



Solid
Fundamentals,
Sensible
Expansion
annual report 年報

2010



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五年集團財務摘要

Corporate Profile

企業簡介

Lifestyle International Holdings Limited (together with its subsidiaries, the "Group") is a Hong Kong-based retail operator that specializes in the operation of mid to upper-end department stores through its two retailer brand names, SOGO and Jiuguang, in Hong Kong and the PRC. The Group owns two SOGO stores in Hong Kong including the flagship store in Causeway Bay ("SOGO CWB"), the largest and leading department store in Hong Kong, as well as the Tsim Sha Tsui store, which features a slightly different format that targets a younger group of customers. Our Shanghai Jiuguang Store was established with a similar business format to that of our flagship SOGO CWB, and has gained considerable popularity and become one of the most preferred shopping destinations in Shanghai since its grand opening in September 2004.

The success of the Group's SOGO CWB and Shanghai Jiuguang Store over the years has enabled the Group and its management team to develop concrete retail brand building and management expertise, which is leveraged on to further expand its business into other cities in China. Suzhou Jiuguang and Dalian Jiuguang were opened in January and May 2009 respectively. Both stores have been gathering strength and delivering satisfactory growth. While Tianjin Lifestyle Plaza, the Group's first shopping mall in the PRC had a grand opening in December 2010 and received encouraging market response. The Group also has new project in the pipeline to fuelling the growth. The construction work of the up and coming Shenyang Jiuguang store building is in good progress and the store is scheduled for launch before the middle of 2013. Riding on the Group's solid foundation that has embodied an impressive track record, the new project will further fuel the Group's growth momentum in the future.

利福國際集團有限公司(連同其附屬公司,「本集團」)是紮根於香港的零售營運商,透過崇光及久光兩大零售品牌,在香港及國內專門經營中高檔次百貨店。本集團的兩家崇光百貨分別為全港最大型位於銅鑼灣的旗艦店(「銅鑼灣崇光」)以及經營模式稍有不同、目標客戶為年青一族的尖沙咀店。我們上海久光百貨的業務模式與銅鑼灣崇光的旗艦店相似,自二零零四年九月開幕以來,上海久光百貨已獲得顧客的廣泛認同,並已打造為上海其中一家首選的購物點。

銅鑼灣崇光及上海久光百貨多年來的卓越表現成就了集團及管理團隊於建立零售品牌及管理的才能,致使本集團能夠於中國其他城市進一步拓展業務。蘇州久光百貨及大連久光百貨分別於二零零九年一月及五月開業,兩間店的動力不斷在加強,增長令人滿意。而集團於國內的首間購物商場—天津利福廣場已於二零一零年十二月正式開業,市場反應令人鼓舞。另外,集團亦有新項目以推動集團的未來發展。瀋陽久光百貨的建築工程進展良好,預期將於二零一三年年中前開幕。憑藉本集團亮麗往績的穩固基礎,新項目將進一步推動集團未來的增長。



Corporate Information

企業資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Luen-hung, Thomas (*Managing Director*)

Mr. Doo Wai-hoi, William

Non-executive Directors

Dató Dr. Cheng Yu-tung (*Chairman*)

Dr. Cheng Kar-shun, Henry

Mr. Lau Luen-hung, Joseph

Ms. Lau Yuk-wai, Amy

Independent Non-executive Directors

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)

Mr. Cheung Yuet-man, Raymond

The Hon. Shek Lai-him, Abraham

Mr. Hui Chiu-chung, Stephen

CHIEF FINANCIAL OFFICER

Mr. Poon Fuk-chuen, Terry (*CPA*)

COMPANY SECRETARY

Ms. Siu Po-sim, Katherine (*ACS, ACIS*)

AUTHORISED REPRESENTATIVES

Mr. Lau Luen-hung, Thomas

Ms. Siu Po-sim, Katherine (*ACS, ACIS*)

AUDIT COMMITTEE

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)
(*Chairman of the Audit Committee*)

Mr. Cheung Yuet-man, Raymond

The Hon. Shek Lai-him, Abraham

Mr. Hui Chiu-chung, Stephen

REMUNERATION COMMITTEE

Mr. Lau Luen-hung, Thomas
(*Chairman of the Remuneration Committee*)

Mr. Lam Siu-lun, Simon (*ACA, FTIHK*)

The Hon. Shek Lai-him, Abraham

Mr. Hui Chiu-chung, Stephen

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

董事會

執行董事

劉鑾鴻先生 (*董事總經理*)

杜惠愷先生

非執行董事

拿督鄭裕彤博士 (*主席*)

鄭家純博士

劉鑾雄先生

劉玉慧女士

獨立非執行董事

林兆麟先生 (*ACA, FTIHK*)

張悅文先生

石禮謙議員

許照中先生

財務總監

潘福全先生 (*CPA*)

公司秘書

蕭寶嬋女士 (*ACS, ACIS*)

授權代表

劉鑾鴻先生

蕭寶嬋女士 (*ACS, ACIS*)

審核委員會

林兆麟先生 (*ACA, FTIHK*)
(*審核委員會主席*)

張悅文先生

石禮謙議員

許照中先生

薪酬委員會

劉鑾鴻先生
(*薪酬委員會主席*)

林兆麟先生 (*ACA, FTIHK*)

石禮謙議員

許照中先生

註冊辦事處

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay
Hong Kong

總辦事處及主要營業地點

香港
銅鑼灣
軒尼詩道555號
東角中心20樓

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

主要往來銀行

中國銀行(香港)有限公司

AUDITORS

Deloitte Touche Tohmatsu

核數師

德勤•關黃陳方會計師行

SOLICITORS

Richards Butler
in association with Reed Smith LLP
Sit, Fung, Kwong & Shum

律師

齊伯禮律師行
禮德律師行聯營行
薛馮鄭岑律師行

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE (BRANCH REGISTRAR)

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

香港股份過戶登記處 (分處)

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712至1716室

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE (REGISTRAR)

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

開曼群島股份過戶登記處 (總處)

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

SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange of
Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31st December
Share price at 31st December, 2010: HK\$19.14
Market capitalization at 31st December, 2010: HK\$32,136 million

股份資料

上市地點：香港聯合交易所有限公司主板
股份代號：1212
每手買賣單位：500股
財政年度年結：十二月三十一日
於二零一零年十二月三十一日股價：19.14港元
於二零一零年十二月三十一日市值：321.36億港元

WEBSITE ADDRESS

www.lifestylehk.com.hk

網址

www.lifestylehk.com.hk

Financial Highlights

財務摘要

OPERATING RESULTS

經營業績

	2010 二零一零年	2009 二零零九年	2008 二零零八年	2007 二零零七年	2006 二零零六年
HK'000 千港元					
Sales proceeds 銷售所得款項	9,832,734	8,399,095	7,674,699	6,780,518	5,531,552
Turnover 營業額	4,317,465	3,756,208	3,521,633	3,112,368	2,581,962
Profit before taxation 除稅前溢利	1,896,256	1,498,442	1,324,637	1,241,953	862,435
Net profit 純利	1,407,534	1,142,468	927,226	1,024,085	740,170
Basic earnings per share (HK cents) 每股基本盈利(港仙)	83.9	68.5	54.5	60.2	43.7
Total dividends per share (HK cents) 每股股息總額(港仙)	33.7	28.0	24.0	24.0	17.8

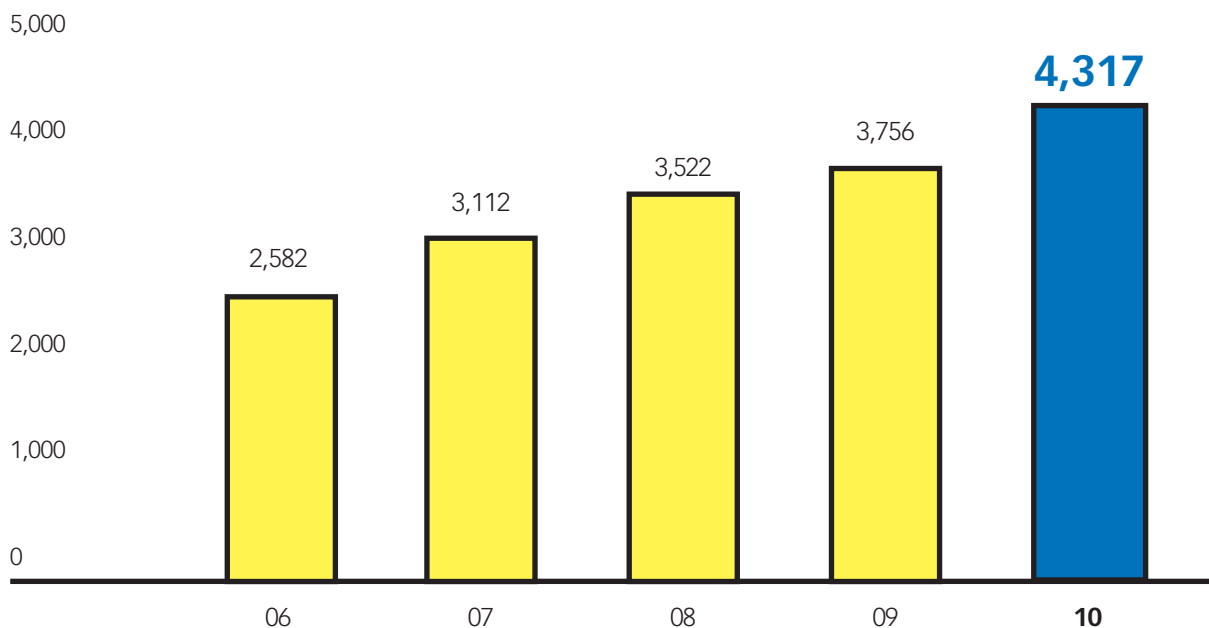
for the year ended 31st December 截至十二月三十一日止年度

TURNOVER GROWTH

營業額增長

HK\$ Million
百萬港元

CAGR 13.71%
年複合增長率

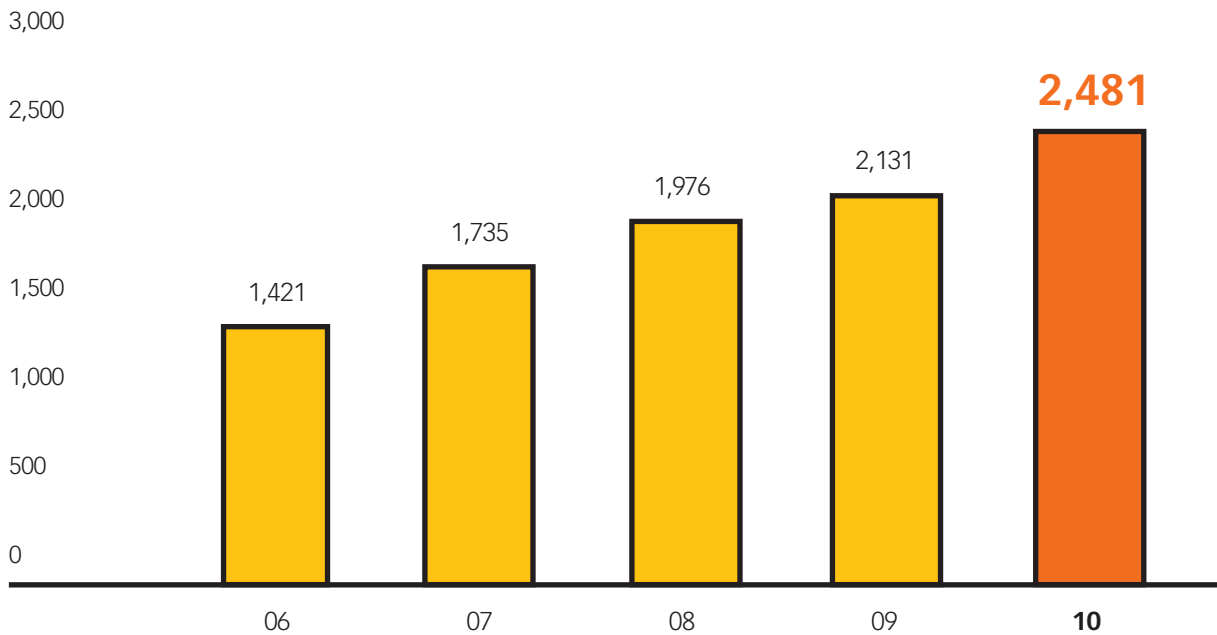


GROSS PROFIT
毛利

CAGR 14.95%

年複合增長率

HK\$ Million
百萬港元



2010 SALES PROCEEDS BY MARKET
二零一零年按市場劃分之銷售所得款項

HONG KONG

香港

Sales Proceeds Growth in Hong Kong
香港業務銷售所得款項增長

+13.7%

- Market leader
- 行業領先地位
- High customer loyalty
- 顧客忠誠度高

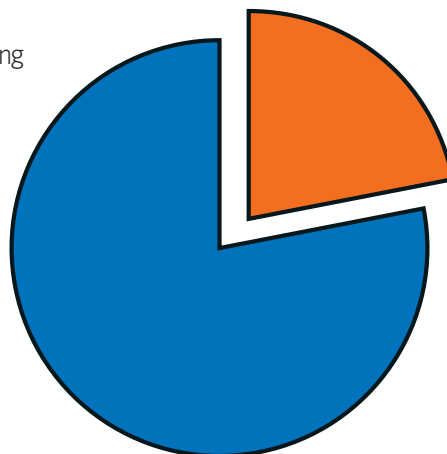
CHINA

中國

Sales Proceeds Growth in China
國內業務銷售所得款項增長

+25.6%

- Future growth driver
- 未來增長動力
- Expansion in good progress
- 拓展進度良好



2010 Milestones
二零一零年大事回顧

Feb 二月

Further increases
equity interest in
Beiren Group
進一步增持北人集團
的股份權益

May 五月

SOGO Hong Kong
Jubilee
Anniversary
香港崇光銀禧誌慶



Nov十一月

**Record daily
sales revenue during
Thankful Week of
HK\$68.8 million**

銅鑼灣崇光店於「感謝
周」創下單日銷售額新高
68,800,000 港元

Dec十二月

**Grand Opening of
Tianjin Lifestyle
Plaza**

天津利福廣場正式開幕



Leading the industry and Building for the future 領導零售市場 構建美好將來

Lau Luen-hung, Thomas 劉鑾鴻
Managing Director 董事總經理

The year 2010 saw Asia leading the way in recovering from the global financial crisis. China fared particularly well with a remarkable 10.3% GDP growth amid robust domestic consumption and exports growth. In addition, China's consumption-friendly policies, rising income of urban dwellers and the middle class, and accelerating urbanisation were key factors contributing to the strong growth in the retail market.

Lifestyle International was able to capitalise on such positive economic developments and the return of consumer confidence and spending. During the year, the Group stayed focused on leveraging on its business and industry strengths. Our efforts culminated in an impressive set of financial results for the year 2010 with the turnover and profit shot up by 14.9% and 23.2% respectively over the previous year. This was also signified in particular by record-high sales revenue and profit that marked the sixth consecutive year of growth, with the 6-year CAGR for turnover and profit at 17.9% and 22.6% respectively.

The remarkable results stemmed in part from the favourable retail environment but more importantly, they reflected also the ingenious strategies the Group has implemented, as well as the operating leverage that we enjoy from our self-owned model, especially in light of constant increase in rentals and growing scarcity of prime retail locations. All these have been made possible by the Group's unrivalled experience and expertise in managing retail and property businesses in Hong Kong and China.

二零一零年，亞洲率先走出全球經濟危機，中國的表現尤為理想。在強勁的本土消費及出口增長帶動下，中國國內生產總值增幅達10.3%。此外，中國實施利好消費的政策、城市居民及中產階層的收入增加及城市化的加速同為零售市場強勁增長的主要原因。

年內，利福國際把握經濟發展向好，以及消費者信心和開支回升所帶來的機遇，利用業務及行業優勢專注其發展，於二零一零年度創出亮麗的財務業績，營業額及利潤較去年同期分別激增14.9%及23.2%。本集團亦連續六年創下最高銷售額及利潤紀錄，其營業額及溢利過去六年的年複合增長率分別達17.9%及22.6%。

本集團錄得的卓然佳績除了受惠於有利的零售環境外，更重要的是其在反映本集團實施的巧妙經營策略，以及在租金持續上升及黃金零售地段日趨罕有的情況下集團自有物業的商業模式帶來的營運優勢。以上種種實有賴本集團於香港及中國管理零售及物業業務方面積累豐富的經驗及專業知識。

Lifestyle International - the shopping destination of Choice

With such impressive earnings achieved in 2010, the Board is pleased to recommend the payment of a final cash dividend of Hong Kong cents 19.0 per share. Together with the interim dividend of Hong Kong cents 14.7 paid during the year, total dividends for 2010 amounted to Hong Kong cents 33.7. Since the listing of the Company's shares on the Stock Exchange in 2004, the Group has remained committed to generating good and steady returns to our shareholders, and we have managed to deliver that promise through a consistent dividend payout of around 40% of our earnings to shareholders. During the period from 2005 to 2010, including the proposed final dividend this time, we would have distributed a total of approximately HK\$2.4 billion cash dividend to our shareholders.

Our Hong Kong operations delivered double-digit sales growth in 2010 on the back of strong domestic consumption and a significant rise in tourist arrivals, mostly mainland Chinese who benefited from their robust economic growth at home and currency appreciation. Sales growth also stemmed from the Group's meticulously planned marketing and promotion campaigns, as well as its continued efforts to strengthen customer loyalty. As the leading department store operator in Hong Kong, Sogo Hong Kong posted a 13.7% sales growth for the year, accounting for approximately 21.4% of the department store sales and 2.2% of the retail sales of Hong Kong.

In mainland China, our businesses also performed solidly. Shanghai Jiuguang seized on the post-crisis retail boom, achieving a sales growth of 17.9% year on year. Indeed, the store is growing in significance in terms of its contribution to the Group's sales revenue and profit. Widely recognised as one of the most sought-after shopping locations in Shanghai, the store came third in terms of total sales revenue during the year among all department stores in Shanghai.

鑒於二零一零年的驕人業績，董事會建議派付現金末期股息每股19.0港仙，連同年內已派付的中期股息每股14.7港仙，二零一零年全年的股息總額達33.7港仙。自二零零四年於聯交所上市以來，本集團一直致力為股東帶來良好和穩定的回報，並堅守承諾，維持向股東派付本集團總利潤約百分之四十作為股息。包括本次建議派發之末期息在內，本集團於二零零五年至二零一零年期間已向股東派付的現金股息約共達24億港元。

本集團於二零一零年於香港的業務取得雙位數的銷售增長，主要由於本土消費強勁及訪港旅客人數顯著上升，訪港旅客中大部份來自受惠於強勁經濟增長及貨幣升值的中國。此外，銷售增長亦有賴於本集團審慎制訂的卓越營銷和推廣活動，以及為加強顧客忠誠度的不懈努力。作為香港首屈一指的百貨店營運商，崇光百貨於年內的銷售額錄得13.7%的增長，分別約佔香港百貨店及零售業銷售額的21.4%及2.2%。

本集團於中國內地業務亦表現理想。上海久光把握零售業在金融危機後蓬勃發展的契機，銷售額錄得17.9%的按年增長。事實上，該店對本集團整體銷售額及溢利之貢獻亦與日俱增。年內，該店不單被公認為上海最受追捧的購物地點之一，更成為全上海以銷售額計算排行第三之百貨店。

The Suzhou and Dalian Jiuguang store started to gather momentum during the year and were able to deliver 69.3% and 66.7% sales growth respectively. The two stores were launched at a relatively challenging time, and we were aware and prepared for the fact that they need some time to take off. The latest results not only confirmed that belief but also indicated that both stores have already opened up a path that will lead to greater market recognition and bigger market share.

Renovation at the Tianjin Lifestyle Plaza, the Group's first shopping mall in the PRC, was completed and the premise had a grand opening in December 2010. Market response has been encouraging and met our expectation, with over 80% of the space having been taken up.

The Group's equity investment in Beiren Group, a leading retailer based in Shijiazhuang, also reported satisfactory results in 2010, with the sales revenue and profit increased 28.9% and 97.3% respectively over the previous year. For the whole year, this investment contributed approximately HK\$100.6 million (2009: HK\$25.2 million) in profit to the Group.

Meanwhile, the development work of the Shenyang Jiuguang store building is in progress. The Group will closely monitor the construction progress and ensure a smooth launch of the store, which is scheduled before the middle of 2013.

Over the past few years, the Group has been able to build up a portfolio of quality properties for fulfilling its operation and investment objectives. With our strong operating cash flow and healthy financial position, as well as our proven track record of creating value for our properties, we will continue to be on the lookout for lucrative opportunities. We will adhere to our growth strategy in the mainland by way of enlarging our property portfolio, which we believe will bring greater value to our shareholders in the long run.

蘇州及大連久光於年內的表現漸入佳境，分別錄得銷售增長69.3%及66.7%。由於此兩店均於經濟低迷時期開業，因此管理層理解並預期兩店業績表現改善需時。最近期的業績除肯定了集團的預測外，亦反映兩店已漸上軌道，並將得到更大的市場認同和佔有率。

天津利福廣場為本集團於中國的第一間購物廣場，其裝修工程已完成並於二零一零年十二月隆重開業，逾八成的店舖面積經已租出，市場反應令人鼓舞並符合集團預期。

紮根於石家莊的北人集團乃本集團有參股的龍頭零售集團，於二零一零年的營運業績同樣表現理想。銷售額及利潤較去年分別上升28.9%及97.3%。全年度，此項投資為本集團帶來約100,600,000港元(二零零九年：25,200,000港元)的溢利貢獻。

與此同時，瀋陽久光百貨店的建築工程正進行得如火如荼，並預期於二零一三年年中前開業。本集團將密切監察工程進度以確保順利開業。

本集團在過去數年已累積一批作自用及投資的優質物業組合，憑藉強勁的現金流、穩健的財政狀況及本集團為物業創造價值的良好往績，我們將繼續尋找回報可觀的發展機會。本集團將繼續透過擴充物業組合的策略推動於中國內地的增長。長遠而言，務求為股東帶來更大的價值。

The recent stabilization of the general property price in China will provide better opportunity for the Group in negotiating new projects. The Group's self-built self-owned model should particularly be advantageous when pitching government projects as the retailing operations we subsequently put up at the premises will be able to create employment and provide stable tax revenue to the government. To continue our expansion plan in China, it is the intention of the management to commit new projects in the current year. To better leverage on the Group's human resources and the network built on our Shanghai Jiuguang, the locations we target on will be in the Yangtze River Delta region.

Looking ahead, the Group's management will be vigilant about the impact of economic uncertainties on the retail markets in mainland China and Hong Kong. That said, we remain positive, as we believe the recovery in the global economy saw in 2010 will be continuing into 2011, and that China will continue to maintain relatively high growth in the year to come. As the ongoing process of rebalancing from export-led to domestic demand-led growth is gathering momentum in China, Lifestyle International will stay in the forefront to capture growth in domestic demand. We will also further widen our client base by virtue of our sound business strategies and high brand equity.

We will strive to maintain our market leadership position in Hong Kong through ingenious business and marketing plans. In mainland China, the Group's platform for pursuing its long-term business goals, we will spare no effort to drive growth for all our Jiuguang stores. While focusing on sustaining Shanghai Jiuguang's growth momentum, we will continue to roll out effective marketing and promotion plans to ramp up performance of the young stores of Suzhou Jiuguang and Dalian Jiuguang.

Last but not the least, on behalf of the Board, I would like to thank our team members for their dedicated work throughout the year. We are also grateful to our customers, business partners and shareholders, as we owe much of our success to your relentless support. We look forward to your continued trust and support in the many years to come.

Lau Luen-hung, Thomas
Managing Director

28th February 2011

中國房地產價格近日漸趨穩定，這將為本集團在洽談新項目時提供更好的機會。由於本集團自建及擁有物業的商業營運模式可創造就業機會及向政府提供穩定的稅收，這將更有利於本集團參與政府推出的項目。為了繼續擴充本集團在中國內地的業務，管理層有意在本年度落實新項目。在新項目選址考慮方面，管理層傾向於在長江三角洲一帶地區，以便充分利用集團在上海久光百貨店所建立的商業網絡及人力資源。

本集團管理層將繼續密切關注經濟不明朗因素對中國內地及香港零售市場的影響。然而，我們對前景仍抱正面的態度，相信二零一零年的全球經濟復甦將延續至二零一一年，而中國經濟將在來年繼續保持相對較高的增長。隨著中國逐步改變目前由出口轉至內需主導的增長模式，本集團將堅守最前線，以抓緊國內需求增長的契機，並憑藉巧妙及明智的經營策略及品牌效應以吸引更多不同階層的顧客。

本集團將繼續透過巧妙的經營策略及市場策劃以保持其香港市場的領導地位。於中國內地方面，我們將不遺餘力地推動各久光百貨店的業績增長，以達致本集團的長遠業務發展目標。在保持上海久光的強勁增長勢頭之同時，我們將繼續通過良好的市場及推廣策劃以推動蘇州及大連久光兩家新店的業務表現。

最後，本人謹代表董事局衷心感謝本集團全體員工於年內的不懈努力，並對顧客、業務夥伴及股東致意。本集團的斐然成就實有賴各位的支持並期望未來繼續獲得閣下的信任及支持。

董事總經理
劉鑾鴻

二零一一年二月二十八日





B Unparalleled Brand equity

MARKET OVERVIEW

The year 2010 saw the global financial system get back to a firmer foundation following the global financial crisis. Economies around the globe have seen some kind of recovery, with the emerging nations growing at a much faster pace, whereas developed countries, in particular in Europe, continued to struggle with their economic woes.

Having undergone a V-shape recovery, and having become the world's second largest economy after surpassing Japan in the third quarter of the year, China had played a particularly vital role in driving the economic upturn during 2010. Following the timely launch in 2009 of coordinated stimulus government measures and policies to keep the rebound on track, China introduced a host of credit tightening and austerity measures in the latter part of the year, as a necessary step to address the expansionary credit growth and hence fears of overheating. Notwithstanding these conflicting policies and measures, China logged a staggering 10.3% GDP growth for the whole of 2010, with retail sales of consumer goods increasing by 18.4% year-on-year.

In Hong Kong, the economy also rebounded vigorously in 2010, outperforming most analysts' forecasts. The annual GDP expanded at a faster-than-expected 6.8% on the back of the global economic recovery, which has led to dramatic expansion in private and public consumption and growth in export trade. Consumer sentiment was robust, thanks in part to the wealth effect created by the buoyant property market. In addition, inbound visitors in 2010 surged 21.8% year-on-year to reach an all-time high at 36.03 million, which included some 22.68 million, or 62.9%, of mainland Chinese tourists. The increasing international conventions and exhibitions held in Hong Kong during the year also helped to boost inbound international tourists. Meanwhile, conditions in the labour market have improved, with unemployment falling to a two-year low of 4.1% in the fourth quarter. This further prompted a spurt of growth in the retail market. For the whole of 2010, total retail sales revenue in Hong Kong was up 18.2% from 2009.

市場概況

二零一零年環球金融體系於全球金融危機後已回復至比較穩健的基礎。全球經濟有賴於新興國家比較快速的增長步伐而呈現復甦跡象，但已發展國家，尤其歐洲，仍處於經濟困境鬥爭中。

經歷V形反彈並於年內第三季超越日本而躍身為全球第二大的經濟體系，中國在推動二零一零年經濟復甦的過程中發揮了重大作用。二零零九年政府推出協調刺激措施及政策以保持經濟回復正軌，但為防範因擴張性信貸增長或會導致經濟出現過熱的情況，中國政府於年內後期反向地推出一系列信貸緊縮及調控措施。儘管如此，中國於本年度仍錄得10.3%的國內生產總值的驚人增長，零售銷售貨品總值亦按年增長18.4%。

是年度，香港經濟展現超預期的大幅反彈。年內國內生產總值亦因全球經濟復甦而比預期大幅增長6.8%，全球經濟復甦亦帶動公共及私人消費開支及出口貿易急劇擴張及增長。在地產市道倡旺帶動財富效應刺激下，消費意欲得以提升。再者，二零一零年的到港旅客人數按年飆升21.8%，攀至36,030,000人次的歷史新高，當中包括22,680,000人次，亦即62.9%，為中國內地旅客。受到在本港舉行的國際會議及展覽活動增加的帶動下，年內國際訪港旅客亦錄得增長。與此同時，勞動市場的狀況亦持續改善，失業率於第四季度跌至兩年來4.1%的新低點。這進一步驅使零售市場的增長，本年度，本港零售銷售收益比去年增長18.2%。

FINANCIAL REVIEW 2010

Lifestyle International once again delivered a pleasing performance in 2010. Right from the start of the year, the market was able to continue its growth impetus carried forward from the second half of 2009. As the global economic headwinds were gradually replaced by the tailwinds of recovery, the Group, which remained focused on implementing its sound business strategies, managed to maintain rather strong sales and profit growth momentum throughout 2010. For the whole year, the Group's aggregate sales revenue increased by 17.1% year-on-year.

Sogo Causeway Bay (SOGO CWB) and Sogo Tsim Sha Tsui (SOGO TST), Lifestyle International's Hong Kong operations, continued to leverage on their brand equity and delivered double-digit sales growth during the year. The two operations achieved a significant 13.7% growth in sales revenue, which continued to account for more than one-fifth of the gross sales revenue of Hong Kong's department store sector.

The Group's operations in mainland China also fared well during the year. Shanghai Jiuguang continued to outperform the market average in terms of sales growth, and saw growing significance in terms of its contribution to the Group's overall sales and profit. Meanwhile, Suzhou Jiuguang and Dalian Jiuguang showed persistent improvement and performed solidly as they gradually gathered strength.

TURNOVER AND SALES PROCEEDS

The year 2010 marked a year in which the Group achieved record-high sales turnover, up 14.9% to HK\$4,317.5 million from the previous year. Total sales proceeds (net of VAT) from both direct and concessionaire sales transactions expanded 17.1% to reach HK\$9,832.7 million from HK\$8,399.1 million in 2009. The increase stemmed mainly from strong same-store sales growth of the Group's three established stores, as well as sales revenue from the two new stores in Suzhou and Dalian.

The Group's operations in Hong Kong and mainland China respectively generated HK\$7,170.9 million and HK\$2,661.8 million in sales proceeds, accounting for 72.9% and 27.1% of the Group's total sales proceeds.

GROSS PROFIT AND NET PROFIT

The Group's gross profit margin as a percentage of turnover amounted to 57.5%, compared with 56.7% in 2009. Gross profit reached HK\$2,481.2 million, up 16.4% from HK\$2,131 million recorded in the previous year. The gross profit margin improved slightly during the year was a result of improving average concessionaire rates and increased sales contributed from the concessionaire sales arrangement.

Profit attributable to shareholders for the year amounted to HK\$1,407.5 million, up 23.2% from the previous year. The higher net profit was mainly coming from the operating leverage at the three more established stores coupled with the narrowing of loss of the two new stores.

二零一零年財務回顧

利福國際於本年度再次取得令人滿意的業績。年初仍維持去年下半年的強勁增長勢頭，在全球經濟逐漸被復甦之風帶動下，加上本集團實施的穩健營商策略，年內集團的銷售及利潤增長保持強勁。以全年度計算，集團的總銷售額比去年同期增長17.1%。

利福國際於香港的崇光銅鑼灣店及崇光尖沙咀店繼續受其品牌價值的帶動下取得雙位數的銷售增長。該兩間店舖的銷售額錄得13.7%顯著的按年增長，繼續穩佔超過香港百貨業總銷售額的五分之一。

於回顧年度，本集團中國內地業務之表現同樣出色。以銷售額的增幅計算，上海久光繼續領先同業，而其對本集團整體銷售額及溢利作出之貢獻亦與日俱增。與此同時，蘇州久光及大連久光的表現在營運的持續改善下逐漸穩固及增強。

營業額及銷售所得款項

二零一零年為本集團營業額再創歷史新高的一年，比去年同期增加14.9%至4,317,500,000港元。在扣除增值稅後，來自直接銷售及特許專櫃銷售之銷售所得款項總額由二零零九年8,399,100,000港元上升17.1%至9,832,700,000港元。增長主要因本集團三間已成熟之百貨店錄得強勁的同店銷售增長，並加上蘇州久光及大連久光兩間新店帶來的額外銷售收益。

本集團來自香港及中國業務之銷售所得款項分別合共7,170,900,000港元及2,661,800,000港元，佔本集團總銷售所得款項的72.9%及27.1%。

毛利及純利

本集團之毛利率按營業額計算為57.5%，而二零零九年則為56.7%；毛利總數為2,481,200,000港元，較去年2,131,000,000港元增加16.4%。本年度毛利率有輕微改善，主要由於特許專櫃平均扣率的改善及其銷售額增加所致。

本年度之股東應佔溢利為1,407,500,000港元，比去年同期增加23.2%。純利增長乃受惠於三間較成熟的百貨店之經營優勢與及兩間新店虧損的收窄。

SELLING AND DISTRIBUTION COSTS

Selling and distribution expenses for the Group's Hong Kong operations remained stable and the slight increase was mainly the full-year effect of the two new stores as well as the kicking in during the year of the turnover rent, in addition to the fixed rental, payable to the property Joint venture by Shanghai Jiuguang. Selling and distribution expenses accounted for approximately 8.9% (2009: 9.6%) of total sales revenue of the Group.

ADMINISTRATIVE EXPENSES

Administrative expenses remained stable across the board and the significant decrease compared with last year was the saving on the staff share option charges and the absence this year of the one-off consultancy fee of HK\$34 million related to the Group's acquisition of further interests in the Beiren Group last year.

STAFF COSTS

Staff costs (excluding directors) slightly increased 3.5% to HK\$304.8 million during the year as a result of the saving on the staff share option charges, coupled with a relatively stable number of headcounts and moderate wage rise during the year. Staff costs accounted for 3.1% (2009: 3.5%) of total sales revenue of the Group.

OTHER INCOME

The decrease in other income this year was due to absence of the HK\$60 million one-off guarantee profit which was recognised last year. Others include management fee income and other miscellaneous charges received from the concessionaire counters and tenants. The amount included also a government subsidy of RMB15 million (2009: RMB15 million) and tax refund of approximately RMB5.7 million (2009: nil) for our Suzhou store.

INVESTMENT INCOME

This comprises mainly interest income from the Group's surplus cash and net investment income, including the mark-to-market gain and loss, on a portfolio of yield enhancement financial products, mainly comprising fixed income, which forms part of the Group's treasury functions.

FINANCE COSTS

Total finance costs, which mainly consisted of interest expense on the Group's bank loans and other finance charges, dropped slightly to HK\$35.8 million (2009: HK\$38.4 million). The decrease was due to the fact that while the interest environment remained largely the same as 2009 throughout the year, the average loan level was also stable. During the year, some HK\$4.8 million (2009: HK\$4.8 million) of interest expense has been capitalised as property under development, mainly for the Shenyang Jiuguang store project.

銷售及分銷成本

本集團於香港業務之銷售及分銷成本維持穩定，年內成本的輕微上升主要由於計入兩間新店舖全年之成本，以及上海久光於年內開始繳付予物業合資企業固定租金以外之提成租金。銷售及分銷成本佔本集團總銷售額約8.9%（二零零九年：9.6%）。

行政開支

行政開支仍保持平穩，較去年顯著下降。乃因員工購股權開支的減少及去年度收購北人集團額外股權而需支付34,000,000港元的一筆過顧問費用。

員工成本

年內，員工（不包括董事）成本輕微上升3.5%至304,800,000港元。員工成本只有輕微增加有賴年內員工購股權開支減少與及員工人數與去年相若及溫和的工資調整。員工成本佔本集團總銷售額3.1%（二零零九年：3.5%）。

其他收入

年內，其他收入因本年度並無如去年確認的一筆過60,000,000港元的保證溢利收入而減少，其他收入包括收取特許專櫃及租戶的管理費及其他雜項收費，與及包括蘇州久光錄得之政府補貼約人民幣15,000,000元（二零零九年：人民幣15,000,000元）及約人民幣5,700,000元（二零零九年：零）之退稅。

投資收入

投資收入主要來自本集團的銀行利息收入及以定息收入為主金融產品的投資回報，包括按市場價格計入的損益。

融資成本

融資成本主要括本集團銀行貸款之利息支出及其他融資成本。由於年內利率環境及平均借貸額均與去年相若，年內輕微減少至35,800,000港元（二零零九年：38,400,000港元）。年內所產生利息中約4,800,000港元（二零零九年：4,800,000港元）已被資本化為發展中物業成本，主要是瀋陽久光店項目。

FAIR VALUE CHANGES ON INVESTMENT PROPERTIES

The amount comprises mainly fair value gain (before tax) in respect of the Group's investment properties situated in the PRC. The significantly high amount in 2009 arose mainly from the revaluation gain of a property-under-development project in Shenyang which acquisition was completed right before the end of 2009. This portfolio of investment properties is currently held for capital appreciation and investment purposes and the Group will consider disposing them in due course.

LIQUIDITY AND FINANCIAL RESOURCES

As at the end of 2010, the Group was in net cash position, before counting the investment portfolio valued at approximately HK\$786 million (2009: HK\$351 million), with cash at banks amounting to approximately HK\$3,761 million (2009: HK\$2,890 million) and bank loans at approximately HK\$3,398.2 million (2009: HK\$3,186.7 million). Of the cash at banks, approximately 64.9% is denominated in US dollar and HK dollar and 35.1% is denominated in renminbi. Bank loans include a HK dollar-denominated secured loan of HK\$2,700 million, repayable semi-annually, with final payment due in December 2011 as well as a US dollar secured loan in the amount of US\$20 million. As at 31st December, 2010, the Group had committed un-drawn loan facilities of US\$5 million available. This HK dollar and US dollar secured loan facility bears interest calculated with reference to the HIBOR and LIBOR respectively. The remaining bank loans are RMB loans bearing interest calculated with reference to the PBOC lending rate. The returning to net cash position, even with a larger investment portfolio, during the year was a result of the strong operating cash inflows from the stores with relatively smaller capital expenditures during the year which amounted to approximately HK\$216.3 million (2009: HK\$772 million).

PLEDGE OF ASSETS

As at 31st December, 2010, the Group's certain leasehold land and buildings in Hong Kong with a carrying value of approximately HK\$1,547.3 million (2009: HK\$1,591.6 million), together with certain shares of the Company's subsidiaries, have been pledged to secure the banking facilities of HK\$4,000 million (2009: HK\$4,000 million) granted to the Group of which HK\$4,000 million (2009: HK\$3,350 million) has been utilised. In addition, certain of the Group's property, plant and equipment in the PRC and Group's financial assets at fair value through profit or loss with carrying values of approximately HK\$1,500.8 million (2009: HK\$1,317.2 million) and HK\$154.4 million (2009: Nil) respectively have been pledged to secure loan facilities in the amount of approximately RMB390 million (2009: RMB390 million) and US\$20 million (2009: Nil) respectively.

投資物業公平值變動

此數額主要指本集團於國內投資物業之除稅前公平值收益。去年錄得較大金額乃來自於去年年結日前完成收購位於瀋陽之一項發展中物業項目之重估收益所致。目前持有之投資物業組合主要為資本增值及投資用途，本集團或會考慮於適當時候出售。

流動資金及財務資源

於本年度年結日，本集團在未計入投資組合估值約786,000,000港元(二零零九年：351,000,000港元)仍處於淨現金狀況，擁有銀行現金約3,761,000,000港元(二零零九年：2,890,000,000港元)及銀行貸款約3,398,200,000港元(二零零九年：3,186,700,000港元)。銀行現金中，約64.9%以美元及港元計值，35.1%則以人民幣計值。銀行貸款包括以港元計值之有抵押貸款2,700,000,000港元，須每半年還款一次，最後還款期為二零一一年十二月及以美元計值之有抵押貸款20,000,000美元。於二零一零年十二月三十一日，本集團尚未動用之承諾貸款額為5,000,000美元。此港元計值及美元計值之有抵押貸款乃分別參考香港銀行同業拆息及倫敦銀行同業拆息計息。餘下銀行貸款為人民幣貸款，其則參考中國人民銀行借貸息率計息。連同此龐大的投資組合，本年度本集團仍錄得淨現金狀況。乃由於年內各店均錄得強勁的營運現金收入及資本性開支減少所致。年內，本集團產生資本性開支合共約216,300,000港元(二零零九年：772,000,000港元)。

資產抵押

於二零一零年十二月三十一日，本集團已將位於香港賬面值約1,547,300,000港元(二零零九年：1,591,600,000港元)之若干土地及樓宇，連同本公司附屬公司若干股份，作為本集團獲授銀行融資額4,000,000,000港元(二零零九年：4,000,000,000港元)之抵押品，其中4,000,000,000港元(二零零九年：3,350,000,000港元)已動用。另外，本集團將位於中國賬面值約1,500,800,000港元(二零零九年：1,317,200,000港元)之物業、廠房及設備及價值154,400,000港元(二零零九年：零)按公平值計入損益之金融資產分別亦作為約人民幣390,000,000元(二零零九年：人民幣390,000,000元)及20,000,000美元(二零零九年：零)貸款融資額之抵押品。

REVIEW OF OPERATIONS

The significant improvement in the economic and retailing environment during 2010 set the stage for the Group's growth. This favourable setting, coupled with the Group's solid business foundation and brand equity, leading industry status and well-crafted business strategies, helped to achieve remarkable results for the Group's operations in both Hong Kong and mainland China.

HONG KONG

SOGO CWB

SOGO CWB remained the biggest contributor to the Group's revenue and profit in 2010. A reliable indicator of the local economic vitality, SOGO CWB performed in line with the market upturn during the year. With a relatively low base in 2009, the first half of 2010 saw a significant 13.9% sales increase to HK\$2,957.5 million. Buoyed by strong consumer sentiment, the growth momentum continued into the second half of the year and in particular the growth in the fourth quarter was much stronger than expected, resulting in a 13.6% year-on-year expansion in sales revenue for the second half of the year. During the year, both the average ticket size and the total traffic footfall were the drivers for the sales growth. Sales of high-ticket items, including jewellery and watches, were particularly strong. On balance, the store raked in total annual sales revenue of approximately HK\$6,464 million, up 13.7% year-on-year.

During the Thankful Week event in November, the store once again set another new sales record with a record-breaking 185,700 customers drew to the store on the second day of the event. On the whole, the event generated approximately HK\$487.4 million in sales revenue, up 21.6% from the same event in 2009.

As part of the effort to maintain SOGO CWB's established market position and to strengthen client loyalty, the Group will continue to carry out regular maintenance and renovation work on the premise so as to provide new attractions and make the store an even more pleasant shopping destination.

SOGO TST

SOGO TST also delivered solid results despite a fall in traffic footfall in the store's surrounding area following the closure of the adjacent New World Centre. Total sales revenue went up 13.5% year-on-year, reaching approximately HK\$706.9 million.

After years of impressive growth, SOGO TST now follows a less dramatic but stable path of development. Having established itself as a competent industry player with a good track record, it consistently delivers solid results on a steady footing. This reflects the store's status as a widely popular shopping destination in Kowloon. During the year, we further upgraded our product mix, bringing in a number of up-market brands that helped improve the average ticket size.

業務回顧

年內，本集團之發展受惠於經濟及零售環境的顯著改善。在此有利的氣氛下，加上本集團之穩固業務基礎及品牌價值，行內之領導地位及精湛的經營策略，致使本集團在香港及中國之業務取得顯著的績效。

香港

銅鑼灣崇光

銅鑼灣崇光於二零一零年度仍為本集團收益及溢利的最大來源。而作為本地經濟動力的可靠指標，年內銅鑼灣崇光的表現與好轉的市況同步。因二零零九年的銷售基數相對較低，致上半年的銷售額錄得13.9%的顯著增長至2,957,500,000港元。在強勁的消費意慾帶動下，此增長勢頭持續至下半年，尤其於第四季度，增長遠比預期強勁並為下半年的銷售額帶來13.6%的按年增長。年內銷售額增長主要受惠平均每宗交易額及人流的帶動。高檔消費品，包括珠寶及鐘錶的銷售尤為強勁。總括而言，該店錄得全年總銷售額約6,464,000,000港元，按年上升13.7%。

於十一月之「感謝周」期間，該店再一次刷新紀錄，並於感謝周第二天創下了逾185,700人次之單日人流新高，此活動的總銷售額較二零零九年同期活動上升21.6%至487,400,000港元。

為保持銅鑼灣崇光卓越的市場地位及顧客忠誠度，本集團將不斷為該店進行定期之保養及維修工程，以提供新吸引力以及使該店成為更舒適的購物地點。

尖沙咀崇光

尖沙咀崇光並未受該店鄰近的新世界中心關閉以致人流的減少影響，年內仍錄得驕人的成績。總銷售額按年增長13.5%，至約706,900,000港元。

經過多年來的驕人增長，尖沙咀崇光現正維持平穩發展，在過往良好的佳績下奠定為業內一知名的營運商，卓越業績在反映該店為九龍區人氣購物點的地位。年內，該店進一步改善其產品組合併加入更多的高檔品牌，以增加平均每宗交易額。



Diversity of quality merchandise with **Pleasant** *shopping experience*

MAINLAND CHINA SHANGHAI JIUGUANG

During 2010, Shanghai Jiuguang had benefited from the retail boom across mainland China which stemmed partly from the surge in pent-up demand of the more affluent group and middle class consumers after the global financial crisis.

Total sales revenue (net of VAT) went up by 17.9% year-on-year, reaching approximately RMB1,844.5 million. As one of the most preferred stores in Shanghai, it continued to demonstrate above average growth momentum and ranked third in terms of total sales revenue among all department stores in Shanghai in 2010. Positioning as a mid-to-high end full-fledged department store and in view of the growing sophistication of consumers and demand for discretionary and luxury goods, Shanghai Jiuguang made effective use of the Group's strong brand equity and a vast array of brand and merchandise mix that translated to higher average ticket size and stay-and-buy ratio in 2010. The latter suggested greater customer loyalty for the store and traffic footfall at the store is still on the up-trend.

SUZHOU JIUGUANG

Suzhou Jiuguang, in full operation for over a year, performed solidly during 2010 as it gradually gained traction amid an improved retail environment. We have seen gradual improvement in both the average traffic footfall and ticket size. Net sales revenue jumped approximately 69.3% to RMB370.7 million and the store's loss has narrowed to approximately RMB58.3 million for the year. The steady improvements reflected a persistent growth trend and the gradual build-up of clientele.

中國大陸 上海久光

年內，上海久光乃受惠於國內零售業的蓬勃發展，部份源於環球金融危機過後，較富裕及中階層消費者被抑壓的需求激增。

總銷售額(扣除增值稅後)按年上升17.9%，至約人民幣1,844,500,000元。作為上海其中一間首選百貨店，上海久光繼續顯示其不凡的增長動力，以總銷售額計算，該店更於二零一零年於全上海百貨店排行第三。作為一個中高檔次及多功能的百貨店，鑑於消費者日漸追求高雅時尚，非必需品及奢侈品的需求不斷上升，有見及此，上海久光有效地利用本集團強勁的品牌價值及豐富的品牌與商品組合，致令平均每宗交易額及逗留購買比率於二零一零年均錄得上升。更顯示出該店的顧客忠誠度日益提升，而人流亦處於不斷上升趨勢。

蘇州久光

蘇州久光全面開業已逾一年，穩隨著零售環境的改善而待以穩步上揚，於二零一零年表現出色。人流及平均每宗交易額均逐見改善。年內，淨銷售額飆升約69.3%至人民幣370,700,000元，而該店之虧損亦收窄至約人民幣58,300,000元。此平穩的業績改善反映持續增長的趨勢以及顧客群的逐漸建立。

DALIAN JIUGUANG

As with its Suzhou counterpart, Dalian Jiuguang also delivered satisfactory growth for the year 2010, with net sales revenue increased by approximately 66.7% to RMB99.4 million. While the sales revenue in absolute term is still relatively small, the growth suggested Dalian Jiuguang, launched into operation in May 2009, is gradually gaining recognition and building up its market presence. In light of Dalian Jiuguang's prime location and the growing brand equity, the management believes that given more time, the store will attract a wide range of customers.

TIANJIN LIFESTYLE PLAZA

Renovation work of Tianjin Lifestyle Plaza, the Group's first shopping mall in the PRC, was completed and had a grand opening in December 2010. Market response has been encouraging and met our expectation, with over 80% of the space having been taken up. The Group will continue its marketing efforts to increase the traffic footfall in the months to come.

Positioned as a trendy shopping destination for young people, Lifestyle Plaza sits at Binjiang Road, a renowned pedestrian walk in Tianjin. Measuring 33,500 sq. m. in gross floor area the 11-storey premise offers a wide selection of brands and a diverse product mix.

INVESTMENT IN BEIREN GROUP, SHIJIAZHUANG, CHINA

The Group increased further its equity interests in February 2010 in Beiren Group, a leading retailer based in Shijiazhuang that currently operates 8 department stores, 17 supermarkets and a number of outlets specialising in electrical appliances, consumer electronic items and jewellery. The move was an attempt to enhance the Group's involvement in Beiren Group so that it can play a more active role on both its corporate and operational fronts. Operations of Beiren Group during the year have shown much improvement with sales increased by 28.9% and profit up 97.3%, according to the PRC accounts. The Group's share of results (before non-controlling interest) from Beiren Group this year increased to approximately HK\$100.6 million from HK\$25.2 million in 2009.

PROJECT IN THE PIPELINE

Located at the well-known pedestrian walk of Zhongjie Lu, Shenhe District, the construction work of this up and coming Shenyang Jiuguang store building is in good progress. Measuring an approximate 120,000 sq. m. in gross floor area, the store is scheduled for launch before the middle of 2013 and the Group will closely monitor the progress and ensure a smooth launch of the store.

大連久光

一如蘇州久光，大連久光於二零一零年的增長令人滿意，淨銷售額上升約66.7%至人民幣99,400,000元。縱然銷售額仍相對較少，但此增長已確認於二零零九年五月開業的大連久光正逐漸建立其市場佔有率。由於大連久光位處黃金地段，加上本集團品牌價值的提高，假以時日，管理層相信該店將能吸引更多不同的顧客。

天津利福廣場

本集團於中國成立的第一間購物廣場——天津利福廣場已於二零一零年十二月隆重開幕，超過80%的店舖經已提出服務，市場反應令人鼓舞並附合預期。本集團將繼續加強市場推廣以提高人流。

利福廣場乃以年青時尚購物點作定位，其位於天津著名步行街濱江路，樓高11層，總樓面面積為33,500平方米，以提供多元化的品牌產品組合。

於中國石家莊北人集團的投資

為提升利福國際參與北人集團的管理並在其企業及營運層面上扮演更積極的角色，本集團於二零一零年二月進一步增持於北人集團的股份權益。北人集團為紮根於石家莊的龍頭零售集團，共經營8間百貨店、17間超市及多間銷售電器用品、電子消費產品及珠寶首飾等的門市。年內，北人集團的營運業績表現理想，根據中國的會計報告，銷售額及利潤分別上升28.9%及97.3%。本集團應佔北人集團溢利（除非控股股東權益前）由二零零九年度約25,200,000港元上升至本年度約100,600,000港元。

正在進行開發的項目

座落於瀋河區中街路著名步行街的瀋陽久光百貨店的建築工程正進行得如火如荼。該店將提供約120,000平方米的樓面面積，並預期於二零一三年年中前開業。本集團將密切監察工程進度以確保順利開業。

OUTLOOK AND FUTURE PROSPECTS

Visibility to the world's economic growth in 2011 remains low due to lingering economic uncertainties in the United States and some parts of Europe. The Chinese economy, which has been playing a vital role in lifting the world from recession, will also face some kinds of challenges. Rising commodity prices and labour costs and excessive liquidity in the money market will contribute to inflationary pressures. In response, the Chinese government will continue to implement macroeconomic measures and tighter monetary policies which believe would marginally weaken the Chinese economy in 2011.

In Hong Kong, while the employment market should remain stable, the implications of growing inflationary pressures and the impact of the latest round of property cooling measures on the overall wealth effect remain to be seen. While staying positive, the management believes there is reason to be vigilant about the pace of the global economic recovery and the outlook of the retail market in 2011.

However, there are also rays of hope. The two-speed global economic recovery saw in 2010 is expected to persist in 2011, with Asia and other emerging markets outpacing developed countries. China will maintain relatively high growth, provided that macroeconomic measures remain moderate and under control. Continual urbanisation and expansion of the Chinese middle class mean consumer spending in China will continue to hold up well which may become a major contributor to the GDP growth. Meanwhile, the Chinese government's 12th Five-Year Plan period, which begins in 2011, will give a push to the ongoing process of rebalancing from export-led to domestic demand-led growth. All these will bode well for the retail markets of mainland China and Hong Kong.

Into 2011, the Group is well prepared to tackle challenges and seize opportunities by virtue of its sound and sensible business strategies, solid financial position and high brand equity. We will maintain the momentum in our well-crafted marketing and promotion initiatives, with a view to fostering growth and safeguarding our solid business foundation. Continual efforts will be put to maintain our leading position in Hong Kong, while robust plans will be rolled out to ramp up performance of the younger establishments in Suzhou, Dalian and Tianjin. We will continue efforts in enhancing our product ranges and carrying out renovation work where necessary, in order to bring fresh shopping experiences to inspire customers and capitalise on the retail boom brought by China's growing middle class and rise in disposable income.

前景展望

由於美國及部份歐洲地區仍然存在經濟不明朗因素，二零一一年環球經濟增長的前境仍然不明朗。於帶領世界經濟走出衰退上擔當重要角色的中國經濟亦同樣面對種種挑戰。在商品價格及勞動成本上漲與及造成流動性過剩的貨幣政策下將引發通脹壓力。因此，二零一一年中國的經濟增長相反會由於中國政府繼續實施宏觀經濟調控措施及貨幣緊縮政策而稍稍減弱。

香港市場方面，縱然就業市場保持平穩，但通脹壓力增加以及最新一輪房地產降溫措施對財富效應的整體影響還有待觀察。雖然相信對二零一一年全球經濟復甦的步伐及零售市場的展望仍需要保持警惕，但管理層對前景仍然正面。

然而，利好的因素仍然存在。二零一零年全球經濟不平衡復甦的現象將持續至二零一一年，亞洲及其他新興國家的發展速度將繼續超越已發展國家。在宏觀經濟調控措施處於溫和及可控的情況下，中國經濟將保持較高增長。中國持續的城市化及中產階級的擴大意味著消費將繼續向好並可能成為國內生產總值增長的主要促成者。同時，中國政府的第十二個五年計劃將於二零一一年起開始實施，這將有助改變目前由出口轉至內需主導的增長模式並為國內及香港的零售市場帶來機遇。

展望二零一一年，憑藉巧妙及明智的經營策略、穩健的財務狀況及品牌效應，本集團已對挑戰作好準備。通過良好的市場策劃及推廣活動維持我們的優勢，以維持業務的增長。本集團將致力保持我們於香港的領袖地位，並實行穩健的策略以提升蘇州、大連及天津的業務表現。我們將繼續擴大產品種類，有需要時亦會開展翻新工程以帶給顧客新的購物體驗。本集團將充份把握國內中產及工資增長可能提供的機遇。

We will be on the lookout for strategic investment opportunities and other retailing formats that may compliment our growth strategy. With the Group's strong operating cash inflows and financial position, we are ready to continue pursuing our goals. In the past years, the Group has been able to build up a portfolio of quality non-core properties and we shall continue to grow this portfolio when opportunities arise. We are confident that this strategy will bring greater value to our shareholders in the long run. The recent stabilization of the general property price in China will provide better opportunity for the Group in negotiating new projects. The Group's self-built self-owned model should particularly be advantageous when pitching government projects as the retailing operations we subsequently put up at the premises will be able to create employment and provide stable tax revenue to the government. To continue our expansion plan in China, it is the intention of the management to sign up new projects which will likely be located in the Yangtze River Delta region, in order to leverage on the Group's scarce human resources pool and the business network already built from our Shanghai Jiuguang store.

In sum, Lifestyle International will in 2011 continue to focus on upholding its leading marketing position and profitability in order to safeguard its leading status in the industry and to sensibly expand its property portfolio with the aim to becoming a leading retail player in the PRC.

我們將繼續找尋與本集團之發展相付相承的戰略投資機會及其他零售經營模式。憑藉本集團的強勁營運現金流及財政狀況，我們已準備就緒。本集團在過往幾年已成功累積一批優質的非核心投資物業。我們將繼續發展這個投資組合併相信長遠而言將為股東帶來更大的價值。中國房地產價格近日漸趨穩定，這將為本集團提供更好洽談新項目的機會。由於本集團自建及擁有物業的商業營運模式可提供就業機會及穩定的稅收，這將更有利本集團參與政府推出的項目。在新項目選址考慮方面，管理層傾向於在長江三角洲一帶地區，以便充分利用集團在上海久光百貨店所建立的商業網絡及人力資源。

總括而言，利福國際將於二零一一年繼續保持其領先的市場地位及盈利動力，並逐步加大零售物業的投資，銳意鞏固在中國零售業的領導地位。







Compelling Growth Strategies

CORPORATE GOVERNANCE PRACTICES

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions of the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 31st December, 2010.

THE BOARD

(1) Board Composition

As at the date of this report, the Board consists of a total of ten Directors, including two Executive Directors, four Non-executive Directors and four Independent Non-executive Directors. More than one-third of the Board is represented by Independent Non-executive Directors with one of whom being a certified public accountant. The Board believes that the balance between Executive and Non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of shareholders and the Company. Each Director has different professional and industrial qualification and experience, which enable them to make valuable and diversified advice and guidance to the Group's business activities and development.

企業管治常規

本公司董事局(「董事局」)及管理層致力維持良好的企業管治常規及程序。本公司所遵行的企業管治原則著重高質素之董事局、健全之內部監控，以及對全體股東之透明度及問責性。

截至二零一零年十二月三十一日止年度內，本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四之企業管治常規守則(「企業管治守則」)所載原則，並已遵守所有守則條文。

董事局

(1) 董事局組成

截至本年報日，董事局由十位董事組成，包括兩位執行董事、四位非執行董事及四位獨立非執行董事。超過三分之一董事局成員是由獨立非執行董事出任，其中一人為執業會計師。董事局相信，執行與非執行董事之間之平衡是合理且足以提供監察及起平衡作用，以保障股東及本公司之利益。各董事擁有不同專業及行業的資格和經驗，可為本集團業務活動及發展帶來寶貴貢獻及提供不同意見與指引。



Details of the composition of the Board are set out in the “Corporate Information” to this Annual Report. The Directors’ biographical information and the relationships among the Directors are set out in the “Profile of Directors” to this Annual Report.

The independence of the Independent Non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. The Company has received written confirmation of independence from each of the Independent Non-executive Directors and the Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in the relevant requirements of the Listing Rules and are independent in accordance with the terms of the guidelines.

(2) Chairman and Managing Director

The Chairman of the Board is responsible for setting and leading the overall strategic plan and development of the Group whereas the Managing Director is responsible, in addition to assisting in setting the Group’s strategic planning, for implementing the Board’s decisions, monitoring and supervising the Group’s overall performance, ensuring adequate capital and managerial resources to implement the business strategies adopted, setting out and monitoring

董事局組成詳情列載於本年報企業資料內。董事個人資料及董事間的關係列載於本年報董事簡介項下。

獨立非執行董事的獨立性乃根據上市規則相關條例及規定而作出評核。本公司已接獲各獨立非執行董事發出之獨立性確認書，而本公司認為所有獨立非執行董事皆符合上市規則有關獨立性指引之規定，並根據該指引條文屬獨立人士。

(2) 主席及董事總經理

董事局主席負責制定及領導本集團整體策略規劃及發展，而董事總經理除協助制定本集團的策略規劃外，亦負責執行董事局決策、監察與監督本集團整體表現、確保具備充裕資金及管理資源執行所採納業務策略、為高級管理層制定及監察目標、計



targets, plans and direction for the senior management, reporting to the Board on the Group's overall performance and proposing business plans and future strategic directions for the Board to evaluate and to conclude.

The positions of the Chairman of the Board and the Managing Director are currently held by separate individuals for the purpose of ensuring an effective segregation of duties and a balance of power and authority.

(3) Responsibilities

The Board is charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. The Board steers and oversees the management of the Company including, establishing the strategic direction and setting long-term objectives for the Company, monitoring the performance of management, protecting and maximizing the interests of the Company and its shareholders, reviewing, considering and approving the annual budget, managing results and performance against annual budget. The Board has delegated senior management, under the leadership of the Managing Director, with authority and responsibility for the day-to-day operations and administration of the Group.

Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated.

Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board. If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.

All Directors have full access to and are provided with adequate, reliable and timely information of the Group and its operation so as to enable them to make timely decision. Such information analysis can be accessed directly through briefing and reporting by the Executive Directors and senior management. The Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director for carrying out his/her duties.

劃及方向、就本集團整體表現向董事局匯報以及提呈業務計劃及日後策略方向以供董事局作評估及總結。

董事局主席及董事總經理目前由不同人士擔任，旨在確保有效職責分工以及平衡權力及授權。

(3) 責任

董事局以負責任、重效益的態度領導及監管本公司。董事局負責領導及監管本公司管理層，工作包括制訂本公司之策略方向、訂立本公司長遠目標、監控管理層表現、保障及盡力提高本公司與其股東之利益，以及審閱、考慮及批准年度預算、管理業績及表現並對預算作考評。董事局委派由董事總經理所領導的高級管理層負責管理本集團日常業務及行政事宜。

所有董事均有責任真誠地以公司的最佳利益為前提行事。董事局成員明白，須就公司的管理、監控和營運事宜向所有股東承擔共同和個別的责任。

董事局在考慮方案或交易時，董事須申報其涉及的任何直接或間接利益。若有董事在董事局將予考慮的事項中存有董事局認為重大的利益衝突，有關事項將根據適用的規則及規例處理，並在適當情況下成立董事局轄下獨立委員會處理。

全體董事均可全面取得及獲提供有關本集團及其營運之足夠而可靠的最新資料，以便彼等作出適時決策，而該等分析資料可直接透過由執行董事及高級管理層的匯報及報告取得。若任何董事於履行職務時認為有必要尋求獨立專業意見，公司秘書可代為安排，費用由本公司支付。

- (4) **Appointment, Re-election and Removal of Directors**
The Board as a whole is responsible for the appointment of new Directors. Under the Company's Articles of Association, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any such new Director shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at the same general meeting.

All Directors (including Non-executive Directors) are subject to retirement by rotation at least once every three years and are subject to re-election in accordance with the Company's Articles of Association and the Code.

- (5) **Board Meetings and Directors' Attendance**
The Board meets regularly and held four meetings during the year ended 31st December, 2010 to review the quarterly operating performance of the Group and to deliberate and approve the interim and final results announcements and financial statements, to recommend or declare dividends as well as to discuss strategic business issues and operations of the Group.

Board members attended either in person or through telephone conferencing means in accordance with provision in the Company's Articles of Association. During the year, Mr. Lau Luen-hung, Thomas, Mr. Doo Wai-hoi, William, Ms. Lau Yuk-wai, Amy, Mr. Cheung Yuet-man, Raymond and The Hon. Shek Lai-him, Abraham attended all the four physical Board meetings; Mr. Lam Siu-lun, Simon and Mr. Hui Chiu-chung, Stephen attended three of the said meetings; Dr. Cheng Kar-shun, Henry attended two of the said meetings; Mr. Lau Luen-hung, Joseph attended one of the said meetings; while Dató Dr. Cheng Yu-tung did not attend the said meetings.

- (6) **Practices and Conduct of Board and Board Committee Meetings**
The Company Secretary ensures the proper convening and conducting of the Board and Board Committee meetings, with relevant notices, agenda and Board and Board Committee papers being provided to the Directors and Board Committee members in a timely manner before the meetings.

- (4) **董事之委任、重選及罷免**
董事局負責委任新董事。根據本公司組織章程細則，董事局可不時委任董事以填補臨時空缺或增添董事局成員。新任董事之任期至本公司下次股東會(如屬填補臨時空缺)或至本公司下屆股東週年大會(如屬增添董事局成員)為止，並有資格於同一股東大會上重選連任。

根據本公司組織章程細則及企業管治守則，所有董事(包括非執行董事)須每三年輪流告退，並須經重選連任。

- (5) **董事局會議及董事的會議出席率**
董事局定期開會並於截至二零一零年十二月三十一日止年度間召開四次會議，以審閱本集團的季度經營表現，商議及批准中期及全年業績公佈以及財務報表、建議或宣派股息，以及討論本集團的策略業務及經營事宜。

根據本公司之組織章程細則條文規定，董事局成員可親身或以電話會議方式參與會議。年內，劉鑾鴻先生、杜惠愷先生、劉玉慧女士、張悅文先生及石禮謙議員均有出席合共四次董事局會議；林兆麟先生及許照中先生出席三次上述會議；鄭家純博士出席兩次上述會議；劉鑾雄先生出席一次上述會議；拿督鄭裕彤博士則沒有出席上述會議。

- (6) **董事局及其轄下委員會會議之常規及準則**
公司秘書確保正式召開及舉行董事局及其轄下委員會成員會議，並將於舉行會議前適時向董事及其轄下委員會成員提供相關通知、會議議程及董事局及其轄下委員會會議文件。

The Company Secretary is responsible to keep minutes of all Board and Board Committee meetings. Board and Board committee minutes are available for inspection by Directors and Board Committee members.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions on the Company's shares.

Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code for the year ended 31st December, 2010.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements of the Group for the year ended 31st December, 2010. The Directors ensure that the financial statements of the Group are prepared as to give a true and fair view of the Group's state of affairs, the results and cash flow for the year, and on a going concern basis in accordance with the statutory requirements and applicable accounting and financial reporting standards.

The Directors also ensure the publication of the financial statements of the Group is in a timely manner.

The statement by the auditors of the Company regarding its reporting responsibilities and opinion on the financial statements of the Group for the year ended 31st December, 2010 is set out in the "Independent Auditor's Report" to this Annual Report. The Board takes steps to ensure the continued objectivity and independence of the external auditors. For the year ended 31st December, 2010, the external auditors of the Company received approximately HK\$3.7 million for audit services provided to the Group.

The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications.

The Board is aware of the requirements under the applicable rules and regulations about timely disclosure of price-sensitive information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises. The Chief Financial Officer and the Company Secretary of the Company work closely and in consultation with legal advisers to review the materiality and sensitivity of transactions and proposed transactions and advise the Board accordingly.

公司秘書需負責記錄董事局及其轄下委員會成員會議記錄。董事局及其轄下委員會會議記錄可供董事及其轄下委員會成員查閱。

董事之證券交易

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)，作為其有關董事就本公司股份進行證券交易的操守準則。

經向各董事作出具體查詢後，全體董事確認，彼等於截至二零一零年十二月三十一日止整個年度內一直遵守標準守則及其有關董事進行證券交易的操守準則。

董事對財務報表之責任

董事確認彼等有責任編製本集團截至二零一零年十二月三十一日止年度之財務報表。董事局必須確保按照法定規定及適用會計及財務報告準則，真實公平地呈報本集團年內之財務狀況、業績及現金流量，及按持續經營基準編製財務報表。

董事並確保本集團財務報表適時予以刊發。

本公司核數師對本集團截至二零一零年十二月三十一日止年度財務報表之報告責任及意見之聲明載於本年報獨立核數師報告書。董事局已採取措施確保外聘核數師的客觀及獨立性。截至二零一零年十二月三十一日止年度，本公司外聘核數師就向本集團提供核數服務收取約3,700,000港元。

董事局銳意在所有股東通訊中對本集團之業績及狀況以清晰、平衡及易於理解的方式表達。

董事局知悉適用規則及規例中有關適時披露股價敏感資料或本公司相關事宜的規定，並將在適當時批准刊發有關公佈。本公司財務總監及公司秘書將就交易事項及建議交易的重要及敏感性諮詢法律顧問的意見，並據此向董事局提出建議。

BOARD COMMITTEES

The Board has established two Board Committees, namely, the Audit Committee and the Remuneration Committee with specific terms of references to assist the Board in discharging its responsibilities.

(1) Audit Committee

The Audit Committee comprises four members, namely, Mr. Lam Siu-lun, Simon, Mr. Cheung Yuet-man, Raymond, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen, all are Independent Non-executive Directors. None of them is, or has previously been, the partner of the Company's current or previous external auditors. The Audit Committee is chaired by Mr. Lam Siu-lun, Simon, who is a certified public accountant. The Audit Committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the Audit Committee setting out the committee's authority and duties, which follow closely the requirements of the Code Provisions and being modified from time to time and adopted by the Board, are available from the Company's website.

The principal duties of the Audit Committee are as follows:

1. consider the service and appointment of the Company's external auditors, nature and scope of auditing, and the related audit fee;
2. review and approve changes in accounting policies and practices, to review the effectiveness of the financial reporting system and process, its compliance with accounting standards, the Listing Rules and legal requirements;
3. oversee the adequacy of the Group's financial reporting process, internal control procedures and risk management system;
4. review internal control programme and to ensure adequate responses to internal audit functions, to consider and discuss audit findings, for any significant or unusual terms thereof, directly with external auditors; and
5. assist the Board in overseeing the proper preparation of the Group's financial statements and reports.

董事局轄下的委員會

董事局已成立兩個轄下委員會，即審核委員會及薪酬委員會，以各自的職權範圍協助董事局履行應有職責。

(1) 審核委員會

審核委員會由四名成員組成，即林兆麟先生、張悅文先生、石禮謙議員及許照中先生，全體成員均為獨立非執行董事。彼等並非亦不曾出任本公司現任或前任外聘核數師合夥人。審核委員會由林兆麟先生出任主席，彼為執業會計師。審核委員會獲提供充裕資源以履行其職責。

按守則條文規定制訂之審核委員會職權範圍詳列委員之權力及職責並已不時作出修改和獲董事局採納及登載於本公司網站。

審核委員會之主要職責如下：

1. 考慮本公司外聘核數師之服務及其委任以及核數性質與範疇及相關費用；
2. 審閱及批准會計政策與慣例之變動，檢討財務申報系統及程序之效能是否遵守會計準則、上市規則及法例規定；
3. 監察本集團之財務申報程序、內部監控程序及風險管理制度是否恰當；
4. 檢討內部監控程序，並確保充分回應內部審核職能；直接與外聘核數師考慮及商討審核結果以及任何重大或不尋常條款；及
5. 協助董事局監察適當編製本集團財務報表及報告。

The Audit Committee held two meetings during the year ended 31st December, 2010. Save for Mr. Hui Chiu-chung, Stephen who has attended one of the said meetings, all committee members attended both meetings. In the meetings, the Audit Committee (i) reviewed and discussed with the external auditors on the Group's financial statements before they were submitted to the Board for consideration and approval; and (ii) reviewed the external auditors' audit findings.

On 24th February, 2011, the Audit Committee met to review the Group's audited consolidated financial statements for the year ended 31st December, 2010 ("2010 Consolidated Financial Statements"), including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors. The Audit Committee recommended the 2010 Consolidated Financial Statements for the approval of the Board.

The Audit Committee also recommended to the Board the re-appointment of Messrs. Deloitte Touche Tohmatsu as the Company's external auditors for the year ending 31st December, 2011 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2011 annual general meeting.

(2) Remuneration Committee

In compliance with the Code, the Remuneration Committee members comprise as majority three Independent Non-executive Directors, namely, Mr. Lam Siu-lun, Simon, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen, and one Executive Director, Mr. Lau Luen-hung, Thomas, who is the Managing Director and Chairman of the Remuneration Committee. The Remuneration Committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the Remuneration Committee setting out the committee's authority and duties, which follow closely the requirements of the Code Provisions and being modified from time to time and adopted by the Board, are available from the Company's website.

截至二零一零年十二月三十一日止年度，審核委員會曾舉行兩次委員會會議。除許照中先生出席一次上述會議外，全體委員會成員均有出席該兩次會議。委員會於會上與外聘核數師審閱及商討本集團財務報表後始呈交董事局以供考慮及批准，以及審閱外聘核數師的審計發現。

審核委員會於二零一一年二月二十四日舉行會議，聯同外聘核數師審閱本集團截至二零一零年十二月三十一日止年度的已審核綜合財務報表（「二零一零年度綜合財務報表」），包括集團採納的會計原則及實務準則。審核委員會建議董事局批准通過二零一零年度綜合財務報表。

審核委員會亦向董事局建議，重新聘任德勤•關黃陳方為本公司截至二零一一年止年度的外聘核數師，並建議將有關決議於二零一一年股東週年大會上提交予股東考慮及通過。

(2) 薪酬委員會

為符合企業管治守則，薪酬委員會由三名獨立非執行董事林兆麟先生、石禮謙議員及許照中先生以及執行董事劉鑾鴻先生組成。劉鑾鴻先生為本公司董事總經理及薪酬委員會主席。薪酬委員會獲提供充裕資源以履行其職責。

按守則條文規定制訂之薪酬委員會職權範圍詳列委員之權力及職責並已不時作出修改和獲董事局採納及登載於本公司網站。

The principal role of the Remuneration Committee is to provide advice and recommendation to the Board on the remuneration package of Directors and senior management, on any specific remuneration package with reference to market conditions, performance of the Group and the individuals against preset goals and targets as set by the Board from time to time, and if necessary, on any compensation policy for termination of office of Directors or senior management.

The Remuneration Committee held one meeting during the year ended 31st December, 2010, with all committee members attended the meeting. In the meeting, the Remuneration Committee determined the remuneration package of Executive Directors and senior management, and reviewed the remuneration package of the Non-executive Directors.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE AND INDEMNITY

To indemnify Directors and officers of the Company against all costs, charges, losses, expenses and liabilities incurred by them in the execution of and discharge of their duties or in relation thereto, the Company has arranged insurance cover for this purpose.

INTERNAL CONTROL FRAMEWORK

(1) Internal Controls

The Board acknowledges its responsibility in maintaining a sound and effective internal control system for the Group to safeguard investments of the shareholders and assets of the Company at all times.

The Group's system of internal control includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

薪酬委員會之主要職責為就董事及高級管理層之薪酬待遇，向董事局提供建議及推薦意見，並就經參考市場情況、本集團及個人表現及董事局不時制定之目標後，對任何具體薪酬待遇作出檢討，且於必要時就董事或高級管理層終止任期之任何賠償政策作出檢討。

截至二零一零年十二月三十一日止年度，薪酬委員會曾舉行一次委員會會議，全體委員會成員均有出席該次會議。薪酬委員會於會上商討執行董事及高級管理人員之薪酬待遇，以及檢討全體非執行董事之薪酬待遇。

董事及高級職員之責任保險及彌償

為彌償董事及本公司高級職員因執行及履行彼等之職責或與之有關所產生之所有費用、收費、損失、開支及債務，本公司已就此安排保險投保。

內部監控架構

(1) 內部監控

董事局知悉其有責任維持本集團良好及有效之內部監控制度，使股東的投資及本公司資產在任何時間均得到保障。

本集團的內部監控系統，包括界定管理架構及相關的權限，以協助集團達至業務目標、保管資產以防未經授權使用或處理、確保適當的會計記錄得以保存並可提供可靠的財務資料供內部使用或對外發放，並確保符合相關法例及規例。上述監控系統旨在合理(但並非絕對)保證並無重大失實陳述或損失，並管理(但並非完全消除)營運系統失誤及集團未能達標的風險。

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material factors related to financial, operational and compliance controls, various functions for risk management and physical and information systems security. Audit Committee had been reported during the Audit Committee meetings key findings identified by the Company's external auditors, discussed findings and actions or measures taken in addressing those findings relating to the Group's internal controls. No material issue during the year has been reported to the Board by the Audit Committee.

The Board also sets targets for and has conducted an annual review on plans and progress for continuous improvement work of the internal control system of the Company and its subsidiaries, working in conjunction with senior management and the Audit Committee.

(2) Internal Audit Function

The Group's internal audit team is headquartered in Hong Kong and shares if necessary resources of the finance team for conducting regular review of the Group's internal control procedures, including accounting system and operational procedures, and will make recommendations to the relevant department management for necessary actions. The management considers the present arrangement is effective having taking into account the current organizational structure, lines of responsibility, authority of the management team and the risks associated with the operations of the Group. The senior management and Audit Committee however are reviewing and monitoring closely the situation, and are committed to strengthening the functions of the Group's internal auditing team.

The extent of work the internal audit team had performed during 2010 and its findings and results was reported to the Audit Committee during the Audit Committee meeting on 24th February 2011. The internal audit team carries out risk assessment in the beginning of each year on major operating department and area for the purpose of deriving the annual audit plan. The audit plan for 2011 has been reviewed by the Audit Committee during the meeting. In addition to its agreed schedule of work, the internal audit team may conduct other review and investigative work on an ad hoc basis when it is required.

於本年度，管理層定期檢討內部監控制度之成效，該制度涵蓋一切有關財務、營運及守章監控、風險管理工作以及實際及資訊系統保安等重要因素。審核委員會於審核委員會會議匯報有關內部監控之結果，連同本公司核數師提出的主要發現以及就有關本集團內部監控之發現所採取行動或措施。審核委員會於本年度並無任何重大事項向董事局報告。

董事局亦與高級管理層及審核委員會就持續改善本公司內部監控制度訂定目標，並就此檢討計劃及進度。

(2) 內部審核職能

本集團內部審核隊伍之總部設於香港，如有需要亦共用本集團財務隊伍的資源，負責定期審閱本集團內部監控程序，包括會計制度及營運程序，同時會向相關部門管理層提出建議以作出相應之行動。惟在經考慮現行組織架構、管理層隊伍之職責與權力的分工以及本集團業務所涉及風險後，管理層認為現行安排屬足夠及有效。然而，高級管理層與審核委員會現正緊密地檢討及監管情況，及將現正致力加強本集團內部審核隊伍的職能。

於二零一一年二月二十四日的審核委員會會議上，本集團內部審核隊伍已匯報其於二零一零年度所履行的工作，發現及結果。於每年年初，內部審核隊伍對主要經營部門及範圍作出年度風險評估，旨在確保訂立年度內審計劃。於該會議上，審核委員會已審閱二零一一年之內審計劃。內部審計部除執行其既定之工作外，亦需執行其他涉及檢討或調查性質之工作。

COMMITMENT TO TRANSPARENCY

The Board emphasizes in creating and maintaining a high level of transparency through timely disclosure of relevant information on our activities to our shareholders, investors, media and investment public, through regular press releases, analysis's briefings, press conferences, as well as timely updating of the Company's website, availability of designated investor relationship agent to handle enquiries. Our Executive Director and senior management, who look after the business operation, are committed to response to enquiries from regulators, shareholders and business partners.

INVESTORS' RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company regards high quality reporting as an essential element in building successful relationships with its shareholders. The Company always seeks to provide relevant information to existing and potential investors, not only to comply with the different requirements in force but also to enhance transparency and communications with shareholders and the investing public. This is part of a continuous communication program that encompasses meetings and relevant announcements to the market in addition to periodic written reports in the form of preliminary announcement of results and interim and annual reports.

The Company also maintains a corporate website on which comprehensive information about the Group is provided. Regular meetings are also held with institutional investors and research analysts to provide them with timely updates on the Group's latest business developments and non-price sensitive information. These activities keep the public informed of the Group's activities and foster effective communications.

The Group also participated in investment conferences and forums organized by leading investment banks during the year in order to enhance the awareness of the investing public of the Group's vision and strategies.

The Company is committed to ensuring that it is fully compliant with disclosure obligations stipulated under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information that is released by the Group.

提高企業透明度

董事局著重透過定期報章公佈、分析簡介、記者招待會、即時更新公司的網站及指派投資關係代理處理查詢，適時向股東、投資者、媒體及公眾投資人士披露業務相關資料，以締造及維持高透明度。此外，執行董事及負責業務運作的高級管理層樂意對監管機構、股東及業務夥伴提出之查詢作積極回應。

投資者關係及與股東之溝通

本公司認為高質素的滙報為與股東成功建立關係之重要元素。本公司一直致力向現有及潛在投資者提供有關資料，所提供資料不單符合不同的生效規定，亦同時提高透明度及加強與股東及公眾投資者之溝通。持續的溝通除以初步業績公佈以及按中期報告及年報形式定期刊發報告書外，還包括舉行會議及向市場作出有關公佈。

本公司亦設有公司網站，提供有關本集團之全面資料。本公司亦定期與機構投資者及證券分析員會面，以提供有關本集團業務之最新發展及非股價敏感資料。該等活動可讓公眾得知本集團業務狀況，並促進有效溝通。

本集團在本年度亦出席由具領導地位之投資銀行舉辦之投資會議及論壇，以提高公眾投資者對本集團目標及策略之認識。

本公司致力確保全面遵守上市規則及其他適用法例與法規訂明之披露責任，而全體股東及潛在投資者均同樣可獲得及取得本集團公佈之公開資料。

Profile of Directors

董事簡介

EXECUTIVE DIRECTORS

MR. LAU LUEN-HUNG, THOMAS (BA, MBA)

Managing Director

Mr. Lau, aged 56, is the Managing Director of the Company who leads and manages the whole Group. He is also the Chairman of the Remuneration Committee of the Company. Mr. Lau holds a Bachelor degree and a Master degree of Business Administration. Mr. Lau is responsible for setting and implementing policies and strategies, and monitoring results and targets of the operations of the Group. Mr. Lau is a member of the Chinese People's Political Consultative Conference Shanghai Committee, a director of Shanghai Chinese Overseas Friendship Association, a member of the Board of Directors of Shanghai Jiao Tong University and also an Independent Director of AutoChina International Limited, a NASDAQ listed company. He is the younger brother of Mr. Lau Luen-hung, Joseph and Ms. Lau Yuk-wai, Amy.

MR. DOO WAI-HOI, WILLIAM (JP)

Mr. Doo, aged 66, joined the Group in March 2005. He is the Vice-Chairman of New World China Land Limited, the Deputy Chairman of NWS Holdings Limited, and an Independent Non-executive Director of The Bank of East Asia, Limited and Shanghai Industrial Urban Development Group Limited. He was previously an Executive Director of Tai Fook Securities Group Limited (now known as Haitong International Securities Group Limited). All the companies mentioned above are listed companies. Mr. Doo also acts as a Director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. Mr. Doo has served as a Governor of the Canadian Chamber of Commerce in Hong Kong since 1995. In addition, Mr. Doo is a Member of the Standing Committee of the Eleventh Chinese People's Political Consultative Conference in Shanghai, and the Convener of the Shanghai Committee in Hong Kong and Macau. He has been appointed as the Honorary Consul of the Kingdom of Morocco in Hong Kong since June 2005. Mr. Doo is the son-in-law of Dató Dr. Cheng Yu-tung and brother-in-law of Dr. Cheng Kar-shun, Henry.

執行董事

劉鑾鴻先生 (BA, MBA)

董事總經理

劉先生現年56歲，為本公司董事總經理，負責領導及管理本集團。彼為本公司薪酬委員會主席。劉先生持有學士學位及工商管理碩士學位。劉先生負責制定及執行政策與策略、以及監督業績及本集團的業務目標。劉先生亦為中國人民政治協商會議上海市委員會會員、上海海外聯誼會理事、上海交通大學董事會董事及AutoChina International Limited (於納斯達克交易所上市)之獨立董事。彼為劉鑾雄先生及劉玉慧女士之胞弟。

杜惠愷先生 (太平紳士)

杜先生現年66歲，於二零零五年三月加盟本集團。彼亦為新世界中國地產有限公司及新創建集團有限公司之副主席，以及東亞銀行有限公司及上海實業城市開發集團有限公司之獨立非執行董事。杜先生曾任周大福證券集團有限公司(現稱海通國際證券集團有限公司)之執行董事。上文提述之公司全部均為上市公司。彼亦為新世界酒店(集團)有限公司及豐盛珠寶有限公司之董事。自一九九五年起，彼出任加拿大商會駐港總監之職。此外，杜先生為中國人民政協會議上海市第十一屆常務委員及港澳委員召集人。彼自二零零五年六月起獲摩洛哥王國委任為駐港名譽領事。杜先生為拿督鄭裕彤博士之女婿及鄭家純博士之妹夫。

NON-EXECUTIVE DIRECTORS

DATÓ DR. CHENG YU-TUNG (DPMS, LLD (Hon), DBA(Hon), DSSC(Hon), GBM)

Chairman

Dató Dr. Cheng, aged 85, is the non-executive Chairman of the Company. He joined the Group in March 2004. Dató Dr. Cheng is also the Chairman of New World Development Company Limited and Melbourne Enterprises Limited, a Non-executive Director of Shun Tak Holdings Limited and SJM Holdings Limited, all being listed companies, the Chairman of Chow Tai Fook Enterprises Limited, Chow Tai Fook Jewellery Company Limited and New World Hotels (Holdings) Limited, and a Director of Cheng Yu Tung Family (Holdings) Limited and Centennial Success Limited. Dr. Cheng was awarded Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2008. Dató Dr. Cheng is the father of Dr. Cheng Kar-shun, Henry and the father-in-law of Mr. Doo Wai-hoi, William.

DR. CHENG KAR-SHUN, HENRY (BA, MBA, DBA(Hon), LLD(Hon), GBS)

Dr. Cheng, aged 64, joined the Group in May 2001. Dr. Cheng is also the Managing Director of New World Development Company Limited, the Chairman and Managing Director of New World China Land Limited, the Chairman of NWS Holdings Limited, New World Department Store China Limited and International Entertainment Corporation, and an Independent Non-executive Director of HKR International Limited. He was previously the Chairman of Tai Fook Securities Group Limited (now known as Haitong International Securities Group Limited). All the companies mentioned above are listed companies. Dr. Cheng is also a Director of Chow Tai Fook Enterprises Limited, Chow Tai Fook Jewellery Company Limited, Cheng Yu Tung Family (Holdings) Limited and Centennial Success Limited, and the Managing Director of New World Hotels (Holdings) Limited. Dr. Cheng is a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of The People's Republic of China. He was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2001. Dr. Cheng is the son of Dató Dr. Cheng Yu-tung and the brother-in-law of Mr. Doo Wai-hoi, William.

MR. LAU LUEN-HUNG, JOSEPH

Mr. Lau, aged 59, joined the Group in May 2001. Mr. Lau is the Chairman and Managing Director of Chinese Estates Holdings Limited, a Hong Kong listed company. He has over 35 years of experience in corporate finance, manufacturing and property investment and development. Mr. Lau is the elder brother of Mr. Lau Luen Hung, Thomas and Ms. Lau Yuk-wai, Amy.

非執行董事

拿督鄭裕彤博士 (DPMS, LLD(Hon), DBA(Hon), DSSC(Hon), GBM)

主席

拿督鄭裕彤博士現年85歲，為本公司非執行主席，於二零零四年三月加盟本集團。拿督鄭博士亦為新世界發展有限公司及萬邦投資有限公司之主席、信德集團有限公司及澳門博彩控股有限公司之非執行董事(上述公司全部均為上市公司)、周大福企業有限公司、周大福珠寶金行有限公司及新世界酒店(集團)有限公司之主席、以及Cheng Yu Tung Family (Holdings) Limited及Centennial Success Limited之董事。鄭博士於二零零八年獲香港特別行政區政府頒授大紫荊勳章。彼為鄭家純博士之父親及杜惠愷先生之岳父。

鄭家純博士 (BA, MBA, DBA(Hon), LLD(Hon), GBS)

鄭博士現年64歲，於二零零一年五月加盟本集團。鄭博士亦為新世界發展有限公司董事總經理、新世界中國地產有限公司主席兼董事總經理、新創建集團有限公司、新世界百貨中國有限公司及國際娛樂有限公司之主席、以及香港興業國際集團有限公司獨立非執行董事。鄭博士曾任大福證券集團有限公司(現稱海通國際證券集團有限公司)之主席。上文提述之公司全部均為上市公司。鄭博士亦為周大福企業有限公司、周大福珠寶金行有限公司、Cheng Yu Tung Family (Holdings) Limited 及 Centennial Success Limited 之董事、以及新世界酒店(集團)有限公司董事總經理。鄭博士為中華人民共和國第十一屆全國政協常務委員。彼於二零零一年獲香港特別行政區政府頒授金紫荊星章。鄭博士為鄭裕彤博士之兒子及杜惠愷先生之妻舅。

劉鑾雄先生

劉先生現年59歲，於二零零一年五月加盟本集團。劉先生亦為華人置業集團之主席及董事總經理(為香港上市公司)。彼於企業融資、製造及物業投資與發展方面擁有逾35年經驗。劉先生為劉鑾鴻先生及劉玉慧女士之胞兄。

NON-EXECUTIVE DIRECTORS (continued)

MS. LAU YUK-WAI, AMY

Ms. Lau, aged 57, joined the Group in March 2004. Ms. Lau holds a Bachelor degree in Science and a Doctor degree in Dental Surgeon from the University of Toronto in Canada. She is a Non-executive Director of Chinese Estates Holdings Limited, a Hong Kong listed company. Ms. Lau is the sister of Mr. Lau Luen Hung, Thomas and Mr. Lau Luen Hung, Joseph.

INDEPENDENT NON-EXECUTIVE DIRECTORS

MR. LAM SIU-LUN, SIMON (BA, ACA, FTIHK)

Mr. Lam, aged 61, joined the Group in March 2004. He is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. Lam graduated from the University of Hong Kong in 1973. After graduation, he worked at KPMG Peat Marwick London and Hong Kong and obtained his qualification as a Certified Public Accountant from HKICPA in 1979. Mr. Lam has been a practicing accountant for over 21 years and is the proprietor of Messrs. S.L. Lam & Company. He has served as a member of the Insider Dealing Tribunal on a number of occasions. He is an Independent Non-executive Director, the Chairman of the Audit Committee and the Remuneration Committee of Le Saunda Holdings Limited and Kiu Hung Energy Holdings Limited, all being listed companies.

MR. CHEUNG YUET-MAN, RAYMOND

Mr. Cheung, aged 56, joined the Group in March 2004. Mr. Cheung was an entrepreneur and has over 18 years of experience in the textile and garment manufacturing industries and has over 17 years of experience in property investment.

非執行董事(續)

劉玉慧女士

劉女士現年57歲，於二零零四年三月加盟本集團。劉女士持有加拿大多倫多大學之理學士學位及牙科博士學位。彼亦為華人置業集團之非執行董事(為香港上市公司)。劉女士為劉鑾雄先生之胞妹及劉鑾鴻先生之胞姊。

獨立非執行董事

林兆麟先生(BA, ACA, FTIHK)

林先生現年61歲，於二零零四年三月加盟本集團。彼為本公司審核委員會主席及薪酬委員會成員。林先生於一九七三年在香港大學畢業後，曾於倫敦及香港畢馬威會計師事務所工作，並於一九七九年獲取香港會計師公會確認之執業會計師資格。林先生從事執業會計師超過21年，並為林兆麟會計師事務所東主。彼曾多次擔任內幕交易審裁處成員。彼為利信達集團有限公司及僑雄能源控股有限公司之獨立非執行董事、審核委員會及薪酬委員會主席(上述公司全部均為上市公司)。

張悅文先生

張先生現年56歲，於二零零四年三月加盟本集團。張先生為企業家，擁有逾18年紡織及成衣製造業經驗及逾17年物業投資經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

(continued)

THE HON. SHEK LAI-HIM, ABRAHAM (BA, DIP. ED., JP)

Mr. Shek, aged 65, joined the Group in March 2004. Mr. Shek obtained his Bachelor degree of Arts in 1969 and has extensive experience in the property development field. Mr. Shek is a member of the Legislative Council of Hong Kong and Court of The University of Hong Kong. He is an Independent Non-executive Director and a member of the audit committee of each of Midas International Holdings Limited, Paliburg Holdings Limited, Chuang's Consortium International Limited, NWS Holdings Limited, ITC Corporation Limited, Titan Petrochemicals Group Limited, Country Garden Holdings Company Limited, Regal Portfolio Management Limited as the manager of Regal Real Estate Investment Trust, Eagle Asset Management (CP) Limited as the manager of Champion Real Estate Investment Trust, China Resources Cement Holdings Limited, SJM Holdings Limited and Kosmopolito Hotels International Limited; the Vice Chairman, an Independent Non-executive Director and a member of the audit committee of ITC Properties Group Limited; and the Chairman and an Independent Non-executive Director of Chuang's China Investments Limited. He is also an Independent Non-executive Director of Hop Hing Group Holdings Limited, Hsin Chong Construction Group Ltd. and MTR Corporation Limited. He was previously an Independent Non-executive Director of See Corporation Limited (resigned on 1st October, 2008). All the companies mentioned above are listed companies. Mr. Shek is also a Director of The Hong Kong Mortgage Corporation Limited and the Vice Chairman of Independent Police Complaints Council.

MR. HUI CHIU-CHUNG, STEPHEN (JP)

Mr. Hui, aged 63, join the Group in July 2005. Mr Hui is currently the Chief Executive Officer of OSK Holdings Hong Kong Limited. He has 40 years of experience in the securities and investment industry. Mr. Hui had for years been serving as a Council Member and Vice Chairman of The Stock Exchange of Hong Kong, member of the Advisory Committee of the Hong Kong Securities and Futures Commission, Director of the Hong Kong Securities Clearing Company Limited, member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, member of Standing Committee on Company Law Reform and also a member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. Mr. Hui was appointed by the Government of the HKSAR a Justice of the Peace in 2004 and was also appointed member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference in 2006. He is at present a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui also serves as an Independent Non-executive Director of Hong Kong Exchanges and Clearing Limited, Luk Fook Holdings (International) Limited, Jiuzhou Development Company Limited, Chun Wo Development Holdings Limited and Frasers Property (China) Limited, all being listed companies.

獨立非執行董事(續)

石禮謙議員 (BA, DIP. ED., 太平紳士)

石先生現年65歲，於二零零四年三月加盟本集團。石先生於一九六九年取得文學士學位，於物業發展方面擁有豐富經驗。石先生為香港立法會議員及香港大學校董會成員。彼為勤達集團國際有限公司、百利保控股有限公司、莊士機構國際有限公司、新創建集團有限公司、德祥企業集團有限公司、泰山石化集團有限公司、碧桂園控股有限公司、富豪產業信託之管理人富豪資產管理有限公司、冠君產業信託之管理人鷹君資產管理(冠君)有限公司、華潤水泥控股有限公司、澳門博彩控股有限公司及麗悅酒店集團有限公司之獨立非執行董事兼審核委員會成員；德祥地產集團有限公司之副主席、獨立非執行董事兼審核委員會成員；及莊士中國投資有限公司之主席及獨立非執行董事。彼亦為合興集團控股有限公司、新昌營造集團有限公司及香港鐵路有限公司之獨立非執行董事。石先生曾任漢傳媒集團有限公司之非執行董事(已於二零零八年十月一日辭任)。上文提述之公司全部均為上市公司。石先生亦為香港按揭證券有限公司董事及投訴警方獨立監察委員會副主席。

許照中先生(太平紳士)

許先生現年63歲，於二零零五年七月加盟本集團。許先生現為僑豐金融集團(香港)有限公司行政總裁。具備40年之證券及投資經驗，多年來曾出任聯交所理事會理事及副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組會員。許先生於二零零四年獲香港特區政府頒授太平紳士榮銜，並於二零零六年獲中國珠海市人民政治協商會議委任為政協委員。彼現為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港旅遊業議會上訴委員會獨立委員。許先生亦為香港交易及結算所有限公司、六福集團(國際)有限公司、九洲發展有限公司、俊和發展集團有限公司及星獅地產(中國)有限公司之獨立非執行董事。上文提述之公司全部均為上市公司。

Directors' Report

董事局報告

The Directors of the Company present their annual report and the audited consolidated financial statements for the year ended 31st December, 2010 (the "Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are the operation of "lifestyle" department stores and other retailing format, and property development and property holding. Particulars of the Company's principal subsidiaries are set out in note 46 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2010 are set out in the consolidated statement of comprehensive income on page 70.

An interim dividend of HK cents 14.7 per share was paid during the Year. The Directors have recommended the payment of a final dividend of HK cents 19.0 in cash per share to the shareholders whose names appear on the Register of Members of the Company on Wednesday, 27th April, 2011, amounting to a total of HK cents 33.7 in cash per share for the Year.

FIXED ASSETS

Details of the movements during the Year in the property, plant and equipment and investment properties of the Group are set out in note 17 and 18 respectively 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 36 to the financial statements.

本公司董事謹此提呈其年報及截至二零一零年十二月三十一日止年度(「本年度」)之經審核綜合財務報表。

主要業務

本公司主要業務為投資控股，其附屬公司之主要業務則為經營「生活時尚」百貨店及其他零售業務、以及物業發展及持有。本公司主要附屬公司詳情載於財務報表附註46。

業績及分配

本集團截至二零一零年十二月三十一日止年度之業績載於第70頁綜合全面收益表。

於本年度，本公司派付中期股息每股14.7港仙。董事建議向於二零一一年四月二十七日(星期三)名列本公司股東名冊之股東，派付現金末期股息每股19.0港仙，本年度股息合共現金每股33.7港仙。

固定資產

有關本集團物業、廠房及設備及投資物業於本年度之變動詳情，分別載於綜合財務報表附註17及18。

股本

本公司股本於本年度之變動詳情載於財務報表附註36。

DIRECTORS

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

Executive Directors:

Mr. Lau Luen-hung, Thomas (*Managing Director*)
Mr. Doo Wai-hoi, William

Non-executive Directors:

Dató Dr. Cheng Yu-tung (*Chairman*)
Dr. Cheng Kar-shun, Henry
Mr. Lau Luen-hung, Joseph
Ms. Lau Yuk-wai, Amy

Independent Non-executive Directors:

Mr. Lam Siu-lun, Simon
Mr. Cheung Yuet-man, Raymond
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

In accordance with Article 87 of the Articles of the Company, Mr. Lau Luen-hung, Thomas, Dató Dr. Cheng Yu-tung, Mr. Cheung Yuet-man, Raymond and The Hon. Shek Lai-him, Abraham shall retire by rotation and, being eligible, offer themselves for re-election.

The term of office of each Non-executive Director and Independent Non-executive Director is appointed for a specific term of one year and is subject to retirement and re-election at annual general meeting in accordance with the Company's articles of association.

Mr. Lau Luen-hung, Thomas ("Mr. Lau") and Mr. Doo Wai-hoi, William ("Mr. Doo"), both executive Directors, has a service contract with the Company for the period from 1st April, 2010 to 31st March, 2013 and 2nd March, 2008 to 1st March, 2011 respectively in respect of their respective directorships. The three-year term under Mr. Lau's service contract expired on 31st March, 2010 and as no prior termination notice was served by either party, the service contract of Mr. Lau has already been automatically renewed for another term of three years commencing from 1st April, 2010 pursuant to the terms thereof. There is no specific clause in both service contracts providing for the amount of compensation in case of early termination of office.

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

董事

於本年度及截至本報告日期期間，本公司董事如下：

執行董事：

劉鑾鴻先生(*董事總經理*)
杜惠愷先生

非執行董事：

拿督鄭裕彤博士(*主席*)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事：

林兆麟先生
張悅文先生
石禮謙議員
許照中先生

根據本公司之章程細則第87條規定，劉鑾鴻先生、拿督鄭裕彤博士、張悅文先生及石禮謙議員須輪值告退，惟合資格並願意重選連任。

各非執行董事及獨立非執行董事乃按指定年期一年委任，且須根據本公司之組織章程細則於股東週年大會告退並重選連任。

劉鑾鴻先生(「劉先生」)及杜惠愷先生(「杜先生」)，均為執行董事，與本公司就出任董事訂有服務合約，任期分別為二零一零年四月一日至二零一三年三月三十一日及二零零八年三月二日至二零一一年三月一日。劉先生之服務合約項下之三年任期已於二零一零年三月三十一日屆滿。由於本公司或劉先生均無發出事先終止通知，故劉先生之服務合約已按服務合約條款自動續期，由二零一零年四月一日起續期三年。該等服務合約並無載有規定提早終止任期補償金額之特定條款。

除上文披露者外，概無擬於應屆股東週年大會重選連任之董事訂有本集團不作賠償(法定賠償除外)則不可於一年內終止之服務合約。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31st December, 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the issued shares of the Company

董事及行政總裁於股份及相關股份之權益

於二零一零年十二月三十一日，董事及本公司行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及淡倉；或根據聯交所證券上市規則（「上市規則」）附錄10所載之上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

(i) 本公司已發行股份之好倉

Name of Director	Nature of interest and capacity	Number of shares	Approximate percentage of interest in the issued share capital of the Company (Note 3) 佔本公司已發行股本權益之概約百分比 (附註3)
董事姓名	權益性質及身分	股份數目	
Mr. Lau Luen-hung, Thomas ("Mr. Thomas Lau") 劉鑾鴻先生	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1,080,000,000	64.33%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	41,000,000	2.44%
	Beneficial owner 實益擁有人	52,803,500	3.14%

Notes:

- Real Reward Limited ("Real Reward"), which is jointly owned by United Goal Resources Limited ("United Goal") and Go Create Limited ("Go Create") in equal shares, holds 1,080,000,000 shares. United Goal, a company incorporated in the British Virgin Islands ("BVI"), is ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Lau Luen-hung, Joseph ("Mr. Joseph Lau") as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 1,080,000,000 shares held by Real Reward.
- Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Thomas Lau, holds 41,000,000 shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 41,000,000 shares held by Dynamic Castle.
- As at 31st December, 2010, the issued share capital of the Company was HK\$8,394,925.00 divided into 1,678,985,000 shares of HK\$0.005 each.

附註：

- 由 United Goal Resources Limited (「United Goal」) 及 Go Create Limited (「Go Create」) 共同平均擁有之 Real Reward Limited (「Real Reward」) 持有 1,080,000,000 股。United Goal 為於英屬維爾京群島註冊成立之公司，由劉鑾鴻先生及合資格受益人為劉鑾鴻先生(「劉鑾鴻先生」)若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 所持 1,080,000,000 股中擁有權益。
- 由劉鑾鴻先生全資擁有之 Dynamic Castle Limited (「Dynamic Castle」) 持有 41,000,000 股。根據證券及期貨條例，劉鑾鴻先生被視作於 Dynamic Castle 所持 41,000,000 股中擁有權益。
- 於二零一零年十二月三十一日，本公司之已發行股本為 8,394,925.00 港元，分為 1,678,985,000 股每股面值 0.005 港元之股份。

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS
IN SHARES AND UNDERLYING SHARES (continued)**
(ii) Long positions in associated corporations

**董事及行政總裁於股份及相關股份
之權益(續)**
(ii) 於相聯法團之好倉

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interest and capacity 權益性質及身分	Total number of shares held 所持股份總數	Percentage of interest 權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Real Reward	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1	50%
	Crystal Key Investment Limited	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Grandville Venture Corp.	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	50,000	100%
	Global Centre Investments Limited	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Leeson Limited 麗信有限公司	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Wise Ocean Limited 偉洋有限公司	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%

Notes:

附註:

1. United Goal, a company incorporated in the BVI and ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Joseph Lau as eligible beneficiaries, has 50% interest in Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the one share in Real Reward.
2. United Goal, a company incorporated in the BVI and ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Joseph Lau as eligible beneficiaries, has 50% interest in Real Reward. Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited are, either direct or indirect, wholly-owned subsidiaries of Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the shares held by Real Reward in Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited.

1. United Goal 為於英屬維爾京群島註冊成立之公司，擁有 Real Reward 50% 權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 一股份中擁有權益。
2. United Goal 為於英屬維爾京群島註冊成立之公司，擁有 Real Reward 50% 權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家族成員之家族信託最終擁有。Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司為 Real Reward 直接或間接全資附屬公司。根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 在 Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司持有之股份中擁有權益。

All the interests stated above represented long positions. As at 31st December, 2010, none of the Directors and chief executives had any short positions recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO.

上述全部權益均為好倉。於二零一零年十二月三十一日，本公司根據證券及期貨條例第352條規定存置之登記冊並無記錄董事及行政總裁擁有任何淡倉。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2010, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

Long positions in the shares and the underlying shares of the Company

主要股東權益

於二零一零年十二月三十一日，據董事或本公司行政總裁所知，下列人士（不包括董事或本公司行政總裁）於本公司之股份及相關股份中，擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉：

本公司股份及相關股份之好倉

Name of Shareholder	Nature of interest and capacity	Number of shares	Approximate percentage of interest in the issued share capital of the Company (Note 4) 佔本公司已發行股本權益之概約百分比 (附註4)
股東名稱	權益性質及身分	股份數目	
Real Reward	Beneficial owner (Note 1) 實益擁有人(附註1)	1,080,000,000	64.33%
United Goal	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1,080,000,000	64.33%
Asia Prime Assets Limited ("Asia Prime")	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1,080,000,000	64.33%
Go Create	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	1,080,000,000	64.33%
Chow Tai Fook Enterprises Limited ("CTF") 周大福企業有限公司(「周大福」)	Interest in controlled corporation (Note 3) 受控制公司權益(附註3)	1,080,000,000	64.33%

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

(continued)

Long positions in the shares and the underlying shares of the Company (continued)

Notes:

1. Real Reward is a company jointly owned by United Goal and Go Create in equal shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Joseph Lau as eligible beneficiaries. Go Create is wholly owned by CTF of which family members of Dató Dr. Cheng Yu-tung have controlling interests. Mr. Thomas Lau, Mr. Joseph Lau and Dr. Cheng Kar-shun, Henry, being Directors, are also directors of Real Reward.
2. Asia Prime, a company wholly owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal, a 50% shareholder of Real Reward. By virtue of the SFO, Asia Prime and United Goal are deemed to be interested in the 1,080,000,000 shares held by Real Reward. Mr. Thomas Lau and Mr. Joseph Lau, being Directors, are directors of United Goal and Mr. Thomas Lau is also the sole director of Asia Prime.
3. Go Create, a company incorporated in the BVI and wholly owned by CTF of which family members of Dató Dr. Cheng Yu-tung have controlling interests, has 50% interest in Real Reward. By virtue of the SFO, CTF and Go Create are deemed to be interested in the 1,080,000,000 shares held by Real Reward. Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, being Directors, are directors of CTF and Dr. Cheng Kar-shun, Henry is also a director of Go Create.
4. As at 31st December, 2010, the issued share capital of the Company was HK\$8,394,925.00 divided into 1,678,985,000 shares of HK\$0.005 each.

All the interests stated above represented long positions. As at 31st December, 2010, the substantial shareholders of the Company had no short positions recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東權益(續)**本公司股份及相關股份之好倉(續)**

附註：

1. Real Reward 由 United Goal 與 Go Create 共同平均擁有。United Goal 由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家族成員之家族信託最終擁有。Go Create 由周大福全資擁有，而拿督鄭裕彤博士之家族成員於周大福擁有控股權益。董事劉鑾鴻先生、劉鑾雄先生及鄭家純博士亦為 Real Reward 之董事。
2. Asia Prime 由劉鑾鴻先生全資擁有，其持有 United Goal 全部已發行股本超過三分之一，而 United Goal 為持有 Real Reward 50% 權益之股東。根據證券及期貨條例，Asia Prime 及 United Goal 被視為於 Real Reward 所持之 1,080,000,000 股中擁有權益。董事劉鑾鴻先生及劉鑾雄先生為 United Goal 之董事，而劉鑾鴻先生亦為 Asia Prime 唯一之董事。
3. Go Create 於英屬維爾京群島註冊成立，由拿督鄭裕彤博士之家族成員擁有控股權益之周大福全資擁有，Go Create 於 Real Reward 擁有 50% 權益。根據證券及期貨條例，周大福及 Go Create 被視為於 Real Reward 持有之 1,080,000,000 股中擁有權益。董事拿督鄭裕彤博士及鄭家純博士為周大福之董事，而鄭家純博士亦為 Go Create 之董事。
4. 於二零一零年十二月三十一日，本公司之已發行股本為 8,394,925.00 港元，分為 1,678,985,000 股每股面值 0.005 港元之股份。

上述全部權益均為好倉。於二零一零年十二月三十一日，本公司根據證券及期貨條例第 336 條規定存置之登記冊並無記錄本公司主要股東擁有任何淡倉。

SHARE OPTION SCHEMES

(i) The 2004 Share Option Scheme

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27th March, 2004 pursuant to a written resolution of the sole shareholder for the purpose of providing incentives or rewards to selected full-time employees and Directors for their contribution to the Group.

Under the Scheme, the Company may grant options to selected full-time employees and Directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the Board of Directors.

The total number of shares in respect of which options may be granted under the Scheme and any other scheme of the Company is not permitted to exceed 10% of the shares of the Company in issue as at the date of the commencement of dealings in the shares on the Stock Exchange, being 144,000,000 shares of HK\$0.005 each after the share subdivision in 2007, which represented approximately 8.60% of the issued share capital of the Company as at the date of this report. The Company may seek approval from its shareholders in general meeting to renew such limit provided that it must not exceed 10% of the issued share capital of the Company at the date of approval of the renewed limit. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme must not exceed such number of shares as shall represent 30% of the total number of issued shares of the Company from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders, Independent Non-executive Directors, or any of their respective associates (including a trustee of a discretionary trust of which they or any of their family interests are discretionary objects) in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000 must be also approved by the Company's shareholders.

購股權計劃

(i) 二零零四年購股權計劃

本公司根據唯一股東之書面決議案採納購股權計劃(「該計劃」)，由二零零四年三月二十七日為期十年，旨在向經甄選之全職僱員及董事就彼等對本集團所作貢獻提供獎勵或獎賞。

根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授予購股權，以認購本公司股份。此外，本公司可不時按董事局酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授予購股權。

根據該計劃或本公司任何其他計劃可授予購股權所涉及股份總數，不得超過本公司於股份在聯交所開始買賣之日期已發行股份10%，即於二零零七年股份拆細後每股面值0.005港元之144,000,000股股份(相當於本公司於本報告日期已發行股本約8.60%)。本公司可於股東大會上尋求股東之批准以更新有關限額，惟該限額不得超過更新限額批准當日本公司已發行股本之10%。行使根據該計劃及任何其他計劃所有已授予而尚未行使之未行使購股權時發行之股份數目，合計最多不得超過本公司不時之已發行股份之30%之股份數目。如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人(包括全權信託之信託人，彼等或任何彼等之家屬權益為全權受益人)超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東批准。

SHARE OPTION SCHEMES (continued)**(i) The 2004 Share Option Scheme (continued)**

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and deemed to be granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and deemed to be granted. The exercise price is determined by the Directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The termination of the Scheme was conditionally approved by the shareholders of the Company in an extraordinary general meeting held on 3rd March, 2009. No further options will be offered under the Scheme, but all options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

(ii) The 2009 Share Option Scheme

The adoption of a new share option scheme (the **"2009 Share Option Scheme"**) was approved by the shareholders of the Company in an extraordinary general meeting held on 3rd March, 2009 for a period of 10 years commencing from 3rd March, 2009 as incentive or reward for the contribution of the eligible participants to the growth of the Group and to provide to the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

Under the 2009 Share Option Scheme, the Company may grant options to (a) any full-time or part-time employee of the Company and/or any subsidiary; (b) any Director (including Executive, Non-executive and Independent Non-executive Director) of the Company and/or any subsidiary; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any subsidiary.

購股權計劃(續)**(i) 二零零四年購股權計劃(續)**

授出之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納,接納時須就每份購股權支付1港元。購股權可於接納及被視為已授予當日或之後起至董事局知會各承授人屆滿當日止期間內隨時行使,惟由接納及被視為已授予購股權當日起計不得超過10年。行使價由本公司董事釐定,將不低於(i)授予日期本公司股份收市價;(ii)緊接授予日期前五個營業日股份平均收市價;及(iii)本公司股份面值三者之較高者。

本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准終止該計劃。額外購股權將不會根據該計劃提出要約,惟於有關終止前,根據該計劃所有授予之購股權將繼續屬有效及可行使。

(ii) 二零零九年購股權計劃

本公司股東於二零零九年三月三日舉行之股東特別大會上批准採納新購股權計劃(「**二零零九年購股權計劃**」),自二零零九年三月三日起為期十年,作為合資格參與者對本集團發展作出貢獻之激勵或獎賞,並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及/或提供福利。

根據二零零九年購股權計劃,本公司可授予購股權予(a)本公司及/或任何附屬公司之任何全職或兼職僱員;(b)本公司及/或任何附屬公司之任何董事(包括執行、非執行及獨立非執行董事);及(c)經董事局全權決定,已對或將會對本公司及/或任何附屬公司作出貢獻之本公司及/或任何附屬公司之任何專家顧問或顧問(不論其是否專業人士及不論其基於聘用、合約或榮譽或其他性質及是否受薪)、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

SHARE OPTION SCHEMES (continued)

(ii) The 2009 Share Option Scheme (continued)

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2009 Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued share capital of the Company as at 3rd March, 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company. The Board may seek approval by shareholders in general meeting to renew such limit provided that it must not exceed 10% of the issued share capital of the Company at the date of approval of the renewed limit. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2009 Share Option Scheme and any other scheme must not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the 2009 Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of options to an eligible participant would result in excess of such limit, such further grant must be subject to the approval of the shareholders at general meeting with such eligible participant and his associates abstaining from voting.

Options granted to a connected person of the Company or any of its associates must be approved by all of the Independent Non-executive Directors of the Company (excluding any Independent Non-executive Director of the Company who is the grantee of the options).

購股權計劃(續)

(ii) 二零零九年購股權計劃(續)

對於購股權可以根據二零零九年購股權計劃之條款行使前必須持有購股權之最低期限或須達致之表現目標，並無設立一般性規定。然而，董事局授予任何購股權時可設立有關條款及條件，規限在有關購股權可以行使前必須持有購股權之最低期限及／或須達致之表現目標，及／或董事局可絕對酌情釐定之任何其他條款。

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准二零零九年購股權計劃當日本公司已發行股本10%。董事局可於股東大會上尋求股東之批准以更新有關限額，惟該限額不得超過更新限額批准當日本公司已發行股本之10%。行使根據二零零九年購股權計劃及任何其他計劃所有已授予而尚未行使之未行使購股權時發行之股份數目，合計最多不得超過本公司不時已發行股本30%之股份數目。

各合資格參與者於任何12個月內因行使其獲授購股權(包括二零零九年購股權計劃項下已行使及尚未行使之購股權)而已發行及將發行之股份總數，不得超過本公司已發行股本之1%。倘進一步向合資格參與者授予購股權將導致該限額被超過，則該進一步購股權授予須在股東大會上獲得股東批准，而有關合資格參與者及其聯繫人須放棄投票。

向本公司或其任何聯繫人之關連人士授予購股權必須獲得本公司全體獨立非執行董事(不包括身為有關購股權承授人之本公司獨立非執行董事)批准。

SHARE OPTION SCHEMES (continued)

(ii) The 2009 Share Option Scheme (continued)

Where options are proposed to be granted to a substantial shareholder or an Independent Non-executive Director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at general meeting. The connected person involved in such proposed grant of options and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the shareholders).

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period to be notified by the Board to each grantee which shall not be more than 10 years from the date of the offer. The exercise price is determined by the Directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

購股權計劃(續)

(ii) 二零零九年購股權計劃(續)

倘於截至及包括授予日期前任何12個月內建議向本公司主要股東、獨立非執行董事或彼等各自之任何聯繫人授予購股權，會使該人士因行使所有已獲授及將獲授購股權(包括已行使、註銷及尚未行使之購股權)而已發行及將發行之股份總數合計超過本公司於要約日期已發行股本之0.1%，而有關總值(按各授予日期股份收市價計算)超過5,000,000港元，則該次購股權授予須在股東大會上獲得股東按股數投票表決批准。涉及該次建議授予購股權之關連人士以及本公司之所有其他關連人士須在上述股東大會上放棄投票(然而，任何關連人士均可投票反對授予建議，惟其相關意向須載列於致股東之相關通函內)。

授予之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納，於接納要約時須支付1港元。購股權可於董事局知會各承授人期間內隨時行使，惟於要約日期起計不得超過10年。行使價由本公司董事釐定，將至少為下列三者中之最高者(i) 授予日期本公司股份收市價；(ii) 緊接授予日期前五個營業日股份平均收市價；及(iii) 本公司股份面值。

DETAILS OF OPTIONS GRANTED BY THE COMPANY

As at 31st December, 2010, options to subscribe for an aggregate of 32,821,000 shares of the Company granted to a Director (as disclosed above) and certain full-time employees pursuant to the Scheme remained outstanding, details of which were as follows:

本公司授予購股權之詳情

於二零一零年十二月三十一日，誠如上文所披露，本公司根據該計劃向一名董事及若干全職僱員授予可供認購合共32,821,000股本公司股份且尚未行使之購股權詳情如下：

	Date of grant 授予日期	Number of share options 購股權數目					Outstanding as at 31st December, 2010 於二零一零年 十二月三十一日 尚未行使	Option period 購股權期限	Subscription price per share 每股認購價
		Outstanding as at 1st January, 2010 於二零一零年 一月一日 尚未行使	Granted during the Year 年內授予	Exercised during the Year 年內行使	Lapsed during the Year 年內失效	Cancelled during the Year 年內註銷			
Director									
董事									
Mr. Thomas Lau 劉鑾鴻先生	31/08/2007 二零零七年 八月三十一日	17,020,000	—	—	—	—	17,020,000	01/10/2008 – 26/03/2014 (Note 2) 二零零八年 十月一日至 二零一四年 三月二十六日 (附註2)	HK\$18.50 18.50港元
Employees									
僱員									
	07/10/2005 二零零五年 十月七日	1,290,000	—	(596,000)	—	—	694,000	07/10/2006 – 26/03/2014 (Note 1) 二零零六年 十月七日至 二零一四年 三月二十六日 (附註1)	HK\$6.16 6.16港元
	02/02/2009 二零零九年 二月二日	19,960,000	—	(4,769,000)	(84,000)	—	15,107,000	07/02/2010 – 26/03/2014 (Notes 3 & 4) 二零一零年 二月七日至 二零一四年 三月二十六日 (附註3及4)	HK\$6.40 6.40港元
Total 總計		38,270,000	—	(5,365,000)	(84,000)	—	32,821,000		

DETAILS OF OPTIONS GRANTED BY THE COMPANY (continued)

Notes:

1. The options, granted on 7th October, 2005, are exercisable from 7th October, 2006 to 26th March, 2014 (both days inclusive) subject to the following vesting period:
 - (i) up to 40% of the options commencing 7th October, 2006;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 7th October, 2007; and
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing 7th October, 2008.
2. The options, granted on 31st August, 2007, are exercisable from 1st October, 2008 to 26th March, 2014 (both days inclusive) subject to the following vesting period:
 - (i) up to 40% of the options commencing 1st October, 2008;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 1st October, 2009; and
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing 1st October, 2010.

The grant of the options to Mr. Thomas Lau was subsequently approved by independent shareholders on 25th September, 2007.

3. On 3rd March, 2009, the outstanding options previously granted to employees of the Group on 31st August, 2007 (which entitled such employees to subscribe for an aggregate of 20,400,000 shares) were cancelled and replaced by new options granted by the Company entitling them to subscribe for the same number of shares at an exercise price of HK\$6.40 per share (the "2009 Employee Options"). The 2009 Employee Options are exercisable from 7th February, 2010 to 26th March, 2014 (both days inclusive) in the following manner:
 - (i) 40% as from 7th February, 2010;
 - (ii) 30% (in addition to the 40% mentioned in (i) above) as from 7th February, 2011; and
 - (iii) remaining 30% (in addition to the 70% mentioned in (i) and (ii) above) as from 7th February, 2012.

本公司授予購股權之詳情(續)

附註:

1. 該等於二零零五年十月七日授予之購股權可於二零零六年十月七日至二零一四年三月二十六日期間(包括首尾兩日)行使,有關歸屬期如下:
 - (i) 自二零零六年十月七日起最多40%之購股權;
 - (ii) 自二零零七年十月七日起最多70%之購股權(包括上個期間指定限額並未行使之購股權);及
 - (iii) 自二零零八年十月七日起最多100%之購股權(包括上個期間指定限額並未行使之購股權)。
2. 該等於二零零七年八月三十一日授予之購股權可於二零零八年十月一日至二零一四年三月二十六日期間(包括首尾兩日)行使,有關歸屬期如下:
 - (i) 自二零零八年十月一日起最多40%之購股權;
 - (ii) 自二零零九年十月一日起最多70%之購股權(包括上個期間指定限額並未行使之購股權);及
 - (iii) 自二零一零年十月一日起最多100%之購股權(包括上個期間指定限額並未行使之購股權)。

授予劉鑾鴻先生之購股權其後獲獨立股東於二零零七年九月二十五日批准。

3. 於二零零九年三月三日,先前於二零零七年八月三十一日授予本集團僱員之尚未行使購股權(其賦予該等僱員權利可認購合共20,400,000股股份)已獲註銷並由本公司所授予之新購股權取代,該等新購股權賦予彼等權利可按每股6.40港元之行使價認購相同數目之股份(「二零零九年僱員購股權」)。二零零九年僱員購股權可自二零一零年二月七日至二零一四年三月二十六日期間(包括首尾兩日)按以下方式行使:
 - (i) 自二零一零年二月七日起可行使40%;
 - (ii) 自二零一一年二月七日起,除上文(i)所述之40%,可行使另外30%;及
 - (iii) 自二零一二年二月七日起,除上文(i)及(ii)所述之70%,可行使餘下之30%。

DETAILS OF OPTIONS GRANTED BY THE COMPANY (continued)

Notes: (continued)

4. According to the Black-Scholes pricing model (the "Model"), the fair value of the options granted in 2009 was estimated at HK\$19.9 million. The variables used in the model were as follows:

Exercise price	HK\$6.40	
Share price on grant date as defined in accordance with HKFRS 2	HK\$5.53	closing price on 3rd March, 2009
Expected volatility	55.26%	historical volatility of the Company's share price over previous years
Expected life	1.5-3.5 years	based on management's best estimation, taking into account non-transferability, exercise restrictions and other behavioural considerations
Risk-free rate	0.57-1.27%	reference to yield of Exchange Fund Notes in accordance with expected life of the option
Expected dividend yield	4.34%	based on historical dividend yield of the shares of the Company over 12-month period

This Model was developed to estimate the fair value of publicly traded options that have no vesting restriction and are fully transferable. As the Company's share options have characteristics significantly different from those traded options, and the value of the share options varies with different variables of certain subjective assumptions, any change in the variables so used may materially affect the estimation of the fair value of the share options.

本公司授予購股權之詳情(續)

附註：(續)

4. 根據「柏力克－舒爾斯」期權定價模式(「模式」)，於二零零九年所授予購股權之公平值估計為19,900,000港元。模式所採用變數如下：

行使價	6.40港元	
根據香港財務報告準則第2號界定之授予日期之股價	5.53港元	於二零零九年三月三日之收市價
預期波幅	55.26%	過往年度本公司股價之歷史波幅
預計年期	1.5-3.5年	根據管理層之最佳估計，並已考慮不可轉讓性、行使限制及其他行為上的考慮因素
無風險利率	0.57-1.27%	按照購股權預計年期參考外匯基金債券收益率
預期股息率	4.34%	根據12個月期間本公司股份之歷史股息率

此模式乃為估計並無歸屬限制及可全面轉讓之公開買賣購股權之公平值而設。由於本公司購股權之特點與該等買賣購股權有重大差異，且購股權之價值會因應若干主觀假設之不同變數而改變，故所採用變數之任何變動可大幅影響購股權公平值之估計。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the section "Details of options granted by the Company", 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the section "Continuing Connected Transactions", no contracts of significance to which the Company, its holding company, subsidiaries or 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.

CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted non-exempt continuing connected transactions ("Continuing Connected Transactions") for the Company during the financial year ended 31st December, 2010 under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"):

(1) Shanghai Ongoing Department Store's tenancy agreement

On 26th November, 2004, the Group's 65% owned Shanghai Ongoing Department Store Limited ("Shanghai Ongoing") entered into a tenancy agreement with the Group's 50% owned 上海九百城市廣場有限公司 ("CityPlaza Co") in respect of the lease of the entire building of Shanghai Joinbuy CityPlaza ("Joinbuy CityPlaza") of approximately 92,000 square metres ("sq.m."), for a period of 20 years commencing from 1st October, 2004 ("Tenancy Agreement"), at a basic annual rental of RMB125 million, with adjustment for additional rental at the rate of 3.5% on the amount over and above the annual turnover of RMB1,500 million generated from the sales at the whole Joinbuy CityPlaza. Management fee was on a cost incurred basis.

購買股份或債券之安排

除「本公司授予購股權之詳情」一節披露者外，於本年度任何時間，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訂立任何安排，致使本公司董事藉收購本公司或任何其他法人團體股份或債券而獲益。

董事之重大合約權益

除「持續關連交易」一節披露者外，本公司董事概無於本公司、其控股公司、附屬公司或同系附屬公司所訂立且於本年度年結日或本年度任何時間仍然生效之重大合約中，直接或間接擁有重大權益。

持續關連交易

截至二零一零年十二月三十一日止年度內，根據聯交所證券上市規則（「上市規則」），本集團之下列交易乃構成不獲豁免持續關連交易（「持續關連交易」）：

(1) 上海久光百貨租賃協議

於二零零四年十一月二十六日，本集團擁有65%股權之上海久光百貨有限公司（「上海久光」）與本集團擁有50%股權之上海九百城市廣場有限公司（「城市廣場公司」）就租賃整幢上海九百城市廣場（「九百城市廣場」）約92,000平方米訂立租賃協議（「租賃協議」），自二零零四年十月一日起計為期20年，基本年租為人民幣125,000,000元，並可按整幢九百城市廣場年度營業額超逾人民幣1,500,000,000元之部分以3.5%計算加收額外租金。管理費按收回成本基準收取。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(1) Shanghai Ongoing Department Store's tenancy agreement (continued)

On 30th December, 2004, independent shareholders of the Company had approved the Tenancy Agreement together with annual caps of RMB125 million for rental and of RMB65 million for management fee for each of the three years ended 31st December, 2005, 2006 and 2007. As stated in the Company's circular dated 13th October, 2008, the annual caps for both the rental and management fee was set at RMB155 million and RMB44 million respectively for each of the three years ended 31st December, 2008, 2009 and 2010. During the year, rental of RMB150,735,000 (equivalent to approximately HK\$173,346,000) and management fee of RMB34,239,000 (equivalent to approximately HK\$39,375,000) were paid by Shanghai Ongoing pursuant to the Tenancy Agreement.

As stated in the Company's circular dated 31st December, 2010, the annual caps of the rental were renewed and set at RMB168 million, RMB183 million and RMB202 million for each of the three financial years ending 31st December, 2011, 2012 and 2013 respectively, and the annual caps of the management fee were renewed and set at RMB41 million, RMB46 million and RMB52 million for each of the three financial years ending 31st December, 2011, 2012 and 2013 respectively.

The Tenancy Agreement was arranged for the leasing of the retailing space as necessary for the operation of the Group's Shanghai Jiuguang Department Store ("Shanghai Jiuguang Store").

The Group's 65% owned Shanghai Ongoing is owned as to 5% by 上海九百(集團)有限公司 ("Joinbuy Group") and 30% by 上海九百股份有限公司 ("Joinbuy Co"). The Group's 50% owned Cityplaza Co is owned as to 12% by Joinbuy Group and 38% by Joinbuy Co. Joinbuy Group is the controlling shareholder of Joinbuy Co. Thus, Joinbuy Group and Joinbuy Co, being substantial shareholders of Shanghai Ongoing, are connected persons of the Company. In view of Joinbuy Group and Joinbuy Co have substantial equity interest in Cityplaza Co, Cityplaza Co is an associate of Joinbuy Group and a connected person of the Company. Thus, the transaction under the Tenancy Agreement constituted a continuing connected transaction for the Company.

持續關連交易(續)

(1) 上海久光百貨租賃協議(續)

於二零零四年十二月三十日，本公司之獨立股東已批准租賃協議連同由二零零五年、二零零六年及二零零七年十二月三十一日止三個年度各年的按年應付租金及管理費上限分別為人民幣125,000,000元及人民幣65,000,000元。根據本公司日期為二零零八年十月十三日之通函所載，二零零八年、二零零九年及二零一零年十二月三十一日止三個年度各年的按年應付租金及管理費上限分別為人民幣155,000,000元及人民幣44,000,000元。年內，上海久光已根據租賃協議支付租金人民幣150,735,000元(約相當於173,346,000港元)及管理費人民幣34,239,000元(約相當於39,375,000港元)。

根據本公司日期為二零一零年十二月三十一日之通函所載，二零一一年、二零一二年及二零一三年十二月三十一日止三個年度各年的應付租金上限分別修訂為人民幣168,000,000元、人民幣183,000,000元及人民幣202,000,000元，及於二零一一年、二零一二年及二零一三年十二月三十一日止三個年度各年的應付管理費上限分別修訂為人民幣41,000,000元、人民幣46,000,000元及人民幣52,000,000元。

訂立租賃協議旨在租用經營本集團上海久光百貨店(「上海久光店」)所需零售舖位。

本集團擁有65%權益之上海久光分別由上海九百(集團)有限公司(「九百集團」)及上海九百股份有限公司(「上海九百」)擁有5%及30%。本集團擁有50%權益之城市廣場公司之股權分別由九百集團及上海九百擁有12%及38%。九百集團為上海九百之控股股東。因此，身為上海久光之主要股東的九百集團及上海九百亦為本公司之關連人士。鑒於九百集團及上海九百擁有城市廣場公司之重大股本權益，城市廣場公司為九百集團之關連聯繫人士亦為本公司之關連人士。因此，租賃協議下之交易構成本公司之持續關連交易。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(2) Leasing of the premises for the Sogo Tsimshatsui Store

On 24th February, 2005, the Group's 100% owned Sogo Hong Kong Company Limited ("Sogo HK") entered into a lease agreement as tenant with Hong Kong Island Development Limited ("HK Island") as landlord for the leasing of portion of ground floor, portion of podium 1 and the entire podium 2 of The Amazon at No. 12 Salisbury Road, Tsimshatsui, Kowloon to Sogo HK for a term of 15 years commencing from 30th September, 2005 ("Lease"), at a turnover rent based on sales generating within the leasing premises at a rate of 6% for the 1st to the 10th year and 7% for the 11th to the 15th year.

The annual caps of the aggregate of the rental, air-conditioning charges, management fees, government rates and other outgoings were renewed and set at HK\$64.2 million for each of the three financial years ended 31st December, 2008, 2009 and 2010. During the year, a total of HK\$54,212,000 for rental, air-conditioning charges, management fees, government rates and other outgoings were paid by Sogo HK, and such sum was within the annual cap of HK\$64.2 million as stated in the Company's announcement dated 9th April, 2008.

As stated in the Company's announcement dated 16th December, 2010, the aforesaid annual caps for each of the three financial years ending 31st December, 2011, 2012 and 2013 were renewed and set at HK\$61.8 million, HK\$69.8 million and HK\$78.9 million respectively.

The Lease was negotiated as at an arm's length with general commercial terms. This leased premise is occupied by the Group for its necessary operation of the Tsimshatsui lifestyle department store in Kowloon side.

HK Island is an indirect wholly-owned subsidiary of New World Development Company Limited. Go Create Limited, a company wholly-owned by Chow Tai Fook Enterprises Limited ("CTF"), is directly interested in 50% of Real Reward Limited ("Real Reward"), the direct controlling shareholder of the Company. By virtue of its indirect shareholding in the Company, CTF is a connected person of the Company. As an associate of CTF, HK Island is a connected person of the Company. Therefore, the transaction under the Lease constituted a continuing connected transaction for the Company.

持續關連交易(續)**(2) 尖沙咀崇光店物業租賃**

於二零零五年二月二十四日，本集團全資附屬公司之崇光(香港)百貨有限公司(「崇光香港」)作為租戶與香港島發展有限公司(「香港島」)作為業主訂立租賃協議，將九龍尖沙咀梳士巴利道12號亞瑪遜地下部分、地庫1之部分及地庫2全層租予崇光香港，由二零零五年九月三十日起計為期15年(「租約」)，崇光香港須按在租賃物業內產生之銷售額支付營業額租金，租賃期內第1至10年為6%，而第11至15年則為7%。

崇光香港就截至二零零八年、二零零九年及二零一零年十二月三十一日止三個財政年度各年的按年應付租金、冷氣費、管理費、政府差餉及其他開支上限更新及訂定為64,200,000港元。年內，崇光香港已支付合共54,212,000港元作為租金、冷氣費、管理費、政府差餉及其他開支，有關金額介乎本公司日期為二零零八年四月九日之公佈所訂明之年度上限64,200,000港元之範圍內。

根據本公司日期為二零一零年十二月十六日之通函所載，上述按年上限於二零一一年、二零一二年及二零一三年十二月三十一日止三個財政年度各年分別更新及訂定為61,800,000港元、69,800,000港元及78,900,000港元。

是項租約乃在公平原則下按一般商業條款磋商。租賃物業由本集團佔用，乃本集團在九龍尖沙咀經營時尚百貨店所必須租用。

香港島為新世界發展有限公司(「新世界發展」)之間接全資附屬公司。由周大福企業有限公司(「周大福企業」)全資擁有之Go Create Limited直接擁有本公司控股股東Real Reward Limited(「Real Reward」)之50%權益。由於周大福企業間接持有本公司之股權，故為本公司之關連人士。香港島為周大福企業之聯繫人，亦為本公司之關連人士。因此，租約下之交易構成本公司之持續關連交易。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(3) Watches Dealership Agreement at the Suzhou Jiuguang Store

On 22nd September, 2009, the Group's 100% owned Ongoing (Suzhou) Department Store Limited ("Suzhou Ongoing") entered into a dealership agreement with 周大福珠寶金行(蘇州)有限公司 ("CTF Suzhou") for a consignment arrangement of a retailing counter of approximately 590.1 sq.m. on the first floor of Suzhou Jiuguang Department Store ("Suzhou Jiuguang Store") for selling watches for a period commencing from 29th April, 2009 to 28th February, 2012 ("Suzhou Watches Consignment"). Under the arrangement, Suzhou Ongoing would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to a minimum monthly commission of RMB147,525, RMB177,030 and RMB236,040 for the respective years.

The Suzhou Watches Consignment was entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Suzhou in the Suzhou Jiuguang Store can enhance the product mix and branding of the available merchandises in the Suzhou Jiuguang Store and fulfil the Group's customers' demand.

During the year, Suzhou Ongoing received a total of RMB2,535,000 (equivalent to approximately HK\$2,916,000) for commission, management fee and other charges from CTF Suzhou, and such sum was within the cap of RMB7,056,000 as stated in the Company's announcement dated 22nd September, 2009.

As CTF is a connected person of the Company and its associate, CTF Suzhou, is also deemed to be a connected person of the Company, the transaction under the Suzhou Watches Consignment constituted a continuing connected transaction for the Company.

持續關連交易(續)

(3) 蘇州久光百貨店手錶專櫃經營協議

於二零零九年九月二十二日，本集團全資附屬公司之久光百貨(蘇州)有限公司(「蘇州久光」)與周大福珠寶金行(蘇州)有限公司(「周大福蘇州」)就寄售安排訂立一份專櫃經營協議，提供蘇州久光百貨公司(「蘇州久光百貨店」)一樓面積約590.1平方米之專櫃作銷售手錶，由二零零九年四月二十九日至二零一二年二月二十八日(「蘇州手錶寄售安排」)。根據該項安排，蘇州久光將每月按上述專櫃之總營業額若干百分比收取佣金，而各年之每月最低佣金分別為人民幣147,525元、人民幣177,030元及人民幣236,040元。

蘇州手錶寄售安排乃於本集團日常業務過程中訂立。上述專櫃所售貨品可豐富蘇州久光百貨店之商品及品牌組合，以滿足本集團顧客之需求。

年內，蘇州久光自周大福蘇州收取佣金、管理費及其他收費合共人民幣2,535,000元(約相當於2,916,000港元)，有關金額介乎本公司日期為二零零九年九月二十二日之公佈所訂明之上限約人民幣7,056,000元之範圍內。

周大福為本公司的關連人士，其聯繫人周大福蘇州亦被視為本公司之關連人士。因此，蘇州手錶寄售安排下之交易構成本公司之持續關連交易。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(4) Jewellery Dealership Agreement at the Shanghai Jiuguang Store

On 22nd September, 2009, Shanghai Ongoing entered into a dealership agreement with 周大福珠寶金行(蘇州)有限公司上海分公司("CTF Shanghai") for the consignment arrangement of a retailing counter of approximately 96 sq.m. on the second floor of the Shanghai Jiuguang Store to CTF Shanghai for exhibiting and selling jewellery under the brand name of "Chow Tai Fook" for a period of 2 years commencing from 1st September, 2009 ("CTF SH Consignment"). Shanghai Ongoing would receive a monthly commission charging on certain percentages of the gross turnover from sales generating at the said counter subject to a minimum monthly commission of RMB86,400.

The CTF SH Consignment was entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Shanghai in the Shanghai Jiuguang Store can enhance the product mix and branding of the available merchandises in the Shanghai Jiuguang Store and fulfil the Group's customers' demand.

During the year, Shanghai Ongoing received a total of RMB2,570,000 (equivalent to approximately HK\$2,955,000) for commission, management fee and other charges from CTF Shanghai under the CTF SH Consignment, and such sum was within the cap of RMB3,065,000 as stated in the Company's announcement dated 22nd September, 2009.

As CTF is a connected person of the Company and its associate, CTF Shanghai, is also deemed to be a connected person of the Company, the transaction under the CTF SH Consignment constituted a continuing connected transaction for the Company.

持續關連交易(續)

(4) 上海久光百貨店珠寶專櫃經營協議

於二零零九年九月二十二日，上海久光與周大福珠寶金行(蘇州)有限公司上海分公司(「周大福上海」)就寄售安排訂立一份專櫃經營協議，向周大福上海提供上海久光百貨店二樓面積約96平方米之專櫃，作陳列及銷售「周大福」品牌珠寶首飾，由二零零九年九月一日起計為期兩年(「周大福上海寄售安排」)。上海久光將每月按上述專櫃自銷售產生之總營業額若干百分比收取佣金，而每月最低佣金則為人民幣86,400元。

周大福上海寄售安排乃於本集團日常業務過程中訂立。上述專櫃所售貨品可豐富上海久光店之商品及品牌組合，以滿足本集團顧客之需求。

年內，上海久光根據周大福上海寄售安排自周大福上海收取佣金、管理費及其他收費合共人民幣2,570,000元(約相當於2,955,000港元)，有關金額介乎本公司日期為二零零九年九月二十二日之公佈所訂明之上限約人民幣3,065,000元之範圍內。

周大福為本公司的關連人士，其聯繫人周大福上海亦被視為本公司之關連人士。因此，周大福上海寄售安排下之交易構成本公司之持續關連交易。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(5) Watches Dealership Agreement at the Shanghai Jiuguang Store

On 23rd November, 2009, Shanghai Ongoing entered into a dealership agreement with CTF Shanghai for a consignment arrangement of a retailing counter of approximately 12 sq.m. on the second floor of the Shanghai Jiuguang Store for selling watches for a period of 2 years commencing from 25th September, 2009 (“Shanghai Watches Consignment”). Under the arrangement, Shanghai Ongoing would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to a minimum monthly commission of RMB14,400.

The Shanghai Watches Consignment was entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Shanghai in the Shanghai Jiuguang Store can enhance the product mix and branding of the available merchandises in the Shanghai Jiuguang Store and fulfil the Group’s customers’ demand.

During the year, Shanghai Ongoing received a total of RMB254,000 (equivalent to approximately HK\$292,000) for commission, management fee and other charges from CTF Shanghai under the Shanghai Watches Consignment, and such sum was within the cap of RMB580,000 as stated in the Company’s announcement dated 26th April, 2010.

As CTF Shanghai is a connected person of the Company, the transaction under the Shanghai Watches Consignment constituted a continuing connected transaction for the Company. The above transaction falls into “de minimis transaction” within the Listing Rules. However, when this transaction is considered together with other dealership agreements entered into between the Group and the associates of CTF, this transaction constituted non-exempt continuing connected transaction as stated in the Company’s announcement dated 26th April, 2010.

持續關連交易 (續)

(5) 上海久光百貨店手錶專櫃經營協議

於二零零九年十一月二十三日，上海久光與周大福上海就寄售安排訂立一份專櫃經營協議，提供上海久光百貨店二樓面積約12平方米之專櫃作銷售手錶，由二零零九年九月二十五日起計為期兩年（「上海手錶寄售安排」）。根據該項安排，上海久光將每月按上述專櫃之總營業額若干百分比收取佣金，而每月最低佣金則為人民幣14,400元。

上海手錶寄售安排乃於本集團日常業務過程中訂立。上述專櫃所售貨品可豐富該店之商品及品牌組合，以滿足本集團顧客之需求。

年內，上海久光根據上海手錶寄售安排自周大福上海收取佣金、管理費及其他收費合共人民幣254,000元（約相當於292,000港元），有關金額介乎本集團日期為二零一零年四月二十六日之公佈所訂明之上限約人民幣580,000元之範圍內。

周大福上海為本公司之關連人士，故上海手錶寄售安排下之交易構成本公司之持續關連交易。上述交易屬於上市規則所規定之「最低豁免水平的交易」。但當一併考慮此安排及本集團與周大福之聯繫人所訂立之其他專櫃經營協議，此安排則於本公司日期為二零一零年四月二十六日之通告中披露為不獲豁免持續關連交易。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(6) Jewellery Dealership Agreement at the Sogo CWB Store

On 27th March, 2008, Sogo HK entered into a dealership agreement with Chow Tai Fook Jewellery Company Limited ("CTF Jewellery") for a consignment arrangement of a counter of 1,107.40 square feet on the first floor of the Sogo Causeway Bay Store ("Sogo CWB Store") for exhibiting and selling fine jewellery under the brand name of "Chow Tai Fook" ("Sogo Jewellery Arrangement") for a period of two years commencing from 1st March, 2008 to 28th February, 2010 ("2008 CTF Consignment"). Sogo HK would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to an annual minimum commission of approximately HK\$4 million.

During the period from 1st January, 2010 to 28th February, 2010, Sogo HK received a total of approximately HK\$2.71 million for commission, management fee and other charges from CTF Jewellery under the 2008 CTF Consignment, and such sum was within the cap of HK\$4.4 million as disclosed in the Company's announcement dated 9th April, 2008.

Upon expiry of the 2008 CTF Consignment, on 26th April, 2010, Sogo HK entered into another dealership agreement with CTF Jewellery to continue the Sogo Jewellery Arrangement for a period of two years commencing from 1st March, 2010 to 29th February, 2012 ("2010 CTF Consignment"). Sogo HK would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to an annual minimum commission of approximately HK\$4 million.

During the period from 1st March, 2010 to 31st December, 2010, Sogo HK received a total of approximately HK\$11.46 million for commission, management fee and other charges from CTF Jewellery under the 2010 CTF Consignment, and such sum was within the cap of approximately HK\$12.59 million as disclosed in the Company's announcement dated 26th April, 2010.

持續關連交易(續)

(6) 銅鑼灣崇光店珠寶專櫃經營協議

於二零零八年三月二十七日，崇光香港與周大福珠寶金行有限公司(「周大福珠寶」)就寄售安排訂立專櫃經營協議，提供崇光銅鑼灣店(「崇光銅鑼灣店」)一樓面積約1,107.40平方呎之專櫃，作陳列及銷售「周大福」品牌名貴珠寶，由二零零八年三月一日起計至二零一零年二月二十八日，為期兩年(「二零零八年周大福寄售安排」)。崇光香港將每月按上述專櫃之總營業額若干百分比收取佣金，而每年最低佣金則約為4,000,000港元。

於二零一零年一月一日至二零一零年二月二十八日期間，崇光香港根據二零零八年周大福寄售安排自周大福珠寶收取佣金、管理費及其他收費合共約2,710,000港元，而該金額介乎本公司日期為二零零八年四月九日之公佈所披露之上限4,400,000港元之範圍內。

於二零零八年周大福寄售安排屆滿後，崇光香港與周大福珠寶於二零一零年四月二十六日訂立新一份由二零一零年三月一日起至二零一二年二月二十九日止為期兩年之專櫃經營協議(「二零一零年周大福寄售安排」)。崇光香港將每月按上述專櫃之總營業額若干百分比收取佣金，而每年最低佣金則約為4,000,000港元。

於二零一零年三月一日至二零一零年十二月三十一日期間，崇光香港根據二零一零年周大福寄售安排自周大福珠寶收取佣金、管理費及其他收費合共約11,460,000港元，而該金額介乎本公司日期為二零一零年四月二十六日之公佈所披露之上限約12,590,000港元之範圍內。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(6) Jewellery Dealership Agreement at the Sogo CWB Store (continued)

Both the 2008 CTF Consignment and the 2010 CTF Consignment were entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Jewellery in Sogo CWB Store can enhance the product mix and branding of the available merchandises in the Sogo CWB Store and fulfil the Group's customers' demand.

As CTF is a connected person of the Company and its associate, CTF Jewellery, is also deemed to be a connected person of the Company, the transactions under the 2008 CTF Consignment and the 2010 CTF Consignment constituted continuing connected transactions for the Company.

(7) Jewellery Dealership Agreement at the Suzhou Jiuguang Store

On 14th January, 2009, Suzhou Ongoing entered into a dealership agreement with CTF Suzhou for the consignment arrangement of a retailing counter of approximately 102 sq.m. on the first floor of the Suzhou Jiuguang Store for selling fine jewellery under the brand names of "周大福" or "Chow Tai Fook" ("Suzhou Jewellery Arrangement") commencing from 16th January, 2009 to 31st August, 2010 ("2009 Suzhou CTF Consignment"). Under the agreement, Suzhou Ongoing would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to a minimum monthly commission of RMB51,000.

During the period from 1st January, 2010 to 31st August, 2010, Suzhou Ongoing received a total of RMB597,000 (equivalent to approximately HK\$687,000) for commission, management fee and other charges from CTF Suzhou under the 2009 Suzhou CTF Consignment, and such sum was within the cap of approximately RMB1.3 million as stated in the Company's announcement dated 14th January, 2009.

Upon expiry of the 2009 Suzhou CTF Consignment, on 7th October, 2010, Suzhou Ongoing entered into another dealership agreement with CTF Suzhou to continue the Suzhou Jewellery Arrangement for a period of two years commencing from 1st September, 2010 to 31st August, 2012 ("2010 Suzhou CTF Consignment"). Suzhou Ongoing would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to a minimum monthly commission of RMB51,000.

持續關連交易 (續)

(6) 銅鑼灣崇光店珠寶專櫃經營協議 (續)

二零零八年周大福寄售安排及二零一零年周大福寄售安排乃於本集團日常業務過程中訂立。上述專櫃所售貨品可豐富該店之商品及品牌組合，以滿足本集團顧客之需求。

周大福為本公司的關連人士，其聯繫人周大福珠寶亦被視為本公司之關連人士。因此，二零零八年周大福寄售安排及二零一零年周大福寄售安排下之交易構成本公司之持續關連交易。

(7) 蘇州久光百貨店珠寶專櫃經營協議

於二零零九年一月十四日，蘇州久光與周大福蘇州就寄售安排訂立一份專櫃經營協議，提供蘇州久光百貨店內一樓面積約102平方米之專櫃，作銷售「周大福」或「Chow Tai Fook」品牌珠寶首飾（「蘇州珠寶首飾寄售安排」），由二零零九年一月十六日至二零一零年八月三十一日止（「二零零九年蘇州周大福寄售安排」）。根據協議，蘇州久光將每月按上述專櫃之總營業額若干百分比收取佣金，而每月最低佣金則為人民幣51,000元。

於二零一零年一月一日至二零一零年八月三十一日期間，蘇州久光根據二零零九年蘇州周大福寄售安排自周大福蘇州收取佣金、管理費及其他收費合共人民幣597,000元（約相當於687,000港元），而該金額介乎本公司日期為二零零九年一月十四日之公佈所訂明之上限約人民幣1,300,000元之範圍內。

於二零零九年蘇州周大福寄售安排屆滿後，蘇州久光與周大福蘇州於二零一零年十月七日訂立新一份由二零一零年九月一日至二零一二年八月三十一止為期兩年之專櫃經營協議（「二零一零年蘇州周大福寄售安排」）。蘇州久光將每月按上述專櫃之總營業額若干百分比收取佣金，而每月最低佣金則為人民幣51,000元。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(7) Jewellery Dealership Agreement at the Suzhou Jiuguang Store (continued)

During the period from 1st September, 2010 to 31st December, 2010, Suzhou Ongoing received a total of RMB345,000 (equivalent to approximately HK\$397,000) for commission, management fee and other charges from CTF Suzhou under the 2010 Suzhou CTF Consignment, and such sum was within the cap of RMB487,000 as disclosed in the Company's announcement dated 7th October, 2010.

Both the 2009 Suzhou CTF Consignment and the 2010 CTF Consignment were entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Suzhou in the Suzhou Jiuguang Store can enhance the product mix and branding of the available merchandises in the Suzhou Jiuguang Store and fulfil the Group's customers' demand.

As CTF Suzhou is a connected person of the Company, the transactions under the 2009 Suzhou CTF Consignment and the 2010 Suzhou CTF Consignment constituted continuing connected transactions for the Company.

(8) Jewellery Dealership Agreement at the Dalian Jiuguang Store

On 7th October, 2010, the Group's 100% owned Lifestyle Plaza (Dalian) Co., Ltd ("Dalian Lifestyle") entered into a dealership agreement with 北京周大福珠寶金行有限公司 ("CTF Beijing") for the consignment arrangement of a retailing counter of approximately 107 sq.m. on the first floor of the Group's Dalian Jiuguang Department Store ("Dalian Jiuguang Store") to CTF Beijing for selling fine jewellery under the brand names of "周大福" or "Chow Tai Fook" for the period commencing from 2nd September, 2010 to 31st August, 2012 ("Dalian Jewellery Consignment"). Dalian Lifestyle would receive a monthly commission charging on certain percentages of the gross turnover at the said counter subject to a minimum monthly commission of RMB32,100.

持續關連交易(續)

(7) 蘇州久光百貨店珠寶專櫃經營協議(續)

於二零一零年九月一日至二零一零年十二月三十一日期間，蘇州久光根據二零一零年蘇州周大福寄售安排自周大福蘇州收取佣金、管理費及其他收費合共人民幣345,000元(約相當於397,000港元)，而該金額介乎本公司日期為二零一零年十月七日之公佈所披露之上限人民幣487,000元之範圍內。

二零零九年蘇州周大福寄售安排及二零一零年蘇州周大福寄售安排乃於本集團日常業務過程中訂立。上述專櫃所售貨品可豐富該店之商品及品牌組合，以滿足本集團顧客之需求。

周大福蘇州為本公司之關連人士。因此，二零零九年蘇州周大福寄售安排及二零一零年蘇州周大福寄售安排下之交易構成本公司之持續關連交易。

(8) 大連久光百貨店珠寶專櫃經營協議

於二零一零年十月七日，本集團全資附屬公司之利福商廈(大連)有限公司(「利福大連」)與北京周大福珠寶金行有限公司(「周大福北京」)就寄售安排訂立一份專櫃經營協議，提供本集團之大連久光百貨公司(「大連久光百貨店」)一樓面積約107平方米之專櫃，作銷售「周大福」或「Chow Tai Fook」品牌珠寶首飾，由二零一零年九月二日至二零一二年八月三十一日(「大連珠寶寄售安排」)。利福大連將每月按上述專櫃之總營業額若干百分比收取佣金，而每月最低佣金則為人民幣32,100元。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(8) Jewellery Dealership Agreement at the Dalian Jiuguang Store (continued)

The Dalian Jewellery Consignment was entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Beijing in the Dalian Jiuguang Store can enhance the product mix and branding of the available merchandises in the Dalian Jiuguang Store and fulfil the Group's customers' demand.

During the period from 2nd September, 2010 to 31st December, 2010, Dalian Lifestyle received a total of RMB274,000 (equivalent to approximately HK\$315,000) for commission, management fee and other charges from CTF Beijing under the Dalian Jewellery Consignment, and such sum was within the cap of RMB470,000 as stated in the Company's announcement dated 7th October, 2010.

As CTF is a connected person of the Company and its associate, CTF Beijing, is also deemed to be a connected person of the Company, the transaction under the Dalian Jewellery Consignment constituted a continuing connected transaction for the Company.

(9) Leasing of the shop at the Tianjin Lifestyle Plaza

On 17th November, 2010, the Group's 100% owned Li Hua Jia Commercial Building (Tianjin) Co., Ltd ("Tianjin Property Co") entered into a tenancy agreement with CTF Beijing in which Tianjin Property Co agreed to lease a shop of approximately 974 sq.m. on the first floor of the Group's Tianjin Lifestyle Plaza ("Tianjin Mall") to CTF Beijing for selling fine jewellery under the brand names of "周大福" or "Chow Tai Fook", gold and watches for a period of 36 months commencing from 3rd December, 2010 ("Tenancy"). Tianjin Property Co would receive a monthly rental charging on certain percentages of the gross turnover at the said shop subject to a minimum monthly commission of RMB149,800, RMB224,700 and RMB299,600 for the respective years of the Tenancy.

The Tenancy was entered into in the ordinary course of business of the Group as the merchandises to be sold by CTF Beijing in Tianjin Mall can enhance the product mix and branding of the available merchandises in Tianjin Mall and fulfil the Group's customers' demand.

持續關連交易 (續)

(8) 大連久光百貨店珠寶專櫃經營協議 (續)

大連珠寶寄售安排乃於本集團日常業務過程中訂立。上述專櫃所售貨品可豐富該店之商品及品牌組合，以滿足本集團顧客之需求。

於二零一零年九月二日至二零一零年十二月三十一日期間，利福大連根據大連珠寶寄售安排自周大福北京收取佣金、管理費及其他收費合共人民幣274,000元(約相當於315,000港元)，而該金額介乎本公司日期為二零一零年十月七日之公佈所訂明之上限人民幣470,000元之範圍內。

周大福為本公司的關連人士，其聯繫人周大福北京亦被視為本公司之關連人士。因此，大連珠寶寄售安排項下之交易構成本公司之持續關連交易。

(9) 天津利福廣場店舖租賃協議

於二零一零年十一月十七日，本集團全資附屬公司之利華佳商廈(天津)有限公司(「天津商廈」)與周大福北京就租賃安排訂立一份協議，提供本集團之天津利福廣場(「天津廣場」)一樓面積約974平方米之店舖作銷售純金、手錶及以「周大福」或「Chow Tai Fook」品牌珠寶首飾。由二零一零年十二月三日起計為期三十六個月(「租賃協議」)。天津商廈將每月按上述店舖之總營業額若干百分比收取租金，而各年之每月最低租金則均為人民幣149,800元、人民幣224,700及人民幣299,600元。

租賃協議乃在本集團日常業務過程中訂立，因為上述店舖所售貨品可豐富該廣場之商品組合及品牌，以滿足本集團顧客之需求。

CONTINUING CONNECTED TRANSACTIONS

(continued)

(9) Leasing of the shop at the Tianjin Lifestyle Plaza (continued)

As CTF Beijing is a connected person of the Company, the transaction under the Tenancy constituted a continuing connected transaction for the Company. The transaction under the Tenancy for the financial year ended 31st December, 2010 falls into "de minimis transaction" within the Listing Rules. However, transactions under the Tenancy for the three financial years ending 31st December, 2013 are expected to constitute non-exempt continuing connected transaction as stated in the Company's announcement dated 17th November, 2010.

All the Continuing Connected Transactions above have been reviewed by the Independent Non-executive Directors of the Company who have confirmed that for the year ended 31st December, 2010 the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Company; (ii) either on normal commercial terms or on terms no less favourable to the Company than terms available to (or from) independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Company has engaged the auditors of the Company to perform certain factual finding procedures in respect of the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported the factual findings on these procedures to the Board of Directors and confirmed that for the year ended 31st December, 2010 the Continuing Connected Transactions (i) have received approval of the Board of Directors of the Company; (ii) are in accordance with the pricing policies of the Company, where applicable; (iii) have been entered into in accordance with the terms of the agreements governing the transactions; and (iv) have not exceeded the respective cap amounts for the year ended 31st December, 2010 as set out above in respect of each of the Continuing Connected Transactions.

持續關連交易(續)**(9) 天津廣場店舖租賃協議(續)**

周大福北京為本公司之關連人士，故租賃協議下之交易構成本公司之持續關連交易。於二零一零年十二月三十一日之財政年度，上述交易屬於上市規則所規定之「最低豁免水平的交易」。但當一併考慮至二零一三年十二月三十一日止三個財政年度，此交易則於本公司日期為二零一零年十一月十七日之通告中披露為不獲豁免持續關連交易。

本公司之獨立非執行董事已審閱以上全部持續關連交易，並確認截至二零一零年十二月三十一日止年度，該等持續關連交易乃(i)屬本公司一般及日常業務；(ii)按一般商業條款或不遜於獨立第三方取得或提供之條款進行；及(iii)根據該等交易之協議條款進行，屬公平合理，並符合本公司股東之整體利益。

根據上市規則第14A.38條，本公司已委聘本公司核數師根據香港鑑證業務準則第3000號「非審核或審閱過往財務資料之鑑證工作」及參考香港會計師公會發出的實務說明第740條「關於香港(上市規則)所述持續關連交易的核數師函件」，就該等持續關連交易進行若干據實調查程序。並就該等據實調查向董事會提交報告及確認截至二零一零年十二月三十一日止年度該等持續關連交易(i)已獲本公司董事會批准；(ii)乃按照本公司之定價政策而進行(如適用)；(iii)是根據有關交易的協議條款進行；及(iv)於上述所列各持續關連交易均並無超逾截至二零一零年十二月三十一日止年度披露之上限。

REMUNERATION POLICY

The remuneration policy of the Group is set on basis of the employees' merit, qualifications and competence.

The emoluments package of the Directors of the Company are reviewed and concluded by the Remuneration Committee, with consideration 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 is set out under the section headed "Share Option Schemes" above.

COMPETING BUSINESS INTERESTS OF DIRECTORS

Save as disclosed below, as at 31st December, 2010, none of the Directors nor their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with any business of the Group.

During the Year, Chow Tai Fook Enterprises Limited ("CTF"), of which the family members of Dató Dr. Cheng Yu-tung (including Dató Dr. Cheng Yu-tung himself and Dr. Cheng Kar-shun, Henry, both non-executive Directors of the Company) had controlling interests, owned about 37.01% of the issued share capital of New World Development Company Limited (Stock Code: 0017) ("NWD") which in turn owned about 72.29% of the issued share capital of New World Department Store China Limited (Stock Code: 0825) ("NWDS"). Both NWD and NWDS are companies whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. NWDS, which was founded in 1993 and listed in July 2007 currently operates and/or manages a department store business selling merchandise, from direct purchase and through concessionaire counters. As at 31st December, 2010, NWDS operated and managed 32 department stores with an aggregate gross floor area of about 962,570 square metres in seventeen cities in the People's Republic of China ("PRC") (namely Wuhan, Shenyang, Wuxi, Harbin, Tianjin, Ningbo, Beijing, Shanghai, Dalian, Kunming, Lanzhou, Xiamen, Chongqing, Changsha, Chengdu, Anshan and Nanjing). As such, the business of NWDS may compete directly or indirectly with the business of the Group in Hong Kong and the PRC.

薪酬政策

本集團之薪酬政策按僱員之表現、資歷及能力而制定。

本公司董事之酬金待遇乃由薪酬委員會經考慮本公司經營業績、個別表現及比較市場數據而作出檢討及總結。

本公司已採納購股權計劃以獎勵董事及合資格僱員，計劃詳情載於上文「購股權計劃」一節。

董事於競爭業務之權益

除下文披露者外，於二零一零年十二月三十一日，董事或彼等各自之聯繫人概無於任何足以或可能與本集團任何業務構成直接或間接競爭之業務中擁有任何權益。

於年內，拿督鄭裕彤博士之家屬(包括本公司非執行董事拿督鄭裕彤博士本人及鄭家純博士)擁有控股權益之周大福企業有限公司(「周大福企業」)擁有新世界發展有限公司(股份代號：0017)(「新世界發展」)已發行股本約37.01%，而新世界發展則擁有新世界百貨中國有限公司(股份代號：0825)(「新世界百貨」)已發行股本約72.29%。新世界發展及新世界百貨均為股份於香港聯合交易所有限公司主板上市之公司。新世界百貨於一九九三年創立，並於二零零七年七月上市，現透過直接採購及特許經營專櫃售賣貨品經營及／或管理百貨公司業務。於二零一零年十二月三十一日，新世界百貨在中華人民共和國(「中國」)十七個城市(即武漢、瀋陽、無錫、哈爾濱、天津、寧波、北京、上海、大連、昆明、蘭州、廈門、重慶、長沙、成都、鞍山及南京)經營及管理32間百貨公司，總樓面面積約為962,570平方米。因此，新世界百貨之業務或會與本集團在香港及中國之業務直接或間接構成競爭。

COMPETING BUSINESS INTERESTS OF DIRECTORS (continued)

The senior management of NWDS is currently led by Mr. Cheung Fai-yet, Philip ("Mr. Philip Cheung"), the executive director and managing director of NWDS. Dató Dr. Cheng Yu-tung is not a director of, and is not involved in the daily operations of, NWDS. Dr. Cheng Kar-shun, Henry, chairman and non-executive director of NWDS, also is not involved in the day-to-day operations of NWDS which are supervised and run by Mr. Philip Cheung. The management of NWDS and the management of the Group are separate and distinct. There has never been any exchange of information nor communication between the two managements. The management of NWDS only participates in the management and operations of NWDS but not that of the Company. In relation to NWD, two of its directors, Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, are also the non-executive Directors of the Company. Since the completion of the acquisition of Sogo Hong Kong Company Limited in May 2001, neither CTF nor any of these two directors has participated in the daily operations and management of the Group. As non-executive Directors, it is not intended that they will participate in the daily operations and management of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

For the year ended 31st December, 2010, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles although there are no restrictions against such rights under the laws in the Cayman Islands.

EMPLOYEES

As at 31st December, 2010, the Group employed a total of 983 employees in Hong Kong and 1,549 employees in the PRC. Staff costs (excluding directors' emoluments), including employees' share option charges of HK\$6.2 million (2009: HK\$23.1 million), amounted to HK\$304.8 million (2009: HK\$294.5 million) for the year. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. For the year ended 31st December, 2010, no share options (2009: 20,400,000 shares) were granted to employees of the Group.

董事於競爭業務之權益(續)

新世界百貨之高級管理層現由新世界百貨之執行董事兼董事總經理張輝熱先生(「張輝熱先生」)領導。拿督鄭裕彤博士並非新世界百貨之董事，亦無參與新世界百貨之日常運作。鄭家純博士為新世界百貨之主席兼非執行董事，亦並無參與新世界百貨之日常運作。新世界百貨乃由張輝熱先生監督及經營。新世界百貨及本集團乃獨立分開管理。兩家公司之管理層之間從來沒有交換任何資料或有任何通訊聯繫。新世界百貨之管理層只參與新世界百貨之管理及營運，沒有參與本公司之管理及營運。關於新世界發展方面，其兩名董事拿督鄭裕彤博士及鄭家純博士亦為本公司非執行董事。自二零零一年五月收購崇光(香港)百貨有限公司完成後，周大福企業或上述兩名董事並無參與本集團之日常業務及管理。彼等作為非執行董事，無意參與本集團之日常運作及管理。

購買、出售或贖回本公司證券

截至二零一零年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司證券。

優先購買權

儘管開曼群島法例並無有關優先購買權之限制，惟本公司之章程細則並無限制有關權利之條文。

僱員

於二零一零年十二月三十一日，本集團分別於香港及中國共僱用約983名及1,549名員工。本年度，員工成本為304,800,000港元(二零零九年：294,500,000港元)，包括僱員購股權開支6,200,000港元(二零零九年：23,100,000港元)，但不包括董事薪酬。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。截至二零一零年十二月三十一日止年度內，概無購股權(二零零九年：20,400,000股)被授予本集團僱員。

MAJOR CUSTOMERS AND SUPPLIERS

The Group is principally involved in retail business. The five largest customers and the five largest suppliers of the Group accounted for less than 30% of the Group's turnover and purchases respectively during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as of the date of this report.

CHARITABLE DONATIONS

During the Year, the Group made charitable and other donations amounting to HK\$105,000 (2009: HK\$241,000).

AUDITORS

The consolidated financial statements for the Year have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte"). A resolution will be submitted to the annual general meeting to reappoint Deloitte as auditors of the Company.

On behalf of the Board
Lau Luen-hung, Thomas
Managing Director

28th February, 2011

主要客戶及供應商

本集團主要從事零售業務。於本年度，本集團五大客戶及五大供應商分別佔本集團營業額及採購額不足30%。

足夠公眾持股量

根據本公司所獲提供資料及據董事所知悉，於本報告日期，公眾人士最少持有本公司已發行股本總額25%。

慈善捐款

於年內，本集團作出之慈善及其他捐款為105,000港元(二零零九年：241,000港元)。

核數師

本公司本年度綜合財務報表經由核數師德勤•關黃陳方會計師(「德勤」)審核。本公司將於股東週年大會提呈續聘德勤為本公司核數師之決議案。

代表董事局
董事總經理
劉鑾鴻

二零一一年二月二十八日

Independent Auditor's Report

獨立核數師報告書

Deloitte.

德勤

TO THE MEMBERS OF LIFESTYLE INTERNATIONAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lifestyle International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 70 to 163, which comprise the consolidated statement of financial position as at 31st December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

致：利福國際集團有限公司各位股東
(於開曼群島註冊成立的有限公司)

本行已完成審核載於第70至163頁利福國際集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表。此等綜合財務報表包括於二零一零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例之披露規定編製及真實而公平地呈列該等綜合財務報表，及負責董事確定須要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

本行的責任是根據本行的審核對該等綜合財務報表作出意見，且本行的意見僅按照協定委聘條款，為股東(作為一個團體)而報告，並不為其他任何目的。本行並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。本行已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則規定本行遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements 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 Group as at 31st 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.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong
28th February 2011

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定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有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製及真實而公平地呈列綜合財務報表相關的內部監控，以設計適當的審核程序，惟並非為對實體的內部監控的效能發表意見。審計亦包括評價董事所採用會計政策的合適性及所作出會計估計的合理性，以及評價綜合財務報表的整體呈列方式。

本行相信，本行所獲得審核憑證已充足和適當地為本行的審核意見提供基礎。

意見

本行認為，綜合財務報表已根據香港財務報告準則真實與公平地反映 貴集團於二零一零年十二月三十一日的財政狀況及 貴集團於截至該日止年度的溢利和現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行

執業會計師
香港
二零一一年二月二十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		NOTES 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Turnover	營業額	7	4,317,465	3,756,208
Cost of sales	銷售成本	7	(1,836,222)	(1,625,231)
Gross profit	毛利		2,481,243	2,130,977
Other income	其他收入	9	172,614	203,939
Selling and distribution costs	銷售及分銷成本		(876,827)	(807,705)
Administrative expenses	行政開支		(204,659)	(273,395)
Investment income	投資收入	10	58,079	48,355
Fair value changes on investment properties	投資物業公平值變動		63,154	178,756
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		24,252	12,341
Discount arising on acquisition of additional interest in an associate	收購一家聯營公司額外權益產生之折讓	40	114,556	—
Share of profits of associates	應佔聯營公司溢利		99,632	25,360
Reversal of impairment loss on loan receivable	應收貸款減值虧損撥回	13	—	18,180
Finance costs	融資成本	11	(35,788)	(38,366)
Profit before taxation	除稅前溢利		1,896,256	1,498,442
Taxation	稅項	12	(330,410)	(303,547)
Profit for the year	本年度溢利	13	1,565,846	1,194,895
Other comprehensive income	其他全面收入			
Exchange differences arising on translation of foreign operation	換算海外業務時產生之匯兌差額		159,428	28,488
Share of exchange differences of associates	應佔聯營公司匯兌差額		20,240	3,861
Share of exchange difference of a jointly controlled entity	應佔一家共同控制實體匯兌差額		7,931	1,403
Transfer of properties to investment properties	將物業轉撥至投資物業			
— surplus on revaluation	— 重估盈餘		—	159,948
— deferred tax relating to revaluation surplus	— 有關重估盈餘之遞延稅項		—	(39,987)
Change in fair value for available-for-sale investments	可供出售投資公平值變動		—	(18,487)
Reclassification upon impairment of available-for-sale investments	可供出售投資減值時重新分類		—	18,487
Other comprehensive income for the year (net of tax)	本年度其他全面收入 (扣除稅項)		187,599	153,713
Total comprehensive income for the year	本年度全面收入總額		1,753,445	1,348,608
Profit for the year attributable to:	本年度應佔溢利：			
Owners of the Company	本公司擁有人		1,407,534	1,142,468
Non-controlling interests	非控股權益		158,312	52,427
			1,565,846	1,194,895
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		1,577,723	1,294,136
Non-controlling interests	非控股權益		175,722	54,472
			1,753,445	1,348,608
Earnings per share	每股盈利			
— basic	— 基本	16	HK\$0.8392	HK\$0.6849
— diluted	— 攤薄	16	HK\$0.8340	HK\$0.6812

Consolidated Statement of Financial Position

綜合財務狀況表

at 31st December 2010 於二零一零年十二月三十一日

		NOTES 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	17	1,609,018	1,411,108
Property, plant and equipment	物業、廠房及設備	18	3,815,144	3,895,014
Prepaid lease payments	預付租賃款項	19	1,334,765	1,407,190
Long-term deposits paid	已付長期按金	20	3,083	237,391
Interests in associates	於聯營公司權益	21	1,348,828	720,442
Interest in a jointly controlled entity	於一家共同控制實體權益	22	467,929	502,298
Available-for-sale investments	可供出售投資	23	—	9,688
Club debenture	會所債券		12,737	10,756
			8,591,504	8,193,887
Current assets	流動資產			
Inventories	存貨	25	61,611	60,513
Prepaid lease payments	預付租賃款項	19	21,721	9,952
Trade and other receivables	應收賬款及其他應收款項	26	214,012	163,924
Amount due from a jointly controlled entity	應收一家共同控制實體 款項	27	—	47,484
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產	24	786,370	341,457
Loans receivable	應收貸款	28	—	157,583
Pledged bank deposits	已抵押銀行存款	29	—	120,203
Bank balances and cash	銀行結存及現金	30	3,760,829	2,769,490
			4,844,543	3,670,606
Assets classified as held for sale	分類為持作出售資產	31	436,909	436,909
			5,281,452	4,107,515
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	32	2,009,463	2,145,163
Amount due to a jointly controlled entity	應付一家共同控制 實體款項	27	29,934	—
Tax payable	應繳稅項		166,742	114,084
Bank borrowings — due within one year	銀行借貸 — 一年內到期	33	2,985,200	1,043,290
			5,191,339	3,302,537
Net current assets	流動資產淨值		90,113	804,978
			8,681,617	8,998,865
Non-current liabilities	非流動負債			
Bank borrowings — due after one year	銀行借貸 — 一年後到期	33	413,000	2,143,430
Deferred tax liabilities	遞延稅項負債	34	198,576	168,983
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司 一名非控股股東之款項	35	166,987	3,445
			778,563	2,315,858
			7,903,054	6,683,007

at 31st December 2010 於二零一零年十二月三十一日

		NOTE 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	36	8,395	8,368
Reserves	儲備		7,208,489	6,113,101
Equity attributable to owners of the Company	本公司擁有人應佔權益		7,216,884	6,121,469
Non-controlling interests	非控股權益		686,170	561,538
			7,903,054	6,683,007

The consolidated financial statements on pages 70 to 163 were approved and authorised for issue by the Board of Directors on 28th February 2011 and are signed on its behalf by:

第70至163頁綜合財務報表獲董事局於二零一一年二月二十八日批准及授權刊發，並由下列董事代表簽署：

Lau Luen-hung, Thomas 劉鑾鴻
Managing Director 董事總經理

Doo Wai-hoi, William 杜惠愷
Executive Director 執行董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔部分											
		Share capital	Share premium	Reserve	Capital redemption reserve	Asset revaluation reserve	Exchange reserve	Share-based payment reserve	Investment reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	儲備	資本贖回儲備	資產重估儲備	匯兌儲備	股份付款儲備	投資儲備	保留溢利	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	千港元	千港元	千港元
				(Note (38)) (附註(38))									
At 1st January 2009	於二零零九年一月一日	8,370	2,297,533	—	166	3,680	212,615	123,448	—	2,531,900	5,177,712	677,271	5,854,983
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	26,738	—	—	—	26,738	1,750	28,488
Share of exchange differences of associates	應佔聯營公司匯兌差額	—	—	—	—	—	3,566	—	—	—	3,566	295	3,861
Share of exchange difference of a jointly controlled entity	應佔一家共同控制實體匯兌差額	—	—	—	—	—	1,403	—	—	—	1,403	—	1,403
Transfer of properties to investment properties	物業轉撥至投資物業	—	—	—	—	—	—	—	—	—	—	—	—
— surplus on revaluation	— 重估盈餘	—	—	—	—	159,948	—	—	—	—	159,948	—	159,948
— deferred tax relating to revaluation surplus	— 就重估盈餘之遞延稅項	—	—	—	—	(39,987)	—	—	—	—	(39,987)	—	(39,987)
Change in fair value for available-for-sale investments	可供出售投資之公平值變動	—	—	—	—	—	—	—	(18,487)	—	(18,487)	—	(18,487)
Reclassification upon impairment of available-for-sale investments	可供出售投資減值時重新分類	—	—	—	—	—	—	—	18,487	—	18,487	—	18,487
Other comprehensive income for the year	本年度其他全面收入	—	—	—	—	119,961	31,707	—	—	—	151,668	2,045	153,713
Profit for the year	本年度溢利	—	—	—	—	—	—	—	—	1,142,468	1,142,468	52,427	1,194,895
Total comprehensive income for the year	本年度全面收入總額	—	—	—	—	119,961	31,707	—	—	1,142,468	1,294,136	54,472	1,348,608
Recognition of equity-settled share based payments	確認股本結算股份付款	—	—	—	—	—	—	48,170	—	—	48,170	—	48,170
Acquisition of additional interest in a subsidiary	收購一家附屬公司之額外權益	—	—	—	—	—	—	—	—	—	—	(149,164)	(149,164)
Share repurchase	股份購回	—	—	—	—	—	—	—	—	—	—	—	—
— repurchase of shares	— 購回股份	(62)	—	—	—	—	—	—	—	—	(62)	—	(62)
— premium on repurchase of shares	— 購回股份之溢價	—	(90,937)	—	—	—	—	—	—	—	(90,937)	—	(90,937)
— transfer	— 轉讓	—	—	—	62	—	—	—	—	(62)	—	—	—
Exercise and lapse of share options	購股權獲行使及失效	60	93,882	—	—	—	—	(22,237)	—	4,812	76,517	—	76,517
Dividends paid to non-controlling interests	已派付予非控股權益股息	—	—	—	—	—	—	—	—	—	—	(21,041)	(21,041)
Dividends paid	已派付股息	—	(384,067)	—	—	—	—	—	—	—	(384,067)	—	(384,067)
Transfer of reserves	轉撥儲備	—	—	13,115	—	—	—	—	—	(13,115)	—	—	—
At 31st December 2009	於二零零九年十二月三十一日	8,368	1,916,411	13,115	228	123,641	244,322	149,381	—	3,666,003	6,121,469	561,538	6,683,007
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	151,883	—	—	—	151,883	7,545	159,428
Share of exchange differences of associates	應佔聯營公司匯兌差額	—	—	—	—	—	10,375	—	—	—	10,375	9,865	20,240
Share of exchange difference of a jointly controlled entity	應佔一家共同控制實體匯兌差額	—	—	—	—	—	7,931	—	—	—	7,931	—	7,931
Other comprehensive income for the year	本年度其他全面收入	—	—	—	—	—	170,189	—	—	—	170,189	17,410	187,599
Profit for the year	本年度溢利	—	—	—	—	—	—	—	—	1,407,534	1,407,534	158,312	1,565,846
Total comprehensive income for the year	本年度全面收入總額	—	—	—	—	—	170,189	—	—	1,407,534	1,577,723	175,722	1,753,445
Recognition of equity-settled share based payments	確認股本結算股份付款	—	—	—	—	—	—	15,365	—	—	15,365	—	15,365
Exercise and lapse of share options	購股權獲行使及失效	27	39,686	—	—	—	—	(5,602)	—	82	34,193	—	34,193
Dividends paid to non-controlling interests	已派付予非控股權益股息	—	—	—	—	—	—	—	—	—	—	(51,090)	(51,090)
Dividends paid	已派付股息	—	(531,866)	—	—	—	—	—	—	—	(531,866)	—	(531,866)
Transfer of reserves	轉撥儲備	—	—	16,219	—	—	—	—	—	(16,219)	—	—	—
At 31st December 2010	於二零一零年十二月三十一日	8,395	1,424,231	29,334	228	123,641	414,511	159,144	—	5,057,400	7,216,884	686,170	7,903,054

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	NOTES 附註		
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	1,896,256	1,498,442
Adjustments for:	經作出以下調整：		
Interest income on bank deposits	銀行存款之利息收入	(12,384)	(13,466)
Loan interests and other interest income	貸款利息及其他利息收入	(6,066)	(11,735)
Finance costs	融資成本	35,788	38,366
Depreciation of property, plant and equipment	物業、廠房及設備折舊	209,068	200,671
Release of prepaid lease payments	預付租賃款項轉出	10,357	19,854
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之股息收入	(23,183)	(1,551)
Dividend income from available-for-sale investments	可供出售投資之股息收入	—	(3,100)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	445	84
Fair value changes in respect of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動	(16,446)	(36,990)
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	—	18,487
Change in fair value of investment properties	投資物業之公平值變動	(63,154)	(178,756)
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利	(24,252)	(12,341)
Share of profits of associates	應佔聯營公司溢利	(99,632)	(25,360)
Write-down of obsolete inventories	滯銷存貨撇減	1,012	193
(Reversal of) impairment for trade and other receivables	應收賬款及其他應收款項減值(撥回)撥備	(71)	1,800
Waiver of non-current other payable	豁免其他非流動應付款項	—	(60,000)
Share-based payment expense	股份付款開支	15,365	48,170
Reversal of impairment loss on loan receivable	應收貸款減值虧損撥回	—	(18,180)
Discount arising on acquisition of additional interest in an associate	收購一家聯營公司額外權益產生之折讓	(114,556)	—
Discount arising on acquisition of associates	收購聯營公司產生之折讓	—	(3,752)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	1,808,547	1,460,836
(Increase) decrease in inventories	存貨(增加)減少	(2,110)	1,969
Increase in trade and other receivables	應收賬款及其他應收款項增加	(50,017)	(19,642)
Decrease (increase) in pledged bank deposits	已抵押銀行存款減少(增加)	120,203	(120,203)
Increase in trade and other payables	應付賬款及其他應付款項增加	105,187	380,672
Increase in amount due to a jointly controlled entity	應付一家共同控制實體款項增加	29,934	—
Cash generated from operations	經營業務所得現金	2,011,744	1,703,632
Interest received	已收利息	18,450	25,201
Hong Kong Profits Tax paid	已繳香港利得稅	(216,640)	(165,994)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(33,503)	(55,254)
Hong Kong Profits Tax refunded	香港利得稅退稅	1,984	141
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	1,782,035	1,507,726

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	NOTE 附註		
INVESTING ACTIVITIES	投資活動		
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(855,938)	(571,212)
Addition to prepaid lease payments	預付租賃款項增加	(59,150)	(216)
Addition to and deposit paid for property, plant and equipment	購買物業、廠房及設備已付按金	(334,715)	(317,397)
Purchase of investment properties	購買投資物業	(60,609)	(3,374)
Purchase of equity-linked note	購買與權益掛鈎票據	—	(67,072)
Purchase of club debenture	購買會所債券	(1,981)	(9,406)
Decrease (increase) in loans receivable	應收貸款減少(增加)	159,246	(188,700)
Increase in deposit paid for acquisition of an associate	收購一家聯營公司已付訂金增加	—	(236,374)
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款	423,214	324,151
Proceeds from early redemption of index-linked notes	提早贖回與指數掛鈎票據所得款	—	339,616
Proceeds from early redemption of equity-linked note	提早贖回與權益掛鈎票據所得款	—	69,750
Repayment from (advance to) a jointly controlled entity	收到(借予)一家共同控制實體之款項	47,484	(23,338)
Interest received from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收利息	14,214	8,819
Dividend received for financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已收股息	23,183	1,551
Dividend received from available-for-sale investments	可供出售投資之已收股息	—	3,100
Dividend received from a jointly controlled entity	一家共同控制實體之已收股息	66,552	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	477	—
Proceeds from disposal of investment properties	出售投資物業所得款	4,889	—
Proceed from disposal of prepaid lease payments	出售預付租賃款項所得款	154,527	—
Proceeds from settle the derivative instruments	結算衍生工具所得款	—	2,713
Acquisition of assets (net of cash and cash equivalents acquired)	收購資產(扣除所收購現金及現金等價物)	—	(11,720)
Acquisition of an associate	收購一家聯營公司	—	(573)
Acquisition of additional interest in an associate	收購一家聯營公司額外權益	(157,584)	—
Acquisition of additional interest in a subsidiary	收購一家附屬公司額外權益	—	(202,439)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(576,191)	(882,121)

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新借銀行借貸	2,479,000	1,579,730
Exercise of share options	行使購股權	34,193	76,517
Advance from (repayment to) a non-controlling shareholder of subsidiaries	向附屬公司 非控股股東借款(還款)	163,542	(14,884)
Repayment of bank borrowings	償還銀行借貸	(2,291,600)	(1,413,700)
Dividends paid	已派付股息	(531,866)	(384,067)
Dividends paid to non-controlling shareholders	已派付給非控股股東股息	(51,090)	(21,041)
Finance costs paid	已付融資成本	(40,567)	(43,177)
Repurchase of ordinary shares	購回普通股	—	(90,999)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(238,388)	(311,621)
NET INCREASE IN CASH AND CASH EQUIVALENT	現金及現金等價物增加淨額	967,456	313,984
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCE	匯率差異之影響	23,883	16,063
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	2,769,490	2,439,443
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	年終現金及現金等價物，即銀行結存及現金	3,760,829	2,769,490

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

The Company is a public listed company incorporated in Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Company's holding and ultimate holding company is Real Reward Limited ("Real Reward"), a company incorporated in the Cayman Islands. The addresses of the registered office and the head office and principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollar, which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are the operation of "lifestyle" department stores and other retailing format, and property development and property holding.

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

In the current year, the Group has applied a number of new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are mandatorily effective for 2010 financial year ends, and has applied HKFRS 9 "Financial instruments" in advance of its effective date.

HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKFRS 9	Financial instruments
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC)-Int 17	Distributions of non-cash assets to owners
HK-Int 5	Presentation of financial statements — Classification by the borrower of a term loan that contains a repayment on demand clause

Except as described below, the application of the other new and revised Standards and Interpretations in the current year has had no material effect on these consolidated financial statements.

1. 一般事項

本公司為一間於開曼群島註冊成立為受豁免有限公司之公眾上市公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。於開曼群島註冊成立之Real Reward Limited（「Real Reward」）為本公司之控股及最終控股公司。本公司之註冊辦事處及總辦事處以及主要營業地點地址於年報企業資料披露。

綜合財務報表以本公司功能貨幣港元列值。

本公司為投資控股公司，其主要附屬公司之主要業務為經營「生活時尚」百貨店及其他零售業務、以及物業發展及持有物業。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團應用多項由香港會計師公會頒佈及強制生效於二零一零年財政年度之新訂及經修訂準則及詮釋，並提早於生效日期前應用香港財務報告準則第9號「金融工具」。

香港財務報告準則第2號（修訂）	集團之現金結算股份付款交易
香港財務報告準則第3號（按照二零零八年之修訂）	業務合併
香港財務報告準則第9號	金融工具
香港會計準則第27號（按照二零零八年之修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則（修訂本）	二零零九年頒佈之香港財務報告準則之改進
香港財務報告準則（修訂本）	就改進二零零八年頒佈之香港財務報告準則修訂香港財務報告準則第5號
香港（國際財務報告詮釋委員會）—詮釋第17號	向擁有人分派非現金資產
香港—詮釋第5號	財務報表之呈列—借款人對有償還要求條款之有期貨款之分類

除以下所述，本年度應用其他新訂及經修訂準則及詮釋對綜合財務報表並無重大影響。

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

Amendments to HKAS 17 Leases

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

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1st January 2010 based on information that existed at the inception of the leases. The application of the amendments to HKAS 17 has had no material impact on the results and the financial position of the Group.

HKFRS 9 Financial instruments

In the current year, the Group has applied HKFRS 9 “financial instruments” (HKFRS 9) (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of its effective date. The Group has chosen 1st January 2010 as its date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities) because 1st January 2010 is the beginning date of the current reporting year. In accordance with transition provisions set out in HKFRS 9, the Group has chosen not to restate comparative information.

HKFRS 9 introduces new classification and measurement requirements for financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement”. Specifically, HKFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第17號「租賃」修訂本

作為發表於2009年「改進香港財務報告準則」的一部分，香港會計準則第17號「租賃」有關租賃土地的分類已經修定。香港會計準則第17號的修訂前，本集團需要把租賃土地作為經營租約，並且在綜合財務狀況表列為預付租約款項。香港會計準則第17條的修正案取消了這項規定。該修正案規定，租約土地的分類應依據一般在香港會計準則第17條中的原則，即是否絕大部分租賃資產的風險及回報撥歸承租人。

根據載於香港會計準則第17條修正案的過渡性條文，本集團需按租約成立時的資料重新評估分類截至二零一零年一月一日未到期的租約土地。採用香港會計準則第17條「租賃」的修改對綜合財務報表沒有重大影響。

香港財務報告準則第9號金融工具

於本年度，本集團已提早於其生效日期前應用香港財務報告準則第9號「金融工具」(香港財務報告準則第9號)(於二零零九年十一月頒佈並於二零一零年十月經修訂)和其有關相應修訂。由於二零一零年一月一日為本年度之年初開始日，本集團選擇以此為開始應用日(於此日本集團已對其現有的金融資產和金融負債作出評估)。根據香港財務報告準則第9號之過渡條文，本集團選擇不重列比較資料。

香港財務報告準則第9號引入金融資產新分類及計量的規定是屬於香港會計準則第39號「金融工具：確認及計量」的範圍。具體來說，香港財務報告準則第9號要求根據實體管理金融資產及具有合約現金流特徵之金融資產之業務模式，對其所有金融資產進行分類及隨後按攤銷成本或公平值計量。

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

HKFRS 9 Financial instruments (continued)

As required by HKFRS 9, debt instruments are measured at amortised cost only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (collectively referred to as “amortised cost criteria”). If either of the two criteria is not met, the debt instruments are classified as at fair value through profit or loss (“FVTPL”).

However, the Group may choose at initial recognition to designate a debt instrument that meets the amortised cost criteria as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Investments in equity instruments are classified and measured as at FVTPL except when the equity investment is not held for trading and is designated by the Group as at fair value through other comprehensive income (“FVTOCI”). If the equity investment is designated as at FVTOCI, all gains and losses, except for dividend income that is generally recognised in profit or loss in accordance with HKAS 18 “Revenue”, are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.

HKFRS 9 also contains requirements for the classification and measurement of financial liabilities. One major change in the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

按照香港財務報告準則第9號要求，債務工具按攤銷成本計量，如果(i)該資產是於目標為收取合約現金流量的業務模式內持有之資產及(ii)於金融資產之合約條款內指定日期產生之現金流量僅為支付本金及未償還本金之利息(統稱為「攤銷成本標準」)。假如其中的兩個標準都不符合，其債務工具將按公平值分類計入損益(「公平值計入損益」)。

然而，本集團可以選擇在初步確認符合攤銷成本標準之債務工具按公平值計入損益，這樣可消除或大幅減少會計錯配。

最終按攤銷成本計量之債務工具須接受減值測試。

權益工具投資按公平值計入損益被分類及計量，除非權益投資並非持作買賣及由本集團指定為按公平值計入其他全面收入(「公平值計入其他全面收入」)。如果股權投資被指定為按公平值計入其他全面收入，除按照香港會計準則第18號「收入」一般地確認計入損益之股息收入外，所有收益及虧損被確認為其他全面收入及其後不會重新分類計入損益。

香港財務報告準則第9號同時包含分類及計量金融負債之要求。一個主要關於分類及計量金融負債的改變是有關計算由其負債信貸風險改變而引至該金融負債(指定按公平值計入損益)的公平值變動。

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

HKFRS 9 Financial instruments (continued)

As at 1st January 2010, the directors of the Company have reviewed and assessed the Group’s existing financial assets and liabilities. The initial application of HKFRS 9 has resulted in the reclassification of the Group’s investments in unlisted equity securities (not held for trading) that were previously classified as available-for-sale financial assets under HKAS 39 to financial assets at fair value through profit or loss.

The Group has not designated these equity securities as at FVTOCI on initial application. In addition, HKFRS 9 had no impact on the Group’s investments in unlisted debt and listed equity securities as they are held for trading purpose and are used to be measured at fair value through profit or loss. Also, on initial recognition, there has had no material impact on the Group’s financial assets subsequently measured at amortised cost under HKAS 39 as they met the amortised cost criteria specified in HKFRS 9.

The application of HKFRS 9 affected the Group’s result in current year. The fair value gains in relation to the Group’s investments in unlisted equity securities (not held for trading) of HK\$3,910,000 that would have been recognised in other comprehensive income under HKAS 39 is now recognised in profit or loss. Accordingly, the profit reported for 2010 has been increased by HK\$3,910,000 as a result of the change in accounting policy, resulting in an increase on the Group’s basic and diluted earnings per share by HK\$ 0.0023 for the year ended 31st December 2010.

As at 31st December 2010, investments in unlisted equity securities (not held for trading) of HK\$13,598,000 have been included in financial assets at fair value through profit or loss.

In relation to the classification and remeasurement of financial liabilities, the application of HKFRS 9 has had no impact to the Group’s results and financial position as the Group did not have financial liabilities designated as at fair value through profit or loss in both years.

The changes in accounting policies had no financial impact on the consolidated statement of financial position as at 1st January 2009. Accordingly, no restated consolidated statement of financial position as at 1st January 2009 is presented.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

於二零一零年一月一日，本公司董事已審閱及評估本集團現有的金融資產及負債。初次應用香港財務報告準則第9號引致原來按照香港會計準則第39號分類為可供出售金融資產之非上市股本證券(非持作買賣)重新分類為按公平值計入損益之金融資產。本集團不指定這些股本證券於初次應用時按公平值計入其他全面收入。此外，由於持作買賣用途及以往已按公平值計入損益，香港財務報告準則第9號對本集團於非上市債務及上市股本證券之投資並沒有帶來影響。再者，因其符合香港財務報告準則第9號所訂攤銷成本標準，其後根據香港會計準則第39號按攤銷成本計量之本集團金融資產於初次確認中並沒有受到重大影響。

採納香港財務報告準則第9號對本集團本年度之業績做成影響。本集團來自非上市股本證券(非持作買賣)3,910,000港元投資公平值之收益不再根據香港會計準則第39號計入其他全面收入而計入損益賬。此會計政策變更引致二零一零年呈報之利潤增加了3,910,000港元，亦導致截至二零一零年十二月三十一日止年度本集團的基本及攤薄每股盈利增加0.0023港元。

於二零一零年十二月三十一日，價值13,598,000港元之非上市股本證券(非持作買賣)已包括在按公平值計入損益之金融資產。

由於本集團在這兩年並沒有金融負債需按公平值計入損益，就分類和重新計量金融負債而言，應用香港財務報告準則第9號對本集團業績及財務狀況並沒有帶來影響。

由於會計政策之改變對於二零零九年一月一日之綜合財務狀況表並沒有帶來財務影響，因此於二零零九年一月一日無需呈報經重列之綜合財務狀況表。

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

HKFRS 9 Financial instruments (continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 7 (Amendments)	Disclosures — Transfers of financial assets ³
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets ⁴
HKAS 24 (as revised in 2009)	Related party disclosures ⁵
HKAS 32 (Amendments)	Classification of rights issues ⁶
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a minimum funding requirement ⁵
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments ²

¹ Effective for annual periods beginning on or after 1st July 2010 or 1st January 2011, as appropriate.

² Effective for annual periods beginning on or after 1st July 2010.

³ Effective for annual periods beginning on or after 1st July 2011.

⁴ Effective for annual periods beginning on or after 1st January 2012.

⁵ Effective for annual periods beginning on or after 1st January 2011.

⁶ Effective for annual periods beginning on or after 1st February 2010.

The amendments to HKAS 12 titled “Deferred tax: Recovery of underlying assets” mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment property”. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

本集團並無提早採納下列已頒佈但尚未生效的新訂及經修訂準則及詮釋。

香港財務報告準則(修訂)	二零一零年頒佈之香港財務報告準則之改進 ¹
香港財務報告準則第7號(修訂)	披露 — 轉讓金融資產 ³
香港會計準則第12號(修訂)	遞延稅項：收回相關資產 ⁴
香港會計準則第24條(按照二零零九年之修訂)	關連人士披露 ⁵
香港會計準則第32號(修訂)	供股分類 ⁶
香港(國際財務報告詮釋委員會)–詮釋第14號(修訂)	最低資金規定的預付款項 ⁵
香港(國際財務報告詮釋委員會)–詮釋第19號	以股本工具抵銷金融負債 ²

¹ 於二零一零年七月一日或二零一一年一月一日(按情況適用)或之後開始之年度期間生效。

² 於二零一零年七月一日或之後開始之年度期間生效。

³ 於二零一一年七月一日或之後開始之年度期間生效。

⁴ 於二零一二年一月一日或之後開始之年度期間生效。

⁵ 於二零一一年一月一日或之後開始之年度期間生效。

⁶ 於二零一零年二月一日或之後開始之年度期間生效。

修訂香港會計準則第12號題目為「遞延稅項：收回相關資產」，主要是處理(根據香港會計準則第40號「投資物業」按公平值模式計量)投資物業遞延稅項之計量。根據修訂，為了計量採用公平值模式計算投資物業之遞延稅項負債和遞延稅項資產，投資物業的賬面值假設是要通過買賣收回，除非在某些情況下這假設被推翻。董事預期，應用香港會計準則第12號修訂可能對投資物業按公平值模式確認遞延稅項產生重大影響。然而，在完成詳細檢討前將不可能提供此影響之合理估計。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則不會引至對本集團業績及財務狀況有重大影響。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair value, as explained in accounting policies set out below.

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

Basis of consolidation

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

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

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

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

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

Allocation of total comprehensive income to non-controlling interests

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

3. 重大會計政策

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟若干投資物業及金融工具則按公平值計算。

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

綜合基準

綜合財務報表涵蓋本公司及本公司控制之實體(包括具特殊目的之實體)(其附屬公司)之財務報表。於本公司有權控制實體之財務及營運政策以自其業務獲取利益，即達到控制目的。

年內所收購或出售附屬公司自實際收購日期起及直至實際出售日期止(視適用情況而定)之業績計入綜合全面收益表。

如需要，附屬公司財務報表會作出調整，以符合本集團其他成員公司所用會計政策。

集團內公司間所有交易、結存、收入及開支於綜合賬目時對銷。

已合併附屬公司資產淨值內的非控制性權益與本集團於其中的權益分開呈列。

分配綜合全面收益予非控股權益

附屬公司的綜合全面收益與開支會分配予公司擁有人及非控股權益，即使這將導致非控股權益金額為負數。於二零一零年一月一日之前，非控股權益應佔虧損如超出非控股權益於附屬公司股本中的權益，該虧損則分配至本集團的權益內，惟具約束性責任及作出額外投資以彌補虧損的非控股權益除外。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

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

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

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

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

Business combinations

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

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

3. 重大會計政策(續)

綜合基準(續)

集團於現存附屬公司的擁有權的變動

集團於現存附屬公司於二零一零年一月一日或之後的擁有權變動

集團於附屬公司內的擁有權變動如不導致集團對其喪失控制權，將作股權交易核算。本集團持有的權益與非控股權益的賬面金額應予調整以反映附屬公司中相關權益的變動。調整的非控股權益的金額與收取或支付的代價的公平價值之間差額直接計入權益並歸於本公司擁有人。

集團於現存附屬公司於二零一零年一月一日之前的擁有權變動

於現存附屬公司增加股權的處理方法與收購附屬公司相同(包括商譽或廉價購入收益之確認，如適用)。如減持現存附屬公司股權，不論此出售會否導致本集團對其附屬公司喪失控制權，調整的非控股權益的金額與收取的代價之間的差額計入損益。

企業合併

企業合併發生於二零一零年一月一日或之後

收購業務採用購買法進行會計處理。企業合併成本會以公平值計量，包括在交易日本集團為換取被收購者的控制權而轉讓的資產、承擔被收購者前擁有人的負債，以及發行的股本權益的公平值的差異。與收購有關的成本一般會於發生時計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that Standard.

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

3. 重大會計政策(續)

企業合併(續)

企業合併發生於二零一零年一月一日或之後(續)

於收購日，被收購的能識別資產、承擔負債應按其在收購日的公平值予以確認，惟以下各項除外：

- 遞延稅項資產或負債及僱員福利安排的相關資產應分別按「香港會計準則第12號—所得稅」和「香港會計準則第19號—僱員福利」予以確認和計量；
- 於收購日，有關被收購者股份付款交易或被收購者股份付款交易以本集團股份付款交易取代之負債或權益工具，應按香港財務報告準則第2號「股份付款」計量；及
- 按照香港財務報告準則第5號「持有待售的非流動資產和終止經營」劃歸為持有待售的資產(或出售集團)應按該準則予以計量。

商譽按轉讓代價，於被收購者非控股權益金額及之前於被收購者持有股本權益(如有)公平值之總和與已收購能識別資產及承擔負債於收購日淨值之差額計量。如果在重新評估後，已收購能識別淨資產及承擔負債於收購日之淨值額超過了轉讓價、在被購者的任何非控股權益金額以及購買方先前在被收購者持有的權益(如有)的總額，超出的差額立即作為廉價購入收益計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

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

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

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

Business combinations that took place prior to 1st January 2010

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

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

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

3. 重大會計政策(續)

企業合併(續)

企業合併發生於二零一零年一月一日或之後(續)

非控股權益為現有擁有權益，當發生清盤時給予持有人相應於公司淨資產佔有比例。其初步以公平值或非控股權益於被收購者能識別淨資產應佔確認金額計量，計量基準選擇按個別交易基準決定。其他種類非控股權益按公平值或其他準則要求計量基準計量。

當本集團取得被收購者的控制權，原先持有計入其他全面收益及在收購日之前累計在股權的股權權益之價值改變重新分類為損益。

企業合併發於二零一零年一月一日之前

收購業務採用購買法進行會計處理。收購成本為於交換日給予資產、產生或承擔負債及本集團發出股本工具以換取被收購者控制權，加上任何有關該企業合併費用。被收購者能識別資產、負債及或然負債符合有關確認條件已於收購日一般地按公平值確認。被收購者的可識別資產，負債及或然負債如符合有關確認條件，一般在收購日以公平值確認。

於收購時產生的商譽被確認為資產，並初步以成本(即收購成本多於本集團確認的能識別資產，負債與或然負債)計量。如評估後，本集團確認的能識別資產，負債與或有負債權益多於收購成本，多出金額會即時確認損益。

被收購者的非控股權益原以非控股權益的股權比例按被收購者的資產，負債與或然負債確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 重大會計政策(續)

於聯營公司之投資

聯營公司為投資者可對其行使重大影響力，且並非附屬公司或於合營企業之權益之實體。重大影響為有權參與受投資方之財務及營運決策，惟並非控制或共同控制該等決策。

聯營公司之業績及資產與負債採用權益會計法計入綜合財務報表，惟分類為持作出售之投資除外。根據權益法，於聯營公司之投資按成本減任何已識別減值虧損於綜合財務狀況表列賬，並就本集團應佔聯營公司資產淨值之收購後變動作出調整。倘本集團應佔一家聯營公司虧損相等於或超出其於該聯營公司之權益(包括實際組成本集團於該聯營公司投資淨值其中部分之任何長期權益)，則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該聯營公司付款，方始就額外應佔虧損作出撥備及確認有關責任。

任何收購成本超出本集團應佔於收購日期確認之聯營公司可識別資產、負債及或然負債公平淨值之差額確認為商譽。有關商譽計入投資之賬面金額，且毋須檢測個別減值，相反，投資之全部賬面金額會作為單一資產進行減值檢測，任何已確認減值虧損不能分配給任何資產，包括組成於聯營公司投資部分賬面金額之商譽。撥回任何減值虧損予以確認，惟以可收回之投資數額其後之增加為限。

本集團應佔可識別資產、負債及或然負債超出收購成本之任何差額，在重新評估後即時於損益確認。

倘本集團旗下實體與本集團之聯營公司進行交易，則以本集團在有關聯營公司之權益為限撇銷損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Jointly controlled entities

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

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. Goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

3. 重大會計政策(續)

共同控制實體

涉及成立合營企業商對實體之經濟活動擁有共同控制權之個別實體之合營企業安排稱為共同控制實體。

共同控制實體業績及資產與負債採用權益會計法計入綜合財務報表。根據權益法，於共同控制實體之投資按成本減任何已識別減值虧損於綜合財務狀況表列賬，並就本集團應佔共同控制實體資產淨值之收購後變動作出調整。倘本集團應佔一家共同控制實體虧損相等於或超出其於該共同控制實體之權益(包括實際組成本集團於該共同控制實體投資淨值其中部分之任何長期權益)，則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該共同控制實體付款，方始就額外應佔虧損作出撥備及確認有關責任。

任何收購成本超出本集團應佔於收購日期確認之共同控制實體可識別資產、負債及或然負債公平淨值之差額確認為商譽。有關商譽計入投資之賬面金額，且毋須檢測個別減值。相反，投資之全部賬面金額會作為單一資產進行減值檢測，任何已確認之減值虧損不能分配給任何資產，包括組成於聯營公司投資部分賬面金額之商譽。撥回任何減值虧損予以確認，惟以可收回之投資數額其後之增加為限。

本集團應佔可識別資產、負債及或然負債超出收購成本之任何差額，在重新評估後即時於損益確認。

倘本集團旗下實體與本集團之共同控制實體進行交易，則以本集團在共同控制實體之權益為限撤銷損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

Revenue recognition

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

Sales of goods are recognised when goods are sold and title has been passed.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops.

Service income is recognised when services are rendered.

Minimum guaranteed sales commission is recognised in accordance with terms of contracts.

Interest income from a financial asset including financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

3. 重大會計政策(續)

持作出售之非流動資產

如其賬面金額將主要透過出售交易(而非透過持續使用)收回,則非流動資產或出售集團分類為持作出售。在出售很可能進行及資產(或出售集團)可按現況即時出售,此條件才被視作達成論。

分類為持作出售之非流動資產(或出售集團)按資產(出售集團)過往賬面金額及公平值減銷售成本之較低者入賬。

收益確認

收益乃按已收或應收代價之公平值計算,指於日常業務中就所售出貨品及提供服務之應收款項扣除折扣及銷售相關稅項。

貨品銷售於貨品售出及擁有權轉移時確認。

特許專櫃銷售收入於有關店舖售出貨品時確認。

服務收入於提供服務時確認。

最低保證銷售佣金根據合約條款予以確認。

金融資產(包括按公平值計入損益之金融資產)之利息收入乃按時間基準,經參考未償還本金及適用之實際利率計算,該利率為確實地將金融資產預計可用年期內之估計未來現金收入貼現至該資產於初步確認時之賬面淨值之貼現率。

投資所得股息收入乃於股東收取款項之權利確立時確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in asset revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)乃按成本減其後累計折舊及累計減值虧損列賬。

折舊乃按物業、廠房及設備估計可使用年期，經計及其估計剩餘價值後，以直線法撇銷其成本計算。估計可使用年期、估計剩餘價值及折舊方法於每個報告結算日後審查，而估計變動之影響以預期基準列賬。

在建工程以供生產或供其本身使用之物業乃按成本減任何已確認減值虧損列賬。成本包括專業費用及按本集團會計政策於合資格資產被資本化借貸成本。在建工程於落成及備妥作擬定用途時，分類為物業、廠房及設備之適當類別。該等資產按與其他物業資產相同之基準於資產可作擬定用途時開始折舊。

若證據顯示，物業、廠房及設備項目因不再自用而變為投資物業，該項目於轉移當日賬面值與公平值之間之任何差額確認為其他全面收入，並於資產重估儲備累計。於其後出售或廢棄資產，有關重估儲備將直接轉撥至保留溢利。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損(按出售所得款淨額與有關項目賬面值之差額計算)計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

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

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

For a transfer from an investment property to an owner-occupied property as evidenced by commencement of owner-occupation, the fair value of the property at the date of transfer become the deemed cost of that property.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

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

3. 重大會計政策(續)

物業、廠房及設備(續)

當樓宇為發展中以作生產或行政用途時，於建築期間預付租賃款項攤銷將計入為在建中樓宇成本一部份。在建樓宇按成本列賬，減任何已識別減值虧損。當樓宇可供使用(即樓宇之地點及狀況已達致能以管理層擬定之方式經營之地點及狀況)時會開始計算折舊。

投資物業

投資物業為持有以賺取租金及／或資本增值之物業。投資物業包括持有但未確定未來用途之土地，其被視為持作資本增值用途。

投資物業按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平值模式按其公平值計算。投資物業公平值變動產生之收益或虧損計入產生期間之損益。

就由投資物業轉移至證實為業主開始佔用之業主佔用物業，物業於轉移當日之公平值成為該物業之視作成本。

在建投資物業產生之建築成本乃撥充資本為撥作在建投資物業部分賬面金額。

投資物業於出售時或當投資物業永久不再使用及預期出售投資物業不會帶來未來經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損(按該資產之出售所得款淨額與賬面值間之差額計算)於該項目被剔除確認之期間計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Club debenture

Club debenture is measured at cost less any impairment losses.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 重大會計政策(續)

會所債券

會所債券按成本減任何減值虧損計算。

租約

當租約條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租約乃分類為融資租約。所有其他租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於損益確認。於磋商及安排經營租約產生之初步直接成本，加上租賃資產之賬面值，按租約年期以直線法確認作開支。

本集團作為承租人

除非有另一個系統基準更能表達在使用該租賃資產而獲得經濟利益的時間模式，經營租賃款項於有關租約期間按直線法確認為開支。於經營租約產生或然租金於產生期間確認為支出。

若訂立經營租約時獲得租賃優惠，該優惠將被確認為負債。除非有另一個系統基準是更能表達在使用該租賃資產而獲得經濟利益的時間模式，該優惠將按直線法扣減租金支出確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasehold land and building

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

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

Foreign currencies

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

3. 重大會計政策(續)

租賃土地及樓宇

當租賃包括土地和建築成份，本集團會按因擁有每個成份而附帶的絕大部份風險和回報是否已轉移到本集團的基礎上評估每個成份，以分類為融資或經營租賃。具體來說，最低租賃款項(包括任何一次性預付款)按在開始租賃時土地成份及樓宇成份租賃權益之相對公平值，按比例分配到土地及樓宇成份。

在一定程度上租賃費能可靠地分配，租賃土地權益以「預付租賃付款」在綜合財務狀況報表列賬為經營租賃，並在租賃期內按直線法攤銷，除非那些在公平值模式下分類和列賬為投資物業。當租賃費無法可靠地分配在土地及建築成份，整個租賃一般歸類為融資租賃及列為物業，廠房及設備，除非該兩成份明顯地為經營租賃，在這種情況下，整個租賃被歸類為經營租賃。

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易按交易日期適用之匯率(即該實體經營業務所在主要經濟環境之貨幣)列賬。於報告期間結算日，以外幣結算之貨幣項目按結算日適用之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日適用之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in exchange reserve. Such translation differences are reclassified from equity to profit or loss in the period which the foreign operation is disposed of.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 重大會計政策(續)

外幣(續)

交收貨幣項目及換算貨幣項目時產生之匯兌差額於產生期間在損益確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，倘若非貨幣項目產生之有關收益及虧損直接於其他全面收入確認，則在該情況下，重新換算產生之匯兌差額亦直接於其他全面收入確認。

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按報告期間結算日適用之匯率換算為本集團之呈列貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期適用之匯率換算。所產生匯兌差額(如有)於其他全面收入確認，並於匯兌儲備累計。有關匯兌差額於出售海外業務期間由權益重新分類為損益。

借貸成本

收購、興建或生產合資格資產(即需長時間準備以達致其擬定用途或可供出售之資產)直接應佔借貸成本將計入該等資產成本中，直至該資產大致可供用作擬定用途或出售為止。就開支用合資格資產前作短暫投資之特定借貸所賺取投資收入，自合資格撥充資本之借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation

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

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

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

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

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

3. 重大會計政策(續)

稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入收益表中毋須課稅或不獲扣稅項目，故有別於綜合全面收益表所報溢利。本集團有關現行稅項之責任按於結算日已實施或大致上已實施之稅率計算。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額確認。所有暫時應課稅差額一般都會確認為遞延稅項負債，惟遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額時予以確認。但倘若有關暫時差額是由商譽又或由初步確認(非業務合併)既不影響應課稅溢利亦不影響會計溢利的交易的其他資產和負債所引起，則不會確認該等資產和負債。

遞延稅項負債乃就於附屬公司及聯營公司之投資及於合營企業之權益所產生之暫時應課稅差額確認，惟倘本集團能控制暫時差額之撥回以及暫時差額有機會不會於可見將來撥回除外。可扣減暫時差額產生之遞延稅項資產(與該等投資及權益有關)僅於可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回之情況下方予以確認。

遞延稅項資產賬面值於報告期間結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

Inventories

Inventories, which represent merchandise held for resale, are stated at the lower of cost and net realisable value. The cost of merchandise is determined by the retail method and is computed by reference to the retail selling price of goods less the average gross profit margins. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial instruments

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

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 重大會計政策(續)

稅項(續)

遞延稅項資產及負債乃按照於報告期間結算日已實施或大致實施之稅率及稅法，於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。遞延稅項負債及資產之計量反映出於報告期間結算日將依循本集團所預計以收回或清償其資產及負債賬面金額之方式之稅務後果。遞延稅項於損益確認，除非遞延稅項與其他全面收入或直接於權益確認的項目相關，在該情況下，遞延稅項亦須分別於其他全面收入或直接於權益確認處理。

存貨

存貨指持有作轉售的商品，以成本及可變現淨值較低者入賬。商品成本以零售法釐定，參考貨品零售價減平均毛利率計算。可變現淨值指在日常業務中估計售價減估計銷貨所需成本。

金融工具

當本集團旗下實體成為金融工具合約條文之訂約方時，於綜合財務狀況表確認金融資產及金融負債。

金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債(按公平值計入損益之金融資產及金融負債除外)產生之直接應佔交易成本，於初步確認金融資產或金融負債之公平值加入或扣除(視適用情況而定)。收購按公平值計入損益之金融資產或金融負債時產生之直接應佔交易成本即時於損益確認。

所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常購買或出售方式規定須於規例或市場慣例設定之時限內以交付資產方式購買或出售金融資產。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Classification and measurement prior to 1st January 2010

Financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss (“FVTPL”), loans and receivables and available-for-sale financial assets.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than the financial assets classified as FVTPL, of which interest income is included in “change in fair value of financial assets” under investment income line item.

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

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

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

3. 重大會計政策(續)

金融工具(續)

於二零一零年一月一日前之分類及計量

金融資產分為三類，包括按公平值計入損益(「按公平值計入損益」)之金融資產、貸款及應收款項以及可供出售金融資產。

實際利率法

實際利率法是一種計算相關期間內金融資產之攤銷成本以及分配利息收入之方法。實際利率是一種在金融資產之預期年期或(如適用)更短期間內能夠精確貼現預計未來現金收入(包括所有已支付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用)至於初步確認時之賬面淨值之利率。

利息收入乃就債券工具按實際利率基準確認，惟該等指定為按公平值計入損益之金融資產除外，其利息收入計入投資收入下的金融資產公平值變動。

按公平值計入損益之金融資產

按公平值計入損益之金融資產分為兩個分類，包括持作買賣金融資產及該等於初步確認時指定按公平值計入損益之金融資產。

倘出現下列情況，金融資產乃分類為持作買賣：

- 其收購乃主要作在不久將來出售之用；或
- 其為本集團共同管理之已識別金融工具組合之部分，並錄得近期實際短期利潤；或
- 其屬並非指定為對沖工具及有效作對沖工具之衍生工具。

持作買賣投資按公平值入賬，重新計量時產生之公平值變動於產生期間直接在損益確認。於損益確認之收益或虧損淨額不包括於該等金融資產賺取之任何股息。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Classification and measurement prior to 1st January 2010
(continued)

Effective interest method (continued)

Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

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

Index-linked notes and equity-linked note are hybrid instruments that contain embedded derivatives. The Group has designated the index-linked notes and equity-linked note as "financial assets at fair value through profit or loss" upon initial recognition in accordance with HKAS 39.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits, loans receivable, bank balances and cash, and amount due from a jointly controlled entity) are carried at amortised cost using the effective interest method, less any identified impairment losses.

3. 重大會計政策(續)

金融工具(續)

於二零一零年一月一日前之分類及計量(續)

實際利率法(續)

按公平值計入損益之金融資產(續)

倘出現下列情況，持作買賣金融資產以外之金融資產可於初步確認時指定按公平值計入損益：

- 有關指定撇銷或大幅減低計量或確認可能出現不一致之情況；或
- 金融資產組成一組金融資產或金融負債或兩者其中部分，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或
- 金融資產組成包含一種或以上內含附帶衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約(資產或負債)將指定按公平值計入損益。

與指數掛鈎票據及與權益掛鈎票據指包括附帶衍生工具在內的複合式交易工具。根據香港會計準則第39號作出初步確認時，本集團指定將該等與指數掛鈎票據及與權益掛鈎票據指定「按公平值計入損益之金融資產」。

按公平值計入損益之金融資產乃按公平值計量，而再計量所產生公平值變動則於產生期內直接於損益確認。於損益確認之收益或虧損淨額包括自金融資產賺取之利息。

貸款及應收款項

貸款及應收款項為設有固定或待付付款金額之非衍生金融資產，且不會在活躍市場掛牌。於初步確認後，貸款及應收款項(包括應收賬款及其他應收款項、已抵押銀行存款、應收貸款、銀行結存及現金以及應收一家共同控制實體款項)採用實際利率法按已攤銷成本減任何已識別減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Classification and measurement prior to 1st January 2010 (continued)

Effective interest method (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as any of the other categories. Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

Classification and measurement on and after 1st January 2010

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Income is recognised on an effective interest method (see above) for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in "investment income" line item.

3. 重大會計政策(續)

金融工具(續)

於二零一零年一月一日前之分類及計量(續)

實際利率法(續)

可供出售金融資產

可供出售金融資產為指定為可供出售或並未分類為任何其他類別之非衍生金融資產。於報告期間結算日，可供出售金融資產按公平值計算。公平值變動於其他全面收入確認，並於投資儲備累計，直至金融資產出售或被釐定出現減值為止，屆時，先前於投資儲備累計之累計收益或虧損會重新分類至損益。(參看以下金融資產減值虧損會計政策)。

於二零一零年一月一日或之後分類及計量

根據金融資產的分類，所有已確認之金融資產隨後以其整體按攤銷成本或公平值計量。

按攤銷成本計量之金融資產

符合下列條件之債務工具其後按攤銷成本減減值損失(除了初步確認時指定以公平值計入損益的債務投資)：

- 於一個商業模式內持有資產，而其持有資產的目的是為了收取合約現金流量；及
- 工具合同條款引致於指定日期之現金流量僅為支付本金和未償還之本金利息。

所有其他金融資產隨後按公平值計量。

按實際利率法(見上列)確認隨後按攤銷成本計量之債務工具之收入，利息收入確認為損益並列入「投資收入」的項目。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Classification and measurement on and after 1st January 2010 (continued)

Financial assets at fair value through profit or loss (“FVTPL”)

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (“FVTOCI”) on initial recognition. The Group has not designated investments in unlisted equity securities as at FVTOCI on initial application of HKFRS 9 (see note 24).

Debt instruments that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL on initial application of HKFRS 9.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the “investment income” line item in the consolidated statement of comprehensive income. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on these financial assets.

3. 重大會計政策(續)

金融工具(續)

於二零一零年一月一日或之後分類及計量(續)

按公平值計入損益(「按公平值計入損益」)之金融資產

權益工具投資被分類為按公平值計入損益，除非本集團指定的非持作賣買投資於初步確認按公平值計入其他全面收入(「按公平值計入其他全面收入」)。於首次應用香港財務報告準則第9號(見註24)，本集團並無指定非上市股本證券投資按公平值計入其他全面收入。

債務工具不符合成本攤銷標準(見上文)乃按公平值計入損益。此外，債務工具符合成本攤銷標準，但被指定為公平值計入損益乃按公平值計入損益計量。債務工具於初步確認可以指定為按公平值計入損益，如果該指定可以消除或顯著減少計量或確認不一致而產生按不同的基礎計量資產或負債或確認其收益和損失。當初步應用香港財務報告準則第9號時，本集團並無任何指定債務工具按公平值計入損益。

當商業模式的改變使攤銷成本的標準不再符合時，債務工具由按攤銷成本重新分類為按公平值計入損益。初步確認被指定為按公平值計入損益之債務工具是不允許重新分類。

於每個報告期末按公平值計入損益之金融資產按公平值計量，與重新計量所產生任何收益或虧損確認入損益。確認入損益中之淨收益或虧損包括在綜合全面收入報表中的「投資收入」項目。確認入損益中之淨收益或虧損不包括從其金融資產取之任何股息或利息。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Impairment of financial assets

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

Prior to 1st January 2010, a significant or prolonged decline in the fair value of an available-for-sale equity investment below its cost is considered to be an objective evidence of impairment. Impairment losses for available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment reserve.

For financial assets carried at amortised cost, objective evidence of impairment could include:

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. 重大會計政策 (續)

金融工具 (續)

金融資產減值

金融資產(按公平值計入損益之金融資產除外)會於報告期間結算日評定是否有減值跡象。金融資產於有客觀證據顯示其估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時作出減值。

二零一零年一月一日之前，可供出售股權投資公平值之重大或持續下跌低於其成本被視為是一個客觀減值證據，於隨後時期可供出售股權投資之減值損失將不會轉回計入損益，減值虧損後之任何公平值增加將直接確認於其他全面收入及累計投資儲備。

就按攤銷成本計量之金融資產而言，減值之客觀證據可包括：

- 發行人或對手的重大財務困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；或
- 因金融困難而失去就有關金融資產活躍市場。

就若干類別之金融資產(如應收賬款)而言，被評估不會個別減值之資產，將會其後彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合中已超出平均信貸期30日之內之延遲繳款次數增加，以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Impairment of financial assets (continued)

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

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

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

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

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

金融資產賬面值之減值會直接按減值虧損扣減，惟應收賬款除外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回已撇銷的款項，均計入損益內。

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

金融負債及股本

本集團旗下實體發行之金融負債及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

股本工具為體現本集團資產經扣除所有負債後餘下權益之任何合約。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Liabilities and Equity (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including bank borrowings, trade and other payables, concessionaire sales payable and amount due to a non-controlling shareholder of a subsidiary are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derecognition

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

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

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

3. 重大會計政策(續)

金融工具(續)

金融負債及股本(續)

實際利率法

實際利率法是一種計算相關期間內金融負債之攤銷成本以及分配利息收入之方法。實際利率是一種在金融負債之預期年期或(如適用)更短期間內能夠精確貼現預計未來現金付款(包括所有已支付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用)貼現至於初步確認時之賬面淨值之利率。

利息開支按實際利率法確認。

金融負債

金融負債包括銀行借貸、應付賬款及其他應付款項、應付特許專櫃銷售款項及應付一家附屬公司一名非控股股東之款項，其後採用實際利率法按已攤銷成本計量。

股本工具

本公司發行之股本工具按所收取款項扣除直接發行成本後入賬。購回本公司本身之股本工具乃直接於權益確認及扣除。購買、出售、發行或註銷本公司本身之股本工具時不會於損益確認收益或虧損。

剔除確認

金融資產於自資產收取現金流量之權利屆滿或金融資產已轉讓且本集團轉讓金融資產所有權之絕大部分風險及回報時剔除確認。

於剔除確認整體金融資產時，資產賬面值與已收及應收代價及已於其他全面收入確認之累計收益或虧損之總和間之差額於損益確認。

金融負債於有關合約所指定責任遭免除、註銷或屆滿時剔除確認。剔除確認之金融負債賬面值與已付或應付代價間之差額於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Share-based payment transactions

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

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

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are not exercised at the expiry date, the amount previously recognised in share based payment reserve will be transferred to retained profits.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Other government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

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

3. 重大會計政策(續)

股份付款交易

於股本結算股份付款交易所收取之僱員服務之公平值乃參考於授出日期購股權之公平值而釐定。僱員服務之公平值於歸屬期以直線法支銷，並於權益(股份付款儲備)作相應增加。

於報告期間結算日，本集團修訂其估計預期最終歸屬之購股權數目。修訂估計之影響(如有)於歸屬期間於損益確認，並於股份付款儲備作出相應調整。

於購股權獲行使時，先前於股份付款儲備確認之金額將轉撥至股份溢價。倘購股權於到期日尚未行使，則先前於股份付款儲備確認之金額將轉撥至保留溢利。

政府補助

政府補助於本集團確認該等補助擬補償之有關成本為開支之期間內按有系統基準於損益確認。其他應收政府補助作為補償已產生有關成本或虧損，或作為向本集團提供即時財務援助(並無日後相關成本)之政府補助金，乃於其成為可收取之期間於損益確認。

退休福利成本

定額供款退休福利計劃供款，在僱員提供服務而有權獲得供款時列作支出。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are estimates that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Income taxes

At 31st December 2010, no deferred tax asset has been recognised on the tax loss of approximately HK\$491.6 million (2009: HK\$388.4 million) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the estimated future assessable profits or taxable temporary difference are more than previously estimated, a material recognition of deferred tax assets may arise, which would be recognised in the consolidated statement of comprehensive income for the period in which the revised estimate takes place.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 33, net of cash and cash equivalents, pledged bank deposits and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

4. 主要不確定估計來源

應用於附註3所述之本集團會計政策時，本公司董事須就未能於其他來源獲取之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及其他被認為屬有關之因素為依據。實際結果或會與該等估計有所出入。

估計及相關假設均會按持續審閱。倘會計估計之修訂僅影響作出估計修訂之期間，則會於該期間確認會計估計之修訂，或倘修訂影響當前及未來期間，則於有關修訂及未來期間確認。以下為董事於應用實體之會計政策時所作出之重大判斷，其對於綜合財務報表確認之金額造成最重大影響。

所得稅

於二零一零年十二月三十一日，由於未能預測日後之溢利來源，故並無就稅項虧損約491,600,000港元(二零零九年：388,400,000港元)確認遞延稅項資產。遞延稅項資產之可變現情況主要取決於日後是否有充裕應課稅溢利或應課稅暫時差額。倘日後應課稅溢利或應課稅暫時差額較先前預期少，或會產生重大遞延稅項資產確認，而有關確認將於修訂估計之期間內在綜合全面收益表確認。

5. 資本風險管理

本集團管理其資本，以確保本集團之實體能繼續持續經營，同時透過優化債務及股本結餘，為股東提供最佳回報。本集團之整體策略與去年相同。

本集團之資本架構包括債務(包括附註33披露之借貸)、扣除現金及現金等價物、已抵押銀行存款以及本公司擁有人應佔權益(包括已發行股本、儲備及保留盈利)。

5. CAPITAL RISK MANAGEMENT (continued)

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The gearing ratio at the year end was as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Debt (i)	債務 (i)	(3,398,200)	(3,186,720)
Pledged bank deposits	已抵押銀行存款	—	120,203
Cash and cash equivalents	現金及現金等價物	3,760,829	2,769,490
Net asset (debt)	淨資產(債務)	362,629	(297,027)
Equity (ii)	權益 (ii)	7,227,650	6,121,469
Net debt to equity ratio	淨債務與權益比率	N/A	4.85%

(i) Debt is defined as long- and short-term borrowings as detailed in note 33.

(ii) Equity includes all capital and reserves of the Group attributable to owners of the Company.

5. 資本風險管理(續)

本公司董事定期檢討資本架構。作為該檢討之一部分，董事會考慮資本成本與各類資本相關之風險。根據董事之建議，本集團將透過派付股息、發行新股及股份購回以及發行新債或贖回現有債項以平衡其整體資本架構。

於年結日之資產與負債比率如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
(i)	債務之定義為長期及短期借貸，詳情載於附註33。		
(ii)	權益包括本公司擁有人應佔本集團所有股本及儲備。		

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss ("FVTPL") (note 24)	按公平值計入損益之金融資產(附註24)	786,370	341,457
Available-for-sale financial assets	可供出售資產	—	9,688
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產(包括現金及現金等價物)	3,914,932	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	—	3,225,929
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債	5,261,890	5,218,162

6. 金融工具

金融工具類別

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
(i)	債務之定義為長期及短期借貸，詳情載於附註33。		
(ii)	權益包括本公司擁有人應佔本集團所有股本及儲備。		

6. FINANCIAL INSTRUMENTS (continued)

The table below illustrates the classification and measurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1st January 2010.

6. 金融工具 (續)

下表說明了金融資產在二零一零年一月一日當日首次應用香港財務報告準則第9號及香港會計準則第39號的分類和計量。

	Original measurement category under HKAS 39 根據香港會計準則39號之原本計量類別	New measurement category under HKFRS 9 根據香港財務報告準則第9號之新計量類別	Original carrying amount under HKAS 39 根據香港會計準則39號之原本賬面值 HK\$'000 千港元	New carrying amount under HKFRS 9 根據香港財務報告準則第9號之新賬面值 HK\$'000 千港元
Investments in unlisted equity instruments 非上市權益工具投資	Available-for-sale investments 可供出售投資	Financial assets at FVTPL 按公平值計入損益之金融資產	9,688	9,688
Trade and other receivables 應收賬款及其他應收款項	Loans and receivables 應收貸款	Financial assets at amortised cost 按攤銷成本計量之金融資產	131,169	131,169
Amount due from a jointly controlled entity 應收一家共同控制實體款項	Loans and receivables 應收貸款	Financial assets at amortised cost 按攤銷成本計量之金融資產	47,484	47,484
Held for trading investments 持作買賣投資	Financial assets at FVTPL 按公平值計入損益之金融資產	Financial assets at FVTPL 按公平值計入損益之金融資產	341,457	341,457
Loans receivable 應收貸款	Loans and receivables 應收貸款	Financial assets at amortised cost 按攤銷成本計量之金融資產	157,583	157,583
Pledged bank deposits 已抵押銀行存款	Loans and receivables 應收貸款	Financial assets at amortised cost 按攤銷成本計量之金融資產	120,203	120,203
Bank balances and cash 銀行結存及現金	Loans and receivables 應收貸款	Financial assets at amortised cost 按攤銷成本計量之金融資產	2,769,490	2,769,490

There were no financial assets that the Group previously had designated as at FVTPL under HKAS 39 that were subject to reclassification upon the application of HKFRS 9.

本集團之前沒有金融資產在根據香港會計準則第39號指定為按公平值計入損益而須在應用香港財務報告準則第9號時作重新分類。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, pledged bank deposits, financial assets at fair value through profit or loss, available-for-sale investments, loans receivable, trade and other receivables, trade and other payables, amount due from (to) a jointly controlled entity, concessionaire sales payable, bank borrowings and amount due to a non-controlling shareholder of subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The functional currency of the Company and its major subsidiaries in Hong Kong is HK\$ in which most of the transactions are denominated. The functional currency of those subsidiaries operating in PRC is RMB in which most of its transactions are denominated. Certain bank balances and bank borrowings of the Group are denominated in United States Dollar ("USD") amounting to approximately HK\$543,785,000 (2009: HK\$818,845,000) and HK\$155,400,000 (2009: nil) respectively. In addition, certain financial assets at fair value through profit or loss and available-for-sales financial assets are denominated in USD amounting to approximately HK\$684,639,000 (2009: HK\$272,647,000) and nil (HK\$9,688,000) respectively. The Group currently does not have a foreign currency hedging policy as HK\$ is effectively pegged to USD. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

6. 金融工具(續)

財務風險管理目的及政策

本集團之主要金融工具包括銀行結存及現金、已抵押銀行存款、按公平值計入損益之金融資產、可供出售投資、應收貸款、應收賬款及其他應收款項、應付賬款及其他應付款項、應收(應付)一家共同控制實體款項、應付特許專櫃銷售款項、銀行借貸及應付附屬公司一名非控股股東之款項。這些金融工具資料在各自附註披露。與此等金融工具相關之風險及減低有關風險之政策載於下文。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

外匯風險

本公司及其香港主要附屬公司之功能貨幣為港元，當中大部分交易以港元結算。於中國經營之附屬公司之功能貨幣為人民幣，當中大部分交易以人民幣結算。本集團若干分別為數約543,785,000港元(二零零九年：818,845,000港元)之銀行結存及155,400,000港元(二零零九年：無)之銀行借貸均以美元結算。此外，若干分別為數約684,639,000港元(二零零九年：272,647,000港元)之按公平值計入損益之金融資產及無(二零零九年：9,688,000港元)之可供出售金融資產亦以美元結算。由於港元與美元是掛鈎貨幣，本集團現時並無外幣對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外幣風險。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Currency risk (continued)

The following table details the Group's sensitivity to a reasonably possible change of 0.5% (2009: 0.5%) in exchange rate of USD against HK\$ while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 0.5% (2009: 0.5%) change in foreign currency rates.

		Year ended 31st December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Increase (decrease) in profit for the year	年內溢利增加(減少)		
— if HK\$ weakens against USD	— 倘若港元兌美元貶值	5,365	5,457
— if HK\$ strengthens against USD	— 倘若港元兌美元升值	(5,365)	(5,457)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

As at 31st December 2010 and 2009, the cash flow interest rate risk relates primarily to the Group's floating-rate bank deposits and bank borrowings. The fair value interest rate risk relates primarily to fixed-rate bank deposits as at 31st December 2010, whereas, as at 31st December 2009, it related primarily to fixed-rate bank deposits and loans receivable. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term.

6. 金融工具(續)

財務風險管理目的及政策(續)

外匯風險(續)

下表詳列本集團於美元兌港元之匯率可能出現0.5%(二零零九年:0.5%)合理變動,而所有其他變數維持不變時之敏感度。敏感度分析僅包括未兌換外幣結算貨幣項目,並於報告期間結算日按0.5%(二零零九年:0.5%)外匯率變動調整換算。

管理層認為,由於年結日之風險並無反映年內風險,故敏感度分析並不代表固有外匯風險。

利率風險

於二零一零年及二零零九年十二月三十一日,現金流量利率風險主要與本集團之浮息銀行存款及銀行借貸有關。然而,於二零零九年十二月三十一日,其主要與本集團之浮息銀行存款及應收貸款有關。本集團與指數掛鈎票據之利率與固定期限交換利率掛鈎。於二零一零年十二月三十一日,公平值利率風險主要與定息銀行定期存款有關,而於二零零九年十二月三十一日,則與定息銀行定期存款及應收貸款有關。本集團現時並無任何利率對沖政策。然而,管理層會監控利率風險,並於需要時考慮對沖重大利率風險。由於定期存款屬短期性質,故銀行存款之公平值利率風險並不重大。

6. FINANCIAL INSTRUMENTS (continued)
Financial risk management objectives and policies
 (continued)

Interest rate risk (continued)

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for bank borrowings and bank deposits at the end of the reporting period and the reasonably possible change taking place at the beginning of each year and held constant through the year. Except that 0.1 basis points (2009: 0.1 basis points) decrease is used for bank balances after considering the impact of minimum prevailing market rate of 0.001% p.a., a 100 basis points (2009: 100 basis points) increase or decrease is used for other variable rate balances, which represents management's assessment of the reasonably possible change in interest rates. The Group's sensitivity to interest rate risk at the end of the reporting period while all other variables were held constant is as follows:

		Year ended 31st December	
		截至十二月三十一日止年度	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Increase (decrease) in profit for the year	年內溢利增加(減少)		
— as a result of increase in interest rate	— 由於利率上升	3,626	(1,874)
— as a result of decrease in interest rate	— 由於利率下降	33,944	1,121

The sensitivity to profit for the year has been increased during the current year due to a higher bank balances against the bank borrowings.

6. 金融工具 (續)
財務風險管理目的及政策 (續)

利率風險 (續)

本集團對現金流利率風險之敏感度，乃根據於報告期間結算日銀行借貸及銀行存款之利率風險，以及於每年年初合理地可能出現之變動而於全年維持不變釐定。除了考慮到當時的市場最低利率0.001%年利率，於銀行結餘使用減少0.1個基點(二零零九年：0.1個基點)；於其他浮動利率結存，使用增加或減少100個基點(二零零九年：100個基點)，其代表管理層對合理地可能之利率變動的評估。當所有其他變數維持不變，本集團於報告期間結算日對利率風險敏感度如下：

由於銀行結餘高於銀行借貸，導致本年度利潤的敏感度增加。

6. FINANCIAL INSTRUMENTS (continued) Financial risk management objectives and policies (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st December 2010 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has formulated a defined fixed 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. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Retail sales are mainly on cash basis, either in cash, debit and or credit card payments. The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

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

6. 金融工具(續) 財務風險管理目的及政策(續)

信貸風險

於二零一零年十二月三十一日，本集團就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，指綜合財務狀況表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層已制定明確之既定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於報告期間結算日定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。由於信貸風險分散於多名對手方及客戶，故本集團就應收賬款及其他應收款項並無重大信貸風險集中情況。

由於對手方均為獲國際信貸評級機構高信貸評級之銀行及政府機構，故流動資金之信貸風險有限。

6. FINANCIAL INSTRUMENTS (continued)
Financial risk management objectives and policies
(continued)

Price risk

The Group's financial assets at fair value through profit or loss and available-for-sale investments are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. Details of the financial assets at fair value through profit or loss and available-for-sale investments are set out in notes 24 and 23 respectively.

The Group's sensitivity to price risk on the financial assets at fair value through profit or loss and available-for-sale investments at the end of the reporting period while all other variables were held constant is as follows:

		HK\$'000 千港元
2010	二零一零年	
Reasonably possible change in price	價格之可能合理變動	1%
Increase (decrease) in profit for the year	年內溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	7,864
— as a result of decrease in price	— 由於價格減少	(7,864)
2009	二零零九年	
Reasonably possible change in price	價格之可能合理變動	1%
Increase (decrease) in profit	年內溢利增加(減少)	
— as a result of increase in price	— 由於價格增加	3,511
— as a result of decrease in price	— 由於價格減少	(3,511)

Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December 2010, the Group has available unutilised borrowing facilities of approximately HK\$62 million (2009: HK\$798 million). Details of which are set out in note 33.

6. 金融工具 (續)
財務風險管理目的及政策 (續)

價格風險

本集團按公平值計入損益之金融資產及可供出售投資乃按報告期間結算日之公平值計量。因此，本集團面對股本證券價格風險。管理層透過維持具不同風險之投資組合以管理是項風險。按公平值計入損益之金融資產及可供出售投資之詳情分別載於附註24及23。

在其他變數維持不變下，本集團於報告期間結算日對按公平值計入損益之金融資產及可供出售投資之價格風險敏感度如下：

流動資金風險

於管理流動資金風險時，本集團監察及維持管理層視為足以應付本集團業務所需資金水平之現金及現金等價物，並減低現金流量波動影響。管理層監察銀行借貸之運用，確保遵守貸款契諾。

本集團依靠銀行借貸作為重要的流動資金來源。於二零一零年十二月三十一日，本集團之未提取銀行借貸融資額度為約62,000,000港元(二零零九年：798,000,000港元)，詳情載於附註33。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes estimated interest payment based on interest rate at the end of the reporting date and principal cash outflows.

Liquidity and interest risk tables

		Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
								31.12.2010
		加權平均實際利率 %	一個月內	一至三個月	三個月至一年	一年以上	總非貼現現金流量	於二零一零年十二月三十一日之賬面值
			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
2010	二零一零年							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付賬款及其他應付款項	—	968,798	623,349	74,622	—	1,666,769	1,666,769
Bank borrowings-variable rate	銀行借貸—浮動利率	2.24	23,672	155,591	2,843,882	490,019	3,513,164	3,398,200
Amount due to a jointly controlled entity	應付一家共同控制實體款項	—	29,934	—	—	—	29,934	29,934
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之貸款	—	—	—	—	166,987	166,987	166,987
			1,022,404	778,940	2,918,504	657,006	5,376,854	5,261,890

		Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
								31.12.2009
		加權平均實際利率 %	一個月內	一至三個月	三個月至一年	一年以上	總非貼現現金流量	於二零零九年十二月三十一日之賬面值
			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
2009	二零零九年							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付賬款及其他應付款項	—	812,610	55,607	1,159,780	—	2,027,997	2,027,997
Bank borrowings—variable rate	銀行借貸—浮動利率	2.83	3,715	11,145	1,073,014	2,224,985	3,312,859	3,186,720
Amount due to a non-controlling shareholder of subsidiaries	應付附屬公司一名非控股股東之貸款	—	—	—	—	3,445	3,445	3,445
			816,325	66,752	2,232,794	2,228,430	5,344,301	5,218,162

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

6. 金融工具(續)

財務風險管理目的及政策(續)

流動資金風險(續)

下表詳列本集團非衍生金融負債餘下合約到期日。下表乃按照本集團可能被要求還款之最早日期，以金融負債之非貼現現金流量顯示。下表已載列按於報告期間結算日之利率及主要現金流出計算之估計利息付款額。

流動資金及利息風險表

上文就非衍生金融負債之浮動利率工具包括之金額，會因浮動利率變動有別於報告期間結算日所釐定估計而有變。

6. FINANCIAL INSTRUMENTS (continued)

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices.
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

6. 金融工具 (續)

公平值

金融資產及金融負債之公平值釐定如下：

- 附帶標準條款及條件並於高度流通市場買賣之金融資產之公平值乃參考所報市場買入價釐定。
- 其他金融資產及金融負債之公平值乃按公認訂價模式，採用貼現之現金流量分析釐定。

董事認為，按攤銷成本於綜合財務報表入賬之金融資產及金融負債賬面值與其公平值相若。

於綜合財務狀況表確認之公平值計量

下表提供初步以公平值確認後計量之金融工具分析，其按可觀察公平值程度分為一至三級。

- 第一級公平值計量乃自己識別資產或負債於活躍市場中所報之未調整價格所得出。
- 第二級公平值計量乃除第一級計入之報價外，自資產或負債可直接（即價格）或間接（自價格衍生）觀察輸入數據得出。

6. FINANCIAL INSTRUMENTS (continued)
Fair value measurements recognised in the consolidated statement of financial position (continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. 金融工具(續)
於綜合財務狀況表確認之公平值計量(續)

- 第三級公平值計量乃計入並非根據可觀察市場數據(無法觀察輸入數據)之資產或負債之估值方法得出。

		31st December 2010 二零一零年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之 金融資產：				
Held for trading investments	持作買賣投資				
— Listed equity securities	— 上市股本證券	101,731	—	—	101,731
— Unlisted debt securities	— 非上市債券	671,041	—	—	671,041
Others	其他				
— Unlisted equity securities	— 非上市股本證券	13,598	—	—	13,598
Total	總計	786,370	—	—	786,370

		31st December 2009 二零零九年十二月三十一日			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL:	按公平值計入損益之 金融資產：				
Held for trading investments	持作買賣投資				
— Listed equity securities	— 上市股本證券	78,498	—	—	78,498
— Unlisted debt securities	— 非上市債券	262,959	—	—	262,959
Available-for-sale financial assets:	可供出售金融資產：				
— Unlisted equity securities	— 非上市股本證券	9,688	—	—	9,688
Total	總計	351,145	—	—	351,145

7. TURNOVER

Turnover represents the amount received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the year, and is analysed as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of goods — direct sales	貨品銷售—直接銷售	2,491,562	2,200,038
Income from concessionaire sales	特許專櫃銷售收入	1,657,353	1,416,272
Service income	服務收入	90,360	78,863
Rental income	租金收入	78,190	61,035
		4,317,465	3,756,208
The cost of sales are analysed as follows: 銷售成本分析如下：			
Cost of goods sold	貨品銷售成本	1,772,081	1,572,510
Other cost of sales	其他銷售成本	64,141	52,721
		1,836,222	1,625,231

8. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focusing on goods sold, services provided and rental operation in distinct geographical locations.

The Group has two operating segments geographically, Hong Kong and People's Republic of China ("PRC") which are managed separately. The Group determines its operating segments based on the internal reports reviewed by the Board of Directors of the Company that are used to allocate resources and assess performance.

The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

7. 營業額

營業額指本集團本年度就向外界客戶售出貨品之已收及應收款項減折扣及銷售相關稅項、特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

8. 分部資料

匯報資料給作為主要營運決策的公司董事會之目的主要是按位處不同地區的銷售、服務及租賃業務作資源分配及分部表現的評估。

本集團有兩個分開管理之地區經營分部，即香港及中華人民共和國（「中國」）。本集團按集團董事總經理審閱並據此作出決策之內部報告釐定其經營分部。

於今年及去年，本集團並無客戶貢獻超過本集團之總收益 10%。

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

8. SEGMENT INFORMATION (continued)**Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable segment.

8. 分部資料(續)**分部收益及業績**

本集團按可報告分部劃分之收益及業績分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31st December 2010	截至二零一零年 十二月三十一日止年度			
Revenue	收益			
External sales	對外銷售	3,451,605	865,860	4,317,465
Result	業績			
Segment result	分部業績	1,386,817	185,554	1,572,371
Fair value changes on investment properties	投資物業公平值變動			63,154
Discount arising on acquisition of additional interest in an associate	收購一家聯營公司額外權益產生之折讓			114,556
Investment income	投資收入			58,079
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利			24,252
Share of profits of associates	應佔聯營公司溢利			99,632
Finance costs	融資成本			(35,788)
Profit before taxation	除稅前溢利			1,896,256

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
For the year ended 31st December 2009	截至二零零九年 十二月三十一日止年度			
Revenue	收益			
External sales	對外銷售	3,059,433	696,775	3,756,208
Result	業績			
Segment result	分部業績	1,116,497	137,319	1,253,816
Fair value changes on investment properties	投資物業公平值變動			178,756
Reversal of impairment loss on loan receivable	應收貸款減值虧損撥回			18,180
Investment income	投資收入			48,355
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利			12,341
Share of profits of associates	應佔聯營公司溢利			25,360
Finance costs	融資成本			(38,366)
Profit before taxation	除稅前溢利			1,498,442

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without share of profits of associates and jointly controlled entity, discount arising on acquisition of additional interest in an associate, reversal of impairment loss on loan receivable, fair value changes on investment properties, investment income and finance costs. This is the measure reported to the Board of Directors of the Company for the purposes of resources allocation and performance assessment.

可報告分部之會計政策與本集團於附註3所述會計政策相同。分部溢利指各分部賺取之溢利，惟未計及應佔聯營公司及共同控制實體溢利、收購一家聯營公司額外權益產生之折讓、應收貸款減值虧損撥回、投資物業公平值變動、投資收入及融資成本。此乃向本公司董事局就資源分配及表現評估作出報告之計量方式。

8. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31st December 2010	於二零一零年 十二月三十一日			
Assets	資產			
Segment assets	分部資產	4,348,087	6,909,005	11,257,092
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產			786,370
Interest in a jointly controlled entity	於一家共同控制實體權益			467,929
Interests in associates	於聯營公司權益			1,348,828
Unallocated assets	未分配資產			12,737
Consolidated total assets	綜合資產總值			13,872,956
Liabilities	負債			
Segment liabilities	分部負債	962,850	1,046,613	2,009,463
Amount due to a jointly controlled entity	應付一家共同控制實體款項			29,934
Bank borrowings	銀行借貸			3,398,200
Unallocated liabilities	未分配負債			532,305
Consolidated total liabilities	綜合負債總額			5,969,902

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括之數額：			
Addition to non-current assets	非流動資產添置	1,310	214,990	216,300
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	79,540	129,528	209,068
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(103)	548	445
(Reversal of) impairment for trade and other receivables	應收賬款及其他應收款項之(撥回)減值	(112)	41	(71)
Provision for write-down of obsolete inventories	滯銷存貨撇減撥備	638	374	1,012
Release of prepaid lease payment	預付租賃款項轉出	—	10,357	10,357
Share-based payment	股份付款	15,365	—	15,365

Note: Non-current assets excluded financial instruments and deferred tax assets.

8. 分部資料(續)

分部資產及負債

本集團按可報告分部劃分之資產及負債分析如下：

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31st December 2010	於二零一零年 十二月三十一日			
Assets	資產			
Segment assets	分部資產	4,348,087	6,909,005	11,257,092
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產			786,370
Interest in a jointly controlled entity	於一家共同控制實體權益			467,929
Interests in associates	於聯營公司權益			1,348,828
Unallocated assets	未分配資產			12,737
Consolidated total assets	綜合資產總值			13,872,956
Liabilities	負債			
Segment liabilities	分部負債	962,850	1,046,613	2,009,463
Amount due to a jointly controlled entity	應付一家共同控制實體款項			29,934
Bank borrowings	銀行借貸			3,398,200
Unallocated liabilities	未分配負債			532,305
Consolidated total liabilities	綜合負債總額			5,969,902

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括之數額：			
Addition to non-current assets	非流動資產添置	1,310	214,990	216,300
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	79,540	129,528	209,068
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(103)	548	445
(Reversal of) impairment for trade and other receivables	應收賬款及其他應收款項之(撥回)減值	(112)	41	(71)
Provision for write-down of obsolete inventories	滯銷存貨撇減撥備	638	374	1,012
Release of prepaid lease payment	預付租賃款項轉出	—	10,357	10,357
Share-based payment	股份付款	15,365	—	15,365

附註：非流動資產不包括金融工具及遞延稅項資產。

8. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

8. 分部資料(續)

分部資產及負債(續)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
As at 31st December 2009	於二零零九年 十二月三十一日			
Assets	資產			
Segment assets	分部資產	3,946,293	6,565,400	10,511,693
Available-for-sale investments	可供出售投資			9,688
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產			341,457
Interest in a jointly controlled entity	於一家共同控制實體 權益			502,298
Interests in associates	於聯營公司權益			720,442
Amount due from a jointly controlled entity	應收一家共同控制實體 款項			47,484
Loans receivable	應收貸款			157,583
Unallocated assets	未分配資產			10,757
Consolidated total assets	綜合資產總值			12,301,402
Liabilities	負債			
Segment liabilities	分部負債	893,542	1,251,621	2,145,163
Bank borrowings	銀行借貸			3,186,720
Unallocated liabilities	未分配負債			286,512
Consolidated total liabilities	綜合負債總額			5,618,395
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Other segment information	其他分部資料			
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產 包括之數額：			
Addition to non-current assets	非流動資產添置	40,528	732,010	772,538
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	93,101	107,570	200,671
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 之虧損	66	18	84
Impairment for trade and other receivables	應收賬款及應收款項減值	1,800	—	1,800
(Reversal of) provision for write-down of obsolete inventories	滯銷存貨撇減(撥回)撥備	(208)	401	193
Waiver of non-current other payables	豁免非流動其他應付款	60,000	—	60,000
Release of prepaid lease payment	預付租賃款項轉出	—	19,854	19,854
Share-based payment	股份付款	48,170	—	48,170

Note: Non-current assets excluded financial instruments and deferred tax assets.

附註：非流動資產不包括金融工具及遞延稅項資產。

8. SEGMENT INFORMATION (continued)

Geographical information

Analyses of the Group's non-current assets by geographical location of the assets are detailed below:

	2010 二零一零年		2009 二零零九年	
	Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元
Non-current assets 非流動資產	1,910,910	4,863,837	1,977,722	4,983,737

Note: Non-current assets excluded financial instruments and deferred tax assets.

8. 分部資料(續)

地區資料

按資產所在地區劃分之本集團非流動資產分析如下：

附註：非流動資產不包括金融工具及遞延稅項資產。

9. OTHER INCOME

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Management fee income 管理費收入		59,730	51,031
Project income 項目收入		7,769	8,716
Waiver of non-current other payable (note) 豁免其他非流動應付款項 (附註)		—	60,000
Government subsidy 政府補助		23,805	17,055
Others 其他		81,310	67,137
		172,614	203,939

Note: In October 2007, the Group acquired the 60% of the issued share capital of Ample Sun Group Limited which holds 99% equity interest in Future Mall. This non-current other payable represents part of the purchase consideration being withheld in respect of the acquisition which the vendor guaranteed that the amount of investment income (representing any attributable net profit after tax but before depreciation and amortisation from Future Mall during the period between the completion date of this acquisition and 30th April 2011) for the Group from this acquisition will not be less than RMB100,000,000 (equivalent to approximately HK\$113,700,000) ("Investment Income Guarantee").

9. 其他收入

附註：二零零七年十月，本集團收購了持有先天下廣場百分之九十九股權之Ample Sun Group Limited的百分之六十已發行股本。這非流動其他應付款代表收購須預扣之部份購買代價，作為賣方向本集團從該收購所得投資收益金額(即任何應佔稅後淨利潤，但不計及先天下廣場從收購完成日至二零一一年四月三十日期間產生折舊及攤銷)將不低於人民幣100,000,000元(約相當於113,700,000港元)(「投資收入擔保」)。

9. OTHER INCOME (continued)

Note: (continued)

During 2008, the Group entered into an equity interests swap agreement with an independent third party to dispose of its 51% equity interest in Future Mall. Following the equity interests swap, Future Mall has become an associate of the Group and its operation has changed from property holding for rental income to operation of a department store since 1st January 2009. Against this background and the changes, the Group and the vendor agreed that it is no longer possible to ascertain whether the Investment Income Guarantee would be met and in December 2009, the Group and the vendor entered into a settlement agreement whereby, the vendor agreed that the Group is not required to repay the withheld amount and the Group will not ask for additional investment return from the Vendor other than the amount settled. Accordingly, the HK\$60,000,000 non-current other payable, which repayment was considered by the directors as probable at 31st December 2008, was recognised as other income during the year ended 31st December 2009.

9. 其他收入(續)

附註：(續)

二零零八年期間，本集團訂立一項股權置換協議，向一名獨立第三方出售先天下廣場百分之五十一股權。股權置換後，先天下廣場已成為本集團之聯營公司而其運作也自二零零九年一月一日起從持有物業以收取租金收入，轉為經營百貨店。在這種背景和轉變下，本集團及賣方同意，這是不可能再確定投資收入擔保，並在二零零九年十二月，本集團與賣方訂立和解協議，據此，賣方同意本集團無須償還其預扣的金額，而本集團並不會向賣方要求除已預扣金額外投資回報。因此，董事在二零零八年十二月三十一日時考慮其有可能償還非流動其他應付款60,000,000港元，在截至二零零九年十二月三十一日止年度確認為其他收入。

10. INVESTMENT INCOME**10. 投資收入**

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest income on bank deposits	銀行存款之利息收入	12,384	13,466
Interest income on loans receivable	應收貸款之利息收入	6,066	11,727
Other interest income	其他利息收入	—	8
Dividend income	股息收入		
Held for trading	持作買賣投資	23,183	1,551
Available-for-sale investments	可供出售投資	—	3,100
Realised gain (loss) on disposals of financial asset	出售金融資產之已變現收益(虧損)		
Held for trading investments	持作買賣投資	2,163	2,943
Financial assets designated at fair value through profit or loss	指定按公平值計入損益之金融資產	—	(4,622)
Impairment loss on available-for-sale investments	可供出售投資減值虧損	—	(18,487)
Change in fair value of financial assets	金融資產公平值變動		
Held for trading investments	持作買賣投資	14,283	31,892
Financial asset designated at fair value through profit or loss	指定按公平值計入損益之金融資產	—	4,064
Derivative instrument	衍生工具	—	2,713
		58,079	48,355

11. FINANCE COSTS

11. 融資成本

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank borrowings and overdrafts:	銀行借貸及透支：		
— wholly repayable within five years	— 須於五年內悉數償還	31,320	28,151
— wholly repayable after five years	— 須於五年後悉數償還	8,110	13,814
Others	其他	1,137	1,212
		40,567	43,177
Less: Amounts capitalised	減：資本化金額	(4,779)	(4,811)
		35,788	38,366

Borrowing costs capitalised during the year arose on HK dollar denominated borrowings at interest rates calculated by reference to the HIBOR, ranging from 0.36% to 0.75% (2009: 0.34% to 0.64%) per annum, on qualifying assets.

年內，已資本化之融資成本，乃源自合資格資產，參考香港銀行同業拆息介乎0.36厘至0.75厘（二零零九年：介乎0.34厘至0.64厘）所計算利息之港元借貸。

12. TAXATION

12. 稅項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The charge comprises:	支出包括下列項目：		
Hong Kong Profits Tax	香港利得稅	228,720	190,679
PRC Enterprise Income Tax	中國企業所得稅	69,030	55,254
Under(over)provision in prior years:	過往年度不足(超額)撥備：		
Hong Kong	香港	3,067	(93)
		300,817	245,840
Deferred tax charge (note 34)	遞延稅項支出(附註34)		
Current year	本年度	29,593	57,707
		330,410	303,547

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%計算。

12. TAXATION (continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January 2008 onwards.

The charge for the year can be reconciled to the profit before taxation per consolidated statement of comprehensive income as follows:

12. 稅項 (續)

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司自二零零八年一月一日起之稅率為25%。

本年度支出與綜合全面收益表所示除稅前溢利之對賬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	1,896,256	1,498,442
Tax at Hong Kong Profits Tax rates	按香港利得稅率計算之稅項	312,882	247,243
Tax effect of share of profit of a jointly controlled entity	應佔一家共同控制實體溢利之稅項影響	(4,002)	(2,036)
Tax effect of share of profits of associates	分佔聯營公司溢利之稅項影響	(16,439)	(4,184)
Tax effect on non-taxable income	毋須課稅收入之稅項影響	(26,729)	(6,465)
Tax effect on non-deductible expenses	不可扣稅開支之稅項影響	4,280	8,924
Tax effect on utilisation of tax losses not previously recognised	動用早前未確認稅項虧損之稅項影響	(867)	(3,892)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	17,901	16,627
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司不同稅率之稅項影響	19,535	30,924
Under(over)provision in prior years	過往年度不足(超額)撥備	3,067	(93)
Withholding tax	預扣稅	16,826	12,378
Others	其他	3,956	4,121
Tax charge for the year	本年度稅項支出	330,410	303,547

13. PROFIT FOR THE YEAR

13. 本年度溢利

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利已扣除下列項目：		
Directors' remuneration: (note 14)	董事酬金：(附註14)		
Fees	袍金	1,000	1,000
Other emoluments	其他薪酬	12,400	9,400
Share-based payment	股份付款	9,150	25,023
Retirement benefits scheme contributions	退休福利計劃供款	12	13
		22,562	35,436
Other staff costs	其他員工成本	284,403	262,507
Retirement benefits scheme contributions, net of forfeited contributions	退休福利計劃供款減沒收供款	14,213	8,873
Share-based payment	股份付款	6,215	23,147
Total staff costs	總員工成本	327,393	329,963
Auditors' remuneration	核數師酬金	3,672	3,746
Depreciation for property, plant and equipment	物業、廠房及設備之折舊	209,068	200,671
Release of prepaid lease payments	預付租賃款項轉出	10,357	19,854
Write-down of obsolete inventories	滯銷存貨撇減	1,012	193
Minimum lease payments paid under operating lease in respect of leasehold land and buildings to	就經營租約下租賃土地及樓宇向以下人士支付之最低租約款項		
— a jointly controlled entity	— 一家共同控制實體	173,346	142,695
— other parties	— 其他人士	71,585	63,785
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	445	84
Cost of inventories recognised as expense (Reversal of) impairment for trade and other receivables	確認為支出之存貨成本 應收賬款及其他應收款項之(撥回)減值	1,772,081 (71)	1,572,510 1,800
and crediting:	以及計入下列項目：		
Net exchange gain	匯兌收益淨額	2,209	1,536
Gross rental from investment properties (net of negligible outgoings)	投資物業租金總額 (扣除少量支銷)	1,424	—
Gross rental from sub-letting of commercial properties	商用物業分租租金總額	76,766	61,035
Less: Direct operating expenses in respect of sub-letting of commercial properties	減：分租商用物業的直接經營開支	(65,052)	(49,494)
Net rental income	租金收入淨額	13,138	11,541
Expense capitalised in construction in progress: Prepaid lease payments	於在建工程資本化支出： 預付租賃款項	8,544	—

13. PROFIT FOR THE YEAR (continued)

In 2008, the Group made an impairment loss on a secured loan receivable from EganaGoldpfeil (Holdings) Limited ("Egana") to its recoverable amount of HK\$20,000,000. On 2nd June 2009, the Group obtained the legal title of the pledged office premises from Egana. The pledged office premises had been assessed with the valuation of HK\$38,180,000 at that date. Accordingly, HK\$18,180,000 of impairment loss on loan receivable previously recognised was reversed and recognised as income in the consolidated statement of comprehensive income for the year ended 31st December 2009.

14. DIRECTORS' AND EMPLOYEES' REMUNERATION

The emoluments paid or payable to each of the 10 (2009: 10) directors were as follows:

2010

	Lau Luen Hung, Thomas 劉鑾鴻	Doo Wai Hoi, William 杜惠愷	Cheng Yu Tung 鄭裕彤	Cheng Kar Shun, Henry 鄭家純	Lau Luen Hung, Joseph 劉鑾雄	Lau Yuk Wai, Amy 劉玉慧	Lam Siu Lun, Simon 林兆麟	Cheung Yuet Man, Raymond 張悅文	Shek Lai Him, Abraham 石禮謙	Hui Chiu Chung, Stephen 許照中	Total 總計 2010 二零一零年
	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	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	100	100	100	100	100	100	100	100	100	100	1,000
Other emoluments 其他酬金											
Salaries and other benefits 薪金及其他福利	12,400*	—	—	—	—	—	—	—	—	—	12,400
Contributions to retirement benefits schemes 退休福利計劃供款	12	—	—	—	—	—	—	—	—	—	12
Share-based payment 股份付款	9,150	—	—	—	—	—	—	—	—	—	9,150
Total emoluments 酬金總額	21,662	100	100	100	100	100	100	100	100	100	22,562

2009

	Lau Luen Hung, Thomas 劉鑾鴻	Doo Wai Hoi, William 杜惠愷	Cheng Yu Tung 鄭裕彤	Cheng Kar Shun, Henry 鄭家純	Lau Luen Hung, Joseph 劉鑾雄	Lau Yuk Wai, Amy 劉玉慧	Lam Siu Lun, Simon 林兆麟	Cheung Yuet Man, Raymond 張悅文	Shek Lai Him, Abraham 石禮謙	Hui Chiu Chung, Stephen 許照中	Total 總計 2009 二零零九年
	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	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	100	100	100	100	100	100	100	100	100	100	1,000
Other emoluments 其他酬金											
Salaries and other benefits 薪金及其他福利	9,400*	—	—	—	—	—	—	—	—	—	9,400
Contributions to retirement benefits schemes 退休福利計劃供款	12	1	—	—	—	—	—	—	—	—	13
Share-based payment 股份付款	25,023	—	—	—	—	—	—	—	—	—	25,023
Total emoluments 酬金總額	34,535	101	100	100	100	100	100	100	100	100	35,436

13. 本年度溢利(續)

於二零零八年，本集團對應收聯洲國際(控股)有限公司(「聯洲國際」)之擔保貸款作出減值虧損至其可收回金額20,000,000港元。於二零零九年六月二日，本集團從聯洲國際取得所抵押物業之合法業權。所抵押辦公室物業已在該日進行評估，其評估值為38,180,000港元。據此，之前確認之18,180,000港元應收貸款減值虧損已撥回，及確認於截至二零零九年十二月三十一日年度止綜合全面收益表的收入中。

14. 董事及僱員酬金

向各10名(二零零九年：10名)董事已付或應付之酬金如下：

二零一零年

二零零九年

14. DIRECTORS' AND EMPLOYEES' REMUNERATION (continued)

* Mr. Lau Luen-hung, Thomas and Sogo Hong Kong Company Limited ("Sogo HK"), a wholly-owned subsidiary of the Company, has entered into an employment agreement dated 25th July 2003 (the "Employment Agreement") whereby, inter alia, Sogo HK has employed Mr. Lau as the General Manager commencing from 1st May 2003. Mr. Lau is entitled to a monthly salary of HK\$200,000 and, subject to the operating results of Sogo HK, to a discretionary bonus under the Employment Agreement.

No directors waived any emoluments in the year ended 31st December 2010 and 2009.

Of the five highest paid individuals of the Group for the year ended 31st December 2010, one of them (2009: one) was a director of the Company whose remuneration is disclosed above. The remaining four (2009: four) are employees of the Group, details of whose remuneration were as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Employees:	僱員：		
Salaries, allowances and other benefits	薪金、津貼及其他福利	7,482	6,442
Retirement benefits scheme contributions	退休福利計劃供款	48	48
Performance related incentive payments	與表現掛鈎獎金	4,480	3,720
Share-based payment	股份付款	2,011	4,052
		14,021	14,262

14. 董事及僱員酬金 (續)

* 劉鑾鴻先生與本公司全資附屬公司崇光(香港)百貨有限公司(「崇光香港」)訂有日期為二零零三年七月二十五日之僱傭協議(「僱傭協議」)，據此(其中包括)劉先生自二零零三年五月一日起獲崇光香港委任為總經理。根據僱傭協議，劉先生之月薪為200,000港元，並有權按崇光香港經營業績獲取酌情花紅。

截至二零一零年及二零零九年十二月三十一日止年度，概無董事放棄收取任何酬金。

截至二零一零年十二月三十一日止年度，本集團五名最高薪人士中，一名(二零零九年：一名)為本公司董事，彼之酬金於上文披露。另外四名(二零零九年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

14. DIRECTORS' AND EMPLOYEES' REMUNERATION (continued)

The emolument of the remaining four were within the following bands:

		2010 二零一零年 Number of individuals 人數	2009 二零零九年 Number of individuals 人數
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	—	—
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	—
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	—	2
Above HK\$3,500,000	3,500,000 港元以上	2	1

During the years ended 31st December 2010 and 2009, no remuneration was paid by the Group to the director or the four highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 董事及僱員酬金 (續)

其餘四名最高薪人士之薪酬介乎以下範圍：

截至二零一零年及二零零九年十二月三十一日止年度，本集團並無向董事或四名最高薪僱員支付酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償。

15. DIVIDENDS

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Dividend recognised as distributions during the year:	年內確認為分派之股息：		
Final dividend in cash paid for year ended 31st December 2009 — HK cents 17.0 per share (2009: HK cents 12.0 paid for year ended 31st December 2008)	截至二零零九年十二月三十一日止年度以現金派付之末期股息 — 每股 17.0 港仙 (二零零九年：派付截至二零零八年十二月三十一日止年度股息 12.0 港仙)	285,115	199,998
Interim dividend in cash paid for six months ended 30th June 2010 — HK cents 14.7 per share (2009: HK cents 11.0 paid for six months ended 30th June 2009)	截至二零一零年六月三十日止六個月以現金派付之中期股息 — 每股 14.7 港仙 (二零零九年：派付截至二零零九年六月三十日止六個月股息 11.0 港仙)	246,751	184,069
		531,866	384,067

Subsequent to the end of the reporting period, final dividend of HK cents 19.0 (2009: HK cents 17.0) per share has been proposed by the directors which is subject to approval by the shareholders in the forthcoming general meeting.

於報告期間結束後，董事建議派付末期股息每股 19.0 港仙(二零零九年：17.0 港仙)，須待股東於應屆股東週年大會批准。

16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

16. 每股盈利

本公司普通股股東應佔每股基本及攤薄盈利乃按下列數據計算得出：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司擁有人應佔本年度溢利	1,407,534	1,142,468
		2010 二零一零年 '000 千股	2009 二零零九年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	1,677,245	1,668,021
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可予發行之潛在攤薄普通股之影響	10,422	9,167
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	1,687,667	1,677,188

17. INVESTMENT PROPERTIES

17. 投資物業

		Completed investment properties	Investment properties under construction	Total
		已落成 投資物業 HK\$'000 千港元	在建中 投資物業 HK\$'000 千港元	總計 HK\$'000 千港元
FAIR VALUE	公平值			
At 1st January 2009	於二零零九年一月一日	363,940	—	363,940
Transfer from property, plant and equipment and prepaid lease payments	自物業、廠房及設備及預付租賃款項轉撥	405,953	—	405,953
Acquired on acquisition of subsidiaries (note 39)	收購附屬公司時購入(附註39)	—	420,280	420,280
Additions during the year	年內添置	3,374	—	3,374
Investment properties recovered from loans receivable (note 13)	自應收貸款收回之投資物業(附註13)	38,180	—	38,180
Increase in fair value recognised in the consolidated statement of comprehensive income	於綜合全面收益表確認之公平值增加	64,646	114,110	178,756
Exchange adjustments	匯兌調整	625	—	625
At 31st December 2009	於二零零九年十二月三十一日	876,718	534,390	1,411,108
Transfer from property, plant and equipment	自物業、廠房及設備轉撥	1,320	—	1,320
Additions during the year	年內添置	73,021	12,368	85,389
Increase in fair value recognised in the consolidated statement of comprehensive income	於綜合全面收益表確認之公平值增加	21,157	41,997	63,154
Disposals	出售	(4,889)	—	(4,889)
Exchange adjustments	匯兌調整	31,631	21,305	52,936
At 31st December 2010	於二零一零年十二月三十一日	998,958	610,060	1,609,018

In 2009, the Group transferred a leasehold land and building in the PRC to investment property. The fair value of this investment property is HK\$405,953,000 which have been arrived at based on a valuation carried out on the date of transfer by Shanghai BDGH Chartered Valuation Surveyors Co., Ltd. ("BDGH") (formerly known as Shanghai Gooray & Henry Property Valuation Chartered Surveyors Co., Ltd.), an independent qualified professional valuers not connected with the Group, BDGH is a member of the Royal Institution of Chartered Surveyors. The fair value is determined based on the Income Method by capitalising future rental income derived from the property interest at an appropriate market yield for the remaining term of the land use rights of the property. The valuation is made in accordance with the Practice Statements of the Royal Institution of Chartered Surveyors' Valuation Standards.

於2009年，本集團將位於中國之租賃土地及樓宇轉撥至投資物業。此項投資物業之公平值為405,953,000港元，乃基於與本集團並無關連之獨立合資格專業估值師上海八達國瑞房地產土地估價有限公司(「八達國瑞」)(前稱上海國瑞量行房地產估價事務所有限公司)於轉撥日期進行之估值釐定。八達國瑞為英國皇家特許測量師學會之成員。公平值乃根據收入法，將物業權益在物業土地使用權之剩餘年期按適當市場回報率計算之未來租金收入資本化而釐定。估值乃遵照英國皇家特許測量師學會《估值準則》之應用條文進行。

17. INVESTMENT PROPERTIES (continued)

The carrying amount of investment properties shown above comprises:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Land in Hong Kong held under medium lease	於香港根據中期租約持有之土地	52,480	49,550
Land in PRC held under medium lease	於中國根據中期租約持有之土地	1,556,538	1,361,558
		1,609,018	1,411,108

The fair value of the Group's investment properties in Hong Kong at 31st December 2010 and 2009 have been arrived at on the basis of a valuation carried out on that date by Knight Frank Petty Limited, an independent qualified professional valuers not connected with the Group. Knight Frank Petty Limited are members of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to relevant market prices for similar properties in the same locations and conditions.

Fair value of the Group's investment properties situated in the PRC as at 31st December 2010 and 2009 has been arrived at based on a valuation carried out on that date by BDGH. The fair value of completed investment properties are determined based on the Income Method by capitalising future rental income derived from the property interest at an appropriate market yield as at 31st December 2010 and 2009 for the remaining term of the land use rights of the property. While the fair value of investment properties under construction are determined based on residual approach by reference to comparable sales evidence as available on the market and deduct the expected construction cost estimated to complete. The valuation is made in accordance with the Practice Statements of the Royal Institution of Chartered Surveyors' Valuation Standards.

All of the Group's property interests held under operating leases in the PRC to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

17. 投資物業(續)

上述投資物業之賬面值包括：

本集團位於香港之投資物業於二零一零年十二月三十一日之公平值乃基於與本集團並無關連之獨立合資格專業估值師萊坊測計師行有限公司於該日進行之估值釐定。萊坊測計師行有限公司為香港測量師學會之成員，並具備適當資格及擁有在有關地點進行類似物業估值之近期經驗。估值乃參考在相同地點及狀況之類似物業之有關市價後釐定。

本集團位於中國之投資物業於二零一零年及二零零九年十二月三十一日之公平值乃根據八達國瑞於該日進行之估值釐定。公平值乃根據收入法，將物業權益在物業土地使用權之剩餘年期按於二零一零年及二零零九年十二月三十一日之適當市場回報率計算之未來租金收入資本化而釐定。而在建中投資物業公平值按餘值方法參考在市場上提供可比銷售數據，減去估計餘下所須建築成本後釐定。估值乃遵照英國皇家特許測量師學會《估值準則》之應用條文進行。

本集團在中國所有按經營租約持有、用作賺取租金或資本增值之物業權益，均按公平值模式計算，並分類及列賬為投資物業。

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000	Leasehold improvements 租賃物業 裝修 HK\$'000	Plant and machinery 廠房及機器 HK\$'000	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000	Motor vehicles 汽車 HK\$'000	Construction in progress 在建工程 HK\$'000	Total 總計 HK\$'000
COST	成本							
At 1st January 2009	於二零零九年一月一日	2,994,292	748,361	188,984	100,002	8,966	1,220,878	5,261,483
Exchange adjustment	匯兌調整	2,278	2,215	323	175	10	7,611	12,612
Transferred to investment property	轉撥至投資物業	(177,183)	—	—	—	—	—	(177,183)
Transferred to prepaid lease payments	轉撥至預付租賃款項	—	—	—	—	—	(194,494)	(194,494)
Acquired on acquisition of subsidiaries (note 39)	收購附屬公司時購入(附註39)	—	—	—	30	—	—	30
Acquired on acquisition of additional interest in a subsidiary	收購附屬公司額外權益時購入	53,275	—	—	—	—	—	53,275
Additions	添置	196,678	33,420	24,001	21,241	1,970	224,978	502,288
Disposals/written off	出售/撇銷	—	(214)	—	(264)	—	—	(478)
Reclassifications	重新分類	1,132,724	9,005	—	—	—	(1,141,729)	—
At 31st December 2009	於二零零九年十二月三十一日	4,202,064	792,787	213,308	121,184	10,946	117,244	5,457,533
Exchange adjustment	匯兌調整	48,968	11,452	3,149	1,840	197	2,261	67,867
Transferred to investment properties	轉撥至投資物業	—	—	—	—	—	(1,320)	(1,320)
Additions	添置	28,365	5,952	11,557	7,429	1,817	25,185	80,305
Disposals/written off	出售/撇銷	—	(232)	(1,101)	(124)	(669)	—	(2,126)
Reclassifications	重新分類	—	2,030	—	—	—	(2,030)	—
At 31st December 2010	於二零一零年十二月三十一日	4,279,397	811,989	226,913	130,329	12,291	141,340	5,602,259
DEPRECIATION	折舊							
At 1st January 2009	於二零零九年一月一日	748,812	436,658	121,751	61,226	2,400	—	1,370,847
Exchange adjustment	匯兌調整	188	921	96	88	3	—	1,296
Provided for the year	年內折舊	102,118	70,645	12,675	13,640	1,593	—	200,671
Eliminated on disposals/written off	出售/撇銷時對銷	—	(148)	—	(246)	—	—	(394)
Eliminated upon transfer to investment property	轉撥至投資物業時對銷	(9,901)	—	—	—	—	—	(9,901)
At 31st December 2009	於二零零九年十二月三十一日	841,217	508,076	134,522	74,708	3,996	—	1,562,519
Exchange adjustment	匯兌調整	6,230	7,689	1,339	1,133	341	—	16,732
Provided for the year	年內折舊	119,339	60,211	16,518	11,093	1,907	—	209,068
Eliminated on disposals/written off	出售/撇銷時對銷	—	(232)	(531)	(107)	(334)	—	(1,204)
At 31st December 2010	於二零一零年十二月三十一日	966,786	575,744	151,848	86,827	5,910	—	1,787,115
NET BOOK VALUES	賬面淨值							
At 31st December 2010	於二零一零年十二月三十一日	3,312,611	236,245	75,065	43,502	6,381	141,340	3,815,144
At 31st December 2009	於二零零九年十二月三十一日	3,360,847	284,711	78,786	46,476	6,950	117,244	3,895,014

Included in construction in progress is borrowing cost amounting to HK\$4,779,000 capitalised during the year (2009: HK\$4,811,000).

在建工程包括年內已撥充資本之借貸成本4,779,000港元(二零零九年:4,811,000港元)。

18. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of lease terms or 2.5%
Leasehold improvements	Over the shorter of the lease terms, or 20%
Plant and machinery	10%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

18. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備項目乃以直線法按下列年率計算折舊：

租賃土地及樓宇	按租約年期或2.5% (以較短者為準)
租賃物業裝修	按租約年期或20% (以較短者為準)
廠房及機器	10%
傢俬、固定裝置及設備	20%
汽車	20%

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The carrying amount of leasehold land and buildings comprises land and buildings:	租賃土地及樓宇賬面值包括以下土地及樓宇：		
— long lease in Hong Kong	— 位於香港受長期租約管轄	476,502	485,372
— medium term lease in Hong Kong	— 位於香港受中期租約管轄	1,206,043	1,244,092
		1,682,545	1,729,464
— medium term lease outside Hong Kong	— 位於香港境外受中期租約管轄	1,630,066	1,631,383
		3,312,611	3,360,847

The Group has pledged certain leasehold land and buildings in Hong Kong with net book values of approximately HK\$1,547.3 million (2009: HK\$1,591.6 million) to secure general banking facilities granted to the Group.

本集團已抵押賬面淨值約1,547,300,000港元(二零零九年：1,591,600,000港元)之若干租賃土地及樓宇，以獲取授予本集團之一般銀行信貸。

Certain of the Group's property, plant and equipment in the PRC with carrying value of approximately HK\$1,500.8 million (2009: HK\$1,317.2 million) have been pledged to secure loan facility in the amount of approximately RMB390.0 million (equivalent to approximately HK\$460.2 million) (2009: HK\$443.4 million).

本集團已抵押賬面值約1,500,800,000港元(二零零九年：1,317,200,000港元)位於中國之若干物業、廠房及設備，以獲授貸款融資約人民幣390,000,000元(相當於約460,200,000港元)(二零零九年：443,400,000港元)。

19. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Leasehold land outside Hong Kong Medium-term lease (Note)	位於香港境外之租賃土地 中期租約(附註)	1,356,486	1,417,142
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion	即期部份	21,721	9,952
Non-current portion	非即期部份	1,334,765	1,407,190
		1,356,486	1,417,142

Note: As at 31st December 2010, the Group has not yet obtained the legal document in respect of the land use right in the PRC with carrying value of HK\$621,721,000 (2009: HK\$1,166,894,000). The Group is in the process of obtaining the land use right certificate.

In 2009, the Group transferred certain prepaid lease payment with carrying value of HK\$78,723,000 to investment properties.

19. 預付租賃款項

本集團之預付租賃款項包括：

附註：於二零一零年十二月三十一日，本集團尚未取得賬面值621,721,000港元(二零零九年：1,166,894,000港元)位於中國之土地使用權之法定文件。本集團正辦理取得該土地使用證之手續。

於二零零九年，本集團將賬面值78,723,000港元之若干預付租賃款項轉撥至投資物業。

20. LONG-TERM DEPOSITS PAID

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Deposit paid for:	就以下各項已付按金：		
— acquisition of additional equity interest in an associate (Note)	— 收購一家聯營公司額外股本權益(附註)	—	236,374
— acquisition of property, plant and equipment	— 收購物業、廠房及設備	3,083	1,017
		3,083	237,391

Note: This represented approximately 60% of the purchase consideration for the acquisition of additional equity interest in 石家莊北國人百集團有限責任公司("Beiren Group"). During the year ended 31st December 2010, the Group's 60% owned subsidiary has completed acquisition of an additional equity interest in Beiren Group, increasing its interest therein to 49%.

20. 已付長期按金

附註：已付按金即就收購石家莊北國人百集團有限責任公司(「北人集團」)額外股本權益代價約60%。截至二零一零年十二月三十一日止年度，本集團擁有60%權益之附屬公司已完成收購北人集團額外股本權益，彼於北人集團之權益已增至49%。

21. INTERESTS IN ASSOCIATES

21. 於聯營公司權益

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted, at cost	非上市，按成本	1,068,986	675,028
Share of post-acquisition profits and other comprehensive income	應佔收購後之溢利及其他全面收入	279,842	45,414
		1,348,828	720,442

As at 31st December 2010 and 2009, the Group had interests in the following associates:

於二零一零年及二零零九年十二月三十一日，本集團於以下聯營公司擁有權益：

Name of entity 實體名稱	Form of business structure 業務結構模式	Place/country of incorporation/registration 註冊地點/國家	Principal place of operation 主要經營地點	Proportion of nominal value of issued capital/registered capital held by the Group 本集團所持已發行股本/註冊股本面值比例		Proportion of voting power held 所持投票權比例		Principal activity 主要業務
				2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Beiren Group 北人集團	Incorporation 註冊成立	PRC 中國	PRC 中國	49% (note 1) (附註1)	30%	49%	30%	Investment holding of a group of companies engaging in the operation of department stores, supermarkets and property leasing 從事百貨店、超市及物業租賃業務之集團公司之投資控股
河北北國先天下廣場 有限責任公司 ("Future Mall") (note 2) ("先天下廣場") (附註2)	Incorporation 註冊成立	PRC 中國	PRC 中國	48%	48%	48%	48%	Retailing business in the PRC 在中國從事零售業務
Dragon Sign Limited 龍信有限公司	Incorporation 註冊成立	Hong Kong 香港	PRC 中國	50%	50%	50%	50%	Investment holding of a company engaged in operation of restaurants in the PRC 在中國從事食肆經營之公司之投資控股

Notes:

- The Group holds equity interest of 49% (2009: 30%) in the Beiren Group indirectly through a 60% owned subsidiary of the Group. During the year ended 31st December 2010, the Group's 60% owned subsidiary has completed acquisition of an additional equity interest in Beiren Group, increasing its interest therein to 49% (note 40).
- The Group holds equity interest of 48% in Future Mall indirectly through a 60% owned subsidiary, Ample Sun Group Limited. At 31st December 2010 and 2009, Future Mall was also owned as to 51% by the Beiren Group.

As at 31st December 2010 and 2009, the 48% equity interest in Future Mall has been grouped under assets classified as held for sale (note 31).

附註：

- 本集團間接透過其擁有60%權益之附屬公司持有北人集團49% (二零零九年：30%) 股本權益。於截至二零一零年十二月三十一日止年度，本集團透過其擁有60%權益之附屬公司已完成收購北人集團之額外股本權益，並對其之擁有權增加至49% (附註40)。
- 本集團間接透過其擁有60%權益之附屬公司益良集團有限公司持有先天下廣場48%股本權益。於二零一零年十二月三十一日及二零零九年十二月三十一日，北人集團亦擁有先天下廣場51%權益。

於二零一零年及二零零九年十二月三十一日，先天下廣場48%股本權益已歸納至分類為持作出售之資產 (附註31)。

21. INTERESTS IN ASSOCIATES (continued)

Summarised financial information in respect of the Group's associates is set out below:

21. 於聯營公司權益 (續)

有關本集團聯營公司之財務資料概述如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Total assets	資產總額	8,719,961	8,145,170
Total liabilities	負債總額	6,467,056	6,263,807
Net assets	資產淨值	2,252,905	1,881,363
Group's share of associates' net assets	本集團應佔聯營公司資產淨值	1,348,828	720,442
Revenue	收益	11,049,111	9,746,231
Profits for the year	本年度溢利	160,084	70,956
Other comprehensive income	其他全面收入	41,306	12,870
Group's share of profits of associates for the year	本集團應佔聯營公司本年度溢利	99,632	25,360
Group's share of other comprehensive income of associates for the year	本集團應佔聯營公司本年度其他全面收入	10,375	3,566

22. INTEREST IN A JOINTLY CONTROLLED ENTITY

At 31st December 2010 and 2009, the Group had interests in the following significant jointly controlled entity:

Name of entity	Form of business structure	Place of establishment/ operation	Proportion of nominal value of issued capital held by the Group 本集團所持已發行股本 面值比例	Proportion of voting power held 所持投票權比例	Principal activity
實體名稱	業務結構模式	成立/經營地點			主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.)	Sino-foreign equity joint venture 中外合資合營企業	People's Republic of China 中華人民共和國	50%	50%	Property holding and leasing 物業持有及租賃

Jointly controlled entity is accounted for using the equity method of accounting:

22. 於一家共同控制實體權益

於二零一零年及二零零九年十二月三十一日，本集團於下列重要共同控制實體擁有權益：

共同控制實體按權益會計法入賬：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cost of unlisted investments in a jointly controlled entity	433,104	433,104
Share of post-acquisition profits and other comprehensive income, net of dividend received	34,825	69,194
	467,929	502,298

22. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

The summarised financial information related to the Group's interest in the jointly controlled entity is set out below:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產	1,426,688	1,431,323
Current assets	流動資產	35,397	17,904
Current liabilities	流動負債	325,627	347,986
Non-current liabilities	非流動負債	200,600	96,645
Income	收入	188,429	180,517
Expenses	開支	139,925	155,836
Other comprehensive income	其他全面收入	15,862	2,806
Group's share of profit of the jointly controlled entity	本集團應佔共同控制實體溢利	24,252	12,341
Group's share of other comprehensive income of the jointly controlled entity	本集團應佔共同控制實體其他全面收入	7,931	1,403

22. 於一家共同控制實體權益(續)

有關本集團於共同控制實體之權益之財務資料概述如下：

23. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted investment at fair value	按公平值計量非上市投資	—	9,688

23. 可供出售投資

可供出售投資包括：

Available-for-sale investments comprise an unlisted equity securities issued by a mutual fund company incorporated in Bermuda. The investment is denominated in USD and its fair value is based on price quoted by the counterparty financial institution. In 2009, an impairment loss of HK\$18,487,000 was recognised in consolidated statement of comprehensive income.

可供出售投資包括一家於百慕達註冊成立之互惠基金公司所發行非上市股本證券。該投資以美元為單位，其公平值按由交易方金融機構所提供之價格計算。於二零零九年，18,487,000港元之減值虧損已於綜合全面收益表確認。

23. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Upon adoption of HKFRS 9, the Group's investments in unlisted equity securities that were previously classified as available-for-sale financial assets under HKAS 39 have been classified as financial assets at fair value through profit or loss. Please see note 24 for further details.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

23. 可供出售投資(續)

通過採用香港財務報告準則第9號後，本集團以前根據香港會計準則第39號分類為可供出售金融資產之非上市股本證券，已被列為按公平值計入損益之金融資產。詳情請參閱附註24。

24. 按公平值計入損益之金融資產

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets held for trading purpose:	持作出售用途之金融資產		
— listed equity securities in Hong Kong	— 於香港上市股本證券	88,702	78,498
— listed equity securities in Singapore	— 於新加坡上市股本證券	13,029	—
— unlisted debt securities	— 非上市債券	671,041	262,959
		772,772	341,457
Others:	其他		
— unlisted equity securities	— 非上市股本證券	13,598	—
		786,370	341,457

At 31st December 2010, financial assets at fair value through profit or loss ("FVTPL") with carrying amount of HK\$154,429,000 (31st December 2009: nil) have been pledged as security for loan facility granted to the Group. Interest rate underlying the pledged financial assets is carrying at 3-month USD LIBOR+0.7% and matured at March 2015. The range of effective interest rates of the pledged financial assets is also equal to contracted interest rates ranging from 0.99% to 1.24%.

Upon adoption of HKFRS 9, the Group's investments in unlisted equity securities that were previously classified as available-for-sale financial assets under HKAS 39 have been classified as FVTPL. The Group decided not to designate the investments in unlisted equity securities at fair value through other comprehensive income. As the Group intends to dispose of these investments in 2011, the entire carrying amount has been included in current assets.

The fair value of FVTPL is determined based on the quoted market prices and fair value provided by financial institution.

於二零一零年十二月三十一日，已抵押賬面值154,429,000港元(二零零九年十二月三十一日：無)之按公平值計入損益之金融資產，以獲取授予本集團融資額度。已抵押金融資產的相關利率為三個月美元倫敦銀行同業拆息率加0.7厘及在二零一五年三月到期。有關已抵押金融資產實際利率介乎0.99厘至1.24厘(亦等於訂約利率範圍)。

通過採用香港財務報告準則第9號後，本集團以前根據香港會計準則第39號分類為可供出售投資之非上市股本證券，已被列為按公平值計入損益之金融資產。本集團決定不指定非上市股本證券按公平值計入其他全面收入。由於本集團擬於二零一一年出售這些投資，整個賬面值已包括在流動資產。

按公平值計入損益之金融資產之公平值乃根據所報之市場價格和金融機構提供之公平值所釐定。

25. INVENTORIES

25. 存貨

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	61,611	60,513

26. TRADE AND OTHER RECEIVABLES

26. 應收賬款及其他應收款項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade receivables	應收賬款	73,762	62,507
Less: Allowance for doubtful debts	減：呆賬撥備	(2,665)	(3,578)
		71,097	58,929
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	142,915	104,995
Total trade and other receivables	應收賬款及其他應收款項總額	214,012	163,924

The Group's retail sales to customers are mainly on cash basis, either in cash, debit card or credit card payments. The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

本集團向顧客作出的零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。由於本集團主要應收賬款來自信用卡銷售，故並無既定信貸政策。以下為於報告期間結算日應收賬款(扣除呆賬撥備)根據發票日期之賬齡分析。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0-30 days	0日至30日	67,432	54,554
31-60 days	31日至60日	2,495	3,078
61-90 days	61日至90日	236	498
Over 90 days	超過90日	934	799
		71,097	58,929

26. TRADE AND OTHER RECEIVABLES (continued)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$1,170,000 (2009: HK\$1,297,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 90 days (2009: 90 days).

Ageing of trade receivables which are past due but not impaired

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
61-90 days	61日至90日	236	498
Over 90 days	超過90日	934	799
		1,170	1,297

The Group has not provided fully for all receivables over 90 days because historical experience is such that receivables are recoverable from the relevant debtors.

Movement in the allowance for doubtful debt on trade receivables

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Balance at beginning of the reporting period	報告期初結餘	3,578	2,852
Written off as uncollectible	壞賬撇銷	(913)	(137)
Impairment losses provided	減值虧損撥備	—	863
Balance at end of the reporting period	報告期終結餘	2,665	3,578

27. AMOUNT DUE FROM (TO) A JOINTLY CONTROLLED ENTITY

The balance at 31st December 2010 is trade nature and is aged within three months.

26. 應收賬款及其他應收款項(續)

本集團應收賬款結餘包括賬面總值1,170,000港元(二零零九年:1,297,000港元)之應收款,該等應收款於報告日期逾期尚未收回,而本集團未曾作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項之平均賬齡為90日(二零零九年:90日)。

逾期但未減值之應收賬款的賬齡如下

本集團並未就所有超過90日的應收款作全數撥備,原因為根據過往經驗,集團可從有關債務人收回該等應收款。

應收賬款呆賬撥備變動

27. 應收(應付)一家共同控制實體款項

二零一零年十二月三十一日的餘額為貿易性質,賬齡為三個月內。

28. LOANS RECEIVABLE

At 31st December 2009, the amount represented a loan advanced to 河北先天下房地產開發有限責任公司, an independent third party who was in the process of acquiring an equity interest in an entity for the year ended 31st December 2009. It was unsecured, bore interest at 12% per annum and was fully repaid during the year.

29. PLEDGED BANK DEPOSITS

The pledged deposits carried fixed interest rate of 0.25% per annum.

Pledged bank deposits of HK\$120,203,000 represented deposits pledged to banks to secure short-term banking facilities and accordingly, they were classified as current assets at 31st December 2009. They were released upon the settlement of relevant bank borrowings in 2010.

30. BANK BALANCES AND CASH

At the end of the reporting period, bank balances and cash comprised mainly short-term deposits which carry interest at prevailing market rates ranging from 0.001% p.a. to 0.36% p.a. (2009: 0.001% p.a. to 0.36% p.a.) with maturity of less than 3 months.

Included in bank balances and cash are the following amounts denominated in currency other than functional currency of the relevant group entities:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
United States Dollar	美元	543,785	818,845

28. 應收貸款

於二零零九年十二月三十一日，金額代表借予河北先天下房地產開發有限責任公司的貸款，其為獨立第三方並在截至二零零九年十二月三十一日止年度進行收購一間公司之權益。該款項為無抵押，利息為年息12厘，並已於年內全部償還。

29. 已抵押銀行存款

已抵押銀行存款按固定年利率0.25厘計息。

已抵押銀行存款120,203,000港元指已向銀行抵押之存款，以獲授短期銀行融資及據此，於二零零九年十二月三十一日分類為流動資產。該抵押銀行存款已於二零一零年償還有關銀行借貸時解除。

30. 銀行結存及現金

於報告期間結算日，銀行結存及現金主要包括按現行市場利率計息(年利率介乎0.001厘至0.36厘)(二零零九年：介乎0.001厘至0.36厘)且於三個月內到期的短期存款。

銀行結存及現金包括下列以相關集團實體功能貨幣以外貨幣計算的款項：

31. ASSETS CLASSIFIED AS HELD FOR SALE

On 16th December 2009, Win Early Limited (“Win Early”), a wholly-owned subsidiary of the Group, and Smart Success Investment Limited (“Smart Success”), 40% shareholder of Ample Sun Group Limited, entered in a conditional sale and purchase agreement as Vendors with GS China Shopping No. 1 GmbH & Co. KG (the “Purchaser”), a limited partnership incorporated under the laws of the Federal Republic of Germany, whereby Win Early and Smart Success conditionally agreed to sell their respective 60% and 40% shareholding in Ample Sun Group Limited to the Purchaser.

Completion of the transaction could not take place during the year ended 31st December 2010 as certain conditions precedent have not been fulfilled and the Purchaser has requested for an extension of time for completion. Since the Group remains committed to dispose of the assets, the assets continue to be classified as held for sale as at 31st December 2010.

The Group acquired 60% shareholding in Ample Sun Group Limited in 2007. Ample Sun Group Limited is an investment holding company and its major asset is its 48% equity interest in Future Mall, a company established in the PRC.

The assets attributable to Ample Sun Group Limited expected to be sold within twelve months from the end of the reporting period were classified as assets held for sale as at 31st December 2010 and 2009. The carrying amount of the assets as at 31st December 2010 and 2009, which has been presented separately in the consolidated statement of financial position, is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest in an associate held for sale	於一家持作出售聯營公司權益	436,909	436,909

31. 分類為持作出售資產

於二零零九年十二月十六日，本集團全資附屬公司榮曉有限公司（「榮曉」）（及持有益良集團有限公司40%權益之股東 Smart Success Investment Limited（「Smart Success」）作為賣方與GS China Shopping No.1 GmbH & Co. KG（「買方」，根據德意志聯邦共和國法律註冊成立之有限責任合夥企業）訂立有條件買賣協議，據此，榮曉及 Smart Success 有條件同意向買方出售彼等各自於益良集團有限公司60%及40%股權。

因若干先決條件尚未履行，而買方要求延長交易時間，交易不能於截至二零一零年十二月三十一日止年度前完成。由於本集團仍有意出售該資產，於二零一零年十二月三十一日，該資產仍歸類為持作出售資產。

本集團於二零零七年收購益良集團有限公司60%股權。益良集團有限公司為投資控股公司，其主要資產為擁有在中國成立之公司先天下廣場48%權益。

預期益良集團有限公司應佔資產將於報告期間結算日起計十二個月內出售，於二零一零年及二零零九年十二月三十一日乃分類為持作出售之資產。該資產於二零一零年及二零零九年十二月三十一日之賬面值已在綜合財務狀況表內獨立呈列如下：

32. TRADE AND OTHER PAYABLES

32. 應付賬款及其他應付款項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade payables	應付賬款	257,526	239,324
Concessionaire sales payable	應付特許專櫃銷售款項	997,314	832,745
Other payables, deposits and accrued charges	其他應付款項、按金及應計費用	754,623	1,073,094
		2,009,463	2,145,163

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

以下為於報告期間結算日應付賬款根據發票日期之賬齡分析。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0 – 30 days	0日至30日	225,904	187,768
31 – 60 days	31日至60日	29,263	42,648
61 – 90 days	61日至90日	557	5,785
Over 90 days	超過90日	1,802	3,123
		257,526	239,324

The average credit period of trade payables and concessionaire sales payable is within 45 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

應付賬款及應付特許專櫃銷售款項之平均信貸期為45日以內。本集團設有財務風險管理政策，確保所有應付款項於信貸期限內支付。

33. BANK BORROWINGS

33. 銀行借貸

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Bank borrowings comprised bank loans and analysed as:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	3,315,600	3,016,170
Unsecured	無抵押	82,600	170,550
		3,398,200	3,186,720
Carrying amount repayable:	應償還賬面值：		
On demand or within one year	應要求或一年內償還	2,985,200	1,043,290
More than one year, but not exceeding two years	一年後但不超過兩年	59,000	1,745,480
More than two years, but not exceeding three years	兩年後但不超過三年	59,000	56,850
More than three years, but not exceeding four years	三年後但不超過四年	70,800	56,850
More than four years, but not exceeding five years	四年後但不超過五年	70,800	68,220
Over five years	超過五年	153,400	216,030
		3,398,200	3,186,720
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(2,985,200)	(1,043,290)
Amount due after one year	一年後到期之款項	413,000	2,143,430

33. BANK BORROWINGS (continued)

Floating-rate borrowings comprise:

		Carrying amount 賬面值	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
HKD bank loan at HIBOR + 0.29% p.a. ⁽¹⁾	港元銀行貸款，按香港銀行同業拆息加年息0.29厘計息 ⁽¹⁾	2,700,000	2,550,000
USD bank loan at LIBOR BBA + 0.35% p.a. ⁽²⁾	美元銀行貸款，按英國銀行家協會倫敦銀行同業拆息加年息0.35厘計息 ⁽²⁾	155,400	—
Other RMB bank loans ⁽³⁾	其他人民幣銀行貸款 ⁽³⁾	542,800	636,720
Total borrowings	借貸總額	3,398,200	3,186,720

⁽¹⁾ Repayable in one year (2009: two years) and interest rates will be repriced every one month to three months.

⁽²⁾ Repayable on demand and interest rates will be repriced every three months.

⁽³⁾ Repayable in seven years (2009: eight years) and the loans carry interest with reference to benchmark loan rates of financial institutions set by The People's Bank of China.

⁽¹⁾ 須於一年(二零零九年：兩年)內償還，而利率每隔一至三個月重新定價。

⁽²⁾ 須應要求償還，而利率將每三個月重新定價。

⁽³⁾ 須於七年(二零零九年：八年)內償還，而有關貸款之利息以參考中國人民銀行制定之金融機構基準貸款利率為基準。

The ranges of effective interest rates of the borrowings are also equal to contracted interest rates ranging from 0.47% p.a. to 6.12% p.a..

借貸實際利率幅度(介乎0.47厘至6.12厘)亦與訂約利率相同。

At the end of the reporting period, the Group has undrawn borrowing facilities with floating rate expiring within 1 year and beyond 1 year amounting to approximately HK\$62 million and nil (2009: HK\$148 million and HK\$650 million) respectively as follows:

於報告期間結算日，本集團分別在一年內及一年後到期之浮息未提取銀行融資額度約為62,000,000港元及零(二零零九年：148,000,000港元及650,000,000港元)如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Floating rate	浮息		
— expiring within one year	— 一年內到期	62,450	147,810
— expiring beyond one year	— 一年後到期	—	650,000
		62,450	797,810

34. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

34. 遞延稅項負債

以下為本集團確認之主要遞延稅項負債及資產以及於本年度及過往年度的變動：

		Property, plant and equipment/ investment properties	Interest in subsidiaries, associates and jointly controlled entity	Tax losses	Total
		物業、廠房 及設備/ 投資物業	於附屬公司、 聯營公司及 共同控制實體 之權益	稅項虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January 2009	於二零零九年一月一日	63,090	10,054	(1,855)	71,289
Charge to other comprehensive income	扣除自其他全面收入	39,987	—	—	39,987
Charge to profit or loss (note 12)	扣除自損益(附註12)	43,474	12,378	1,855	57,707
At 31st December 2009	於二零零九年 十二月三十一日	146,551	22,432	—	168,983
Charge to profit or loss (note 12)	扣除自損益(附註12)	12,767	16,826	—	29,593
At 31st December 2010	於二零一零年 十二月三十一日	159,318	39,258	—	198,576

At the end of the reporting period, the Group has unused tax losses of approximately HK\$491.6 million (2009: HK\$388.4 million) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years due to unpredictability of future profit streams. At 31st December 2010, all tax losses may be carried forward indefinitely.

於報告期間結算日，本集團有未動用稅項虧損約491,600,000港元(二零零九年：388,400,000港元)可用作抵銷日後溢利。由於日後溢利來源難以預測，故此並無就此虧損確認遞延稅項資產。於二零一零年十二月三十一日，所有稅項虧損均可無限期結轉。

35. AMOUNT DUE TO A NON-CONTROLLING SHAREHOLDER OF SUBSIDIARIES

The amount is unsecured and interest free. The non-controlling shareholder of subsidiaries agreed not to demand for repayment within one year from the end of the reporting period.

35. 應付附屬公司一名非控股股東之款項

該款項為無抵押及免息。附屬公司之非控股股東同意不會要求在報告期末後一年內償還款項。

36. SHARE CAPITAL OF THE COMPANY

Details of the changes in the Company's share capital during the year ended 31st December 2010 are as follows:

36. 本公司股本

截至二零一零年十二月三十一日止年度，本公司之股本變動詳情如下：

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.005 each as at 31st December 2009 and 31st December 2010	於二零零九年十二月三十一日及二零一零年十二月三十一日每股面值0.005港元之普通股	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1st January 2009 — ordinary shares of HK\$0.005 each	於二零零九年一月一日—每股面值0.005港元之普通股	1,673,965,500	8,370
Exercise of share options — ordinary shares of HK\$0.005 each	行使購股權—每股面值0.005港元之普通股	12,111,000	60
Shares repurchased	購回之股份	(12,456,500)	(62)
At 31st December 2009	於二零零九年十二月三十一日	1,673,620,000	8,368
Exercise of share options — ordinary shares of HK\$0.005 each (note)	行使購股權—每股面值0.005港元之普通股(附註)	5,365,000	27
At 31st December 2010	於二零一零年十二月三十一日	1,678,985,000	8,395

Note: During the year, 596,000 shares of HK\$0.005 each were issued at HK\$6.16 per share upon exercise of the 2005 share option and 4,769,000 shares of HK\$0.005 each were issued at HK\$6.40 per share upon exercise of the 2009 share option (as defined under note 37) of the Company by share option holders and all these shares rank pari passu with other ordinary shares of the Company in all respects.

附註：年內，本公司於購股權持有人行使二零零五年購股權及二零零九年購股權(定義見附註37)時分別按每股6.16港元發行596,000股每股面值0.005港元之股份及按每股6.40港元發行4,769,000股每股面值0.005港元之股份，所有該等股份於各方面均與本公司其他普通股享有同等權益。

37. SHARE-BASED PAYMENT TRANSACTIONS

The 2004 Share Option Scheme

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27th March 2004. Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the Board of Directors.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or any of their respective associates) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and deemed to be granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and deemed to be granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

37. 股份付款交易

二零零四年購股權計劃

本公司已採納由二零零四年三月二十七日起為期十年之購股權計劃(「該計劃」)。根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權，以認購本公司股份。此外，本公司可不時按董事局酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

如未經本公司股東事先批准，根據該計劃可授出購股權所涉及股份總數，不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人(包括全權信託，而有關全權受益人包括主要股東或獨立非執行董事或任何彼等各自之聯繫人)超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東批准。

授出之購股權須於提呈函件所指定時限(不得遲於提呈日期起計5日)內接納，接納時須就每份購股權支付1港元。購股權可於接納及被視為已授出當日或之後起至董事局知會各承授人屆滿當日止期間內隨時行使，惟由接納及被視為已授出購股權當日起計不得超過10年。行使價由本公司董事釐定，將不低於(i)授出日期本公司股份收市價；(ii)緊接授出日期前五個營業日股份平均收市價；及(iii)本公司股份面值三者之較高者。

37. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The 2009 Share Option Scheme

The adoption of a new share option scheme (the “2009 Share Option Scheme”) was approved by the shareholders of the Company in an extraordinary general meeting held on 3rd March 2009 for a period of 10 years commencing from 3rd March 2009 as incentive or reward for the contribution of the eligible participants to the growth of the Group and to provide to the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

Under the 2009 Share Option Scheme, the Company may grant options to (a) any full-time or part-time employee of the Company and/or any subsidiary; (b) any Director (including Executive, Non-executive and Independent Non-executive Director) of the Company and/or any subsidiary; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any subsidiary.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2009 Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

37. 股份付款交易 (續)

二零零九年購股權計劃

本公司股東於二零零九年三月三日舉行之股東特別大會上批准採納新購股權計劃(「二零零九年購股權計劃」)，自二零零九年三月三日起為期十年，作為合資格參與者對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及／或提供福利。

根據二零零九年購股權計劃，本公司可授予購股權予(a)本公司及／或任何附屬公司之任何全職或兼職僱員；(b)本公司及／或任何附屬公司之任何董事(包括執行、非執行及獨立非執行董事)；及(c)經董事局全權決定，已對或將會對本公司及／或任何附屬公司作出貢獻之本公司及／或任何附屬公司之任何專家顧問或顧問(不論其是否專業人士及不論其基於聘用、合約或榮譽或其他性質及是否受薪)、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

對於購股權可以根據二零零九年購股權計劃之條款行使前必須持有購股權之最低期限或須達致之表現目標，並無設立一般性規定。然而，董事局授予任何購股權時可設立有關條款及條件，規限在有關購股權可以行使前必須持有購股權之最低期限及／或須達致之表現目標，及／或董事局可絕對酌情釐定之任何其他條款。

37. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The 2009 Share Option Scheme (continued)

The total number of shares which may be issued upon exercise of all options which may be granted under the 2009 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 166,860,950 shares, representing 10% of the issued share capital of the Company as at 3rd March 2009, the date on which the 2009 Share Option Scheme was approved by the shareholders of the Company. The Board may seek approval by shareholders in general meeting to renew such limit provided that it must not exceed 10% of the issued share capital of the Company at the date of approval of the renewed limit. The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2009 Share Option Scheme and any other scheme must not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time.

Where options are proposed to be granted to a substantial shareholder or an Independent Non-executive Director of the Company or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at general meeting. The connected person involved in such proposed grant of options and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the shareholders).

37. 股份付款交易 (續)

二零零九年購股權計劃 (續)

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃授予之所有購股權而可發行之股份總數，合計不得超過166,860,950股股份，相當於本公司股東於二零零九年三月三日舉行之股東特別大會上有條件批准二零零九年購股權計劃當日本公司已發行股本10%。董事局可於股東大會上尋求股東之批准以更新有關限額，惟該限額不得超過更新限額批准當日本公司已發行股本之10%。行使根據二零零九年購股權計劃及任何其他計劃所有已授予而尚未行使之未行使購股權時發行之股份數目，合計最多不得超過本公司不時已發行股本30%之股份數目。

倘於截至及包括授予日期前任何12個月內建議向本公司主要股東、獨立非執行董事或彼等各自之任何聯繫人授予購股權，會使該人士因行使所有已獲授及將獲授購股權(包括已行使、註銷及尚未行使之購股權)而已發行及將發行之股份總數合計超過本公司於要約日期已發行股本之0.1%，而有關總值(按各授予日期股份收市價計算)超過5,000,000港元，則該次購股權授予須在股東大會上獲得股東按股數投票表決批准。涉及該次建議授予購股權之關連人士以及本公司之所有其他關連人士須在上述股東大會上放棄投票(然而，任何關連人士均可投票反對授予建議，惟其相關意向須載列於致股東之相關通函內)。

37. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The 2009 Share Option Scheme (continued)

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period to be notified by the Board to each grantee which shall not be more than 10 years from the date of the offer. The exercise price is determined by the Directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of specific categories of options are as follows:

37. 股份付款交易(續)

二零零九年購股權計劃(續)

授予之購股權須於要約函件所指定時限(不得遲於要約日期起計5日)內接納,於接納要約時須支付1港元。購股權可於董事局知會各承授人期間內隨時行使,惟於要約日期起計不得超過10年。行使價由本公司董事釐定,將至少為下列三者中之最高者(i)授予日期本公司股份收市價;(ii)緊接授予日期前五個營業日股份平均收市價;及(iii)本公司股份面值。

特定類別購股權之詳情如下:

Option type 購股權種類	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 HK\$ 港元	Adjusted exercise price 經調整行使價 HK\$ 港元
2005 二零零五年	7.10.2005 二零零五年 十月七日	7.10.2005 – 7.10.2008 二零零五年十月七日至 二零零八年十月七日	7.10.2006 – 26.3.2014 二零零六年十月七日至 二零一四年三月二十六日	12.32	6.16
2006 二零零六年	16.3.2006 二零零六年 三月十六日	16.3.2006 – 16.3.2009 二零零六年三月十六日至 二零零九年三月十六日	16.3.2007 – 26.3.2014 二零零七年三月十六日至 二零一四年三月二十六日	12.74	6.37
2007A 二零零七年甲	31.8.2007 二零零七年 八月三十一日	31.8.2007 – 1.10.2011 二零零七年八月三十一日至 二零一一年十月一日	1.10.2009 – 26.3.2014 二零零九年十月一日至 二零一四年三月二十六日	37	18.50
2007B 二零零七年乙	31.8.2007 二零零七年 八月三十一日	31.8.2007 – 1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008 – 26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37	18.50
2007C 二零零七年丙	31.8.2007 二零零七年 八月三十一日	31.8.2007 – 1.10.2010 二零零七年八月三十一日至 二零一零年十月一日	1.10.2008 – 26.3.2014 二零零八年十月一日至 二零一四年三月二十六日	37	18.50
2009 二零零九年	2.2.2009 (note) 二零零九年 二月二日(附註)	2.2.2009 – 7.2.2012 二零零九年二月二日 二零一二年二月七日	7.2.2010 – 26.3.2014 二零一零年二月七日至 二零一四年三月二十六日	6.40	6.40

Note: Option subject to approval by independent shareholders was proposed and granted by Board of Directors on 2nd February 2009. The approval was subsequently obtained on 3rd March 2009, which is the date of grant as defined in accordance with HKFRS 2.

附註: 董事局於二零零九年二月二日建議及授出有待獨立股東批准之購股權,其後於根據香港財務報告準則第2號界定之授出日期二零零九年三月三日取得批准。

37. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The 2009 Share Option Scheme (continued)

The following table discloses movements of the Company's share options held by certain employees and directors:

2010

Option type	購股權種類	Outstanding at 31 December 2009	Exercised during year	Lapsed during year	Outstanding at 31 December 2010
		於二零零九年十二月三十一日尚未行使	年內行使	年內失效	於二零一零年十二月三十一日尚未行使
2005	二零零五年	1,290,000	(596,000)	—	694,000
2007C	二零零七年丙	17,020,000	—	—	17,020,000
2009	二零零九年	19,960,000	(4,769,000)	(84,000)	15,107,000
Total	總計	38,270,000	(5,365,000)	(84,000)	32,821,000
Exercisable at end of the year	於年終可予行使				20,929,000
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Weighted average exercise price per share	每股加權平均行使價	11.77	6.37	6.40	12.67

37. 股份付款交易 (續)

二零零九年購股權計劃 (續)

下表披露若干僱員及董事所持本公司購股權之變動：

二零一零年

2009

二零零九年

Option type	購股權種類	Outstanding at 31st December 2008	Granted during year	Exercised during year	Lapsed during year	Cancelled during year	Outstanding at 31st December 2009
		於二零零八年十二月三十一日尚未行使	年內授出	年內行使	年內失效	年內註銷	於二零零九年十二月三十一日尚未行使
2005	二零零五年	4,627,000	—	(2,955,000)	(382,000)	—	1,290,000
2006	二零零六年	9,156,000	—	(9,156,000)	—	—	—
2007A	二零零七年甲	11,240,000	—	—	(170,000)	(11,070,000)	—
2007B	二零零七年乙	10,280,000	—	—	(950,000)	(9,330,000)	—
2007C	二零零七年丙	17,020,000	—	—	—	—	17,020,000
2009 (Note)	二零零九年 (附註)	—	20,400,000	—	(440,000)	—	19,960,000
Total	總計	52,323,000	20,400,000	(12,111,000)	(1,942,000)	(20,400,000)	38,270,000
Exercisable at end of the year	於年終可予行使						13,204,000
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
Weighted average exercise price per share	每股加權平均行使價	15.29	6.40	6.32	13.33	18.50	11.77

37. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The 2009 Share Option Scheme (continued)

Note: During the year ended 31st December 2009, 20,400,000 share options were newly granted as replacement for the cancelled share options under option types of 2007A and 2007B and this is accounted for as a modification of the original share options.

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise is HK\$14.99 (2009: HK\$11.05).

During the year ended 31st December 2009, share option was granted on 3rd March 2009. The estimated fair values of the option granted on that date was as follows:

	Grant date 授出日期	Fair value 公平值 HK\$ 港元
2009 二零零九年	3.3.2009 二零零九年三月三日	0.98

The closing prices of the Company's shares immediately before 3rd March 2009 is HK\$5.78.

37. 股份付款交易 (續)**二零零九年購股權計劃(續)**

附註：截至二零零九年十二月三十一日止年度，本公司新授出20,400,000份購股權，以取代二零零七年甲及二零零七年乙購股權種類項下已註銷之購股權，並以修改原購股權之方式入賬。

就年內已行使購股權而言，各行使日期之加權平均股價為14.99港元(二零零九年：11.05港元)。

在截至二零零九年十二月三十一日止年度內，本公司於二零零九年三月三日授出購股權。於該日授出之購股權之估計公平值如下：

	Grant date 授出日期	Fair value 公平值 HK\$ 港元
2009 二零零九年	3.3.2009 二零零九年三月三日	0.98

本公司股份於緊接二零零九年三月三日前之收市價為5.78港元。

37. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The 2009 Share Option Scheme (continued)

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

		2009 二零零九年	2007A 二零零七年甲	2007B 二零零七年乙	2007C 二零零七年丙	2006 二零零六年	2005 二零零五年
Share price on grant date	於授出日期之股價	HK\$5.53	HK\$33.80	HK\$33.80	HK\$43.80	HK\$13.15	HK\$12.15
Adjusted share price on grant date	於授出日期之經調整股價	HK\$5.53	HK\$16.90	HK\$16.90	HK\$21.90	HK\$6.58	HK\$6.08
Exercise price	行使價	HK\$6.40	HK\$37.00	HK\$37.00	HK\$37.00	HK\$12.74	HK\$12.32
Adjusted exercise price	經調整行使價	HK\$6.40	HK\$18.50	HK\$18.50	HK\$18.50	HK\$6.37	HK\$6.16
Expected volatility	預期波幅	55.26%	32%	32%	32%	30.71%	32.47%
Expected life	預計年期	1.5 to 3.5 years	2.6 to 4.6 years	1.6 to 3.6 years	1.5 to 3.5 years	5.5 years	8.5 years
Risk-free rate	無風險利率	0.57% to 1.27%	4.09% to 4.23%	4.03% to 4.16%	3.81% to 4.00%	4.55%	4.18%
Expected dividend yield	預期股息率	4.34%	1.22%	1.22%	1.22%	2.52%	2.73%

Expected volatility was determined by using the historical volatility of the Company's share price in the preceding year. The expected life used in the model has been made, based on management's best estimate and take into account the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised an expense in the consolidated statement of comprehensive income of approximately HK\$15.4 million (2009: HK\$48.2 million) for the year ended 31st December 2010 in relation to share options granted by the Company.

38. RESERVES

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiary is required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiary while the amounts and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation.

37. 股份付款交易 (續)

二零零九年購股權計劃 (續)

此等公平值乃按「柏力克-舒爾斯」期權定價模式計算。代入該模式之數字如下：

預期波幅以本公司股價於過往年度之歷史波幅釐定。該模式中使用之預計年期乃已按管理層經考慮不可轉讓性、行使限制及行為考慮因素後作出之最佳估計作出調整。

於截至二零一零年十二月三十一日止年度，本集團就本公司授出購股權於全面收益表確認開支約15,400,000港元(二零零九年：48,200,000港元)。

38. 儲備

按有關中國外資企業之相關法律及法規，本公司之中國附屬公司須存置法定公積金。有關儲備之撥款乃來自中國附屬公司法定財務報表之除稅後純利，而款額及分配基準由董事局每年決定。法定公積金可用於彌補過往年度之虧損(如有)，並可以資本化之方式轉換為資本。

39. ACQUISITION OF ASSETS

During the year ended 31st December 2009, the Group completed the acquisition of 100% interest in Leadplus International Limited (“Leadplus”) from an independent third party, for a consideration of HK\$282,835,000. Major assets of Leadplus are investment properties under construction situated in PRC and as such, the acquisitions have been accounted for as acquisitions of assets rather than businesses.

Net assets of the Leadplus acquired are as follows:

39. 收購資產

截至二零零九年十二月三十一日止年度內，本集團已完成自獨立第三方收購領加國際有限公司(「領加」)之全部權益，代價為282,835,000港元。領加之主要資產為位於中國之在建中投資物業。因此，該收購按資產收購入賬，而非按業務收購入賬。

所收購領加之資產淨值如下：

		Leadplus
		領加
		HK\$'000
		千港元
Property, plant and equipment	物業、廠房及設備	30
Investment properties under construction	在建中投資物業	420,280
Other receivables	其他應收款項	3,426
Bank balances and cash	銀行結存及現金	1,280
Trade and other payables	應付賬款及其他應付款項	(142,181)
		282,835
Satisfied by:	經下列方式支付：	
Cash consideration	現金代價	13,000
Settlement of outstanding loans and interest receivables due from Borrower Group (Note)	結算應收借方集團未償還貸款及利息(附註)	269,835
		282,835
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	13,000
Bank balances and cash acquired	所收購銀行結存及現金	(1,280)
		11,720

Note: Please refer to note 29(a) under the section “Notes to the consolidated financial statements” in the Company’s 2009 Annual Report for details.

附註：詳情請參考本公司之二零零九年年報中「綜合財務報表附註」的附註29(a)。

40. DISCOUNT ARISING ON ACQUISITION OF ADDITIONAL INTEREST IN AN ASSOCIATE

In February 2010, the Group's 60% owned subsidiary, Hebei Xuyuan, entered into an equity interest transfer agreement and a debt transfer agreement with 河北先天下房地產開發有限責任公司 ("Xiantianxia"), whereby (i) Xiantianxia agreed to transfer to Hebei Xuyuan its 100% equity interest in 北京匯通潤信貿易有限公司 ("Beijing Huitong") at a consideration of RMB100.0 million (equivalent to approximately HK\$113.7 million) and its major asset is investment in Beiren Group and (ii) Xiantianxia agreed to transfer to Hebei Xuyuan an account receivable of RMB246.5 million owing by Beijing Huitong for a consideration of the same amount. Following the completion of the aforesaid transfer of equity interest, the Group's equity interest in the Beiren Group has been increased to 49%.

An amount of HK\$114.6 million, representing the excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the acquisition, is recognised in profit or loss.

41. OPERATING LEASES

The Group as lessee

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the period:	期內根據經營租約已付之		
Other assets	最低租約款項：	12,272	12,826
Leasehold land and buildings	其他資產	2,043,250	2,114,873
	租賃土地及樓宇		
		2,055,522	2,127,699

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	157,596	151,148
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	600,693	585,325
Over five years	超過五年	1,297,233	1,391,226
		2,055,522	2,127,699

40. 收購一家聯營公司額外權益產生之折讓

二零一零年二月，本集團擁有60%股權之附屬公司河北旭源，與河北先天下房地產開發有限責任公司(「先天下」)簽訂一份股權轉讓協議及債權轉讓協議，據此(i)先天下同意轉讓予河北旭源其於北京匯通潤信貿易有限公司(「北京匯通」)之100%股權，代價為人民幣100,000,000元(相當於約113,700,000港元)而其主要資產為於北人集團之投資及(ii)先天下同意轉讓給河北旭源由北京匯通欠下之應收賬款人民幣246,500,000元，代價與轉讓金額相同。完成上述股權轉讓後，本集團在北人集團的股權已增至49%。

價值114,600,000港元(代表本集團在應佔可識別資產及負債之淨公平值與收購成本的差額)損益確認。

41. 經營租約

本集團作為承租人

於報告期間結算日，本集團就不可撤銷經營租約之所承擔日後最低租約款項如下：

41. OPERATING LEASES (continued)**The Group as lessee** (continued)

Operating lease payments represent rentals payable by the Group for leasing commercial properties and other assets which represented machineries. Leases are generally negotiated for an average term of one to five years and rentals are fixed for an average of two years except the following:

- (a) Lease of Shanghai Joinbuy Cityplaza by Shanghai Ongoing Department Store Limited, a non-wholly owned subsidiary of the Company, for the period from 1st October 2004 to 30th September 2024, with an option to renew for a further 10 years.
- (b) Lease of the Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon by Sogo Hong Kong Company Limited, with Hong Kong Island Development Limited for the period from 30th September 2005 to 29th September 2020, with an option to renew for a further 5 years.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	73,023	40,390
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	111,909	58,378
Over five years	超過五年	7,917	—
		192,849	98,768

Leases are generally negotiated for an average term of one to five years.

In addition, the Group had contracted with its concessionaire to receive contingent rentals based on the concessionaires' turnover for an average term of one to two years.

41. 經營租約 (續)**本集團作為承租人** (續)

經營租約款項指本集團就租用商業物業及其他資產(即機器)應付之租金。租約一般按平均租賃期一至五年協商，租金平均每兩年釐定，惟以下各項則除外：

- (a) 本公司非全資附屬公司上海久光百貨有限公司所訂立有關上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年。
- (b) 崇光(香港)百貨有限公司與香島發展有限公司所訂立有關九龍尖沙咀梳士巴利道12號亞瑪遜之租約，租期由二零零五年九月三十日至二零二零年九月二十九日，可選擇進一步續期五年。

本集團作為出租人

於報告期間結算日，本集團已與租戶訂約的日後最低租約款項如下：

租約一般按平均租賃期一至五年協商。

此外，本集團與其特許專櫃就按特許專櫃營業額收取或然租金訂立平均年期為一至兩年之合約。

42. CAPITAL AND OTHER COMMITMENTS

42. 資本及其他承擔

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment	有關購入物業、廠房及設備之資本開支		
— Authorised but not contracted for	— 已授權惟未訂約	1,584,400	2,954,400
— Contracted for but not provided in the consolidated financial statements	— 已訂約惟未於綜合財務報表撥備	390,500	13,800
		1,974,900	2,968,200

43. CONTINGENT LIABILITIES

Pursuant to two sales and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of these properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of approximately HK\$38.9 million.

43. 或然負債

根據附屬公司間於一九八五年及一九九六年訂立之兩份買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今仍未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

44. PLEDGE OF ASSETS

At 31st December 2010, the Group has pledged certain leasehold land and buildings in Hong Kong with carrying values of HK\$1,547.3 million (2009: HK\$1,591.6 million), together with certain shares of the Company's subsidiaries, to secure the banking facilities of HK\$4,000 million (2009: HK\$4,000 million) granted to the Group of which HK\$4,000 million (2009: HK\$3,350 million) has been utilised.

44. 資產抵押

於二零一零年十二月三十一日，本集團將賬面值為1,547,300,000港元（二零零九年：1,591,600,000港元）位於香港之若干租賃土地及樓宇，連同本公司附屬公司若干股份抵押，作為本集團獲授銀行融資額4,000,000,000港元（二零零九年：4,000,000,000港元）之抵押，其中4,000,000,000港元（二零零九年：3,350,000,000港元）已動用。

In addition, certain of the Group's property, plant and equipment in the PRC and Group's financial assets at fair value through profit or loss with carrying value of approximately HK\$1,500.8 million (2009: HK\$1,317.2 million) and HK\$154.4 million (2009: nil) respectively have been pledged to secure loan facilities in the amount of approximately RMB390.0 million (equivalent to approximately HK\$460.2 million) (2009: HK\$443.4 million) and USD20.0 million (equivalent to HK\$155.4 million) (2009: nil) respectively.

另外，本集團賬面值約1,500,800,000港元（二零零九年：1,317,200,000港元）之位於中國的物業、廠房及設備及賬面值154,400,000港元（二零零九年：無）之按公平值計入損益之金融資產已分別為人民幣390,000,000元（約相當於460,200,000港元）（二零零九年：443,400,000港元）及20,000,000美元（相當於155,400,000港元）（二零零九年：無）貸款融資額作抵押。

45. RELATED PARTY DISCLOSURE

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties and connected parties:

45. 有關連人士披露

(a) 交易

年內，本集團曾與以下有關連人士及關連人士進行下列重大交易：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	Nature of transaction 交易性質		
Name of related parties			
有關連人士名稱			
Shanghai Joinbuy City Plaza Co. Ltd. ("Property JV") 上海九百城市廣場有限公司 (「物業合資企業」)	Rental and management fee paid (note 1) 已付租金及管理費(附註1)	212,720	180,214
Name of connected parties			
關連人士名稱			
Chow Tai Fook Jewellery Co., Ltd. ("CTF Jewellery") 周大福珠寶金行有限公司(「周大福珠寶」)	Income from concessionaire sales (note 2) 特許專櫃銷售收入(附註2)	14,170	11,999
周大福珠寶金行(蘇州)有限公司	Income from concessionaire sales in Suzhou store (note 2) 於蘇州店特許專櫃銷售收入(附註2)	4,000	1,520
	Income from concessionaire sales in Shanghai store (note 2) 於上海店特許專櫃銷售收入(附註2)	3,247	2,370
北京周大福珠寶金行有限公司	Income from concessionaire sales in Dalian store (note 2) 於大連店特許專櫃銷售收入(附註2)	315	—
	Rental income in Tianjin store (note 2) 於天津店租金收入(附註2)	101	—
Hong Kong Island Development Limited ("Hong Kong Island") 香島發展有限公司(「香島」)	Rental, vetting fee, air-conditioning charges and management fee paid (note 2) 已付租金、審批費用、空調費及 管理費(附註2)	54,212	49,245
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司(「寶聯防污」)	Cleaning service fee paid (note 3) 已付清潔服務費用(附註3)	—	3,549

45. RELATED PARTY DISCLOSURE (continued)

(a) Transactions (continued)

Notes:

- (1) Property JV is a jointly controlled entity in which the Group has a 50% interest.
- (2) CTF Jewellery, 周大福蘇州珠寶、北京周大福珠寶 and Hong Kong Island are companies in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests.
- (3) PPS was a company in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, had beneficial interest in 2009. During the year, the abovementioned directors ceased to have any beneficial interest in PPS.
- (4) At 31st December 2010, concessionaire sales payable included amounts of approximately HK\$20,147,000, HK\$10,406,000 and HK\$1,157,000 (2009: HK\$27,289,000, HK\$5,550,000 and HK\$nil) aged within 30 days due to CTF Jewellery, 周大福蘇州珠寶 and 北京周大福珠寶 respectively in which related parties, Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amount was trading in nature and related to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.

(b) Compensation of key management personnel

The remuneration of executive directors during the year was determined by the remuneration committee having regard to the performance of the individuals and market. Details of which together with the other 4 highest paid management personnel are disclosed in note 14 above.

45. 有關連人士披露(續)

(a) 交易(續)

附註:

- (1) 物業合營企業為本集團擁有50%權益之共同控制實體。
- (2) 周大福珠寶、周大福蘇州珠寶、北京周大福珠寶及香島為本公司董事拿督鄭裕彤博士及鄭家純博士持有實益權益的公司。
- (3) 寶聯防污為本公司董事拿督鄭裕彤博士及鄭家純博士於二零零九年持有實益權益的公司。於本年度，上述董事終止持有寶聯防污之任何實益權益。
- (4) 於二零一零年十二月三十一日，應付特許專櫃銷售款項包括須於30天內支付予有關連人士周大福珠寶及周大福蘇州珠寶及北京周大福珠寶之款項分別約20,147,000港元、10,406,000港元及1,157,000港元(二零零九年: 27,289,000港元、5,550,000港元及零元)。本公司董事拿督鄭裕彤博士及鄭家純博士持有該等公司實益權益。該筆款項屬貿易性質，與特許專櫃銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專櫃經營協議條款償還。

(b) 主要管理人員薪酬

年內，執行董事之酬金乃由薪酬委員會按個別表現及市場狀況釐定，彼等之酬金連同其餘四名最高收入管理層成員之酬金詳情於上文附註14披露。

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

At 31st December 2010 and 2009, the details of the Company's principal subsidiaries are as follows:

46. 主要附屬公司詳情

於二零一零年及二零零九年十二月三十一日，本公司主要附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation and operation Date of incorporation 註冊成立及營業地點以及 註冊成立日期	Issued and fully paid share capital 已發行及實繳股本		Attributable equity interest of the Group 本集團應佔股本權益		Principal activities 主要業務
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Ample Sun Group Limited 益良集團有限公司	Hong Kong 17th August 2007 香港 二零零七年八月十七日	HK\$10,000 10,000 港元	HK\$10,000 10,000 港元	60%	60%	Investment holding 投資控股
Congenial Company Limited	Hong Kong 24th April 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000 港元	HK\$10,000,000 10,000,000 港元	100%	100%	General trading and property holding 一般貿易及物業持有
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21st August 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000 港元	HK\$500,000 500,000 港元	100%	100%	Property holding and leasing 物業持有及租賃
Evenwin Worldwide Limited 永盛環球有限公司	Hong Kong 17th November 2000 香港 二零零零年十一月十七日	HK\$2 2 港元	HK\$2 2 港元	100%	100%	Property leasing 物業租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11th September 2003 香港 二零零三年九月十一日	HK\$2 2 港元	HK\$2 2 港元	100%	100%	License holder 特許權持有人
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15th July 1988 香港 一九八八年七月十五日	HK\$500,000 500,000 港元	HK\$500,000 500,000 港元	100%	100%	Property holding 物業持有
Future Develop Limited	British Virgin Islands/ Hong Kong 12th December 2003 英屬維爾京群島/香港 二零零三年十二月十二日	US\$3 3 美元	US\$3 3 美元	100%	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5th September 1995 香港 一九九五年九月五日	HK\$500,000 500,000 港元	HK\$500,000 500,000 港元	100%	100%	Provision of property security and management services 提供物業保安及管理服務
Grand Kinetic Limited 堅享有限公司	Hong Kong 7th February 2001 香港 二零零一年二月七日	HK\$2 2 港元	HK\$2 2 港元	100%	100%	Property holding and leasing 物業持有及租賃

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(continued)

46. 主要附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operation Date of incorporation 註冊成立及營業地點以及 註冊成立日期	Issued and fully paid share capital 已發行及實繳股本		Attributable equity interest of the Group 本集團應佔股本權益		Principal activities 主要業務
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6th July 1995 香港 一九九五年七月六日	HK\$2 2港元	HK\$2 2港元	100%	100%	Property holding and leasing 物業持有及租賃
Public Might Limited 群量有限公司	Hong Kong 30th August 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	HK\$1,000 1,000港元	100%	100%	Property investment and provision of building management services 物業投資及提供大廈管理服務
Ronson Kwok Asia Pacific Limited	Hong Kong 5th October 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	HK\$1,000,000 1,000,000港元	100%	100%	Building management and club operator 大廈管理及會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23rd September 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	HK\$4,000,000 4,000,000港元	100%	100%	Retailing business 零售業務
Superlite Limited	British Virgin Islands/ Hong Kong 3rd April 2001 英屬維爾京群島/香港 二零零一年四月三日	US\$1 1美元	US\$1 1美元	100%	100%	Property holding 物業持有
上海久光百貨有限公司* (Shanghai Ongoing Department Store Limited)	People's Republic of China 26th July 2004 中華人民共和國 二零零四年七月二十六日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	65%	65%	Retailing business 零售業務
Wingold Limited	Hong Kong 20th April 2007 香港 二零零七年四月二十日	HK\$10,000 10,000港元	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
瀋陽卓遠置業有限公司**	People's Republic of China 1st December 2006 中華人民共和國 二零零六年十二月一日	US\$94,762,988 94,762,988美元	US\$74,990,000 74,990,000美元	100%	100%	Property holding 物業持有
瀋陽怡富置業有限公司**	People's Republic of China 12th March 2007 中華人民共和國 二零零七年三月十二日	US\$74,990,000 74,990,000美元	US\$74,990,000 74,990,000美元	100%	100%	Property holding 物業持有

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

46. 主要附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operation Date of incorporation 註冊成立及營業地點以及 註冊成立日期	Issued and fully paid share capital 已發行及實繳股本		Attributable equity interest of the Group 本集團應佔股本權益		Principal activities 主要業務
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
利福廣場(蘇州)有限公司** Lifestyle Plaza (Suzhou) Co., Limited	People's Republic of China 1st March 2007 中華人民共和國 二零零七年三月一日	RMB600,000,000 人民幣 600,000,000元	RMB600,000,000 人民幣 600,000,000元	100%	100%	Property holding and leasing 物業持有及租賃
久光百貨(蘇州)有限公司**	People's Republic of China 17th January 2008 中華人民共和國 二零零八年一月十七日	US\$12,000,000 12,000,000美元	US\$12,000,000 12,000,000美元	100%	100%	Retailing business 零售業務
瀋陽佳建置業開發有限公司**	People's Republic of China 20th June 2006 中華人民共和國 二零零六年六月二十日	RMB277,500,000 人民幣 277,500,000元	RMB190,328,983 人民幣 190,328,983元	100%	100%	Property holding 物業持有
利福商廈(大連)有限公司**	People's Republic of China 9th October 1993 中華人民共和國 一九九三年十月九日	US\$45,000,000 45,000,000美元	US\$45,000,000 45,000,000美元	100%	100%	Retailing business 零售業務
利華佳商廈(天津)有限公司**	People's Republic of China 7th August 1996 中華人民共和國 一九九六年八月七日	US\$40,000,000 40,000,000美元	US\$40,000,000 40,000,000美元	100%	100%	Property holding 物業持有
嘉標商廈(青島)有限公司**	People's Republic of China 31st December 1995 中華人民共和國 一九九五年十二月三十一日	RMB225,000,000 人民幣 225,000,000元	RMB225,000,000 人民幣 225,000,000元	100%	100%	Property holding 物業持有
哈爾濱利福商廈有限公司**	People's Republic of China 16th October 1995 中華人民共和國 一九九五年十月十六日	US\$18,000,000 18,000,000美元	US\$18,000,000 18,000,000美元	100%	100%	Property holding 物業持有

* a sino-foreign equity joint venture established in the PRC.

** a wholly foreign-owned enterprise established in the PRC.

* 於中國成立之中外合資企業

** 於中國成立之全外資企業

None of the subsidiaries had issued any debt securities at the end of the reporting period.

附屬公司於報告期間結算日概無任何已發行債券。

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Statement of financial position of the Company at the end of the reporting period includes:

47. 本公司財務狀況表

於報告期間結算日，本公司財務狀況表包括：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current asset	非流動資產		
Interest in subsidiaries	於附屬公司權益	4,194	4,194
Current assets	流動資產		
Other receivables	其他應收款項	1,580	1,304
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	10,925	—
Tax recoverable	應收稅項	1,398	—
Amounts due from subsidiaries	應收附屬公司款項	5,559,753	3,612,585
Bank balances and cash	銀行結存及現金	5,172	25,836
		5,578,828	3,639,725
Current liabilities	流動負債		
Other payables	其他應付款項	1,927	2,941
Amounts due to subsidiaries	應付附屬公司款項	2,004,592	—
Tax payable	應繳稅項	—	2,926
		2,006,519	5,867
Net current assets	流動資產淨值	3,572,309	3,633,858
		3,576,503	3,638,052
Capital and reserves	資本及儲備		
Share capital	股本	8,395	8,368
Reserves	儲備	3,568,108	3,629,684
		3,576,503	3,638,052

Profit for the year ended 31st December 2010 of the Company amounted to approximately HK\$420,759,000 (2009: HK\$255,570,000).

Under the Company Law (2009 Revision) of the Cayman Islands, the share premium of the Company is available for distribution or paying dividends to shareholders subject to the provisions of its memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserve available for distribution as at 31st December 2010 consisted of share premium of approximately HK\$1,424,231,000 (2009: HK\$1,916,411,000) and retained profits of approximately HK\$1,984,505,000 (2009: HK\$1,563,664,000).

截至二零一零年十二月三十一日止年度，本公司之溢利約為420,759,000港元（二零零九年：255,570,000港元）。

根據開曼群島公司法（2009修訂），本公司之股份溢價可根據其公司組織章程大綱或細則之規定，分派予股東或作為股息向股東派發，惟緊隨股息分派後，本公司須有能力支付其於日常業務過程中到期之債務。於二零一零年十二月三十一日，本公司之可供分派儲備由股份溢價約1,424,231,000港元（二零零九年：1,916,411,000港元）及保留溢利約1,984,505,000港元（二零零九年：1,563,664,000港元）組成。

Five-Year Group Financial Summary

五年集團財務摘要

Consolidated Statement of Comprehensive Income

For the year ended 31st December

綜合全面收益表

截至十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	4,317,465	3,756,208	3,521,633	3,112,368	2,581,962
Profit attributable to owners of the Company	本公司擁有人應佔溢利	1,407,534	1,142,468	927,226	1,024,085	740,170
Earnings per share (HK cents)	每股盈利(港仙)					
— Basic	— 基本	83.9	68.5	54.5	60.2	43.7
— Diluted	— 攤薄	83.4	68.1	54.3	59.8	43.7
Total dividends per share (HK cents)	每股股息總額(港仙)	33.7	28.0	24.0	24.0	17.8

Consolidated Statement of Financial Position

At 31st December

綜合財務狀況表

於十二月三十一日

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總值	13,872,956	12,301,402	10,562,218	10,434,243	6,279,003
Total liabilities	負債總額	(5,969,902)	(5,618,395)	(4,707,235)	(5,216,563)	(2,420,094)
Total net assets	資產淨值總額	7,903,054	6,683,007	5,854,983	5,217,680	3,858,909
Non-controlling interests	非控股股東權益	(686,170)	(561,538)	(677,271)	(560,962)	(4,929)
Total net assets attributable to owners of the Company	本公司擁有人應佔資產淨值總額	7,216,884	6,121,469	5,177,712	4,656,718	3,853,980
Net assets per share (HK\$)	每股資產淨值(港元)	4.71	3.99	3.50	3.06	2.28
Net assets per share attributable to owners of the Company (HK\$)	本公司擁有人應佔每股資產淨值(港元)	4.30	3.66	3.09	2.73	2.27
Number of shares issued	已發行股份數目	1,678,985,000	1,673,620,000	1,673,965,500	1,705,083,000	1,695,936,000

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