯兌差額		
<b>Total comprehensive income for the year</b>	年內全面收益總額		
<b>Profit for the year attributable to:</b>	年內溢利應佔方：		
Owners of the Company	本公司擁有人	11	
Non-controlling interests	非控制權益		
<b>Total comprehensive income for the year attributable to:</b>	年內全面收益總額應佔方：		
Owners of the Company	本公司擁有人		
Non-controlling interests	非控制權益		
<b>Earnings per share for profit attributable to owners of the Company — Basic</b>	本公司擁有人應佔溢利的每股盈利 — 基本	13	

## Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2010

於2010年12月31日

		Notes 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	6,976	6,372
Goodwill	商譽	16	230	—
Other intangible assets	其他無形資產	17	5,555	—
			<b>12,761</b>	6,372
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	16,412	1,442
Trade receivables	貿易應收款項	20	24,575	20,031
Prepayments and deposits	預付款項及按金	20	18,857	1,583
Prepaid tax	預付稅項		1,552	309
Amounts due from related parties	應收關聯人士款項	21	—	547
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	22	—	13,983
Derivative financial instruments	衍生金融工具	23	—	22
Bank balances and cash	銀行結餘及現金	24	28,262	15,215
			<b>89,658</b>	53,132
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	25	68,803	18,595
Dividend payables	應付股息		—	250
Provision for income tax	所得稅撥備		3,239	3,168
Bank loans	銀行貸款	27	—	55
			<b>72,042</b>	22,068
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>17,616</b>	31,064
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>30,377</b>	37,436
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans	銀行貸款	27	—	621
<b>Net assets</b>	<b>資產淨值</b>		<b>30,377</b>	36,815
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	28	10	—
Proposed final dividend	建議末期股息	29	3,000	—
Other reserves	其他儲備	29	27,347	35,737
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>30,357</b>	35,737
Non-controlling interests	非控制權益		20	1,078
<b>Total equity</b>	<b>總權益</b>		<b>30,377</b>	36,815

Liu Tin Chak, Arnold  
廖天澤  
Director  
董事

Lam Chi Wai, Peter  
林志偉  
Director  
董事

## Statement of Financial Position

As at 31 December 2010

## 財務狀況表

於2010年12月31日

		Notes 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	18	30,367	—
<b>Current assets</b>	<b>流動資產</b>			
Dividend receivable	應收股息		3,000	—
Amounts due from subsidiaries	應收附屬公司款項	26	660	—
			3,660	—
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及應計費用		660	—
<b>Net current assets</b>	<b>流動資產淨值</b>		3,000	—
<b>Net assets</b>	<b>資產淨值</b>		33,367	—
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	28	10	—
Proposed final dividend	建議末期股息	29	3,000	—
Other reserves	其他儲備	29	30,357	—
<b>Total equity</b>	<b>總權益</b>		33,367	—

Liu Tin Chak, Arnold  
廖天澤  
Director  
董事

Lam Chi Wai, Peter  
林志偉  
Director  
董事

## Consolidated Statement of Cash Flows

For the year ended 31 December 2010

## 綜合現金流量表

截至2010年12月31日止年度

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動的現金流</b>		
Profit before income tax	除所得稅前溢利	11,751	20,795
Adjustments for:	就下列各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,050	1,207
Impairment on receivables	應收款項減值	—	234
Fair value (gain)/loss on financial instruments	金融工具公平值(收益)/虧損	(501)	63
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	3	(13)
Write-off of property, plant and equipment	物業、廠房及設備撇銷	—	38
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	—	103
Interest income	利息收入	(129)	(1,945)
Finance costs	融資成本	30	67
Exchange differences	匯兌差額	139	—
Operating profit before working capital changes	營運資金變動前的經營溢利	12,343	20,549
(Increase)/Decrease in inventories	存貨(增加)/減少	(14,956)	7,663
(Increase)/Decrease in trade receivables, prepayments and deposits	貿易應收款項、預付款項及按金(增加)/減少	(21,778)	3,495
Increase/(Decrease) in trade and other payables	貿易及其他應付款項增加/(減少)	46,637	(10,023)
Decrease in amounts due to directors	應付董事款項減少	—	(962)
Movements in amounts due from/to related parties	應收/應付關聯人士款項變動	547	(553)
Cash generated from operations	營運產生的現金	22,793	20,169
Interest paid	已付利息	(30)	(67)
Income tax paid	已付所得稅	(5,034)	(878)
<i>Net cash generated from operating activities</i>	<i>經營活動產生的現金淨額</i>	17,729	19,224

		Notes 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>Cash flows from investing activities</b>	<b>投資活動的現金流</b>			
Decrease in pledged bank deposits	已抵押銀行存款減少		—	1,283
Purchase of property, plant and equipment	購買物業、廠房及設備		(1,646)	(1,585)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		2	—
Purchase of other intangible assets	購買其他無形資產	32	(2,379)	—
Net cash inflow/(outflow) from redemption/acquisition of financial instruments	贖回/收購金融工具的現金流入/(流出)淨額		14,506	(2,844)
Acquisition of a subsidiary	收購一家附屬公司	30	96	—
Interest received	已收利息		129	1,945
<i>Net cash generated from/(used in) investing activities</i>	<i>投資活動產生/(所用)的現金淨額</i>		<b>10,708</b>	(1,201)
<b>Cash flows from financing activities</b>	<b>融資活動的現金流</b>			
Issuance of shares	發行股份		1,033	—
Acquisition of non-controlling interests	收購非控制權益		(1,229)	—
Proceeds from bank loans	銀行貸款所得款項		—	690
Repayment of bank loans	償還銀行貸款		(676)	(344)
Dividend paid	已付股息		(14,551)	(18,189)
<i>Net cash used in financing activities</i>	<i>融資活動所用的現金淨額</i>		<b>(15,423)</b>	(17,843)
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>		<b>13,014</b>	180
<b>Cash and cash equivalents at beginning of year</b>	<b>年初的現金及現金等價物</b>		<b>15,215</b>	15,035
Effect of foreign exchange rate changes	匯率變動的影響		33	—
<b>Cash and cash equivalents at end of year</b>	<b>年終的現金及現金等價物</b>		<b>28,262</b>	15,215
<b>Analysis of balances of cash and cash equivalents</b>	<b>現金及現金等價物的結餘分析</b>			
Bank balances and cash	銀行結餘及現金		<b>28,262</b>	15,215

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

## 綜合權益變動表

截至2010年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益							Non-controlling interests 非控制權益	
		Share capital 股本	Capital reserve* 股本儲備*	Merger reserve* 合併儲備*	Translation reserve* 換算儲備*	Proposed final dividend 建議末期股息	Retained profits* 保留溢利*	Total 總計	Total Equity 總權益	
		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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2009</b>	於2009年1月1日	—	—	10	—	—	35,583	35,593	2,095	37,688
Transactions with owners:	與擁有人的交易：									
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	—	(16,354)	(16,354)	—	(16,354)
Dividend paid to owners of non-controlling interests (note 12)	已付非控制權益擁有人的股息(附註12)	—	—	—	—	—	—	—	(2,085)	(2,085)
		—	—	—	—	—	(16,354)	(16,354)	(2,085)	(18,439)
Profit for the year/Total comprehensive income for the year	年內溢利/年內全面收益總額	—	—	—	—	—	16,498	16,498	1,068	17,566
<b>At 31 December 2009 and 1 January 2010</b>	於2009年12月31日及2010年1月1日	—	—	10	—	—	35,727	35,737	1,078	36,815
Transactions with owners:	與擁有人的交易：									
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	—	(14,301)	(14,301)	—	(14,301)
Acquisition of non-controlling interests (note 29(a))	收購非控制權益(附註29(a))	—	155	—	—	—	—	155	(1,384)	(1,229)
Capital contribution to a subsidiary (note 29(b)(ii))	向一間附屬公司注資(附註29(b)(ii))	—	—	1,033	—	—	—	1,033	—	1,033
Issue of ordinary shares (note 28(a), (b)&(c))	發行普通股(附註28(a)、(b)及(c))	10	—	(10)	—	—	—	—	—	—
		10	155	1,023	—	—	(14,301)	(13,113)	(1,384)	(14,497)
Profit for the year	年內溢利	—	—	—	—	—	7,563	7,563	326	7,889
Other comprehensive income:	其他全面收益：									
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	—	—	—	170	—	—	170	—	170
Total comprehensive income for the year	年內全面收益總額	—	—	—	170	—	7,563	7,733	326	8,059
2010 final dividend proposed (note 12)	2010年建議末期股息(附註12)	—	—	—	—	3,000	(3,000)	—	—	—
<b>At 31 December 2010</b>	於2010年12月31日	<b>10</b>	<b>155</b>	<b>1,033</b>	<b>170</b>	<b>3,000</b>	<b>25,989</b>	<b>30,357</b>	<b>20</b>	<b>30,377</b>

\* The total of these balances represented "Other reserves" in the consolidated statement of financial position.

\* 此等結餘的總額為綜合財務狀況表的「其他儲備」。

## Notes to the Financial Statements

For the year ended 31 December 2010

### 1. General Information

Powerwell Pacific Holdings Limited (the “Company”) was incorporated in Bermuda on 14 June 2010 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company’s principal place of business is located at 19/F, Henry Centre, 131 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong.

The Company’s shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 January 2011.

The principal activity of the Company is investment holding. The principal activity of the Company’s subsidiaries is the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products. It is the Group’s business strategy to develop watches business in the People’s of Republic of China (the “PRC”) and in this connection, the Group acquired Shenzhen Tianhaiba Watches Company Limited 深圳市天海霸鐘錶有限公司 (“Tianhaiba”) on 1 February 2010 (note 30) and the trademarks of certain watch brands in the PRC on 30 June 2010 (note 17).

The directors of the Company consider the ultimate parent company of the Group at 31 December 2010 to be Data Champion Limited, a company incorporated in the British Virgin Islands.

The financial statements on pages 32 to 99 have been prepared in accordance with 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 (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The financial statements for the year ended 31 December 2010 were approved for issue by the board of directors on 11 March 2011.

## 財務報表附註

截至2010年12月31日止年度

### 1. 一般資料

宏峰太平洋集團有限公司(「本公司」)於2010年6月14日在百慕達根據百慕達1981年公司法註冊成立為一間獲豁免有限公司。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda。本公司的主要營業地點位於香港新界葵涌和宜合道131號恆利中心19樓。

本公司的股份自2011年1月26日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司的主要業務為投資控股。本公司的附屬公司的主要業務為向客戶提供生產鐘錶、人造珠寶及陳列包裝品的貨源搜尋及採購解決方案。本集團的業務策略為於中華人民共和國(「中國」)開發鐘錶業務，就此而言，本集團於2010年2月1日收購深圳市天海霸鐘錶有限公司(「天海霸」)(附註30)，並於2010年6月30日收購中國若干鐘錶品牌的商標(附註17)。

本公司董事認為於2010年12月31日本集團的最終母公司為於英屬處女群島註冊成立的Data Champion Limited。

第32至第99頁的財務報表乃根據香港財務報告準則(「香港財務報告準則」)(包括所有香港會計師公會(「香港會計師公會」)頒布的適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」))編製。財務報表亦包括香港公司條例及聯交所創業板證券上市規則(「創業板上市規則」)的適用披露規定。

截至2010年12月31日止年度的財務報表已於2011年3月11日獲董事會批准刊發。



## 2. Reorganisation and Basis of Presentation

The Group was founded in 1995 by Mr. Liu Tin Chak, Arnold, Mr. Lam Chi Wai, Peter, and Mr. Wong Yu Man, Elias (together, the “Founding Shareholders”). Pursuant to a reorganisation (the “Reorganisation”) as described below, the Company has since 20 December 2010 become the holding company of its subsidiaries now comprising the Group. Details of the Reorganisation are summarised below:

- (1) On 13 April 2010, Good Destination Co., Ltd. (“Good Destination”) acquired the non-controlling interests of Display & Packaging Limited at a total cash consideration of HK\$200,000. The Group’s effective interest in Display & Packaging Limited afterward increased from 66.7% to 100%.
- (2) On 7 May 2010, Good Destination acquired the non-controlling interests of EC Manufacturing Limited at a total cash consideration of HK\$2,000. The Group’s effective interest in EC Manufacturing Limited afterward increased from 80% to 100%.
- (3) On 16 June 2010, Powerwell Pacific Limited (“Powerwell Pacific”) issued 752 shares in aggregate to the Founding Shareholders for cash at US\$1 per share. On 20 June 2010, Powerwell Pacific issued 44 shares, representing 5.5% equity interests in Powerwell Pacific, to Ms. Tam Chiu Ming, Tammy (“Ms. Tam”) at a total subscription price of HK\$1,027,000.
- (4) On 22 June 2010, Powerwell Pacific and the non-controlling shareholder of Goldnet Holdings Group Limited (“Goldnet BVI”), which was incorporated in the British Virgin Islands, transferred their shares, which represent the entire issued capital, in Goldnet BVI to the Founding Shareholders for cash at US\$1 per share.
- (5) On 23 June 2010, Powerwell Pacific acquired the non-controlling interests of Ampress Packaging Asia Limited from Ms. Tam at a total cash consideration of HK\$1,027,000. The Group’s effective interest in Ampress Packaging Asia Limited afterward increased from 90% to 100%.
- (6) On 20 September 2010, Good Destination acquired from the Founding Shareholders a total of 10,000 shares, which represent 10% of the issued share capital, of Richmind International Investment Limited (“Richmind”) at a total cash consideration of HK\$225,400.

## 2. 重組及呈列基準

本集團於1995年由廖天澤先生、林志偉先生及黃汝文先生(合稱「創始股東」)創立。根據下述重組(「重組」)，本公司自2010年12月20日起已為現時組成本集團屬下各附屬公司的控股公司。有關重組的詳情概述如下：

- (1) 於2010年4月13日，Good Destination Co., Ltd. (「Good Destination」) 按總現金代價200,000港元收購Display & Packaging Limited的非控制權益。其後，本集團於Display & Packaging Limited的實際權益由66.7%增至100%。
- (2) 於2010年5月7日，Good Destination按總現金代價2,000港元收購宏發製造有限公司的非控制權益。其後，本集團於宏發製造有限公司的實際權益由80%增至100%。
- (3) 於2010年6月16日，Powerwell Pacific Limited (「Powerwell Pacific」) 按現金每股1美元向創始股東發行合共752股股份。於2010年6月20日，Powerwell Pacific按總認購價1,027,000港元向談昭明女士(「談女士」)發行44股股份(佔Powerwell Pacific 5.5%股本權益)。
- (4) 於2010年6月22日，Powerwell Pacific及Goldnet Holdings Group Limited (「Goldnet BVI」，於英屬處女群島註冊成立的公司) 的非控股股東按現金每股1美元向創始股東轉讓所持Goldnet BVI股份(即全部已發行股本)。
- (5) 於2010年6月23日，Powerwell Pacific按總現金代價1,027,000港元向談女士收購和峰包裝(亞洲)有限公司的非控制權益。其後，本集團於和峰包裝(亞洲)有限公司的實際權益由90%增至100%。
- (6) 於2010年9月20日，Good Destination按總現金代價225,400港元向創始股東收購富宏國際投資有限公司(「富宏」)合共10,000股股份(佔已發行股本10%)。

## 2. Reorganisation and Basis of Presentation

(Continued)

- (7) On 16 December 2010, the Founding Shareholders transferred their interests in the Company, which represent the entire issued share capital of the Company of 4 shares of HK\$1 each in aggregate, to Data Champion Limited at the consideration of HK\$4. Pursuant to a written resolution passed on 20 December 2010, each of the existing issued and unissued shares of HK\$1 each in the share capital of the Company was sub-divided into 10 shares of HK\$0.10 each (the "Share Sub-division").
- (8) On 17 December 2010, the Company acquired from the Founding Shareholders a total of 100 shares, which represent the entire issued share capital, of Goldnet Holdings Group Limited ("Goldnet HK"), which was incorporated in Hong Kong, for a total cash considerations of HK\$100. As at the date of the acquisition, Goldnet HK had 100% equity interests in Tianhaiba which was acquired by Goldnet HK on 1 February 2010 (note 30).
- (9) On 20 December 2010, the Company acquired from the Founding Shareholders a total of 4 shares, which represent the entire issued share capital, of Good Destination and a total of 100 shares, which represent the entire issued share capital, of Goldnet BVI and issued to Data Champion Limited 50,000 shares (after the Share Sub-division) as consideration thereof. As at the date of the acquisition, Good Destination had 100% equity interests in Display & Packaging Limited, EC Manufacturing Limited, Prestige Corporation Limited, EC (Asia) Limited, Ampress Pacific Limited and Richmind, and 90% equity interests in Ampress Packaging Limited.
- (10) On 20 December 2010, the Company acquired from the Founding Shareholders and Ms. Tam a total of 800 shares, which represent the entire issued share capital, of Powerwell Pacific and issued to Data Champion Limited 49,960 shares (after Share Sub-division) as consideration thereof. As at the date of the transfer, Powerwell Pacific had 100% equity interests in EC Pacific Limited, Ampress Merchandising Limited, Ampress Packaging Asia Limited and Powerwell Finance Limited.

Immediately after the Reorganisation, the Company has become the holding company of its subsidiaries now comprising the Group and all the shares of the Company was owned by Data Champion Limited, which was owned as to 95.2% by the Founding Shareholders and 4.8% by Ms. Tam.

## 2. 重組及呈列基準(續)

- (7) 於2010年12月16日，創始股東轉讓其於本公司的權益(為本公司全部已發行股本合共4股每股面值1港元的股份)予Data Champion Limited，代價為4港元。根據2010年12月20日通過的一項書面決議案，本公司股本中各每股面值1港元的現有已發行及未發行股份，已分拆為10股每股面值0.10港元的股份(「股份拆細」)。
- (8) 於2010年12月17日，本公司按總現金代價100港元向創始股東收購金域控股集團有限公司(「金域香港」)合共100股股份(即全部已發行股本)。於收購日期，金域香港持有天海霸全部股本權益，乃由金域香港於2010年2月1日收購(附註30)。
- (9) 於2010年12月20日，本公司向創始股東收購Good Destination合共4股股份(即該公司全部已發行股本)及Goldnet BVI合共100股股份(即該公司全部已發行股本)，並向Data Champion Limited發行50,000股股份(於股份拆細後)作為代價。於收購日期，Good Destination持有Display & Packaging Limited、宏發製造有限公司、譽銘有限公司、宏發(亞洲)有限公司、和峰太平洋有限公司及富宏全部股本權益，以及擁有Ampress Packaging Limited 90%股本權益。
- (10) 於2010年12月20日，本公司向創始股東及談女士收購Powerwell Pacific合共800股股份(即全部已發行股本)，並向Data Champion Limited發行49,960股股份(於股份拆細後)作為代價。於轉讓日期，Powerwell Pacific持有宏發(太平洋)有限公司、和峰實業有限公司、和峰包裝(亞洲)有限公司及Powerwell Finance Limited全部股本權益。

緊隨重組後，本公司成為現時組成本集團屬下各附屬公司的控股公司，本公司所有股份由Data Champion Limited擁有，該公司由創始股東及談女士分別擁有95.2%及4.8%。

## 2. Reorganisation and Basis of Presentation

*(Continued)*

There has been a continuation of the risks and benefits to the founding shareholders of the Group (the “Founding Shareholders”), acting together on a collective basis under certain arrangements which existed among the Founding Shareholders in order to manage and control the business and operations of the Group collectively, before and immediately after the Reorganisation. Accordingly, the financial statements of the Company and its subsidiaries now comprising the Group have been accounted for using merger accounting in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations”. Under merger accounting, the net assets of the combining entities or businesses are combined using the existing book values from the controlling parties’ perspective. No amount is recognised as consideration for goodwill or excess of acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties’ interests. The statement of comprehensive income of the Group includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination. All significant intra-group transactions and balances have been eliminated on combination. Non-controlling interests represent the interests of outside shareholders not held by the Founding Shareholders in the results and net assets of the Company’s subsidiaries, and are presented separately in the statement of comprehensive income of the Group and within equity in the statements of financial position of the Group, separately from equity attributable to the Company’s owners.

The consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the current year and prior year have been prepared to present the results, changes in equity and cash flows of the Company and its subsidiaries as if the current group structure had been in existence throughout the current year and prior year, or since their respective dates of incorporation/establishment or acquisition, whichever was shorter. The consolidated statements of financial position of the Group as of 31 December 2010 and 2009 have been prepared to present the assets and liabilities of the Company and its subsidiaries as if the current group structure had been in existence at those dates.

## 2. 重組及呈列基準(續)

於重組前及緊隨重組後，在本集團創始股東（「創始股東」）訂立以集體管理及控制本集團業務及營運的若干現行安排下，創始股東集體行動持續承受風險及享有利益。因此，根據會計指引第5號「共同控制合併的合併會計方法」，本公司及本集團現時旗下的附屬公司的財務報表以合併會計法入賬。根據合併會計法，合併實體或業務的資產淨值採用控制方計算的現有賬面值合併。在控制方持續擁有權益的條件下，於共同控制合併時並無就商譽或收購方應佔被收購方可識別資產、負債及或然負債的公平淨值權益高出成本的差額確認任何金額為代價。本集團的全面收益表包括各合併實體或業務由呈列最早日期或自合併實體或業務首次受共同控制之日（以較短期間為準）以來的業績，不論共同控制合併的日期。所有重大集團內公司間交易及結餘已於合併時撇銷。非控制權益指並非由創始股東持有的外部股東應佔本公司附屬公司業績及資產淨值的權益，並於本集團的全面收益表獨立呈列，以及於本集團財務狀況表內的權益呈列，與本公司擁有人應佔權益分開。

本集團本年度及過往年度的綜合全面收益表、綜合權益變動表及綜合現金流量表已予編製，以呈列本公司及其附屬公司的業績、權益變動及現金流量，猶如現有集團架構於本年度及過往年度或自各相關註冊成立／成立或收購日期起（以較短者為準）已一直存在。本集團於2010年及2009年12月31日的綜合財務狀況表已予編製，以呈列本公司及其附屬公司的資產及負債，猶如現有集團架構於該等日期一直存在。

### 3. Adoption of New or Amended HKFRSs

For the purpose of preparing this consolidated financial statements, the Group has applied all applicable HKFRSs that are effective for the annual period beginning on 1 January 2010.

At the date of approval of these financial statements, certain new and revised HKFRSs have been published but are not yet effective and have not been adopted early by the Group. The directors anticipate that all of the respective pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and revised HKFRSs that are expected to have an impact on the Group's accounting policies is provided below. Certain other new and revised HKFRSs have been issued but are not expected to have a material impact on the Group's financial statements.

#### HKAS 24 (Revised) Related Party Disclosures

The standard is effective for annual periods beginning on or after 1 January 2011. The new standard clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. This amendment is not expected to have significant impact to the Group.

#### HKFRS 9 Financial Instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

#### HK(IFRIC)-Int 19 Extinguishing financial liabilities with equity instruments

The interpretation clarifies the requirements of HKFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. The directors are currently assessing the possible impact of this interpretation on the Group's results and financial position in the first year of application.

### 3. 採納新訂或經修訂香港財務報告準則

就編製本綜合財務報表而言，本集團已應用所有於2010年1月1日起年度期間生效之適用香港財務報告準則。

於批准本財務報表日期，若干新訂及經修訂香港財務報告準則已經刊發但尚未生效，以及並未由本集團提早採納。董事預期所有公告將於公告生效日期起第一個期間開始被採納用於本集團之會計政策。預期將會影響本集團會計政策之新訂及經修訂香港財務報告準則的資料載列如下。若干其他新訂及經修訂香港財務報告準則已經刊發，但預期不會對本集團的財務報表構成重大影響。

#### 香港會計準則第24號(經修訂)關聯人士披露

該準則於2011年1月1日或其後開始之年度期間生效。新準則釐清及簡化關聯人士之定義，亦訂明倘若政府相關實體與同一政府或受同一政府所控制、共同控制或發揮重大影響力之實體進行交易，可獲部分豁免關聯人士披露。該修訂預期不會對本集團構成重大影響。

#### 香港財務報告準則第9號金融工具

該準則適用於2013年1月1日或之後開始的會計期間，有關金融資產分類及計量。新準則減少了金融資產的計量類別數目，所有金融資產將會根據有關實體管理金融資產的業務模式及金融資產合約現金流的特點，按攤銷成本或公平值計量。公平值收益及虧損將於損益確認，惟有關若干股本投資的公平值收益及虧損則於其他全面收益呈列。董事現正評估新準則於首次應用年度對本集團業績及財務狀況可能產生的影響。

#### 香港(國際財務報告詮釋委員會) — 詮釋第19號「以股本工具清償金融負債」

該詮釋澄清了當實體與其債權人重新商討其金融負債的條款，而債權人同意接納實體股份或其他股本工具以清償全部或部分金融負債時的香港財務報告準則的規定。詮釋於2010年7月1日或之後開始的年度期間生效。董事現正評估該詮釋於首次應用年度對本集團業績及財務狀況可能產生的影響。

### 3. Adoption of New or Amended HKFRSs (Continued)

#### Annual improvements 2010

The HKICPA issued "Improvements to Hong Kong Financial Reporting Standards 2010". Unless otherwise specified, the amendments contained in the improvements are effective for annual periods beginning on or after 1 January 2011. The directors are currently assessing the possible impact of the amendments contained in the improvements on the Group's results and financial position in the first year of application.

### 4. Summary of Significant Accounting Policies

#### 4.1 Basis of preparation

The significant accounting policies that conform to HKFRSs and have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied throughout the years presented unless otherwise stated.

These financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities classified as at fair value through profit or loss and derivative financial instruments, which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of these financial statements. Although these estimates and assumptions are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

#### 4.2 Basis of consolidation

Subsidiaries (note 4.3) are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated on consolidation. Unrealised losses resulting from intercompany transaction are also eliminated unless the transaction provides evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

### 3. 採納新訂或經修訂香港財務報告準則 (續)

#### 2010 年度改進

香港會計師公會已頒佈「對2010年香港財務報告準則的改進」。除另有指明外，改進所載的修訂於2011年1月1日或之後開始的年度期間生效。董事現正評估該詮釋於首次應用年度對本集團業績及財務狀況可能產生的影響。

### 4. 主要會計政策概要

#### 4.1 編製基準

符合香港財務報告準則且已用於編製該等財務報表的主要會計政策概述於下文。除另有指明外，該等政策已於所呈報年度貫徹應用。

除若干按公平值計入損益之金融資產及金融負債及衍生金融工具以公平值列值外，此等財務報表乃根據歷史成本法編製。計量基準詳載於下述之會計政策。

謹請留意，編製此等財務報表時曾採用會計估計及假設。儘管該等估計及假設乃根據管理層對現時事件及行動的最佳認證，惟實際結果可能有別於該等估計及假設。涉及大量判斷或繁複的範疇，或假設及估計對財務報表而言屬重要的範疇，已於附註5中披露。

#### 4.2 綜合基準

附屬公司(附註4.3)業績由收購日期(即本集團取得其控制權之日)及持續至該控制權停止之日綜合入賬。本集團內公司間的所有交易、結餘及未變現收益的交易已於綜合賬目撇銷。集團內公司間的交易所產生的未變現虧損亦予撇銷，除非交易提供所轉讓資產出現減值的憑證，並會即時在損益賬中確認。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.2 Basis of consolidation (Continued)

Acquisition of subsidiaries is accounted for using the acquisition method of accounting. The assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. The consideration transferred is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Contingent consideration will be measured at fair value at the acquisition date. Any subsequent changes in the measurement of that contingent consideration classified as an asset or liability will be recognised in profit or loss, unless they arise from obtaining additional information about facts and circumstances that existed at the acquisition date within 12 months from the date of acquisition (in which case they will be recognised as an adjustment to the cost of the business combination). Transaction costs that the Group incurs in connection with a business combination will be expensed as incurred. If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control.

In addition to measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of original business combination and the share of changes in equity by non-controlling interests since the date of the combination. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a debit balance.

#### 4. 主要會計政策概要(續)

##### 4.2 綜合基準(續)

收購附屬公司按收購會計法入賬。所收購資產及所承擔負債一般按收購日期的公平值計量。收購成本按交易日期所提供資產、所發行股本工具及所產生或承擔負債的公平值總和計量。或然代價將按收購日期的公平值計量。任何其後計量該或然代價的變動將於損益中確認，但如於收購日期起12個月內，該等變動乃因獲得有關於收購日期所存在事實及情況的額外資料而產生，則將會確認為業務合併成本的調整。本集團就業務合併產生的交易成本將於產生時支銷。倘本集團於緊接獲取控制權前持有被收購方的權益，該等權益將視為獲取控制權日期按公平值出售及重新收購。

除按非控制權益應佔被收購方可識別資產淨值比例計量於被收購方的非控制權益外，本集團可選擇按個別交易按公平值計量非控制權益。

綜合附屬公司淨資產的非控制權益與本集團的權益分開呈列。非控制權益包括由原企業合併日應佔數額及自合併日期起非控制權益應佔的權益變動。全面收入總額歸因於本公司擁有人及非控制權益，即使此將導致非控制權益錄得借方結餘。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.2 Basis of consolidation (Continued)

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 in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions.

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.

### 4.3 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

### 4.4 Goodwill

Goodwill arising on acquisition represents the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually at the end of the reporting period or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may be impaired (note 4.7). On subsequent disposal of a subsidiary, the carrying amount of goodwill relating to the entity sold is included in determining the amount of the gain or loss on disposal.

## 4. 主要會計政策概要(續)

### 4.2 綜合基準(續)

倘本集團收購非全資附屬公司的額外權益，該交易將以與權益股東(以擁有人身份)進行的交易入賬，故不會就該等交易確認任何商譽。

倘本集團失去一家附屬公司的控制權，該交易將以出售該附屬公司全部權益入賬，而由本集團保留的任何餘下權益會按公平值確認猶如重新收購。

### 4.3 附屬公司

附屬公司指本集團有權控制其財務及營運決策以從其活動中得益的實體(包括特殊目的實體)。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換的潛在投票權的存在及影響。

於本公司的財務狀況表中，附屬公司乃按成本減去減值虧損入賬。本公司按於報告日期的已收及應收股息將附屬公司的業績入賬。所有從被投資方收購前或收購後溢利獲取的股息均於本公司的損益中確認。

### 4.4 商譽

因收購產生的商譽指已轉讓的總代價及就非控制權益所確認的金額超出所收購的已確認可識別資產、負債及或然負債的公平值的差額。商譽初步按成本值確認為資產，其後按成本值減任何累計減值虧損計量。

商譽會於每年報告期末進行減值檢討，如有事件或情況變動顯示商譽賬面值可能會減值(附註4.7)，則會加密進行減值檢討的次數。當其後出售附屬公司時，釐定出售損益金額時會計及與出售實體有關的商譽賬面值。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.5 Other intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment losses (note 4.7). Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

### 4.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (note 4.7). Depreciation is provided to write off the cost less their residual value, using straight-line method, over their estimated useful lives. Land and building classified as finance leases are depreciated over the unexpired term of the leases. Other items are depreciated at the following rates per annum:

Leasehold improvements
Furniture, fixtures and equipment
Plant and machinery
Motor vehicles

The assets' residual values, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

## 4. 主要會計政策概要(續)

### 4.5 其他無形資產

已收購無形資產初步按成本值確認。於初步確認後，可使用年期有限的無形資產按成本值減累計攤銷及任何減值虧損(附註4.7)列賬。可使用年期有限的無形資產攤銷按估計可使用年期以直線法予以攤銷。無形資產於可供使用時隨即攤銷。不設年限可使用年期的無形資產按成本減任何後續累計減值虧損列賬。

### 4.6 物業、廠房及設備

物業、廠房及設備按成本值減累計折舊及任何減值虧損(附註4.7)後列賬，並於其估計可使用年期以直線法計提折舊以撇銷成本減其餘值。列為融資租賃的土地及樓宇於租約尚未屆滿年內計提折舊。其他項目按以下年率計提折舊：

租賃裝修	20%
傢俬、裝置及設備	20%
廠房及機器	20%
汽車	20%-30%

資產的殘值、折舊法及估計可使用年期會於各報告日期予以檢討並作出調整(如適用)。

出售產生的損益按銷售所得款項與資產賬面值的差額釐定，並於損益賬確認。

如其後成本的相關未來經濟效益很可能歸於本集團，而且能可靠地計量該項目的成本，則該項成本計入有關資產的賬面值或確認為獨立資產(如適用)。維修及保養等所有其他成本則在其產生的財政期間在損益賬中支銷。



## 4. Summary of Significant Accounting Policies

(Continued)

### 4.7 Impairment of non-financial assets

Goodwill and other intangible assets having indefinite useful lives are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets including property, plant and equipment and other intangible assets with finite useful lives are tested for impairment whenever there are indications that the assets' carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of such impairment is credited to profit or loss in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

### 4.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of inventories for the sourcing and procurement business is determined using first-in, first-out basis whereas cost of inventories for the PRC watch business is determined using weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable selling expenses.

## 4. 主要會計政策概要(續)

### 4.7 非金融資產減值

無論是否有任何減值跡象，商譽及具不設年限可使用年期的其他無形資產至少每年進行一次減值測試。所有其他資產(包括物業、廠房及設備及可使用年期有限的其他無形資產)則在有跡象顯示資產賬面值未必能夠收回時進行減值測試。

倘資產賬面值超出其可收回金額，多出的金額將作為減值虧損並立即確認為開支。可收回金額指反映市況的公平值減出售成本與使用價值兩者中的較高者。評估使用價值時，估計日後現金流量按反映時間價值的現行市場評估及該資產的特定風險的稅前折現率折現到其現值。

就評估減值而言，倘資產並無產生大致上獨立於其他資產的現金流入，其可收回金額會按獨立產生現金流入的最小組別資產(即現金產生單位)釐定。因此，部分資產會個別測試減值，部分則按現金產生單位測試。

商譽的減值虧損於其後期間不予撥回。就其他資產而言，如用以釐定資產可收回金額的估計發生有利變化，減值虧損將予以回撥，惟回撥額只限於資產的賬面值不超過假設並無確認減值虧損而應釐定的賬面值(扣除折舊或攤銷)。除按重估金額列值之資產根據重估金額之相關政策計算減值虧損之撥回外，有關減值之撥回均於其產生期間計入損益。

### 4.8 存貨

存貨按成本值與可變現淨值的較低者列賬。貨源搜尋及採購業務的存貨成本按先入先出法釐定，而中國鐘錶業務的存貨成本則按加權平均基準釐定。可變現淨值為日常業務過程中的估計售價減估計完成成本及適當銷售開支。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.9 Financial assets

Financial assets of the Group are classified into financial assets at fair value through profit or loss and loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Derivatives (note 4.12), including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

## 4. 主要會計政策概要(續)

### 4.9 金融資產

本集團金融資產分為按公平值計入損益的金融資產及貸款及應收款項。管理層視乎所收購金融資產的用途釐定於初步確認時的金融資產分類，如許可及適用，會於各報告日期重新評估此分類。

所有金融資產只會在本集團成為有關工具合約條文的訂約方時，方予確認。正常採購的金融資產均於其交易日入賬。金融資產於初步確認時乃按公平值計量，而假若投資並非按公平值計入損益計量，則直接按應佔交易成本計量。當收取投資現金流的權利屆滿或被轉移，以及差不多全部擁有權的風險及回報已轉讓時，金融資產將予取消確認。

於各報告日期會對金融資產進行審閱，以評估是否有任何客觀減值證據。如有出現任何上述證據，則根據金融資產分類釐定及確認減值虧損。

#### **按公平值計入損益的金融資產**

按公平值計入損益的金融資產包括持作買賣的金融資產及於初步確認時指定為按公平值計入損益的金融資產。

倘若收購金融資產的目的為求於短期內出售，或該金融資產為已識別金融工具組合一部分並有證據顯示其出現短期套現圖利的實際模式者，則將之列為持作買賣金融資產。除非衍生工具(附註4.12)(包括個別嵌入式衍生工具)指定作為有效對沖工具或金融擔保合約，否則亦列為持作買賣。

倘一份合約含有一份或以上嵌入式衍生工具，則整份混合合約被列為按公平值計入損益的金融資產，惟嵌入式衍生工具並無導致現金流出現重大變動，或明確禁止分列嵌入式衍生工具則除外。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.9 Financial assets (Continued)

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

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any interest earned on these financial assets. Interest income is recognised in accordance with the Group's policies in note 4.15.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

## 4. 主要會計政策概要(續)

### 4.9 金融資產(續)

#### **按公平值計入損益的金融資產(續)**

倘若符合以下準則，則金融資產可於初步確認時被指定按公平值計入損益：

- 有關指定能消除或大大減低因按照不同基準計量有關資產或確認其損益而出現不一致處理情況；或
- 根據列明的風險管理策略，該等資產為一組受管理而其表現乃按公平值評估的金融資產其中一部分，而有關於該組金融資產的資料均按該基準而內部提供予主要管理人員；或
- 有關金融資產包含需要分別記賬的嵌入式衍生工具。

經初步確認後，計入該類別的金融資產按公平值計量，而公平值的變動在損益入賬。公平值乃經參考活躍市場交易或如並無活躍市場，使用估值技術來釐定。公平值收益或虧損並不包括就該等金融資產賺取的任何利息。利息收入按本集團的政策(附註4.15)確認。

#### **貸款及應收款項**

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，且並無在活躍市場報價。貸款及應收款項其後採用實際利息法計算的經攤銷成本，減任何減值虧損列賬。經攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分的各項費用。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.9 Financial assets (Continued)

###### Loans and receivables (Continued)

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

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

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss on loans and receivables decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss for the period in which the reversal occurs.

#### 4. 主要會計政策概要(續)

##### 4.9 金融資產(續)

###### 貸款及應收款項(續)

於各報告日期，貸款及應收款項會進行檢討，以釐定有否客觀證據顯示減值。個別金融資產的客觀減值證據包括引致本集團對下列一項或多項虧損事件關注的可觀察數據：

- 債務人陷入重大財務困難；
- 違反合約，例如拖欠或延遲償還利息或本金；
- 債務人可能會破產或經歷其他財務重整；及
- 科技、市場、經濟或法律環境的重大改變對債務人有負面影響。

如有客觀證據顯示貸款及應收款項有減值虧損，則按資產賬面值與按照金融資產原定實際利率(即於初步確認時計算的實際利率)折現的估計未來現金流量(不包括尚未產生的未來信貸虧損)現值兩者的差額計量虧損金額。虧損金額於減值出現期間在損益賬中確認。

倘若其後期間貸款及應收款項的減值虧損金額減少，而有關減幅可客觀地與確認減值後發生的事件有關係，則撥回過往確認的減值虧損，惟於撥回減值當日不得導致金融資產賬面值超過如無確認減值的原有經攤銷成本。撥回金額於撥回發生期間在損益賬中確認。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.9 Financial assets (Continued)

#### Loans and receivables (Continued)

Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

### 4.10 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand.

### 4.11 Financial liabilities

The Group's financial liabilities include bank borrowings and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (note 4.19). A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

#### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

## 4. 主要會計政策概要(續)

### 4.9 金融資產(續)

#### 貸款及應收款項(續)

倘貿易應收款項被認為有可能但並非不能收回，則屬呆賬的應收款項減值虧損會使用撥備賬列賬。當本集團信納不大可能收回貿易應收款項時，則被認為屬不可收回的金額乃直接自貿易應收款項中撇銷，而於撥備賬內就有關應收款項持有的任何金額會予以撥回。其後收回過往自撥備賬扣除的金額乃撥回至撥備賬。撥備賬的其他變動及其後收回過往直接撇銷的金額乃於損益賬內確認。

### 4.10 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金。

### 4.11 金融負債

本集團的金融負債包括銀行貸款及貿易及其他應付款項。

倘本集團成為有關工具合約條文的訂約方，則須確認金融負債。所有與利息相關的開支均按照本集團對借貸成本(附註4.19)的會計政策確認。當負債項下的責任被解除或取消或屆滿，將取消確認金融負債。

當現有金融負債以同一貸款人被有重大差別的條款或經重大修訂的現有負債條款提供的另一金融負債取代，則上述取代或修訂將視為終止確認原有負債，並確認新負債，而有關賬面值的差額在損益賬確認入賬。

#### 借貸

借貸最初乃按公平值(扣除已產生的交易成本)確認。借貸其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值兩者間的差額，乃以實際利率法於借貸期間在損益賬予以確認。除非本集團有無條件權利將負債的結算遞延至報告日期後最少12個月，否則借貸分類為流動負債。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.11 Financial liabilities (Continued)

###### Trade and other payables

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

##### 4.12 Derivative financial instruments

Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Derivatives that are not designated as hedging instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are taken directly to profit or loss.

##### 4.13 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

##### 4.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### 4. 主要會計政策概要(續)

##### 4.11 金融負債(續)

###### 貿易及其他應付款項

貿易及其他應付款項最初以公平值確認，其後採用實際利息法按經攤銷成本計算。

##### 4.12 衍生金融工具

於個別合約或與混合性金融工具分開的衍生金融工具，乃於訂立衍生工具合約當日，初步按公平值確認，而其後則按公平值重新計量。並非指定為對沖工具的衍生工具乃以按公平值計入損益的金融資產或金融負債的方式入賬。公平值變動所產生的盈虧，乃直接計入年內損益賬。

##### 4.13 股本

普通股列為權益。股本採用已發行股份的面值釐定。與發行股份相關的任何交易成本自股份溢價(扣除任何相關所得稅利益)扣除，惟以直接與股本交易相關的任何遞增成本為限。

##### 4.14 撥備及或然負債

當本集團因過往事件而在目前須負上法律或推定的責任，且可能須就履行有關責任而導致經濟利益外流，並能夠就責任的數額作出可靠估計，方始確認撥備。當數額涉及重大的時間價值時，則按預期用以履行責任的開支的現值作出撥備。

所有撥備均會於各報告日期予以檢討及調整，以反映目前最佳的估計。

倘不大可能需要導致經濟利益外流或未能可靠估計金額，除非出現經濟利益流出的可能性極微，否則有關責任將披露作或然負債。可能出現的責任(僅於一項或多項未來不明朗事件發生或不發生且完全在本集團控制範圍以外的事件發生的情況下確定)亦披露為或然負債，除非出現經濟利益流出的可能性極微則作別論。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.15 Revenue and other income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of applicable value-added tax, rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and other income can be measured reliably, revenue and other income is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Interest income is recognised on a time-proportion basis by reference to the principal outstanding and the effective interest method.

Freight income is recognised when the relevant services are rendered.

### 4.16 Leases

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.

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.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant leases.

## 4. 主要會計政策概要(續)

### 4.15 收入及其他收入確認

收入包括銷售貨品已收或應收的公平值，扣除適用增值稅、回扣及折扣。當經濟利益可能流入本集團，並能可靠計量收入及其他收入時按以下基準確認收入及其他收入：

銷售貨品於擁有權的重大風險及回報轉移至客戶時確認，通常為貨物已付運及客戶已接收貨物時。

利息收入乃參考未償還本金以實際利息法按時間比例確認。

運輸收入於提供有關服務時確認。

### 4.16 租約

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串款項的安排，包括一項交易或一連串交易的該項安排屬於或包括一項租約。該項決定乃基於安排內容的實質評估而作出，而不論該項安排是否採取租約的法律形式。

對於本集團以租約方式持有的資產，倘租約使擁有權的絕大部分風險及回報已轉移至本集團，有關資產即分類為以融資租賃持有。倘租賃不會使擁有權的絕大部分風險及回報轉移至本集團，則分類為經營租約。

根據經營租約應付的租金於有關租期內以直線法自損益賬扣除。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.17 Employee benefits

#### Retirement benefit costs

Retirement benefits to employees are provided through defined contribution plans. The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme"), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiary which operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of employees' salaries to the central pension scheme.

Contributions are recognised as expenses in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

#### Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

### 4.18 Foreign currencies

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

## 4. 主要會計政策概要(續)

### 4.17 僱員福利

#### 退休福利成本

給予僱員的退休福利乃透過定額供款計劃提供。本集團根據強制性公積金計劃條例設立定額供款退休福利計劃(「強積金計劃」)，為所有合資格參與強積金計劃的僱員參與。供款按僱員基本薪金一定百分比作出。

本集團於中國營運的附屬公司旗下僱員須參與由有關地方市政府營運的中央退休金計劃。該附屬公司須按僱員薪金若干百分比對中央退休金計劃供款。

供款於年內僱員提供服務時在損益賬確認開支。本集團根據該等計劃的責任僅為應付固定百分比供款。

#### 短期僱員福利

僱員可享有的年假於應計予僱員時確認。估計應享有的年假乃按僱員於報告日期止所提供的服務作出撥備。

病假及產假等非累積有薪假期於提取假期時方予確認。

### 4.18 外幣

財務報表以港元(「港元」)呈列，港元亦為本公司的功能貨幣。

於綜合實體的個別財務報表內，外幣交易按交易當日的匯率換算為個別實體的功能貨幣。於報告日期，以外幣為單位的貨幣資產及負債均按該日適用的匯率換算。因結算該等交易及報告日期重新換算貨幣資產及負債所產生的匯兌收益及虧損，乃於損益賬內確認。



## 4. Summary of Significant Accounting Policies

(Continued)

### 4.18 Foreign currencies (Continued)

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into the HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity. Such translation differences are recognised as profit or loss in the period in which the foreign entity is disposed of.

### 4.19 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset 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 being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 4. 主要會計政策概要(續)

### 4.18 外幣(續)

按公平值列賬且以外幣計值的非貨幣項目，乃按公平值釐定當日的現行匯率換算並呈報為公平值損益的一部分。以外幣計值且以歷史成本入賬的非貨幣項目不予重新換算。

於合併財務報表內，所有以不同於本集團呈列貨幣呈列的海外業務的個別財務報表，均已折算為港元。資產與負債均以報告日期的收市匯率折算為港元。收入與開支則按交易日期適用的匯率折算為港元或若匯率並無大幅波動，可按報告期間的平均匯率折算為港元。因此而產生的任何差額均於其他全面收入內確認，並於權益項下的換算儲備分開累計。有關匯兌差額乃於出售海外公司期間確認為損益。

### 4.19 借貸成本

衍生自收購、建設或生產任何合資格資產的借貸成本於資產規定完成並預備作擬定用途期間資本化。合資格資產乃一項必須利用長時間預備其擬定用途或出售的資產。其他借貸成本在產生時列作開支。

當資產開支產生時、借貸成本產生時及進行預備資產作擬定用途或出售的活動時，借貸成本被資本化為合資格資產的成本部分。在大致上完成預備合資格資產作擬定用途或出售的所有必須活動後，借貸成本不會再被資本化。

#### 4. Summary of Significant Accounting Policies

(Continued)

##### 4.20 Accounting for income taxes

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

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

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

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

#### 4. 主要會計政策概要(續)

##### 4.20 所得稅的會計處理

所得稅開支乃目前應繳稅項與遞延稅項的總和。目前應繳稅項根據本年度的應課稅溢利計算。應課稅溢利與損益賬內呈報的溢利兩者差異乃基於其並無計入其他年度的應課稅或可扣減收支項目，亦無計入毋須課稅或不可扣減的項目所致。本集團就即期稅項的負債使用於報告日期已頒佈或實質頒佈的稅率計算。

遞延稅項乃為財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間的差異，採用資產負債表負債法入賬。遞延稅項負債一般按所有應課稅的暫時性差額予以確認，而遞延稅項資產則按可能會出現可用以抵銷可扣減的暫時性差額的應課稅溢利而予以確認。倘若暫時性差額乃源於商譽或初步確認(業務合併除外)不影響應課稅溢利或會計損益的交易中的其他資產及負債而引致，則有關資產及負債不予確認。

與附屬公司的投資相關的應課稅暫時性差額確認為遞延稅項負債，惟若本集團可控制暫時性差額的撥回而暫時性差額大有可能於可見將來不會撥回的情況除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時性差額的益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告日期進行檢討，及於不再可能有足夠應課稅溢利能用作收回全部或部分遞延稅項資產時須予調減。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.20 Accounting for income taxes (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred and the amount recognised for non-controlling interests.

### 4.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker i.e. the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's line of business.

## 4. 主要會計政策概要(續)

### 4.20 所得稅的會計處理(續)

遞延稅項資產及負債乃按償還負債或變現資產期內預期適用的稅率，根據報告日期已實施或實際實施的稅率(及稅法)計算。遞延稅項負債及資產的計量反映按照本集團預期於報告日期可收回或結清其資產及負債的賬面值方式計算而得出的稅務後果。

遞延稅項資產及負債可在現行稅項資產及負債有合法權利互相抵銷，且彼等與同一稅務機關徵收的所得稅有關及本集團擬以淨額基準處理其流動稅項資產及負債時方可互相抵銷。

當期及遞延稅項於損益賬內確認為開支或收入，惟當其與直接於權益中列賬或扣除的項目相關(於該情況下，該稅項亦直接於權益內確認)或倘若其產生自業務合併的最初會計處理時除外。於業務合併時，於計算收購方的商譽或釐定被收購方的可識別資產、負債及或然負債的公平值所佔權益超出已轉讓代價及就非控制權益確認的金額時會考慮稅項影響。

### 4.21 分部報告

本集團定期向首席營運決策者(即執行董事)報告內部財務資料，以供彼等就本集團業務組成部分的資源分配作出決定，以及檢討該等組成部分的表現。根據該報告，本集團劃分經營分部及編製分部資料。向執行董事所報告內部財務資料的業務組成部分根據本集團的業務分類釐定。

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.21 Segment reporting (Continued)

The measurement policies the Group uses for reporting segment results under HKFRS 8 *Operating Segments* are the same as those used in its financial statements prepared under HKFRSs, except that bank interest income, interest income and fair value gains/losses arising from financial assets/liabilities and derivative financial instruments, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but investments in financial instruments and tax assets.

### 4.22 Related parties

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

- (i) directly or indirectly through one or more intermediaries, the party:
  - (a) controls, is controlled by, or is under common control with, the Group (this includes subsidiaries); or
  - (b) has an interest in the Group that gives it significant influence over the Group; or
  - (c) has joint control over the Group;
- (ii) the party is an associate of the Group;
- (iii) the party is a joint venture in which the Group is a venturer;
- (iv) the party is a member of the key management personnel of the Group or the Group's parent;
- (v) the party is a close member of family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with directly or indirectly, any individuals referred to in (iv) or (v); or

## 4. 主要會計政策概要(續)

### 4.21 分部報告(續)

本集團根據香港財務報告準則第8號經營分部用作呈報分類業績的計量政策與其根據香港財務報告準則編製的財務報表內採用者相同，惟：銀行利息收入、因金融資產／負債而產生的利息收入及公平值收益／虧損及衍生金融工具、所得稅及並非直接歸屬於任何經營分部的業務活動的企業收入及開支不計入經營分部的經營業績。

分部資產包括所有資產但不包括於金融工具的投資及稅項資產。

### 4.22 關聯人士

就本財務報表而言，倘任何人士符合以下條件，則視為本集團的關聯人士：

- (i) 該名人士能直接或間接透過一間或多間中介機構：
  - (a) 控制本集團(包括附屬公司)或受其控制或共同控制；或
  - (b) 於本集團擁有可對本集團行使重大影響力的權益；
  - (c) 可共同控制本集團；
- (ii) 該名人士為本集團的聯營公司；
- (iii) 該名人士為合資企業，而本集團為該合資企業的合資者；
- (iv) 該名人士為本集團或本集團母公司的主要管理層人員之一；
- (v) 該名人士為(i)或(iv)所述任何人員的近親；
- (vi) 該名人士為受(iv)或(v)所述任何人士直接或間接控制、共同控制或對該實體的投票權有重大影響；或

## 4. Summary of Significant Accounting Policies

(Continued)

### 4.22 Related parties (Continued)

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

Close members of the family 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.

## 5. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Impairment of non-financial assets**

The Group assesses impairment by evaluating conditions specific to the Group that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the directors take into consideration assumptions that are mainly based on market conditions existing at the reporting date and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

## 4. 主要會計政策概要(續)

### 4.22 關聯人士(續)

- (vii) 該名人士為本集團或屬本集團任何關聯人士的實體的僱員福利而設的離職後福利計劃。

個別人士的近親為與該實體交易時預期可能影響該個別人士或受該個別人士影響的家庭成員。

## 5. 重大會計估計及判斷

估計及判斷會不斷被評估，並以過往經驗及其他因素為基礎，包括預期日後出現在有關情況下相信屬合理的事件。

### 5.1 重大會計估計及假設

本集團會對未來作出估計及假設。所產生的會計估計如其定義，甚少與有關的實際結果相同。有重大風險會對下個財政年度的資產與負債的賬面值造成大幅調整的估計及假設討論如下：

#### **非金融資產減值**

本集團透過評估本集團可能出現資產減值的特定情況評估減值。倘存在導致減值的因素，則會釐定資產的可收回金額。評估可收回金額時計算的使用價值，會納入多項有關未來事件的主要估計及假設，有關未來事件涉及不確定因素，並可能與實際結果極為不同。作出此等主要估計及判斷時，董事考慮主要基於報告日期的現時市況及適當市場貼現比率的假設。本集團會定期比較此等估計與實際市場數據及本集團訂立的實際交易。

## 5. Critical Accounting Estimates and Judgements (Continued)

### 5.1 Critical accounting estimates and assumptions (Continued)

#### **Impairment of receivables**

The Group determines impairment losses for bad and doubtful debts resulting from the inability of the customers/debtors to make the required payments. A considerable amount of estimate and judgement is required in assessing the ultimate realisation of these receivables which is based on the ageing of the accounts receivable balance, customer credit-worthiness, and historical write-off experience. If the financial conditions of customers/debtors deteriorate, additional allowance for bad and doubtful debts may be required.

#### **Inventory valuation method**

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would assess realisability of the inventories and the Group may make reference to the ageing analysis of the inventories. A considerable amount of judgement and estimates is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate, allowances may be required.

#### **Fair value of financial instruments**

The fair values of the financial instruments are determined by using valuation techniques. The Group uses its judgement to select an appropriate valuation method and makes assumption that are mainly based on market conditions existing at the issue date and each reporting date. The valuation model requires the input of subjective assumptions. Changes in subjective input assumptions can materially affect the fair value estimate.

#### **Estimate of current tax and deferred tax**

The Group is subjected to tax in different tax jurisdictions. Significant judgement and estimates is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

## 5. 重大會計估計及判斷(續)

### 5.1 重大會計估計及假設(續)

#### **應收款項減值**

本集團會就因客戶／債務人無法作出所需付款導致的呆壞賬釐定減值虧損。於評估該等應收款項最終能夠變現時須作出一定程度的估計及判斷，並視乎應收賬結餘的賬齡、客戶信貸評級及過往撇銷紀錄而定。倘客戶／債務人的財務狀況惡化，可能須作出額外呆壞賬準備。

#### **存貨估值法**

於釐定陳舊及滯銷存貨所需的準備金額時，本集團會評估存款能否變現，本集團可能參考存貨的賬齡分析。於釐定有關準備時須要一定程度的判斷及估計。倘對存貨可變現淨值有影響的情況惡化，則可能須作出額外準備。

#### **金融工具公平值**

本集團採用估值法釐定金融工具的公平值。本集團運用其判斷挑選合適的估值法，並主要按發行日及各報告日期現行市況作出假設。估值模型須要主觀假設輸入數值。主觀假設輸入數值如有任何變動，可重大影響其公平值估計。

#### **即期稅項及遞延稅項的估計**

本集團在不同司法權區須繳納稅項。釐定稅項撥備金額及有關稅項的支付時限時須作出重大判斷及估計。倘最終稅額與最初記錄的金額不同，該差額將會影響作出有關決定期間的所得稅及遞延稅項撥備。

## 5. Critical Accounting Estimates and Judgements

(Continued)

### 5.2 Critical judgements

#### Merger accounting

The Reorganisation has been reflected in these financial statements using merger accounting and management has exercised significant judgement in determining that the subsidiaries now comprising the Group have been under common control of the Founding Shareholders on collective basis as a result of unwritten agreements between those shareholders as described in note 2.

## 6. Revenue and Other Income

An analysis of the revenue from the Group's principal activities (note 1), which is also the Group's turnover, and other income are as follows:

**Revenue**  
Sales of goods  
Freight income

收入  
貨品銷售  
運費收入

### Other income

Interest income on financial assets not at fair value through profit or loss — bank interest income

Interest income on financial assets at fair value through profit or loss

Total interest income

Commission income

Exchange gain

Fair value gain on financial instruments

Gain on disposal of property, plant and equipment

Bad debt recovery

Sundry income

### 其他收入

並非按公平值計入損益的金融資產的利息收入 — 銀行利息收入

按公平值計入損益的金融資產的利息收入

利息收入總額

佣金收入

匯兌收益

金融工具的公平值收益

出售物業、廠房及設備的收益

壞賬收回

雜項收入

**Total income**

總收入

### Information about major customers

During the year, there were two (2009: three) customers from the Group's Sourcing Business (as defined in note 7), each of whom contributed 10% or more of the Group's total revenue. Revenue derived from these two customers during the year amounted to HK\$104,040,000 and HK\$55,269,000 (2009: HK\$67,160,000, HK\$62,134,000 and HK\$19,144,000) individually.

## 5. 重大會計估計及判斷(續)

### 5.2 重大判斷

#### 合併會計法

重組已採用合併會計法於本財務報表反映，而管理層已運用大量判斷，以釐定本集團現時旗下各附屬公司已基於創始股東之間的不成文協議而受該等股東集體共同控制(詳見附註2)。

## 6. 收入及其他收入

來自本集團主要業務(附註1)的收入(亦為本集團收入)及其他收入的分析如下：

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

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
	<b>206,560</b>	162,831
	<b>1,635</b>	1,680
	<b>208,195</b>	164,511
	<b>33</b>	121
	<b>96</b>	1,824
	<b>129</b>	1,945
	<b>12</b>	36
	<b>—</b>	433
	<b>501</b>	—
	<b>—</b>	13
	<b>9</b>	160
	<b>76</b>	70
	<b>727</b>	2,657
	<b>208,922</b>	167,168

### 主要客戶的資料

年內，共有兩名(2009年：三名)貨源搜尋業務(定義見附註7)客戶，各為本集團帶來總收入10%或以上的貢獻。於本年度，來自該兩名客戶的收入個別為104,040,000港元及55,269,000港元(2009年：67,160,000港元、62,134,000港元及19,144,000港元)。

## 7. Segment Information

The Group is principally engaged in the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products (the "Sourcing Business") which is identified as a reportable segment, the operating result over which has been regularly reviewed by the executive directors in assessing the performance of the Group and making decision for resource allocation. In respect of Sourcing Business, the Group provides customers with a wide range of sourcing management solutions including product design and product development, raw materials and components sourcing and production outsourcing; and procurement management solutions including quality assurance and control, logistics and delivery handling services. The products are mainly exported to overseas countries.

Pursuant to the Group's strategy to develop watch business in the PRC, the Group acquired Tianhaiba on 1 February 2010 (note 30) and has since March 2010 started the selling of watches under *Tianba* and *Harpo* brands in the PRC with the necessary permission. On 30 June 2010, Tianhaiba entered into agreements with a PRC entity to acquire from the PRC entity the trademarks of *Tianba* and *Harpo* (note 17) and watch inventories bearing the *Tianba* and *Harpo* brands. Pending the approval process of the relevant government authority in the PRC regarding the transfer of the trademarks, Tianhaiba entered into a trademark licence agreement with the PRC entity on the same date whereby the PRC entity granted to the Group with immediate effect a sole and exclusive right to use the *Tianba* and *Harpo* trademarks. As a result, the Group owns the sole and exclusive right to use the *Tianba* and *Harpo* trademarks and the brands and design of the *Tianba* and *Harpo* watches. Following the acquisition of the *Tianba* and *Harpo* trademarks, the Group has begun to establish the necessary procurement and production facilities and its own sales network for the brands in the PRC. Under this new line of business which is identified as another reportable segment, the Group designs, manufactures and distributes its own brands of watches through the sales points it set up in the PRC (the "PRC Watch Business").

## 7. 分部資料

本集團的主要業務為向客戶提供貨源搜尋及採購解決方案以製造鐘錶、人造珠寶及陳列包裝品(「貨源搜尋業務」)，貨源搜尋業務被識別為可報告分部，有關經營業績於執行董事評估本集團表現及作出資源分配決定時不時審閱。就貨源搜尋業務而言，本集團向客戶提供範圍廣泛的貨源搜尋管理解決方案，包括產品設計及產品開發、原材料及部件貨源搜尋及生產貨源搜尋；及採購管理解決方案，包括品質保證及質量控制、物流及交貨服務。該等產品大多出口海外。

根據本集團在中國鐘錶業務的開發策略，本集團於2010年2月1日收購天海霸(附註30)，在獲取必要許可證後自2010年3月起在中國以天霸及海霸品牌售賣鐘錶。於2010年6月30日，天海霸與一家中國實體訂立協議，向中國實體收購天霸及海霸商標(附註17)，而鐘錶存貨均附有天霸及海霸品牌。待中國有關政府當局批出有關轉讓商標的程序完成後，天海霸於同日與該中國實體訂立商標特許權協議，據此該中國實體向本集團授出唯一及獨家權利使用天霸及海霸商標，由該日起即時生效。因此，本集團擁有唯一及獨家權利使用天霸及海霸商標以及天霸及海霸鐘錶的品牌及設計。於收購天霸及海霸商標後，本集團開始為品牌在中國成立所需採購及生產設施及其自家銷售網絡。根據此項被識別為另一可報告分部的新業務分類，本集團設計、生產並透過其在中國的銷售點分銷其鐘錶自家品牌(「中國鐘錶業務」)。



## 7. Segment Information (Continued)

### Segment revenue, segment results and segment assets

Information regarding the Group's reportable operating segments including the reconciliations to profit before income tax and total assets are as follows. The operations of the PRC Watch Business commenced during the year ended 31 December 2010 and thus segment revenue and segment results reported under the year ended 31 December 2009 entirely related to the Sourcing Business.

## 7. 分部資料(續)

### 分部收入、分部業績及分部資產

有關本集團可報告經營分部的資料(包括除所得稅前溢利與總資產的對賬)如下。由於中國鐘錶業務僅於截至2010年12月31日止年度開始營運，故就截至2009年12月31日止年度報告的分部收入及分部業績全部關於貨源搜尋業務。

		Sourcing Business 貨源搜尋業務 HK\$'000 千港元	PRC Watch Business 中國鐘錶業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>			
Reportable segment revenue (note (a))	可報告分部收入 (附註(a))	200,288	7,907	208,195
Reportable segment profit/(loss)	可報告分部溢利/ (虧損)	22,086	(6,863)	15,223
Interest income	利息收入			129
Fair value gain on financial instruments	金融工具的公平值收益			501
Corporate income and expenses	企業收入及開支			(4,102)
Profit before income tax	除所得稅前溢利			11,751
<b>At 31 December 2010</b>	<b>於2010年12月31日</b>			
Reportable segment assets	可報告分部資產	81,804	19,063	100,867
Prepaid tax	預付稅項			1,552
Total assets	總資產			102,419
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>			
Other information:	其他資料:			
Interest expense	利息開支	30	—	30
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,007	43	1,050
Addition to non-current assets (note (b))	非流動資產添置 (附註(b))	624	6,820	7,444

**7. Segment Information (Continued)****Segment revenue, segment results and segment assets (Continued)****7. 分部資料(續)****分部收入、分部業績及分部資產(續)**

		Sourcing Business 貨源搜尋業務 HK\$'000 千港元	PRC Watch Business 中國鐘錶業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 31 December 2009</b>	<b>截至2009年12月31日 止年度</b>			
Reportable segment revenue	可報告分部收入	164,511	—	164,511
Reportable segment profit	可報告分部溢利	18,953	—	18,953
Interest income	利息收入			1,945
Fair value loss on financial instruments	金融工具的公平值虧損			(63)
Corporate income and expenses	企業收入及開支			(40)
Profit before income tax	除所得稅前溢利			20,795
<b>At 31 December 2009</b>	<b>於2009年12月31日</b>			
Reportable segment assets	可報告分部資產	45,190	—	45,190
Prepaid tax	預付稅項			309
Financial assets at fair value through profit or loss	按公平值計入損益的金 融資產			13,983
Derivative financial instruments	衍生金融工具			22
Total assets	總資產			59,504
<b>Year ended 31 December 2009</b>	<b>截至2009年12月31日 止年度</b>			
Other information:	其他資料:			
Interest expense	利息開支	67	—	67
Depreciation of property, plant and equipment	物業、廠房及設備折 舊	1,207	—	1,207
Impairment on receivables	應收款項減值	234	—	234
Write-down of inventories to net realisable value	撇減存貨至可變現淨 值	103	—	103
Addition to non-current assets (note (b))	非流動資產添置 (附註(b))	1,585	—	1,585

**Notes:**

- (a) There were no inter-segment sales for the year ended 31 December 2010.
- (b) Addition to non-current assets represents additions to property, plant and equipment and intangible assets including those assets arising/acquired from the acquisition of a subsidiary.

**附註:**

- (a) 於截至2010年12月31日止年度並無分部間銷售。
- (b) 非流動資產添置指物業、廠房及設備添置及無形資產(包括因收購一家附屬公司產生/獲得的該等資產)。

## 7. Segment Information (Continued)

### Segment revenue, segment results and segment assets (Continued)

Other than the above, the executive directors regularly review revenue analysis by products, including watches, display and packaging materials, and costume jewelries, which is presented below:

Sales of	銷售
— watches	— 鐘錶
— display and packaging materials	— 陳列及包裝材料
— costume jewelries	— 人造珠寶

### Geographical information

The Group's operations are mainly located in Hong Kong (place of domicile). The Group's revenue by geographical locations is determined based on shipment destination instructed by customers. The Group's non-current assets by geographical locations are determined based on physical location of the assets.

Analysis of the Group's revenue and non-current assets by geographical locations are as follows:

Hong Kong	香港
PRC, excluding Hong Kong	中國，不包括香港
USA	美國
Europe	歐洲
— Denmark	— 丹麥
— France	— 法國
— Italy	— 意大利
— Others	— 其他
Asia	亞洲
Others	其他
Total	總計

## 7. 分部資料(續)

### 分部收入、分部業績及分部資產(續)

除上述者外，執行董事定期審閱按產品(包括鐘錶、陳列包裝材料及人造珠寶)劃分的收入分析，呈列如下：

For the year ended 31 December 截至12月31日止年度	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
113,882	71,790
71,271	73,246
23,042	19,475
<b>208,195</b>	<b>164,511</b>

### 地區資料

本集團的業務主要位於香港(成立地點)。本集團按地區劃分的收入按客戶指示的付運目的地釐定。本集團按地區劃分的非流動資產按資產實際地點釐定。

本集團按地區劃分的收入及非流動資產分析如下：

### Revenue from external customers

來自外部客戶的收入  
For the year ended  
31 December  
截至12月31日止年度

Non-current assets  
非流動資產  
At 31 December  
於12月31日

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
26,319	22,806	5,984	6,372
7,932	—	6,777	—
93,107	67,315	—	—
33,455	19,014	—	—
7,135	12,893	—	—
7,648	6,086	—	—
18,444	21,254	—	—
4,902	7,636	—	—
9,253	7,507	—	—
<b>208,195</b>	<b>164,511</b>	<b>12,761</b>	<b>6,372</b>

**7. Segment Information (Continued)**

The Company is an investment holding company incorporated in Bermuda where the Group does not have activities. Since the major operations of the Group are conducted in Hong Kong, Hong Kong is considered as the Group's place of domicile for the disclosure purpose of HKFRS 8.

**8. Finance Costs**

Interest on bank loan and overdrafts wholly repayable within five years 須於五年內悉數償還的銀行貸款及透支利息

**7. 分部資料(續)**

本公司為於本集團並無業務的百慕達註冊成立的投資控股公司。由於本集團大部分業務於香港進行，香港就香港財務報告準則第8號的披露目的而言被視為本集團的成立所在地。

**8. 融資成本**

**For the year ended  
31 December  
截至12月31日止年度**

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>30</b>	67

**9. Profit Before Income Tax**

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

**9. 除所得稅前溢利**

除所得稅前溢利於扣除/(計入)以下各項後達致：

**For the year ended  
31 December  
截至12月31日止年度**

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Auditor's remuneration 核數師酬金	<b>970</b>	600
Cost of inventories recognised as expenses 確認為開支的存貨成本	<b>157,944</b>	125,656
Write-down of inventories to net realisable value <sup>1</sup> 撇減存貨至可變現淨值 <sup>1</sup>	—	103
Impairment on receivables <sup>2</sup> 應收款項減值 <sup>2</sup>	—	234
Depreciation of property, plant and equipment 物業、廠房及設備折舊	<b>1,050</b>	1,207
Exchange loss/(gain) 匯兌虧損/(收益)	<b>167</b>	(433)
Fair value (gain)/loss on financial instruments <sup>2</sup> 金融工具的公平值(收益)/虧損 <sup>2</sup>	<b>(501)</b>	63
Listing expenses <sup>2</sup> 上市開支 <sup>2</sup>	<b>3,581</b>	—
Operating lease charges in respect of land and building 就土地及樓宇的經營租賃支出	<b>861</b>	262
Employee benefit expenses (including directors' remuneration): 僱員福利開支(包括董事酬金):		
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	<b>16,896</b>	11,398
Retirement benefit — defined contribution plans <sup>3</sup> 退休福利 — 定額供款計劃 <sup>3</sup>	<b>791</b>	623
	<b>17,687</b>	12,021
Loss/(Gain) on disposal of property, plant and equipment <sup>2</sup> 出售物業、廠房及設備的虧損/(收益) <sup>2</sup>	<b>3</b>	(13)
Write-off of property, plant and equipment <sup>2</sup> 撇銷物業、廠房及設備 <sup>2</sup>	<b>—</b>	38

<sup>1</sup> included in cost of inventories recognised as expenses

<sup>2</sup> included in other income/other operating expenses on face of the consolidated statement of comprehensive income

<sup>3</sup> no forfeited contributions available for offset against existing contributions during the year

<sup>1</sup> 計入確認為開支的存貨成本

<sup>2</sup> 計入綜合全面收益表的其他收入/其他經營開支

<sup>3</sup> 於年內並無沒收供款可供抵銷現有供款

## 10. Income Tax Expense

Current tax — Hong Kong profits tax	即期稅項 — 香港利得稅
— charge for the year	— 年內支出
— (over)/under provision in prior years	— 過往年度(超額撥備)/撥備不足
Total income tax expense	所得稅開支總額

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits for the year.

The Group acquired Tianhaiba, a PRC entity, on 1 February 2010 which is subject to PRC corporate income tax at the tax rate of 25%. No provision for PRC corporate income tax has been made as Tianhaiba did not generate any taxable profits arising in the PRC during the period from the date of its acquisition to 31 December 2010.

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

## 10. 所得稅開支

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

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
3,963	3,171
(101)	58
<b>3,862</b>	<b>3,229</b>

香港利得稅就年內估計應課稅溢利按稅率16.5% (2009年: 16.5%)計稅。

本集團於2010年2月1日收購天海霸，須按稅率25%繳付中國企業所得稅。由於天海霸於其收購日期起至2010年12月31日期間內並無在中國產生任何應課稅溢利，故並無就中國企業所得稅作出撥備。

所得稅開支與會計溢利按適用稅率的對賬如下：

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

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	11,751	20,795
Tax calculated at applicable tax rate	按適用稅率計算的稅項	1,358	3,431
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	1,317	53
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(110)	(272)
Tax effect of utilising unrecognised tax losses	使用未確認稅務虧損的稅務影響	—	(55)
Tax effect of tax loss not recognised	未確認稅務虧損的稅務影響	1,081	58
(Over)/Under provision in prior years	過往年度(超額撥備)/撥備不足	(101)	58
Others	其他	317	(44)
Income tax expense for the year	年內所得稅開支	<b>3,862</b>	<b>3,229</b>

**10. Income Tax Expense (Continued)**

The Group had unrecognised tax losses arising in Hong Kong of approximately HK\$598,000 (2009: HK\$460,000) to carry forward against future taxable income and these tax losses do not expire under current legislation. In addition, the Group had unrecognised tax losses arising in the PRC of approximately HK\$4,382,000 which will expire in five years for offsetting against future taxable profit. No deferred tax asset has been recognised in respect the unused tax losses incurred by certain group entities due to the unpredictability of future profit streams.

**11. Profit Attributable to the Owners of the Company**

Of the consolidated profit attributable to the owners of the Company of HK\$7,563,000 (2009: HK\$16,498,000), a profit of HK\$3,000,000 (2009: Nil) has been dealt with in the financial statements of the Company.

**12. Dividends**

No dividend has been paid or declared by the Company since its incorporation except for the 2010 final dividend proposed as detailed below. Dividends declared and paid by Good Destination and Powerwell Pacific to their then shareholders during the year are summarised as follows:

**10. 所得稅開支(續)**

本集團結轉以抵銷未來應課稅收入的未確認稅務虧損為598,000港元(2009年: 460,000港元), 而根據現行法例該等稅務虧損不會屆滿。此外, 本集團於中國產生的未確認稅務虧損約為4,382,000港元以抵銷未來應課稅溢利, 將於五年內屆滿。概無就若干集團實體因未來溢利流量的不確定性已產生的未動用稅務虧損而確認遞延稅項資產。

**11. 本公司擁有人應佔溢利**

本公司擁有人應佔綜合溢利7,563,000港元(2009年: 16,498,000港元)中, 溢利3,000,000港元(2009年: 零)已於本公司的財務報表處理。

**12. 股息**

除下文所詳述的2010年建議末期股息外, 本公司自其註冊成立以來並無派付或宣派股息。於有關期間內, Good Destination及Powerwell Pacific向其當時股東宣派及派付的股息概述如下:

		<b>For the year ended 31 December 截至12月31日止年度</b>	
		<b>2010 2010年 HK\$'000 千港元</b>	2009 2009年 HK\$'000 千港元
Dividend declared and paid by subsidiaries (note (b)):	已宣派及已付股息, 並由附屬公司支付(附註(b)):		
Interim dividend paid to:	已付下列人士的中期股息:		
Owners of the Company	本公司擁有人	<b>4,180</b>	16,354
Owners of non-controlling interests	非控制權益擁有人	—	2,085
Special dividend	特別股息	<b>9,896</b>	—
Dividend paid to Founding Shareholders (note (a))	已付創始股東的股息(附註(a))	<b>225</b>	—
		<b>14,301</b>	18,439
Dividend proposed by the Company:	本公司擬派股息:		
Final dividend proposed for the year	年內建議末期股息		
— HK2.0 cents (2009: Nil) per ordinary share (note (c))	— 每股普通股2.0港仙 (2009年: 零)(附註(c))	<b>3,000</b>	—

## 12. Dividends (Continued)

Notes:

- (a) On 20 September 2010, the Group acquired from the Founding Shareholders 10,000 shares, which represent 10% of the issued capital, of Richmind, a subsidiary, at a total cash consideration of HK\$225,400. The transaction is accounted for as a dividend distribution to the Founding Shareholders.
- (b) The rate of dividend and the number of shares ranking for dividends paid by the subsidiaries are not presented as such information is considered not meaningful.
- (c) The directors recommend the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2010 which is subject to the approval by the shareholders at the forthcoming annual general meeting. The rate of dividend is determined based on the number of shares in issue of 150,000,000 upon the listing of the Company on 26 January 2011 (note 28(f)).

## 13. Earnings Per Share

The calculation of basic earnings per share for the year ended 31 December 2010 is based on the profit attributable to the owners of the Company amounting to HK\$7,563,000 (2009: HK\$16,498,000) and on the basis of 108,000,000 (2009: 108,000,000) shares of the Company in issue, being the number of shares in issue immediately after the completion of capitalisation issue as detailed in note 28(e), throughout the years.

No diluted earnings per share has been presented as there is no outstanding potential ordinary share at the reporting date.

## 12. 股息(續)

附註：

- (a) 於2010年9月20日，本集團向創始股東收購富宏(一間附屬公司)之10,000股股份(佔已發行股本10%)，總現金代價為225,400港元。交易以股息分派予創始股東列賬。
- (b) 本年度並無呈列由附屬公司支付股息的股息率及享有股息的股份數目，原因是該等資料被視作無意義。
- (c) 董事建議就截至2010年12月31日止年度派付末期股息每股2.0港仙，須經股東於應屆股東週年大會上批准。股息率按本公司於2010年1月26日上市(附註28(f))後已發行的150,000,000股而釐定。

## 13. 每股盈利

每股基本盈利乃根據本公司擁有人應佔溢利7,563,000港元(2009年：16,498,000港元)，以及年內本公司已發行股份108,000,000股(2009年：108,000,000股)(即於緊隨資本化完成後的已發行股份數目)計算(詳見附註28(e))。

由於在報告日期並無尚未發行的潛在普通股，故並無呈列每股攤薄盈利。

#### 14. Directors' Remuneration and Five Highest Paid Individuals

##### Directors' remuneration

Year ended 截至2010年12月31日

31 December 2010 止年度

Executive directors: 執行董事:

Liu Tin Chak, Arnold 廖天澤

Wong Yu Man, Elias 黃汝文

Lam Chi Wai, Peter 林志偉

Yang Yijun 楊一軍

Independent non-executive directors: 獨立非執行董事:

Cheung Chi Man, Dennis 張志文

Lui Tai Lok 呂大樂

Yip Kwok Kwan 葉國均

#### 14. 董事及五名最高薪人士的薪酬

##### 董事薪酬

Fees	Discretionary bonuses	Salaries, allowances and benefits in kind	Retirement benefit costs	Total
袍金	酌情花紅	薪金、津貼及實物利益	退休福利成本	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元
—	—	613	22	635
—	—	613	22	635
—	—	613	22	635
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	1,839	66	1,905

Fees	Discretionary bonuses	Salaries, allowances and benefits in kind	Retirement benefit costs	Total
袍金	酌情花紅	薪金、津貼及實物利益	退休福利成本	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元
—	200	528	22	750
—	200	589	20	809
—	200	589	20	809
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	600	1,706	62	2,368

Year ended 截至2009年12月31日

31 December 2009 止年度

Executive directors: 執行董事:

Liu Tin Chak, Arnold 廖天澤

Wong Yu Man, Elias 黃汝文

Lam Chi Wai, Peter 林志偉

Yang Yijun 楊一軍

Independent non-executive directors: 獨立非執行董事:

Cheung Chi Man, Dennis 張志文

Lui Tai Lok 呂大樂

Yip Kwok Kwan 葉國均



## 14. Directors' Remuneration and Five Highest Paid Individuals (Continued)

### Five highest paid individuals

The five highest paid individuals consisted of three (2009: three) directors, details of whose remuneration are reflected in the analysis presented above. Details of remuneration of the remaining two (2009: two) highest paid individuals for the year ended 31 December 2010 are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Discretionary bonuses	酌情花紅
Retirement benefits — defined contribution plans	退休福利 — 定額供款計劃

The remuneration paid to each of the above non-director individuals for the year fell within the following bands:

Nil — HK\$1,000,000	零至 1,000,000 港元
---------------------	-----------------

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

No emolument was paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

## 14. 董事及五名最高薪人士的薪酬(續)

### 五名最高薪人士

五名最高薪人士包括三名(2009年：三名)董事，有關詳情於上文所列的分析中反映。於截至2010年12月31日止年度，其餘兩名(2009年：兩名)最高薪人士的薪酬詳情如下：

### For the year ended 31 December 截至 12 月 31 日止年度

2010 2010 年 HK\$'000 千港元	2009 2009 年 HK\$'000 千港元
1,888	1,144
—	—
24	24
<b>1,912</b>	<b>1,168</b>

年內已付以上各非董事個別人士的薪酬屬於以下範圍：

### Number of individuals

人數

2010 2010 年	2009 2009 年
2	2

年內並無任何董事放棄或同意放棄任何酬金的安排。

本集團並無向董事或任何五名最高薪人士支付任何酬金，作為彼等加盟或於加盟本集團時的獎勵或離職補償。

## 15. Property, Plant and Equipment

## 15. 物業、廠房及設備

		Land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Plant and machinery	Motor vehicles	Total
		土地及樓宇	租賃裝修	傢俱、裝置及設備	廠房及機器	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>At 1 January 2009</b>	<b>於2009年1月1日</b>						
Cost	成本	4,006	608	1,669	3,861	630	10,774
Accumulated depreciation	累計折舊	(614)	(344)	(1,072)	(2,033)	(630)	(4,693)
Net carrying amount	賬面淨值	3,392	264	597	1,828	—	6,081
<b>Year ended 31 December 2009</b>	<b>截至2009年12月31日止年度</b>						
Opening net carrying amount	年初賬面淨值	3,392	264	597	1,828	—	6,081
Additions	添置	1,150	17	397	21	—	1,585
Depreciation	折舊	(116)	(91)	(250)	(750)	—	(1,207)
Disposal	出售	—	—	(49)	—	—	(49)
Write-off	撇銷	—	(36)	(2)	—	—	(38)
Closing net carrying amount	年終賬面淨值	4,426	154	693	1,099	—	6,372
<b>At 31 December 2009</b>	<b>於2009年12月31日</b>						
Cost	成本	5,156	368	1,396	3,882	630	11,432
Accumulated depreciation	累計折舊	(730)	(214)	(703)	(2,783)	(630)	(5,060)
Net carrying amount	賬面淨值	4,426	154	693	1,099	—	6,372
<b>Year ended 31 December 2010</b>	<b>截至2010年12月31日止年度</b>						
Opening net carrying amount	年初賬面淨值	4,426	154	693	1,099	—	6,372
Additions	添置	—	96	1,421	129	—	1,646
Acquisition of a subsidiary (note 30)	收購一家附屬公司 (附註30)	—	—	13	—	—	13
Depreciation	折舊	(116)	(88)	(341)	(505)	—	(1,050)
Disposal	出售	—	—	(5)	—	—	(5)
<b>Closing net carrying amount</b>	<b>年終賬面淨值</b>	<b>4,310</b>	<b>162</b>	<b>1,781</b>	<b>723</b>	<b>—</b>	<b>6,976</b>
<b>At 31 December 2010</b>	<b>於2010年12月31日</b>						
Cost	成本	5,156	464	2,822	4,011	630	13,083
Accumulated depreciation	累計折舊	(846)	(302)	(1,041)	(3,288)	(630)	(6,107)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>4,310</b>	<b>162</b>	<b>1,781</b>	<b>723</b>	<b>—</b>	<b>6,976</b>

The Group's interests in land and buildings are located in Hong Kong and are held under medium-term leases.

No properties were pledged to secure any bank borrowings at the reporting date. As at 31 December 2009, certain properties with carrying amount of HK\$2,430,000 were pledged to secure the bank borrowings of the Group (note 27).

本集團的土地及樓宇權益均位於香港，並以中期租約持有。

於報告日期，概無物業已予抵押，以獲取任何銀行貸款。於2009年12月31日，賬面值2,430,000港元的若干物業已予抵押，以獲取本集團的銀行借貸(附註27)。

## 16. Goodwill

### Year ended 31 December 2010

Opening net carrying amount  
Acquisition of a subsidiary

### Closing net carrying amount

### As at 31 December 2010

Cost  
Accumulated impairment

### Net carrying amount

Goodwill arises from the acquisition of Tianhaiba on 1 February 2010 (note 30). The goodwill as well as other intangible assets with indefinite useful lives as mentioned in note 17 are allocated to the cash generating unit of PRC Watch Business, which has just commenced during the year ended 31 December 2010.

The goodwill is tested for impairment as at 31 December 2010 based on value in use calculation using cash flow projection and no impairment is being identified. The cash flow projection is based on the forecast approved by the directors covering a period of 5 years and the discount rate applied to the cash flow projection is 14%, which reflects specific risk relating to the PRC Watch Business. Growth rate used in the projection is 7% which reflects the long-term average growth rate of the PRC Watch Business.

## 17. Other Intangible Assets

### Year ended 31 December 2010

Opening net carrying amount  
Addition

### Closing net carrying amount

### As at 31 December 2010

Cost  
Accumulated amortisation/impairment

### Net carrying amount

## 16. 商譽

### 截至2010年12月31日止年度

年初賬面淨值  
收購一家附屬公司

### 年終賬面淨值

### 於2010年12月31日

成本  
累計減值

### 賬面淨值

商譽乃因於2010年2月1日收購天海霸(附註30)而產生。商譽及附註17提述的具不設年限可使用年期的無形資產乃分配予僅於截至2010年12月31日止年度開始的中國鐘錶業務的現金產生單位。

於2010年12月31日，商譽使用現金流預測按使用價值進行減值測試，惟並無出現減值。現金流預測按董事批准的5年期預測計算，而適用於現金流預測的貼現率為14%，反映有關中國鐘錶業務的特定風險。用於預測的增長率為7%，反映有關中國鐘錶業務的長期平均增長率。

## 17. 其他無形資產

HK\$'000 千港元	
	—
	230
	230
	230
	—
	230

Trademarks 商標 HK\$'000 千港元	
	—
	5,555
	5,555
	5,555
	—
	5,555

**17. Other Intangible Assets (Continued)**

On 30 June 2010, Tianhaiba entered into an agreement with a PRC entity to acquire from the PRC entity the *Tianba* and *Harpo* trademarks at a total consideration of RMB4,700,000 (equivalent to approximately HK\$5,345,000). The PRC entity is owned by the brother of the Company's director, Mr. Yang Yijun. Pending the approval process of the relevant government authority in the PRC regarding the transfer of the trademarks, Tianhaiba entered into a trademark licence agreement with the PRC entity on the same date whereby the PRC entity granted to the Group with immediate effect a sole and exclusive right to use the *Tianba* and *Harpo* trademarks.

As at the date of the report, the legal procedures for transferring the trademarks to the Group are not yet completed. As assessed by the directors, the outstanding procedures are customary and nothing has come to their attention that would hinder the completion of the transfer. Taking into account the advice from the Company's PRC legal advisor, the directors are of the opinion that the Group is able to generate economic benefit from the *Tianba* and *Harpo* trademarks since the signing of the trademark licence agreement on 30 June 2010, even if the transfer of the two trademarks shall not be approved by the relevant government authority.

The directors consider these trademarks having indefinite useful lives as there is no foreseeable limit on the period of time over which the trademarks in watch industry is expected to provide cash flows. These trademarks can be renewable in a period of time at minimal cost and the products are continuing in the market.

**18. Investments in Subsidiaries**

Unlisted shares, at cost

非上市股份，按成本

**17. 其他無形資產(續)**

於2010年6月30日，天海霸與一家中國實體訂立一份協議，以向該中國實體收購天霸及海霸商標，總現金代價為人民幣4,700,000元(約等於5,345,000港元)。該中國實體乃由現任董事楊一軍先生的胞兄／弟擁有。待中國有關政府當局批出有關轉讓商標的程序完成時，天海霸於同日與該中國實體訂立商標特許權協議，據此該中國實體向本集團授出唯一及獨家權利使用天霸及海霸商標，由該日起即時生效。

於本報告日期，向本集團轉讓商標的法律程序尚未完成。經董事評估後，尚未完成的程序乃慣常程序，且彼等並不知悉有任何事項會妨礙轉讓的完成。經考慮本公司中國法律顧問的意見後，董事認為，即使天霸及海霸商標的轉讓不獲有關政府機關批准，本集團自2010年6月30日簽訂商標許可協議以來亦能從該兩個商標獲取經濟利益。

董事認為此等商標具不設年限可使用年期，原因是該等商標於鐘錶業內預期並無提供現金流的可預見時間限制。此等商標可以極低成本重續一段時間，且產品於市場上持續不斷。

**18. 於附屬公司的投資**Company  
本公司

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
30,367	—

## 18. Investments in Subsidiaries (Continued)

Particulars of the Company's subsidiaries, which are private companies with limited liability, as at 31 December 2010 are as follows:

Name 名稱	Country/ Place of incorporation/ establishment 註冊成立/成立國家/地點	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本/註冊資本詳情	Effective interest held by the Company 本公司持有的實際權益		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Powerwell Pacific	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	800 ordinary shares of US\$1 each 800股每股面值1美元的普通股	100%	—	Investment holding 投資控股
Good Destination	BVI 英屬處女群島	4 ordinary shares of US\$1 each 4股每股面值1美元的普通股	100%	—	Investment holding 投資控股
Goldnet BVI	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元的普通股	100%	—	Investment holding 投資控股
Goldnet HK 金域香港	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值1港元的普通股	100%	—	Investment holding 投資控股
Display & Packaging Limited	Hong Kong 香港	300,000 ordinary shares of HK\$1 each 300,000股每股面值1港元的普通股	—	100%	Trading of display and packaging materials and products 買賣陳列包裝材料及產品
EC Manufacturing Limited 宏發製造有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元的普通股	—	100%	Manufacturing of handmade watch sample and supply of watch accessories 製造人造鐘錶樣品及供應鐘錶配飾
Prestige Corporation Limited 譽銘有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元的普通股	—	100%	Trading of watches and accessories 買賣鐘錶及配飾
EC (Asia) Limited 宏發(亞洲)有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元的普通股	—	100%	Trading of watches and accessories 買賣鐘錶及配飾

## 18. 於附屬公司的投資(續)

於2010年12月31日，本公司附屬公司(均為私人有限公司)的詳情如下：

## 18. Investments in Subsidiaries (Continued)

## 18. 於附屬公司的投資(續)

Name 名稱	Country/ Place of incorporation/ establishment 註冊成立/成立國家/ 地點	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本詳情	Effective interest held by the Company 本公司持有的 實際權益		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Ampress Pacific Limited 和峰太平洋有限公 司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000 股每股面值 1 港元的普通股	—	100%	Trading of display and packaging products 買賣陳列包裝品
Ampress Packaging Limited	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000 股每股面值 1 港元的普通股	—	90%	Trading of display and packaging products 買賣陳列包裝品
Richmind 富宏	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000 股每股面值 1 港元的普通股	—	100%	Holding of properties 持有物業
EC Pacific Limited 宏發(太平洋)有限 公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000 股每股面值 1 港元的普通股	—	100%	Trading of watches and accessories 買賣鐘錶及配飾
Ampress Merchandising Limited 和峰實業有限公司	Hong Kong 香港	100,000 ordinary shares of HK\$1 each 100,000 股每股面值 1 港元的普通股	—	100%	Trading of watches, costume jewelries and accessories 買賣鐘錶、人造珠寶 及配飾
Ampress Packaging Asia Limited 和峰包裝(亞洲)有 限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000 股每股面值 1 港元的普通股	—	100%	Trading of display and packaging products 買賣陳列包裝品
Powerwell Finance Limited	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000 股每股面值 1 港元的普通股	—	100%	Trading of investment 買賣投資
深圳市天海霸鐘錶 有限公司 (Shenzhen Tianhaiba Watches Company Limited) ("Tianhaiba") <sup>#</sup> 深圳市天海霸鐘錶有 限公司(「天海霸」)	PRC 中國	RMB 13,035,000 人民幣 13,035,000 元	—	100%	Sales of watches in the PRC 於中國銷售鐘錶

# Tianhaiba was established on 23 June 2009 as a PRC domestic enterprise and was converted into a wholly foreign-owned enterprise upon acquisition by the Group on 1 February 2010 (note 30).

# 天海霸於2009年6月23日成立為中國境內企業，並於2010年2月1日經本集團收購後改制為外商獨資企業(附註30)。

## 19. Inventories

Raw materials	原材料
Finished goods	成品

On 30 June 2010, the Group acquired watch inventories bearing the *Tianba* and *Harpo* brands (finished goods) at HK\$5,492,000 from the PRC entity as mentioned in note 17.

## 20. Trade Receivables, Prepayments and Deposits

Trade receivables	貿易應收款項
Less: provision for impairment	減：減值撥備
Trade receivables — net	貿易應收款項 — 淨額
Prepayment of professional fees in relation to issue of shares	發行股份的相關預付專業費用
Other prepayment and deposits	其他預付款項及按金

The Group normally allows credit period of 45 to 60 days to its major customers. Credit period is normally not granted to other customers.

The ageing analysis (based on due date) of the Group's trade receivables at the reporting date is as follows:

Not past due	未逾期
1–30 days past due	逾期 1-30 天
31–60 days past due	逾期 31-60 天
61–90 days past due	逾期 61-90 天
Over 90 days past due	逾期 90 天以上

## 19. 存貨

		Group 本集團
		2010 2010 年 HK\$'000 千港元
		2009 2009 年 HK\$'000 千港元
		6,903
		9,509
		1,132
		310
		16,412
		1,442

誠如附註 17 所述，本集團於 2010 年 6 月 30 日以 5,492,000 港元向中國實體收購附天霸及海霸商標(成品)的存貨。

## 20. 貿易應收款項、預付款項及按金

		Group 本集團
		2010 2010 年 HK\$'000 千港元
		2009 2009 年 HK\$'000 千港元
		25,595
		(1,020)
		21,060
		(1,029)
		24,575
		20,031
		11,770
		—
		7,087
		1,583
		18,857
		1,583
		43,432
		21,614

本集團一般向其主要客戶給予 45 至 60 天的信貸期。一般來說，不會向其他客戶授予信貸期。

於報告日期，本集團貿易應收款項按到期日的賬齡分析如下：

		Group 本集團
		2010 2010 年 HK\$'000 千港元
		2009 2009 年 HK\$'000 千港元
		22,174
		17,225
		2,378
		2,321
		13
		328
		10
		83
		1,020
		1,103
		25,595
		21,060

**20. Trade Receivables, Prepayments and Deposits***(Continued)*

The movement in the provision for impairment of trade receivables is as follows:

Balance at beginning of the year	年初結餘	1,029
Bad debt recovery	壞賬收回	(9)
Impairment loss recognised	已確認減值虧損	—
Amount written-off	已撤銷金額	—
Balance at end of the year	年終結餘	1,020

At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. The Group identified impairment loss on trade receivables amounting to HK\$1,020,000 (2009: HK\$1,029,000) as at 31 December 2010. The impaired trade receivables were due from customers experiencing financial difficulties that were in default or delinquency of payments and impairment provision amounting to HK\$1,020,000 (2009: HK\$1,029,000) were made. The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

The ageing analysis (based on due date) of the Group's trade receivables that were past due at the reporting date but are not considered as impaired is as follows:

Not past due	未逾期	22,174
1 — 30 days past due	逾期1-30天	2,378
31 — 60 days past due	逾期31-60天	13
61 — 90 days past due	逾期61-90天	10
Over 90 days past due	逾期90天以上	—
		24,575

**20. 貿易應收款項、預付款項及按金(續)**

貿易應收款項減值撥備的變動如下：

		Group 本集團	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
		1,029	979
		(9)	(160)
		—	234
		—	(24)
		1,020	1,029

於各報告日期，本集團會按個別及綜合基準檢討是否有證據顯示應收款項減值。於2010年12月31日，本集團已識別的貿易應收款項減值虧損為1,020,000港元(2009年：1,029,000港元)。已減值貿易應收款項為屬面臨財政困難的客戶拖欠或逾期付款，已就此作出減值撥備為1,020,000港元(2009年：1,029,000港元)。本集團並無就按個別或綜合基準釐定的已減值貿易應收款項持有任何作為擔保或其他加強信貸措施的抵押品。

於報告日期，本集團已逾期但未被視為減值的貿易應收款項按到期日的賬齡分析如下：

		Group 本集團	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
		22,174	17,225
		2,378	2,321
		13	328
		10	83
		—	74
		24,575	20,031



## 20. Trade Receivables, Prepayments and Deposits

(Continued)

Trade receivables that were not yet past due and that were past due but not impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit 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 did not hold any collateral in respect of trade receivable past due but not impaired.

The directors consider the carrying amounts of trade receivables approximate their fair values.

## 21. Amounts Due from Related Parties

Details of the amounts due from the related parties are as follows:

**Year ended 31 December 2010**

*Directors*

Liu Tin Chak, Arnold  
Wong Yu Man, Elias  
Lam Chi Wai, Peter

*Other related party*

Hana Time (Asia) Limited  
(note (a))

**截至2010年12月31日止年度**

*董事*

廖天澤  
黃汝文  
林志偉

*其他關聯人士*

美時(亞洲)有限公司  
(附註(a))

## 20. 貿易應收款項、預付款項及按金(續)

已逾期但未被視為減值的貿易應收款項與於本集團信貸紀錄良好的大量不同類別客戶有關。根據過往信貸經驗，管理層相信，由於信貸質素並無重大變動且結餘仍被視作可全數收回，因此毋須為該等結餘作減值撥備。本集團並無就已逾期但未被視為減值的貿易應收款項持有任何抵押品。

董事認為，貿易應收款項的賬面值與其公平值相若。

## 21. 應收關聯人士款項

應收關聯人士款項的詳情如下：

Maximum amount outstanding during the year 年內最高尚未償還金額 HK\$'000 千港元	Opening outstanding balance 年初尚未償還結餘 HK'000 千港元	Closing outstanding balance 年終尚未償還結餘 HK'000 千港元
38	38	—
151	151	—
111	111	—
247	247	—
	<b>547</b>	<b>—</b>

## 21. Amounts Due from Related Parties (Continued)

Year ended 31 December 2009

截至2009年12月31日止年度

## Directors

Liu Tin Chak, Arnold  
Wong Yu Man, Elias  
Lam Chi Wai, Peter

## 董事

廖天澤  
黃汝文  
林志偉

## Other related parties

Owner of non-controlling interests (note (b))  
Hana Time (Asia) Limited (note (a))其他關聯人士  
非控制權益的擁有人  
(附註(b))  
美時(亞洲)有限公司  
(附註(a))

## 21. 應收關聯人士款項(續)

Maximum amount outstanding during the year 年內最高尚未償還金額 HK\$'000 千港元	Opening outstanding balance 年初尚未償還結餘 HK\$'000 千港元	Closing outstanding balance 年終尚未償還結餘 HK\$'000 千港元
38	—	38
151	—	151
111	—	111
50	50	—
366	—	247
	50	547

## Notes:

- (a) The director, Mr. Lam Chi Wai, Peter, is connected to this related company.
- (b) The related party is Ms. Tam who was the then owner of the non-controlling interests of a subsidiary, Ampress Packaging Asia Limited.

The above balances due are unsecured, non-interest bearing and repayable on demand. The directors consider that the carrying amounts of the balances approximate their fair values.

## 附註：

- (a) 董事林志偉先生與該關連公司有關連。
- (b) 關聯人士談女士為當時一家附屬公司和峰包裝(亞洲)有限公司的非控制權益擁有人。

上述結欠結餘為無抵押、免息及須按要求時償還。董事認為，該等結餘的賬面值與其公平值相若。

## 22. Financial Assets at Fair Value Through Profit or Loss

## 22. 按公平值計入損益的金融資產

Dual currency investments

雙元貨幣投資

Group 本集團	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
—	13,983

## 22. Financial Assets at Fair Value Through Profit or Loss (Continued)

Details about the dual currency investments as at 31 December 2009 are as follows:

Notional amount per contract Canadian dollars ("CAD"/"C\$") US\$	每份合約的名義金額 加元(「加元」) 美元		
Currency pair (principal currency/alternative currency)	貨幣組合 (主要貨幣/ 其他貨幣)	US\$/Australian dollars ("AUD"/"A\$") 美元/澳元(「澳元」)	CAD/AUD 加元/澳元
Contract period	合約期	December 2009 to January 2010 2009年12月至 2010年1月	December 2009 to January 2010 2009年12月至 2010年1月
Interest rate	利率	4.0% p.a. 每年4.0%	4.0% p.a. 每年4.0%
Redemption amount	贖回金額	US\$506,710/ A\$576,331 506,710 美元 / 576,331 澳元	<b>Contract 1</b> C\$334,986/ A\$ 353,622 <b>合約 1</b> 334,986 加元 / 353,622 澳元  <b>Contract 2</b> C\$1,070,406/ A\$1,128,287 <b>合約 2</b> 1,070,406 加元 / 1,128,287 澳元
Fair value at year end (HK\$'000)	年終公平值(千港元)	3,886	10,097

The dual currency investments are to be settled either in principal currency or the alternative currency at pre-determined amount, depending on the exchange rate of the currencies prevailing at the redemption date.

The dual currency investments are stated at fair values which are measured as described in notes 5 and 35.

## 22. 按公平值計入損益的金融資產(續)

有關雙元貨幣投資於2009年12月31日的詳情如下：

At 31 December 2009 於2009年12月31日		One US\$ contract 一份美元合約	Two CAD contracts 兩份加元合約
Notional amount per contract Canadian dollars ("CAD"/"C\$") US\$	每份合約的名義金額 加元(「加元」) 美元	— 505,000	334,000/1,066,000 —
Currency pair (principal currency/alternative currency)	貨幣組合 (主要貨幣/ 其他貨幣)	US\$/Australian dollars ("AUD"/"A\$") 美元/澳元(「澳元」)	CAD/AUD 加元/澳元
Contract period	合約期	December 2009 to January 2010 2009年12月至 2010年1月	December 2009 to January 2010 2009年12月至 2010年1月
Interest rate	利率	4.0% p.a. 每年4.0%	4.0% p.a. 每年4.0%
Redemption amount	贖回金額	US\$506,710/ A\$576,331 506,710 美元 / 576,331 澳元	<b>Contract 1</b> C\$334,986/ A\$ 353,622 <b>合約 1</b> 334,986 加元 / 353,622 澳元  <b>Contract 2</b> C\$1,070,406/ A\$1,128,287 <b>合約 2</b> 1,070,406 加元 / 1,128,287 澳元
Fair value at year end (HK\$'000)	年終公平值(千港元)	3,886	10,097

視乎於贖回日期通行的匯率，雙元貨幣投資按預定金額以主要貨幣或其他貨幣結算。

雙元貨幣投資按公平值列賬，乃按附註5及35所述的方式計量。

**23. Derivative Financial Instruments (Continued)**

The derivative financial instruments comprise the following forward foreign exchange contracts:

Strip of TT bullish structure contracts      TT 買空疊期結構型合約

The notional amount of the strip of TT bullish structure contracts varies from US\$10,000 to US\$250,000. The contract period is one year in general. The amount to be settled by the Group on maturity date depends on the exchange rate of US\$ against HK\$ on the maturity date. The contracts would knock out when the pre-set conditions occur which are affected by the fluctuation of HK\$ against US\$.

The derivative financial instruments are stated at fair values which are measured as described in notes 5 and 35.

**24. Bank Balances and Cash**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Included in bank balances and cash of the Group as at 31 December 2010 was a balance of HK\$1,714,000 which is denominated in RMB. RMB is not a freely convertible currency.

**25. Trade and Other Payables**

Trade payables (note (a))      貿易應付款項(附註(a))  
Other payables and accruals (note (b))      其他應付款項及應計費用(附註(b))  
Deposits received      已收取按金

**23. 衍生金融工具(續)**

衍生金融工具包括以下期貨外匯合約：

Group 本集團	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
—	22

TT 買空疊期結構型合約的名義金額由 10,000 美元至 250,000 美元不等。合約期一般為一年。本集團將於到期日結清的金額視乎於到期日美元兌港元的匯率。當發生受港元兌美元波動影響的預設條件時，合約將會取消。

衍生金融工具按公平值列賬，乃按附註 5 及 35 所述的方式計量。

**24. 銀行結餘及現金**

銀行存款按浮動銀行存款日利率賺取利息。於 2010 年 12 月 31 日，計入本集團銀行結餘及現金為按人民幣計值的結餘 1,714,000 港元。人民幣不得自由兌換。

**25. 貿易及其他應付款項**

Group 本集團	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
33,609	15,686
18,753	1,876
16,441	1,033
<b>68,803</b>	<b>18,595</b>

## 25. Trade and Other Payables (Continued)

Notes:

- (a) The ageing analysis of trade payable (based on due date) at the reporting date is as follows:

Not past due	未逾期
1-30 days past due	逾期1-30天
31-60 days past due	逾期31-60天
61-90 days past due	逾期61-90天
Over 90 days past due	逾期90天以上

Included in trade payables was an amount of HK\$919,000 (2009: HK\$861,000) which was due to a PRC entity, Guifeng (as defined in note 31), in which Mr. Yang Yijun, director of the Company, has equity interest.

- (b) Other payables and accruals as at 31 December 2010 included an amount of approximately HK\$8,177,000 which arises from the acquisition of the *Tianba* and *Harpo* trademarks (note 17) and the watch inventories bearing the *Tianba* and *Harpo* brands (note 19).
- (c) The directors consider that the carrying amounts of trade and other payables approximate their fair values.

## 26. Amounts Due from Subsidiaries

The amounts due are unsecured, interest free and repayable on demand. The directors consider that the carrying amounts of the balances approximate their fair values.

## 27. Bank Loans

Bank loans	銀行貸款
Repayable within one year	須於一年內償還
Repayable in the second year	須於第二年償還
Repayable in the third to fifth year, inclusive	須於第三至第五年(包括首尾兩年)償還
Repayable after the fifth year	須於五年後償還

Analysed into:  
Current portion due within one year included under current liabilities  
Non-current portion included under non-current liabilities

分析為：  
一年內到期的即期部分(計入流動負債)  
非即期部分(計入非流動負債)

## 25. 貿易及其他應付款項(續)

附註：

- (a) 於報告日期，貿易應付款項按到期日的賬齡分析如下：

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
14,057	5,777
9,803	5,712
9,707	3,751
42	100
—	346
<b>33,609</b>	<b>15,686</b>

計入貿易應付款項為919,000港元(2009年：861,000港元)，為應付一家中國實體桂峰(定義見附註31)(本公司現任董事楊一軍先生於當中擁有股本權益)的款項。

- (b) 於2010年12月31日的其他應付款項及應計費用包括因收購天霸及海霸商標(附註17)及附有天霸及海霸品牌的鐘錶存貨(附註19)而產生的金額約8,177,000港元。
- (c) 董事認為，貿易及其他應付款項的賬面值與其公平值相若。

## 26. 應收附屬公司款項

應收附屬公司款項為無抵押、免息及須按要求時償還。董事認為，該等結餘的賬面值與其公平值相若。

## 27. 銀行貸款

Group 本集團	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
—	55
—	58
—	193
—	370
—	676
—	55
—	621
—	676

**27. Bank Loans**

The bank loans as at 31 December 2009 were denominated in HK\$ and were secured by the following:

- (a) charges on certain properties of the Group with carrying amount of HK\$2,430,000 (notes 15);
- (b) guarantees by the directors; and
- (c) corporate guarantees from certain group entities.

The effective interest rates applicable to the bank loans as at 31 December 2009 were floating interest rates ranging 3.58% to 5.33% per annum. The directors estimated the fair values of the bank loans by discounting their expected cash flows at the market rates of comparable financial instruments and the directors considered that the carrying amounts of the Group's current and non-current bank loans approximated their fair values at 31 December 2009. The bank loans were early repaid by the Group during the year.

**28. Share Capital****Authorised:**

Upon incorporation, ordinary shares of HK\$1 each (note (a))  
Share sub-division (note (b))

**法定：**

於註冊成立時，每股普通股  
1港元(附註(a))  
股份分拆(附註(b))

Increase in authorised capital, ordinary shares of HK\$0.1 each (note (d))

增加法定股本，每股普通股  
0.1港元(附註(d))

**At 31 December 2010, ordinary shares of HK\$0.1 each**

於2010年12月31日每股  
普通股0.1港元

**Issued and fully paid:**

Upon incorporation, ordinary shares of HK\$1 each (note (a))  
Share Sub-division (note (a) & (b))

**已發行及繳足：**

於註冊成立時，每股普通股  
1港元(附註(a))  
股份分拆(附註(a)及(b))

Issue of shares, ordinary shares of HK\$0.1 each (note (c))

發行股份，每股普通股  
0.1港元(附註(c))

**At 31 December 2010, ordinary shares of HK\$0.1 each**

於2010年12月31日每股  
普通股0.1港元

**27. 銀行貸款**

於2009年12月30日，銀行貸款以港元計值，並以下列各項作抵押：

- (a) 本集團賬面值為2,430,000港元的若干物業抵押(附註15)；
- (b) 董事擔保；及
- (c) 若干集團實體的公司擔保。

於2009年12月31日，銀行貸款適用的實際利率為介乎3.58%至5.33%的浮動年利率。董事按可比較金融工具市值貼現其預期現金流來估計非即期借貸的公平值，並認為，本集團即期及非即期借貸於2009年12月31日的賬面值與其公平值相若。本集團於本年度已提早償還銀行貸款。

**28. 股本**

	Number of ordinary shares 普通股數目	Nominal value 面值 HK\$ 港元
	100,000	100,000
	900,000	—
	<b>1,000,000</b>	<b>100,000</b>
	<b>999,000,000</b>	<b>99,900,000</b>
	<b>1,000,000,000</b>	<b>100,000,000</b>
	4	4
	36	—
	<b>40</b>	<b>4</b>
	<b>99,960</b>	<b>9,996</b>
	<b>100,000</b>	<b>10,000</b>

## 28. Share Capital (Continued)

### Notes:

- (a) The Company was incorporated on 14 June 2010 with authorised share capital of HK\$100,000 divided into 100,000 shares of HK\$1 each, 4 shares of which were issued nil-paid on 9 July 2010. On 20 December 2010, with a written resolution of the sole shareholder of the Company, the directors were authorised to apply a sum of HK\$4 being part of the amount credited to the contributed surplus account of the Company arising from the issue of shares referred to notes (b) and (c) below to pay up in full at par the 4 shares (become 40 shares after the Share Sub-division as mentioned in (b) below) issued nil-paid on 9 July 2010.
- (b) By a written resolution of the Company dated 20 December 2010, each of the existing issued and unissued shares of HK\$1 each in the share capital of the Company was sub-divided into 10 shares of HK\$0.10 each ("Share Sub-division". The authorised share capital of the Company then become HK\$100,000 divided into 1,000,000 share of HK\$0.1 each.
- (c) On 20 December 2010, an aggregate of 50,000 shares were allotted and issued, credited as fully paid, to Data Champion Limited as consideration for the acquisition of the entire issued share capital of Good Destination and Goldnet BVI from the Founding Shareholders. On the same date, an aggregate of 49,960 shares were allotted and issued, credited as fully paid, to Data Champion Limited as consideration for the acquisition of the entire issued share capital of Powerwell Pacific from the Founding Shareholders and Ms. Tam.
- (d) Pursuant to a shareholder resolution passed on 22 December 2010, the authorised share capital of the Company is increased from HK\$100,000, divided into 1,000,000 shares of HK\$0.1 each, to HK\$100,000,000, divided into 1,000,000,000 shares of HK\$0.1 each, by the creation of additional 999,000,000 shares.
- (e) Pursuant to a shareholder resolution passed on 22 December 2010, conditional on the share premium account of the Company being credited as a result of the Placing as mentioned and defined in (f) below, HK\$10,790,000 of such amount was directed to be capitalised and applied in paying up in full at par 107,900,000 shares for allotment and issue to shareholders of the Company (the "Capitalisation"). Upon the Capitalisation, the issued share capital of the Company would become HK\$10,800,000 divided into 108,000,000 shares of HK\$0.1 each.
- (f) On 26 January 2011, 42,000,000 new shares of HK\$0.1 each of the Company were issued to the public by way of placing at HK\$0.80 each (the "Placing"). Upon the Capitalisation and the Placing, the issued share capital of the Company would become HK\$15,000,000 divided into 150,000,000 shares of HK\$0.1 each.

## 28. 股本(續)

### 附註:

- (a) 本公司於2010年6月14日註冊成立，法定股本為100,000港元，分為100,000股每股面值1港元的股份，其中4股已於2010年7月9日以未繳股款方式發行。於2010年12月20日，根據本公司單一股東的一項書面決議案，董事獲授權動用下文附註(b)及(c)段所述本公司發行股份所產生的本公司實繳盈餘賬的部分進賬額4港元，以按面值全數繳足於2010年7月9日無償發行的4股股份(進行下文(b)所述的股份分拆後則為40股股份)。
- (b) 根據本公司於2010年12月20日的一項書面決議案，本公司股本中各每股面值1港元的現有已發行及未發行股份已拆細為10股每股面值0.10港元的股份(「股份拆細」)。本公司的法定股本將為100,000港元(分為1,000,000股每股0.1港元的股份)。
- (c) 於2010年12月20日，本公司已向Data Champion Limited配發及發行合共50,000股入賬列作繳足股份，作為向創始股東收購Good Destination及Goldnet BVI全部已發行股本的代價。於同日，本公司已向Data Champion Limited配發及發行合共49,960股入賬列作繳足股份，作為向創始股東及談女士收購Powerwell Pacific全部已發行股本的代價。
- (d) 根據股東於2010年12月22日的書面決議案，藉增設額外999,000,000股股份，將本公司的法定股本由100,000港元(分為1,000,000股每股0.1港元的股份)增至100,000,000港元(分為1,000,000,000股每股0.1港元的股份)。
- (e) 根據股東於2010年12月22日的書面決議案，在本公司股份溢價賬基於下文(f)所述及界定的配售而取得進賬的情況下，將其中金額10,790,000港元撥充資本，並動用該金額按面值繳足107,900,000股股份，以配發及發行予本公司股東(「資本化」)。資本化後，本公司的已發行股本將為10,800,000港元(分為108,000,000股每股0.1港元的股份)。
- (f) 於2011年1月26日，42,000,000股本公司每股面值0.1港元的新股份已按每股0.8港元透過配售發行予公眾人士(「配售」)。資本化及配售後，本公司的已發行股本將為15,000,000港元(分為150,000,000股每股0.1港元的股份)。

## 29. Reserves

### Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity. Nature of the reserves are as follows:

#### (a) Capital reserve

Capital reserve represents the difference between the consideration paid and the share of the net assets acquired (at book value) in respect of the acquisition of non-controlling interests. Capital reserve as at 31 December 2010 arose from the acquisition of 33.3% equity interests in Display & Packaging Limited, the acquisition of 20% equity interests in EC Manufacturing Limited and the acquisition of the 10% equity interests in Ampress Packaging Asia Limited as mentioned in note 2.

#### (b) Merger reserve

Merger reserve arose as a result of the followings:

- (i) Before 20 September 2010, the Group held 90% of the equity interest of Richmind while the remaining 10% interest in the capital of Richmind with carrying value of HK\$10,000 held by the Founding Shareholders was accounted for as capital contribution and included in the merger reserve.
- (ii) During the current year, Powerwell Pacific issued 752 new shares of US\$1 each to the Founding Shareholders at the consideration of US\$1 each and issued 44 new shares of US\$1 each to Ms. Tam at a consideration of HK\$1,027,000. These has resulted in an increase in equity of the Group by HK\$1,033,000 which was included in merger reserve.

#### (c) Translation reserve

Translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations in accordance with the accounting policy adopted in note 4.18.

## 29. 儲備

### 本集團

本集團於本年度及過往年度的儲備金額及其變動乃於綜合權益變動表呈列。儲備性質如下：

#### (a) 資本儲備

資本儲備指就收購非控制權益所付代價與應佔所收購淨資產(按賬面值計)之間的差額。於2010年12月31日的資本儲備來自收購 Display & Packaging Limited 33.3%股本權益、收購宏發製造有限公司 20%股本權益及收購和峰包裝(亞洲)有限公司 10%股本權益(見附註2提述)。

#### (b) 合併儲備

合併儲備乃因下列各項而產生：

- (i) 於2010年9月20日前，本集團持有富宏90%股權，而賬面值為10,000港元的富宏餘下10%權益則由創始股東持有，入賬列作注資，並計入合併儲備。
- (ii) 於本年度，Powerwell Pacific已按代價每股1美元向創始股東發行752股每股面值1美元的新股份，以及向談女士發行44股每股面值1美元的新股份，代價為1,027,000港元。發行令本集團之權益增加1,033,000港元，金額已計入合併儲備。

#### (c) 換算儲備

換算儲備包括所有根據附註4.18所採納的會計政策而換算海外業務產生的匯兌差額。



## 29. Reserves (Continued) Company

The movements in the Company's reserves are as follows:

		Contribution surplus* 實繳盈餘* HK\$'000 千港元	Proposed final dividend 建議末期股息 HK\$'000 千港元	Retained profits* 保留溢利* HK\$'000 千港元	Total 總計 HK\$'000 千港元
At the date of incorporation	於註冊成立日期	—	—	—	—
Acquisition of subsidiaries/ Transaction with owners	收購附屬公司 ／與擁有人的交易	30,357	—	—	30,357
Profit for the period/Total comprehensive income for the period	年內溢利/ 期內全面 收入總額	—	—	3,000	3,000
2010 final dividend proposed (note 12)	2010年建議 末期股息 (附註12)	—	3,000	(3,000)	—
<b>At 31 December 2010</b>	<b>於2010年 12月31日</b>	<b>30,357</b>	<b>3,000</b>	<b>—</b>	<b>33,357</b>

Contributed surplus of the Company represents the difference between the costs of investment in subsidiaries acquired pursuant to the Reorganisation effected on 20 December 2010 as detailed in note 2 over the nominal value of the share capital of the Company in exchange.

\* The total of these balances represented "Other reserves" in the statement of financial position.

## 30. Business Combination

On 1 February 2010, Goldnet HK acquired from two parties the entire registered capital of Tianhaiba at a cash consideration of RMB1,000,000 (the "Acquisition"); one of the parties is Mr Yang Yijun who is a director of the Company. Tianhaiba was established on 23 June 2009 by the two parties as a PRC domestic enterprise with paid-up registered capital of RMB1,000,000. As at the date of the Acquisition, Tianhaiba was engaged in trading of watches.

## 29. 儲備(續) 本公司

本公司的儲備變動如下：

本公司的實繳盈餘乃根據自2010年12月20日生效的重組(於附註2詳述)所購附屬公司的投資成本超出本公司所交換的股本面值的差額。

\* 此等結餘的總額為財務狀況表的「其他儲備」。

## 30. 業務合併

於2010年2月1日，金域香港以現金代價人民幣1,000,000元向兩名人士收購天海霸全部註冊資本(「收購事項」)；其中一名人士為本公司董事楊一軍先生。天海霸乃由該兩名人士於2009年6月23日成立為中國境內企業，繳足註冊資本為人民幣1,000,000元。於收購事項當日，天海霸從事鐘錶貿易業務。

**30. Business Combination (Continued)**

The fair value of the identifiable assets and liabilities of Tianhaiba as at the date of the Acquisition and the corresponding carrying amounts immediately before the Acquisition are as follows:

		<b>Carrying amount 賬面值 HK\$'000 千港元</b>	<b>Fair value 公平值 HK\$'000 千港元</b>
Property, plant and equipment	物業、廠房及設備	13	13
Trade and other receivables	貿易及其他應收款項	39	39
Cash and bank balances	現金及銀行結餘	1,238	1,238
Other assets	其他資產	14	14
Payables and accruals	應付款項及應計費用	(392)	(392)
Net assets acquired	已收購淨資產	912	912
Goodwill (note 16)	商譽(附註16)		230
Purchase consideration	購買代價		1,142
Purchase consideration is satisfied by:	購買代價的支付方式：		
Cash	現金		1,142
Net cash inflow arising on the Acquisition:	收購事項產生的淨現金流入：		
Cash consideration	現金代價		(1,142)
Bank balances and cash acquired	已收購銀行結餘及現金		1,238
			96

The Acquisition of Tianhaiba is for the development of the Group's retail business of watches in the PRC and the goodwill arising from the Acquisition is attributable to the knowledge and experience of Tianhaiba's management which is valuable to the development and expansion of the PRC Watch Business. After the Acquisition, the Group has started the selling of watches under *Tianba* and *Harpo* brands in the PRC with the necessary permission. Revenue generated by Tianhaiba since the date of its Acquisition up to 31 December 2010 amounted to HK\$7,907,000 and it incurred operating losses of HK\$6,961,000 during that period. Had the Acquisition taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been HK\$208,195,000 and HK\$7,852,000 respectively. The cost of the Acquisition is immaterial.

**30. 業務合併(續)**

於收購事項日期天海霸的可識別資產及負債公平值及緊接收購事項前的有關賬面值如下：

		<b>Carrying amount 賬面值 HK\$'000 千港元</b>	<b>Fair value 公平值 HK\$'000 千港元</b>
Property, plant and equipment	物業、廠房及設備	13	13
Trade and other receivables	貿易及其他應收款項	39	39
Cash and bank balances	現金及銀行結餘	1,238	1,238
Other assets	其他資產	14	14
Payables and accruals	應付款項及應計費用	(392)	(392)
Net assets acquired	已收購淨資產	912	912
Goodwill (note 16)	商譽(附註16)		230
Purchase consideration	購買代價		1,142
Purchase consideration is satisfied by:	購買代價的支付方式：		
Cash	現金		1,142
Net cash inflow arising on the Acquisition:	收購事項產生的淨現金流入：		
Cash consideration	現金代價		(1,142)
Bank balances and cash acquired	已收購銀行結餘及現金		1,238
			96

進行收購天海霸事項旨在發展本集團的中國鐘錶零售業務，而收購事項產生的商譽來自天海霸管理層對中國鐘錶業務發展及擴充的寶貴知識及經驗。收購事項後，本集團取得所需許可，開始於中國銷售天霸及海霸品牌鐘錶。天海霸自收購事項日期起至2010年12月31日止產生的收入為7,907,000港元，並於該期間內錄得經營虧損6,961,000港元。倘收購事項於年初進行，則本集團於本年度的收入及溢利將分別為208,195,000港元及7,852,000港元。收購事項的成本不重大。

### 31. Related Party Transactions

- (i) Save as disclosed elsewhere in these financial statements, during the year, the Group carried out the following transactions with its related parties:

	Nature of transactions 交易性質
Hana Time (Asia) Limited ( <i>note (a)</i> ) 美時(亞洲)有限公司(附註(a))	Sales of goods 銷售貨品
(Shenzhen Guifeng Watch Company Limited)(“Guifeng”) ( <i>note (b)</i> ) 深圳市桂峰表業有限公司(「桂峰」) (附註(b))	Sub-letting of factory 分租廠房 Assembly of watches 鐘錶組嵌

Notes:

- (a) Hana Time (Asia) Limited was 75% held by a close family member of Mr. Lam Chi Wai, Peter, a director of the Company. The Group has discontinued the transactions with Hana Time (Asia) Limited since April 2010.
- (b) Guifeng is 10% owned by Mr. Yang Yijun, a director of the Company, and 80% owned by his close family member.

The directors of the Company are of the opinion that the above related parties transactions were conducted on normal commercial terms and in the ordinary course of business.

### 31. 關聯人士交易

- (i) 除本財務報表其他部分所披露者外，本集團曾與其關聯人士進行以下交易：

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

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
	481	1,721
	67	—
	6,619	5,987

附註：

- (a) 美時(亞洲)有限公司由本公司董事林志偉先生一名直屬親屬家族成員持有75%。本集團已自2010年4月起終止與美時(亞洲)有限公司進行交易。
- (b) 桂峰由本公司董事楊一軍先生擁有10%，而其一名直屬家族成員則擁有80%。

本公司董事認為，上述關聯人士交易乃於日常業務過程中進行及按正常商業條款進行。

**31. Related Party Transactions (Continued)****(ii) Compensation of key management personnel**

Included in employee benefit expenses are key management personnel compensation (including directors), the details of which are as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

**31. 關連方交易(續)****(ii) 主要管理人員的補償**

僱員福利關支內計入主要管理人員(包括董事)的補償，有關詳情如下：

**For the year ended  
31 December  
截至12月31日止年度**

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>3,027</b>	3,450
<b>89</b>	86
<b>3,116</b>	3,536

**32. Major Non-cash Transactions****(a) Disposal of office equipment**

During the year ended 31 December 2009, the Group disposed of office equipment with carrying amount of HK\$49,000, which were held under finance lease, to the lessor at a consideration of HK\$62,000. The consideration was offset against the outstanding amount of finance lease liability of HK\$62,000.

**(b) Acquisition of other intangible assets**

As detailed in note 17, the Group acquired other intangible assets from a PRC entity at a total consideration of RMB4,700,000 (equivalent to approximately HK\$5,345,000). During the year, the Group paid a total sum of RMB2,092,000 (equivalent to approximately HK\$2,379,000) while the outstanding consideration of RMB2,608,000 (equivalent to approximately HK\$2,966,000) is included as "Other payables and accruals" as mentioned in note 25(b).

**32. 主要非現金交易****(a) 出售辦公室設備**

截至2009年12月31日止年度，本集團已向出租人出售以融資租賃持有賬面值為49,000港元的辦公室設備，代價為62,000港元。代價與尚未償還融資租賃負債金額62,000港元抵銷。

**(b) 收購其他無形資產**

誠如附註17所詳述，本集團已向一家中國實體以總代價人民幣4,700,000元(相等於約5,345,000港元)收購其他無形資產。年內，本集團已支付一筆合共人民幣2,092,000元的款項(相等於約2,379,000港元)，而未償還代價人民幣2,608,000元(相等於約2,966,000港元)乃計入附註25(b)所述的「其他應付款項及應計費用」。

### 33. Operating Lease Commitments

Future minimum rental payable under non-cancellable operating lease in respect of land and buildings are as follows:

Within one year	一年內
Within two and five years	兩至五年內

The Group leases certain properties under operating leases. The leases run for an initial period of one to four years, with options to renew the lease terms at the expiry dates or other dates as mutually agreed between the Group and the respective landlords. None of these leases includes any contingent rentals.

### 34. Financial Risk Management

The Group is exposed to a variety of financial risks which result from the use of financial instruments in its ordinary course of operations. The financial risks include market risk (mainly foreign currency risk and interest rate risk), credit risk and liquidity risk. Details of these financial instruments are disclosed in the notes below. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the directors. The Group does not have written risk management policies. However, the directors and senior management of the Group meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks on timely and effective manner. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below.

### 33. 經營租約承擔

根據不可撤銷經營租約就土地及樓宇應付的未來最低租金如下：

Group 本集團	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
392	236
618	31
<b>1,010</b>	<b>267</b>

本集團根據經營租約租用若干物業。該等租約初步為期一至四年，並可於到期日或按本集團與相關業主互相協定的其他日期續租。概無租約包括任何或然租金。

### 34. 金融風險管理

本集團因於其日常業務過程中使用金融工具而承受多項金融風險。金融風險包括市場風險(主要為外幣風險及利率風險)、信貸風險及流動資金風險。有關金融工具的詳情於以下附註中披露。本集團的整體風險管理集中於金融市場的不可預測性及致力減低對本集團財務表現的潛在不利影響。風險管理由主要管理層根據董事批准的政策進行。本集團並無書面風險管理政策。不過，本集團董事及高級管理層定期會面以識別及評估風險以及制定策略以及時及有效地管理金融風險。與該等金融工具相關的風險及本集團採用以降低有關風險的政策載列如下。

**34. Financial Risk Management (Continued)****Categories of financial assets and liabilities**

The carrying amounts of the Group's and the Company's financial assets and liabilities recognised in the statements of financial position at the reporting date may also be categorised as follows (see notes 4.9, 4.11 and 4.12 for explanations on how the category of financial instruments affects their subsequent measurement):

**34. 金融風險管理(續)****金融資產及負債類別**

本集團及本公司於報告日期在財務狀況表確認的金融資產及負債的賬面值亦可分類如下(有關金融工具的分類如何影響其後計量的說明，請參閱附註4.9、4.11及4.12)：

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>				
Loans and receivables:	貸款及應收款項：				
— Trade receivables	— 貿易應收款項	24,575	20,031	—	—
— Amounts due from related parties	— 應收關聯人士款項	—	547	—	—
— Dividend receivable	— 應收股息	—	—	3,000	—
— Amounts due from subsidiaries	— 應收附屬公司款項	—	—	660	—
— Bank balances and cash	— 銀行結餘及現金	28,262	15,215	—	—
		<b>52,837</b>	35,793	<b>3,660</b>	—
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產：				
— Designated	— 指定	—	13,983	—	—
— Derivative financial instruments held for trading	— 持作買賣的衍生金融工具	—	22	—	—
		—	14,005	—	—
<b>Financial liabilities</b>	<b>金融負債</b>				
Financial liabilities at amortised cost:	按攤銷成本的金融負債：				
— Trade and other payables	— 貿易及其他應付款項	52,362	17,562	660	—
— Dividend payables	— 應付股息	—	250	—	—
— Bank loans	— 銀行貸款	—	676	—	—
		<b>52,362</b>	18,488	<b>660</b>	—

### 34. Financial Risk Management (Continued)

#### Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its overseas sales, which are primarily denominated in US\$ which are not the functional currency of the Company and other operating group entities. Since HK\$ is linked to US\$, the directors consider that the Group's exposure on currency risk is not significant.

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

During the last financial year, the Group was also exposed to exchange risk arising from its investments in dual currency contracts (see note 22) and forward foreign exchange contracts (see note 23). The dual currency contracts were subject to fluctuation in exchange rate of the primary and the alternative currencies underlying each contract. The cash flow effect in respect of the contracts was affected by the exchange rate of the primary and the alternative currencies prevailing on the redemption date. The forward foreign exchange contracts were subject to fluctuation in exchange rates of the currencies underlying each contract.

The following table illustrates the sensitivity of the Group's profit for the year and other components of equity at the reporting date due to a possible change in the underlying exchange rate of each of the dual currency contracts and forward contracts, with effect from the beginning of the year.

Increase/(Decrease) in profit for the year and retained profits	年內溢利及保留溢利增加／(減少)
The CAD contracts	加元合約
+10%	+10%
-10%	-10%
The US\$ contract	美元合約
+10%	+10%
-10%	-10%

### 34. 金融風險管理(續)

#### 外幣風險

貨幣風險指金融工具的公平值或未來現金流因匯率變動而波動的風險。本集團的外幣風險來自其海外銷售，主要以美元計值，而美元並非本公司及其他經營集團實體的功能貨幣。由於港元與美元掛鈎，董事認為本集團承受的貨幣風險並不重大。

本集團現時並無外幣對沖政策。不過，管理層會監察外匯風險，並將考慮於有需要時對沖重大外幣風險。

於上一財政年度本集團亦因其於雙元貨幣合約(見附註22)及期貨外匯合約(見附註23)的投資而承受外匯風險。雙元貨幣合約受各合約相關的主要及其他貨幣的匯率波動所影響。各合約的現金流影響受於贖回日期現行的主要及其他貨幣匯率所影響。期貨外匯合約受各合約相關的貨幣匯率波動所影響。

下表列明由年初起，本集團於本年度的溢利及於報告日期權益項下其他項目因各雙元貨幣合約及期貨合約相關匯率可能變動的敏感度。

2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
—	1,010
—	(1,010)
—	391
—	(391)

**34. Financial Risk Management (Continued)****Foreign currency risk (Continued)**

The assumed changes in exchange rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in exchange rates over the next twelve month period.

**Interest rate risk**

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank borrowings which are arranged at floating interest rates. The Group currently does not have any interest rate hedging policy. However, the directors monitor interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise. The interest rate and repayment terms of the secured bank loan outstanding at the reporting date are disclosed in note 27.

The following table illustrates the sensitivity of the Group's profit for the year, and other components of equity at the reporting date due to a possible change in interest rates on its floating rate bank borrowings with all other variables held constant at the end of each reporting period (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

Increase/(Decrease) in profit for the year and retained profits	年內溢利及保留溢利增加/(減少)
Increase/(Decrease) in basis points ("bp")	基點(「基點」)增加/(減少)
+50 bp	+50 基點
-50 bp	-50 基點

The above sensitivity analysis is prepared based on the assumption that the borrowings as at reporting dates existed throughout the whole respective financial year.

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rates over the next twelve month period.

**34. 金融風險管理(續)****外幣風險(續)**

按現行市況的觀察，匯率假定變動被視為合理地可能，並代表管理層對未來十二個月期間匯率合理地可能的變動的評估。

**利率風險**

利率風險指金融工具的公平值或現金流因市場利率變動而波動的風險。本集團因利率變動而承受的市場風險主要與本集團的銀行借貸(按浮動利率計息)有關。本集團現時並無任何利率對沖政策。不過，董事會監察利率變動風險，並將考慮於有需要時對沖重大利率變動風險。於報告日期尚未償還的有抵押銀行貸款利率及償還條款於附註27中披露。

下表列明本集團於本年度溢利及於報告日期權益項下其他項目因浮息銀行借貸的利率可能變動的敏感度，而於各報告期終所有其他可變因素保持不變，而實際上，實際經營業績可能有別於以下的敏感度分析，且差額可能屬重大：

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Increase/(Decrease) in profit for the year and retained profits		
Increase/(Decrease) in basis points ("bp")		
+50 bp	—	(3)
-50 bp	—	3

上述敏感性分析乃假設於整個相關財政年度內於報告日期的借貸一直存在。

按現行市況的觀察，利率假定變動被視為合理地可能，並代表管理層對未來十二個月期間利率合理地可能的變動的評估。



## 34. Financial Risk Management (Continued)

### Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities. The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount of these financial assets at the reporting date.

The Group's policy to manage credit risk is to deal only with credit worthy counterparties. In order to minimise the credit risk, management of the Group has formulated a credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Credit risk on liquid funds and financial instruments is limited because the counterparties are reputable banks.

The credit policies have been followed by the Group since prior years and considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

As at 31 December 2010, approximately 44% (2009: 66%) and 50% (2009: 76%) of the trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group has been actively seeking new customers to reduce the risk of over-reliance on those customers. Please refer to note 20 for further details of the Group's exposures to credit risk on trade receivables.

### Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The liquidity policies have been followed by the Group since prior years and considered by the directors to have been effective in managing liquidity risks.

## 34. 金融風險管理(續)

### 信貸風險

信貸風險指金融工具的對手方未能履行金融工具條款項下的責任並導致本集團蒙受財政損失的風險。本集團之信貸風險主要來自於其日常業務過程中向客戶授出信貸及其投資活動。本集團就已確認金融資產的最大信貸風險額度，乃以該等金融資產於報告日期的賬面值為限。

本集團的政策為只與信用良好的對手方交易。為盡量減低信貸風險，本集團管理層已制定信貸政策，並委派團隊專責釐定信貸限額、批核信貸及進行其他監管程序，以確保能跟進追討逾期債務。

由於對手方為知名銀行，故流動資金及金融工具的信貸風險有限。

本集團自過往年度一直遵從信貸政策，而有關政策亦被視為有效將本集團的信貸風險限制於理想水平。

於2010年12月31日，本集團貿易應收款項約44%（2009年：66%）及50%（2009年：76%）分別為應收本集團最大客戶及五大客戶款項。本集團一直積極發掘新客戶以降低對該等客戶的過分依賴。有關本集團對貿易應收款項信貸風險的詳情，請見附註20。

### 流動資金風險

流動資金風險乃與本集團未能履行以現金或另一金融資產清償的金融負債相關責任的風險有關。本集團在清償貿易應付款項及履行融資承擔方面以及在現金流量管理方面承擔流動資金風險。本集團的目標為維持充適當水平的流動資產及取得足夠已承諾資金，以配合短期及長期資金需要。

本集團於有關期間內一直遵從流動資金政策，而有關政策亦被視為有效將流動資金風險限制於理想水平。

**34. Financial Risk Management (Continued)****Liquidity risk (Continued)**

Analysed below is the Group's and the Company's remaining contractual maturities for its financial liabilities as at 31 December 2009 and 31 December 2010. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group and the Company can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group and the Company is committed to pay.

**Group**

Trade and other payables 貿易及其他應付款項

Trade and other payables 貿易及其他應付款項  
Dividend payables 應付股息  
Bank loans 銀行貸款

**34. 金融風險管理(續)****流動資金風險(續)**

下表顯示本集團及本公司於2009年12月31日及2010年12月31日就金融負債的餘下合約年期分析。當債權人有權選擇償還負債時，負債會基於本集團被要求償還的最早日期入賬。當分期清償負債時，各分期分配予本集團及本公司承諾支付的最早期間。

**本集團**

		At 31 December 2010 於2010年12月31日					
		On demand 於要求時 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	In two to five years 一至兩年 HK\$'000 千港元	After five years 兩至五年 HK\$'000 千港元	Total un-discounted amount 未貼現總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables		—	52,362	—	—	52,362	52,362
		At 31 December 2009 於2009年12月31日					
		On demand 於要求時 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	In two to five years 一至兩年 HK\$'000 千港元	After five years 兩至五年 HK\$'000 千港元	Total un-discounted amount 未貼現總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables		—	17,562	—	—	17,562	17,562
Dividend payables		250	—	—	—	250	250
Bank loans		—	88	281	417	786	676
		250	17,650	281	417	18,598	18,488

### 34. Financial Risk Management (Continued) Liquidity risk (Continued) Company

		At 31 December 2010 於2010年12月31日					
		On demand 於要求時 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	In two to five years 一至兩年 HK\$'000 千港元	After five years 兩至五年 HK\$'000 千港元	Total un-discounted amount 未貼現總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables	貿易及其他應付款項	—	660	—	—	660	660
		At 31 December 2009 於2009年12月31日					
		On demand 於要求時 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	In two to five years 一至兩年 HK\$'000 千港元	After five years 兩至五年 HK\$'000 千港元	Total un-discounted amount 未貼現總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables	貿易及其他應付款項	—	—	—	—	—	—

### 35. Fair Value Measurements

The fair values of the Group's current financial assets and liabilities at amortised cost are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The fair value of the non-current financial liabilities closely approximates its carrying amount.

The Group adopted the amendments to *HKFRS 7 Improving Disclosures about Financial Instruments* which is effective from 1 January 2009. These amendments introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

### 34. 金融風險管理(續) 流動資金風險(續) 本公司

### 35. 公平值計量

本集團按攤銷成本的流動金融資產及負債並非重大偏離其賬面值，原因為該等金融工具乃即時或短期內到期。非流動金融負債的公平值與其賬面值相若。

本集團採用由2009年1月1日起生效對香港財務報告準則第7號「金融工具披露的改善」的修訂。此等修訂引入一個有關公平值計量披露的三層架構，並且就公平值計量的相對可靠性作出額外披露。

下表呈列根據公平值架構於財務狀況表按公平值計量的金融資產及負債。該架構根據計量該等金融資產及負債的公平值所使用的主要輸入值的相對可靠性，將金融資產及負債劃分為三個層次。公平值架構分為以下各層：

- 第1級：相同資產及負債於活躍市場的報價(未作調整)；

**35. Fair Value Measurements (Continued)**

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The Group did not have any financial assets and liabilities measured at fair value as at the reporting date. As at 31 December 2009, the financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

**Financial assets**

Dual currency investments  
Forward foreign exchange contracts

**金融資產**

雙元貨幣投資  
期貨外匯合約

There have been no significant transfers between level 1 and 2 in the reporting period.

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivatives entered into by the Group are not traded on active markets. The fair values of such contracts are estimated using a valuation technique that maximizes the use of observable market inputs e.g. market currency and interest rates (Level 2). Valuation techniques mainly include forward pricing and swap models using present value calculations and other discounted cash flow calculations.

**35. 公平值計量(續)**

- 第2級：就資產或負債而直接(即價格)或間接(即從價格推衍)可觀察的輸入值(不包括第1級所包含的報價)；及
- 第3級：並非根據可觀察市場數據而有關資產或負債的輸入值(難以觀察輸入值)。

一項金融資產或負債整體應分類的公平值架構內的層次，應基於對公平值計量具有重大意義的最低級輸入值。

於報告日期，本集團並無任何按公平值計量的金融資產及負債。於2009年12月31日，於財務狀況表按公平值計量的金融資產及負債組成公平值架構的分類如下：

At 31 December 2009  
於2009年12月31日

Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元
—	13,983	—
—	22	—

於報告期間，第1層與第2層之間並無重大轉移。

倘衍生工具於交易所或流通場外市場買賣，本集團會使用報告日期的收市價。一般來說，本集團訂立的衍生金工具並無在活躍市場買賣。有關合約的公平值以一種將使用可觀察市場輸入值(如市場匯率及利率)最大化的估值技術來估計(第2層)。估值方法主要包括採用現值計算及其他折現現金流量計算的期貨定價及掉期模型。

### 36. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, and to provide an adequate return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the current and prior years.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The gearing ratios as at the reporting date were as follows:

Bank loans	銀行貸款
Equity	股本
<b>Gearing ratio</b>	<b>負債比率</b>

The Group targets to maintain the Group's gearing ratio at a healthy level.

### 37. Subsequent Events

Save as disclosed elsewhere in these financial statements, there are no other material events subsequent to 31 December 2010.

### 36. 資本管理

本集團管理其資本，以確保本集團的實體可持續經營，同時藉著優化債務及股本平衡，為股東提供充足回報。本集團的整體策略於本年度及過往年度維持不變。

本集團按本身的整體財務架構釐定資本金額。本集團因應經濟狀況變動及相關資產的風險特點，管理資本架構並作出調整。為維持或調整資本架構，本集團可能調整派付予股東的股息金額、退回資本予股東、發行新股份或出售資產減債。

於報告日期的負債比率如下：

Group 本集團	
2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
—	676
<b>30,377</b>	<b>36,815</b>
—	1.8%

本集團的目標為維持穩定的負債比率。

### 37. 其後事項

除本財務報表其他地方所披露者外，於2010年12月31日後並無發生其他重大事項。



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宏峰太平洋集團有限公司  
Powerwell Pacific Holdings Limited