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FINANCIAL HIGHLIGHTS

	2006 HK\$	2007 HK\$	2008 HK\$	2009 HK\$	2010 HK\$
Results					
Turnover	193,902,367	353,755,842	403,056,696	368,474,160	438,243,822
Profit attributable to owners of the Company	20,662,883	27,656,969	22,805,673	21,504,073	18,372,980
Assets and Liabilities					
Total assets	132,972,559	231,706,985	271,867,371	279,792,346	485,931,337
Total liabilities	43,448,295	115,376,003	129,991,671	95,091,695	273,010,403
Equity attributable to owners of the Company	89,524,264	116,330,982	141,875,700	184,700,651	212,920,934
Earnings per share					
Basic	0.12	0.16	0.13	0.12	0.09
Diluted	0.12	0.16	0.13	0.11	0.08

財務摘要

	二零零六年 港元	二零零七年 港元	二零零八年 港元	二零零九年 港元	二零一零年 港元
業績					
營業額	193,902,367	353,755,842	403,056,696	368,474,160	438,243,822
本公司擁有人應佔溢利	20,662,883	27,656,969	22,805,673	21,504,073	18,372,980
資產及負債					
總資產	132,972,559	231,706,985	271,867,371	279,792,346	485,931,337
總負債	43,448,295	115,376,003	129,991,671	95,091,695	273,010,403
本公司擁有人應佔權益	89,524,264	116,330,982	141,875,700	184,700,651	212,920,934
每股盈利					
基本	0.12	0.16	0.13	0.12	0.09
攤薄	0.12	0.16	0.13	0.11	0.08

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yan Siu Wai (*Chairman*)
Mr. Leung Kwok Yin
Mr. Bao Jisheng

Non-Executive Director

Mr. Kwan Kai Cheong

Independent Non-Executive Directors

Mr. Yu Hon Wing Allan
Mr. Garry Alides Willinge
Mr. Chu Kwok Man

COMPANY SECRETARY

Mr. Cheung Wai Tak (CPA(US), CPA)

AUTHORISED REPRESENTATIVES

Mr. Yan Siu Wai
Mr. Cheung Wai Tak (CPA(US), CPA)

COMPLIANCE OFFICER

Mr. Yan Siu Wai

AUDIT COMMITTEE

Mr. Yu Hon Wing, Allan (Chairman)
Mr. Kwan Kai Cheong
Mr. Garry Alides Willinge
Mr. Chu Kwok Man

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor, EIB Tower
4-6 Morrison Hill Road
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Bermuda (Cayman) Limited
PO Box 513, 2nd Floor, Strathvale House
North Church Street, George Town
Grand Cayman KY1-1106, Cayman Islands

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Bank of China
No. 58 South Shun Shui Road
Yuyao, Zhejiang, PRC

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

RSM Nelson Wheeler
29th Floor
Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

LEGAL ADVISERS

Tracy Ong & Co.
3908A, 39th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

STOCK CODE

776

WEBSITE OF THE COMPANY

www.jffurnishings.com

董事會

執行董事

甄兆威先生(主席)
梁國賢先生
鮑繼聲先生

非執行董事

關啟昌先生

獨立非執行董事

俞漢榮先生
Garry Alides Willinge 先生
朱國民先生

公司秘書

張偉德先生(CPA(US) · CPA)

授權代表

甄兆威先生
張偉德先生(CPA(US) · CPA)

監察主任

甄兆威先生

審核委員會

俞漢榮先生(主席)
關啟昌先生
Garry Alides Willinge 先生
朱國民先生

註冊地址

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Grand Cayman KY1-1111
Cayman Islands

香港總辦事處及主要營業地點

香港灣仔
摩理臣山道4-6號
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開曼群島主要股份過戶登記處

Bank of Bermuda (Cayman) Limited
PO Box 513, 2nd Floor, Strathvale House
North Church Street, George Town
Grand Cayman KY1-1106, Cayman Islands

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

中國銀行
中國浙江省餘姚市
舜水南路58號

香港股份過戶登記分處

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香港
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皇后大道東28號
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股份代號

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公司網址

www.jiffurnishings.com

CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the board ("Board") of directors ("Directors") of JF Household Furnishings Limited ("Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") and its audited financial results for the financial year ended 31 December 2010.

With the worldwide economy slowly stabilized in 2010, I am pleased to report to all the shareholders that the Group's businesses continued to improve in 2010. For the fiscal year ended 31 December 2010, the Group's turnover increased by 18.9% to reach a record of HK\$438.2 million. The increase in turnover was mainly due to the increase of orders for the stainless steel products, which shoot up 28.7% from that of 2009. The businesses for the "flat line" timber products remained stable as the Group's management focused on the development of the Board on Frame ("BOF") products.

In 2010, the Group's profit attributable to shareholders was approximately HK\$18.4 million, representing a drop of 14.6% as compared to that of 2009. The drop in the Group's profit was mainly attributed to the initial set up and product development costs for the new BOF series.

BUSINESS REVIEW

Year 2010 was a year of many challenges for the Group. Rising labour costs and the appreciation of the Renminbi currency continued to have adverse impact on the export manufacturers in the PRC. However, the Group's businesses were able to grow strongly as the worldwide economic started to recover and the Group's stainless steel business maintained a strong competitive position.

During the year, labour supply continued to be tight all over the PRC, and the Group had to turn down some orders during certain periods of the year due to insufficient labour power. At the same time, the PRC currency, the Renminbi, started to rise slowly again, which increased pressure on the gross margin as the rise in the currency increased the settlement costs for the Group.

In February 2010, the Group successfully concluded a five year sales volume agreement on the BOF series with the Group's key customer, which contemplated to give the Group specified amount of orders for five consecutive years commenced from 2010.

Trial production for the BOF series started in the second half of 2010. The products categories were still under adjustment which increased the research and development costs. Further, the unique machineries for the BOF series were continuously adjusted and under trial which also increased capital expenditure. The progress of development was therefore delayed. Hence, the Group did not achieve the scheduled sales plan for 2010 agreed with the key customer.

OUTLOOK AND FUTURE PROSPECTS

With the global financial situation improving, worldwide economic prospects is expected to move in the positive directions. The improved economic environment will continue to benefit the manufacturing industry in the PRC.

However, manufacturers in the PRC will continue to tackle difficulties as they face higher commodity prices worldwide, rising land and labour costs in the PRC, and the ever stronger pressure for the appreciation of Renminbi.

As a result of efforts of the Group in the past years, the management is confident that the Group is in a strong competitive position to secure more businesses and achieve better results in the stainless steel division, as some competitors may choose to discontinue their businesses with the Group's key customer under the difficult environment.

In order to support the development of the BOF products, the Group had begun to construct the new 53,000 sq.m. BOF production plant which is expected to be completed in mid 2011.

Businesses for the BOF series will be the main challenge for the management in 2011, as the Group sets up the new facilities in the new BOF production plant, and is expected to spend a lot of extra costs and effort for the development of the BOF series.

致股東

本人謹代表捷豐家居用品有限公司(「本公司」)董事(「董事」)會(「董事會」)，欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止財政年度的年度報告及經審核財務業績。

二零一零年，全球經濟逐漸回穩，本人欣慰地向全體股東報告本集團於二零一零年的業務狀況持續改善。截至二零一零年十二月三十一日止財政年度，本集團營業額增長18.9%至438,200,000港元。營業額增長之主要原因為不銹鋼產品之訂單較二零零九年攀升約28.7%。由於本集團管理層集中精力發展「蜂窩板」產品業務，故「平板」木製家俱產品業務維持穩定。

於二零一零年，本集團的股東應佔溢利約為18,400,000港元，較二零零九年下降14.6%。本集團溢利下降主要是由於全新「蜂窩板」系列產品的初步設立及產品開發成本所致。

業務回顧

二零一零年對本集團來說充滿挑戰。勞工成本上升以及人民幣升值繼續對中國的出口製造商帶來不利影響。然而，得益於全球經濟開始復甦，以及本集團的不銹鋼業務維持卓越的競爭優勢，本集團業務仍能實現強勁增長。

年內，中國全國範圍內的勞動力供應持續緊張，本集團於年內某些期間因人手不足不得不拒絕部份訂單。同時，中國法定貨幣人民幣再次開始緩慢升值，推高了本集團的結算成本從而為本集團毛利率帶來壓力。

於二零一零年二月，本集團成功與主要客戶就「蜂窩板」系列產品簽訂一項五年期銷售量協議，為本集團帶來了由二零一零年起連續五年的固定訂單。

「蜂窩板」系列產品於二零一零年下半年開始試產，產品種類的結構仍在調整中，因此增加了研發費用，再者生產「蜂窩板」系列產品的專用設備亦不斷在調試及增補，亦增加了資本性支出，因此亦延誤了發展進度。因此，本集團未能完成與主要客戶協議的二零一零年固定銷售計劃。

展望及未來前景

隨著全球經濟狀況不斷改善，預期全球經濟前景將步入積極發展軌道。經濟環境改善將持續為中國製造業帶來裨益。

然而，面對全球商品價格高企、中國國內土地及勞工成本不斷攀升以及人民幣面臨前所未有的升值壓力，中國的製造企業將繼續面臨重重困難。

根據本集團過去數年的努力，管理層深信本集團擁有強大的競爭優勢，當為本集團主要客戶服務的部分競爭者由於經營環境困難而可能選擇終止有關業務時，本集團的不銹鋼部門則能夠獲得更多業務，實現更好的業績。

為了支持「蜂窩板」產品的開發，本集團已開始建設佔地53,000平方米的「蜂窩板」生產廠房，預期將於二零一一年年中落成。

於二零一一年，「蜂窩板」系列產品業務將是管理層面臨的主要挑戰，新「蜂窩板」生產廠房中新設備的設立，本集團預期將需要為「蜂窩板」系列產品的發展作出大量的額外開支和額外努力。

CHAIRMAN'S STATEMENT

Looking ahead, the management is confident about the future growth and development of stainless steel division. Although the management expects that the Group's net profit will inevitably be affected by the initial set up and investment costs for the BOF series, the management believe that if the start up difficulties of the BOF products can be overcome, the timber division will retrieve its profitability.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to all our investors, customers, partners and shareholders for their ongoing support to the Group. I would also like to thank my colleagues and staff for their invaluable contributions throughout the year.

Yan Siu Wai

Chairman

Hong Kong, 31 March 2011

展望未來，管理層對不銹鋼部門的未來發展及增長充滿信心。儘管管理層預料本集團的淨溢利將無可避免地受到「蜂窩板」系列產品的初步投產開支及投資成本所影響，但管理層相信倘能克服「蜂窩板」系列產品的建設困難，則木製家俱部門將能恢復盈利能力。

致謝

本人謹代表董事會衷心感謝所有投資者、客戶、合作夥伴及股東對本集團一如既往的支持，以及各董事同仁及全體員工於過去一年對本集團作出的無價貢獻。

甄兆威

主席

香港，二零一一年三月三十一日

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

For the fiscal year ended 31 December 2010, the Group reported a turnover of approximately HK\$438.2 million, representing an increase of approximately 18.9% from that of the fiscal year of 2009. The increase in turnover came mainly from the stainless steel division, which went up around 28.7%, from approximately HK\$241.3 million in 2009 to approximately HK\$310.7 million in 2010 as the worldwide economic stabilized. Turnover for the timber division increased only slightly from approximately HK\$127.2 million for the year ended 31 December 2009 to approximately HK\$127.6 million for the year ended 31 December 2010.

Overall gross profit margin dropped from 15.3% in the year 2009 to 13.8% in 2010, mainly due to the drop in the gross profit margin of the timber division.

Gross profit margin for the stainless steel division dropped slightly from 17.5% in 2009 to 16.7% in 2010 as selling prices were downward adjusted due to the shift of payment obligation on the land transportation costs for containers from the Group to the key customer.

Gross profit margin for the timber division dropped from 11.2% in 2009 to 6.7% in 2010, as extra costs were spent in the trial production for the new BOF products.

Total expenses (including distribution and administration expenses) increased from approximately HK\$25.5 million in 2009 to approximately HK\$26.8 million in 2010. Total expenses increased by around HK\$1.3 million for the year 2010, mainly due to the additional costs incurred for the development of new BOF products.

Distribution costs dropped from approximately HK\$4.1 million in 2009 to around HK\$2.2 million in 2010 due to the shift of payment obligation on the land transportation costs for containers from the Group to the key customer.

Administrative expenses increased by HK\$3.2 million from approximately HK\$21.4 million in 2009 to approximately HK\$24.6 million in 2010, mainly due to additional product development costs, about HK\$2.5 million from the new BOF series and HK\$1.1 million from stainless steel division.

Interest costs rose significantly from approximately HK\$2.4 million in 2009 to approximately HK\$3.9 million in 2010, as the average bank borrowings increased from approximately HK\$56.0 million to around HK\$100.4 million, mainly because of the new investment associated with the new land, the construction of new production plant and the purchase of new equipment, all related to the new BOF series.

Income tax expenses increased from approximately HK\$8.4 million in 2009 to approximately HK\$11.4 million in 2010, mainly due to the significant higher profit from JF Ningbo. Besides, the Group paid tax of about HK\$1.0 million for the profit resulting from the transfer of land from JF Ningbo to JF Furniture.

Net profit in 2010 was approximately HK\$18.4 million, representing a decline of approximately 14.6% as compared to that of 2009. The decline in net profit mainly came from lower gross margin from the timber division and the higher total expenses.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING AND TREASURY POLICY

The Group's overall financial position tightened as the Group expanded its scope of business and invested significantly in the new BOF production plants and equipment.

As at 31 December 2010, the Group had cash and bank balances of approximately HK\$32.6 million (2009: approximately HK\$29.6 million) and net current assets of approximately HK\$17.4 million which was HK\$49.9 million less than approximately HK\$67.3 million recorded in 2009, again due to the increased borrowing requirement for the new BOF investment.

As at 31 December 2010, the Group had current liabilities of approximately HK\$271.8 million, which was higher than the closing balance for 2009 of approximately HK\$92.4 million. The increase in current liabilities was mainly due to the increase of bank borrowings by approximately HK\$110.7 million.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank borrowings and charges on the Group's assets are set out in note 23 to the financial statements.

經營業績

截至二零一零年十二月三十一日止財政年度，本集團錄得營業額約438,200,000港元，較二零零九年財政年度增長約18.9%。營業額增長主要源自不銹鋼部門。由於全球經濟漸趨穩定，不銹鋼部門的營業額由二零零九年的約241,300,000港元上升約28.7%至二零一零年的約310,700,000港元。木製傢俱部門的營業額從截至二零零九年十二月三十一日止年度約127,200,000港元稍微增至截至二零一零年十二月三十一日止年度約127,600,000港元。

二零一零年的整體邊際毛利率由二零零九年的15.3%下跌至二零一零年的13.8%，主要是由於木製傢俱部門的邊際毛利率有所下降。

由於集裝箱的陸地運輸成本的繳費責任由本集團轉移至主要客戶，不銹鋼產品售價下調，因此不銹鋼部門的邊際毛利率由二零零九年的17.5%稍微下降至二零一零年的16.7%。

由於新「蜂窩板」產品試產階段增加了額外成本，木製傢俱部門的邊際毛利率從二零零九年的11.2%下跌至二零一零年的6.7%。

二零一零年的總開支(包括分銷及行政開支)由二零零九年約25,500,000港元增加至二零一零年的約26,800,000港元。二零一零年的總開支增加約1,300,000港元，主要由於發展新「蜂窩板」產品產生的相關額外成本。

由於集裝箱的陸地運輸成本的繳費責任由本集團轉移至主要客戶，故分銷成本從二零零九年的約4,100,000港元下跌至二零一零年約2,200,000港元。

行政開支從二零零九年的約21,400,000港元增加3,200,000港元至二零一零年約24,600,000港元，主要由於新「蜂窩板」系列產品及不銹鋼部門分別產生額外產品開發成本約2,500,000港元及1,100,000港元。

平均銀行借貸由約56,000,000港元增至約100,400,000港元，使利息開支由二零零九年約2,400,000港元大幅上升至二零一零年的約3,900,000港元，主要是由於新「蜂窩板」系列產品有關的新地塊、建設新生產廠房以及購買新設備產生的新投資。

所得稅開支從二零零九年約8,400,000港元增加至二零一零年的約11,400,000港元，主要由於來自寧波捷豐的溢利大幅提升所致。此外，本集團因寧波捷豐向捷豐傢俱轉讓土地所得收益而繳納約1,000,000港元稅項。

二零一零年的淨溢利約為18,400,000港元，較二零零九年減少約14.6%。淨溢利減少主要是由於木製傢俱部門毛利率下降及總開支上升所致。

流動資金、財務資源及融資及財務政策

隨著本集團拓展業務並大幅投資於新「蜂窩板」生產廠房及設備，本集團的整體財務狀況有所收緊。

於二零一零年十二月三十一日，本集團擁有現金及銀行結餘約32,600,000港元(二零零九年：約29,600,000港元)及流動資產淨值約17,400,000港元，較二零零九年之約67,300,000港元少49,900,000港元，原因亦是因為新「蜂窩板」業務相關投資增加了借貸需求。

於二零一零年十二月三十一日，本集團擁有流動負債約271,800,000港元，高於二零零九年之年終結餘約92,400,000港元。流動負債水平增加主要是由於銀行借貸增加約110,700,000港元所致。

銀行貸款及其他借貸

銀行借貸及本集團資產抵押之詳情載於財務報表附註23。

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

The Group's gearing ratio, which was derived from the total bank borrowings to total assets, increased to 32.9% in 2010 from 17.6% in 2009, as the Group increased its bank borrowings by around HK\$110.7 million.

FUTURE PLANS FOR MATERIAL INVESTMENTS

Save as disclosed in this report, the Group had no material acquisition or capital expenditure plan as of 31 December 2010.

CONTINGENT LIABILITIES

As at 31 December 2010, the Group did not have any significant contingent liabilities (2009: Nil).

SUBSEQUENT EVENTS

On 29 January 2011, JF Household Furnishings (Asia) Ltd. ("JF Asia"), a wholly-owned subsidiary of the Company (as vendor), entered into a disposal agreement ("Disposal Agreement") with First Priority Inc. ("First Priority") (as purchaser) pursuant to which JF Asia agreed to dispose and First Priority agreed to acquire 100 shares of US\$1.00 each of JF Household Furnishings (BVI) Ltd. ("JF BVI") (being the entire issued shares of JF BVI) at a consideration of HK\$102,060,703 subject to certain disposal consideration adjustments. Details of the Disposal Agreement had been disclosed in an announcement jointly issued by the Company and Bounty Wealth Limited, an independent third party ("Joint Announcement") on 3 March 2011.

Further, as disclosed in the Joint Announcement, the Board proposed a distribution of special dividend of not more than HK\$170,000,000 (subject to full declaration and finalization of the proposed special distribution) ("Proposed Special Distribution") and a reduction of share premium account ("Reduction of Share Premium") to facilitate the Proposed Special Distribution. Details of the Proposed Special Distribution and the Reduction of Share Premium were also set out in the Joint Announcement.

Save as disclosed in this report, no subsequent events occurred after 31 December 2010 which may have significant effects on the assets and liabilities of future operations of the Group.

FOREIGN EXCHANGE EXPOSURE

All transactions of the Group are denominated in RMB, Hong Kong dollars, Euro or US dollars. As RMB may continue to fluctuate in the foreseeable future, the Group will maintain a sizable portion of its borrowings in Hong Kong dollars, which form a natural hedge with the Group's sales denominated in US dollars.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2010, the Group employed approximately 1,060 staff in the PRC and Hong Kong, representing an increase of 260 staff from 31 December 2009, as the Group expanded its business lines. The Group's remuneration to employees, including Directors' emoluments, increased by approximately HK\$5.3 million to approximately HK\$34.4 million for the fiscal year of 2010. The Group reviews employee remuneration annually and rewards its employee with reference to the length of services and performance. The Group also has the liberty to grant share options and bonuses to employees of the Group at the discretion of the Directors based on the financial performance of the Group.

CAPITAL STRUCTURE

Since the listing of the Company's shares on the Growth Enterprise Market ("GEM") of the Stock Exchange on 13 October 2005, there has been no change in the capital structure of the Company. The share capital of the Company comprises only ordinary shares.

COMPETING INTEREST

None of the Directors or their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules")), had any interests in any business which compete or may compete with the Company or any other conflicts of interest which any such person may have with the Company.

資產負債比率

由於本集團增加銀行借貸約110,700,000港元，本集團的資產負債比率(以銀行借貸總額與資產總值之比例計算)由二零零九年的17.6%增加至二零一零年的32.9%。

重大投資的未來計劃

除本報告所披露者外，截至二零一零年十二月三十一日，本集團並無任何重大收購或資本開支計劃。

或然負債

於二零一零年十二月三十一日，本集團並無任何重大或然負債(二零零九年：無)。

結算日後事項

於二零一一年一月二十九日，本公司的全資附屬公司捷豐家居用品(亞洲)有限公司(「捷豐亞洲」，作為賣方)與First Priority Inc. (「First Priority」，作為買方)訂立出售協議，據此，捷豐亞洲同意出售以及First Priority同意購買捷豐家居用品(維爾京群島)有限公司(「捷豐維爾京」)的100股每股面值1.00美元之股份(即捷豐維爾京的全部已發行股份)，代價為102,060,703港元(視乎出售代價調整而定)。出售協議詳情已於本公司和獨立第三方Bounty Wealth Limited於二零一一年三月三日刊發的聯合公告(「聯合公告」)中披露。

此外，如聯合公告所披露，董事會建議分派不超過170,000,000港元特別股息(須待建議特別分派得以全面宣派及落實)(「建議特別分派」)，並建議削減股份溢價(「削減股份溢價」)以促進建議特別分派。有關建議特別分派以及削減股份溢價之詳情亦載於聯合公告。

除本報告所披露者外，二零一零年十二月三十一日之後並無發生可能對本集團未來營運的資產及負債產生重大影響的事件。

外匯風險

本集團的所有交易均以人民幣、港元、歐元或美元列值。鑒於人民幣於可預見的將來可能持續波動，本集團將維持較大比例的港元借貸，以和本集團以美元列值的銷售額自然對沖。

僱員及薪酬政策

於二零一零年十二月三十一日，由於本集團拓展業務，本集團於中國及香港僱用約1,060名員工，較二零零九年十二月三十一日增加260名。在二零一零年財政年度，本集團的僱員薪酬(包括董事酬金)增加約5,300,000港元至約34,400,000港元。本集團按僱員服務年期及表現每年審核僱員薪酬及給予獎金。本集團亦根據本集團的財務表現由董事酌情決定向本集團僱員授出購股權及花紅。

資本結構

自本公司股份於二零零五年十月十三日於聯交所創業板(「創業板」)上市以來，本公司的資本結構並無變動。本公司股本只由普通股組成。

競爭權益

概無董事或彼等各自的聯繫人(定義見聯交所證券上市規則(「上市規則」))於對本公司業務構成或可能構成競爭的任何業務中擁有任何權益，或與本公司構成任何其他利益衝突。

EXECUTIVE DIRECTORS

Mr. Yan Siu Wai, aged 55, is one of the co-founders and Chairman of the Group. Mr. Yan is responsible for the strategic planning, corporate development and supervision of overall management of the Group. Mr. Yan graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1976 with a higher diploma in production engineering. In 1998, he also obtained a master degree in Science (Engineering Business Management) from the University of Warwick, the United Kingdom. Mr. Yan is a member of the American Institute of Industrial Engineers and American Society of Heating Refrigerating and Air-conditioning Engineers, Inc.. Mr. Yan has approximately 30 years of experience in industrial management and manufacturing. Mr. Yan is also a director of all of the subsidiaries of the Company, namely JF Household Furnishings (Asia) Ltd., JF Household Furnishings (BVI) Ltd., Keylink Technology Limited, JF Household Furnishings (Macau) Holdings Ltd., JF Household Furnishings Macao Commercial Offshore Limited, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., Ningbo JF Metal Products Co., Ltd. and Ningbo JF Furniture Co., Ltd. Mr. Yan also held directorships and shareholding in other private companies, some of which are jointly invested with Mr. Leung Kwok Yin. Further, both of Mr. Yan and Mr. Leung Kwok Yin are directors and controlling shareholders of Multistack International Limited ("MIL"), a company listed on the Australian Stock Exchange.

The Company and Mr. Yan entered into a service agreement on 8 September 2005 in relation to Mr. Yan's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service agreement, Mr. Yan is entitled to receive a salary of HK\$34,000 per month and a discretionary annual bonus. The salary of Mr. Yan is determined with reference to his experience and responsibilities.

Mr. Leung Kwok Yin, aged 58, is one of the co-founders of the Group. Mr. Leung is responsible for product development, materials sourcing and marketing of the Group. Mr. Leung graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1975 with a technician diploma in electrical engineering. Mr. Leung has been partnering with Mr. Yan Siu Wai for investments in the PRC for approximately 30 years and has built substantial manufacturing and distribution experiences in the PRC. Mr. Leung is also a director of all of the subsidiaries of the Company, namely JF Household Furnishings (Asia) Ltd., JF Household Furnishings (BVI) Ltd., Keylink Technology Limited, JF Household Furnishings (Macau) Holdings Ltd., JF Household Furnishings Macao Commercial Offshore Limited, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., Ningbo JF Metal Products Co., Ltd. and Ningbo JF Furniture Co., Ltd. Mr. Leung also held directorships and shareholding in other private companies, some of which are jointly invested with Mr. Yan Siu Wai. Further, both of Mr. Leung and Mr. Yan Siu Wai are directors and controlling shareholders of MIL, a company listed on the Australian Stock Exchange.

The Company and Mr. Leung entered into a service agreement on 8 September 2005 in relation to Mr. Leung's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service agreement, Mr. Leung is entitled to receive a salary of HK\$18,000 per month and a discretionary annual bonus. The salary of Mr. Leung is determined with reference to his experience and responsibilities.

Mr. Bao Jisheng, aged 72, joined the Group in January 1999. He was the general manager of the Group since January 2003 and has resigned from his position as general manager of the Group since 20 April 2009. Mr. Bao remains as an executive Director of the Company and continues to oversee the overall operation of the Group. Mr. Bao was previously the factory manager of Yuyao General Machinery Factory. He has over 41 years of experience in manufacturing, industrial engineering and business management. Mr. Bao is a qualified engineer. Mr. Bao is also a director of certain subsidiaries of the Company, namely JF Household Furnishings Macao Commercial Offshore Limited, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., Ningbo JF Metal Products Co., Ltd. and Ningbo JF Furniture Co., Ltd.

The Company and Mr. Bao entered into a service agreement on 8 September 2005 in relation to Mr. Bao's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service agreement, Mr. Bao is entitled to receive a salary of HK\$58,000 per month and a discretionary annual bonus. The salary of Mr. Bao is determined with reference to his experience and responsibilities.

執行董事

甄兆威先生，55歲，本集團主席兼聯合創辦人之一。甄先生負責本集團的策略規劃、企業發展及整體管理的監管。甄先生一九七六年於香港理工大學(前稱香港理工學院)畢業，取得生產工程高級文憑，並於一九九八年取得英國華威大學(University of Warwick)理學(工程商業管理)碩士學位。甄先生為美國工程師學會及美國製冷學會會員。甄先生在工業管理及製造方面擁有約30年經驗。甄先生亦為本公司所有附屬公司之董事，即捷豐家居用品(亞洲)有限公司、捷豐家居用品(維爾京群島)有限公司、機靈科技有限公司、捷豐家居用品(澳門)控股有限公司、捷豐家居用品澳門離岸商業服務有限公司、寧波捷豐家居用品有限公司、寧波捷豐金屬制品有限公司以及寧波捷豐現代傢俱有限公司。此外，甄先生亦於其他私營公司擔任董事及持有股份，部份為與梁國賢先生聯合投資之公司。此外，甄先生與梁國賢先生均為於澳洲證券交易所上市之公司Multistack International Limited(「MIL」)的董事及控股股東。

本公司與甄先生於二零零五年九月八日簽訂一份服務協議，自二零零五年九月八日開始委任甄先生為本公司執行董事，初始任期為3年，並於二零零八年九月七日屆滿。協議自當時任期屆滿日期起翌日自動續約一年，惟任何一方於初始任期結束或其後任何時間向對方發出不少於6個月之書面通知終止除外。根據服務協議，甄先生可獲得每月34,000港元的薪金及酌情年終花紅。甄先生的薪酬乃根據其資歷及職責釐定。

梁國賢先生，58歲，本集團聯合創辦人之一，負責本集團產品開發、物料採購及市場推廣。梁先生一九七五年於香港理工大學(前稱香港理工學院)畢業，取得電機工程技術文憑。梁先生與甄兆威先生合夥在中國投資已約30年，在中國進行製造及分銷方面積累了豐富經驗。梁先生亦為本公司所有附屬公司之董事，即捷豐家居用品(亞洲)有限公司、捷豐家居用品(維爾京群島)有限公司、機靈科技有限公司、捷豐家居用品(澳門)控股有限公司、捷豐家居用品澳門離岸商業服務有限公司、寧波捷豐家居用品有限公司、寧波捷豐金屬制品有限公司以及寧波捷豐現代傢俱有限公司。此外，梁先生亦於其他私營公司擔任董事及持有股份，部份為與甄兆威先生聯合投資之公司。此外，梁先生與甄兆威先生均為於澳洲證券交易所上市之公司MIL的董事及控股股東。

本公司與梁先生於二零零五年九月八日簽訂一份服務協議，自二零零五年九月八日開始委任梁先生為本公司執行董事，初始任期為3年，並於二零零八年九月七日屆滿。協議自當時任期屆滿日期起翌日自動續約一年，惟任何一方於初始任期結束或其後任何時間向對方發出不少於6個月之書面通知終止除外。根據服務協議，梁先生可獲得每月18,000港元的薪金及酌情年終花紅。梁先生的薪酬乃根據其資歷及職責釐定。

鮑繼聲先生，72歲，於一九九九年一月加入本集團。彼自二零零三年一月起為本集團總經理，並自二零零九年四月二十日起辭任本集團總經理職務。鮑先生仍然為本公司之執行董事，並繼續監督本集團之整體運營。鮑先生之前曾擔任餘姚通用機器廠廠長。彼在製造、工業工程及商業管理方面擁有逾41年經驗。鮑先生為合資格工程師。鮑先生亦為本公司若干附屬公司之董事，即捷豐家居用品澳門離岸商業服務有限公司、寧波捷豐家居用品有限公司、寧波捷豐金屬制品有限公司以及寧波捷豐現代傢俱有限公司。

本公司與鮑先生於二零零五年九月八日簽訂一份服務協議，自二零零五年九月八日開始委任鮑先生為本公司執行董事，初始任期為3年，並於二零零八年九月七日屆滿。協議自當時任期屆滿日期起翌日自動續約一年，惟任何一方於初始任期結束或其後任何時間向對方發出不少於6個月之書面通知終止除外。根據服務協議，鮑先生可獲得每月58,000港元的薪金及酌情年終花紅。鮑先生的薪酬乃根據其資歷及職責釐定。

NON-EXECUTIVE DIRECTOR

Mr. Kwan Kai Cheong, aged 61, graduated from the University of Singapore in 1973 with a degree in Accountancy. Mr. Kwan is qualified as a Chartered Accountant in Australia in 1979 and is a member of the Hong Kong Institute of Certified Public Accountants since 1982. He completed the Stanford Executive Program in 1992. He was previously the president and chief operating officer for the Asia Pacific Region of Merrill Lynch & Co.. Mr. Kwan was appointed as an independent non-executive Director in March 2005. Mr. Kwan is also a non-executive director of China Properties Group Limited, a company listed on the Main Board. He is an independent non-executive director for several listed companies in Hong Kong, namely Hutchison Harbour Ring Limited, Win Hanverky Holdings Limited, SPG Land (Holdings) Limited and Sunlight REIT (which are all listed on the Main Board of the Stock Exchange). He is also an independent non-executive director of Galaxy Resources Limited, a company listed on the Australian Securities Exchange, with effect from 13 October 2010. Mr. Kwan was appointed an independent non-executive director of Soundwill Holdings Limited, a company listed on the Main Board of the Stock Exchange, on 30 September 2004 and had resigned on 7 January 2011. Mr. Kwan was an independent non-executive director of Hutchison Telecommunications International Limited, a company previously listed on the Main Board of the Stock Exchange which has withdrawn from listing with effect from 25 May 2010. Further, Mr. Kwan was also a director of Yaohan International Holdings Limited, a company previously listed on the Main Board which is pending liquidation. He was also a non-executive director of China Medical and Bio Science Limited (formerly known as "China Medical Science Limited"), a company listed on GEM with provisional liquidator appointed on 3rd December 2008, and Mr. Kwan had resigned on 20 May 2008.

Mr. Kwan was first appointed as an independent non-executive Director with an initial term of appointment of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007. On 9 April 2008, Mr. Kwan was re-designated as a non-executive Director of the Company. Following the expiration of his then term on 7 September 2009, Mr. Kwan's term of appointment was renewed for another 24 months commenced from 8 September 2009, which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Kwan and the Company. Mr. Kwan is entitled to receive a fee of HK\$100,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Kwan is a member of the audit committee and remuneration committee of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yu Hon Wing Allan, aged 54, graduated from the Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1978 with a higher diploma in Accountancy. Mr. Yu is a Certified Public Accountant (Practising) with the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants). He is also a fellow of the Chartered Association of Certified Accountants since 1986. Mr. Yu was appointed as an independent non-executive Director in March 2005. Mr. Yu is an independent non-executive director of MIL, a company listed on the Australian Stock Exchange, whose controlling shareholders are Mr. Yan Siu Wai and Mr. Leung Kwok Yin.

Mr. Yu was appointed as an independent non-executive Director with an initial term of appointment of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007. Following the expiration of such term on 7 September 2009, Mr. Yu's term of appointment was renewed for another 24 months commenced from 8 September 2009, which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Yu and the Company. Mr. Yu is entitled to receive a fee of HK\$60,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Yu is the chairman of the audit committee and remuneration committee of the Company.

Mr. Garry Alides Willinge, aged 61, is a fellow of the Australian Institute of Company Directors and a fellow of the Hong Kong Institute of Directors. He is also an Adjunct Professor with the Curtin Business School. He graduated from the University of Melbourne, Australia in 1970 with a Bachelor of Science. In 1996, he also obtained a Graduate Diploma in Applied Finance and Investment from the Securities Institute Education in Australia (now known as "The Securities Institute of Australia"). Mr. Willinge has worked in a number of management roles in a multinational information technology company. Mr. Willinge was appointed as an independent non-executive Director in March 2005. Mr. Willinge is an independent non-executive director of China Properties Group Limited, a company listed on the Main Board of the Stock Exchange. He was an independent non-executive director of China Medical and Bio Science Limited (formerly known as "China Medical Science Limited"), a company listed on GEM with provisional liquidator appointed on 3 December 2008, and he had resigned on 24 October 2008. Furthermore, Mr. Willinge was also an independent non-executive director of Canton Property Investment Limited, a company previously listed on AIM of the London Stock Exchange with its shares cancelled from trading since 13 March 2009 and provisional liquidators appointed on 26 June 2009, and Mr. Willinge had resigned on 5 November 2008.

非執行董事

關啟昌先生，61歲，於一九七三年自新加坡大學畢業，取得會計學學士學位。關先生於一九七九年取得澳洲特許會計師資格，並自一九八二年起為香港會計師公會會員。彼於一九九二年修畢史丹福行政人員課程(Stanford Executive Program)。彼曾擔任美林證券(Merrill Lynch & Co.)亞太區總裁及營運總監。關先生於二零零五年三月獲委任為獨立非執行董事。關先生為於主板上市之公司中國地產集團有限公司的非執行董事，以及數間香港上市公司之獨立非執行董事，包括和記港陸有限公司、永嘉集團控股有限公司、盛高置地(控股)有限公司以及陽光房地產投資信託基金(均於聯交所主板上市)。關先生自二零一零年十月十三日起擔任Galaxy Resources Limited(一家於澳洲證券交易所上市之公司)的獨立非執行董事。彼於二零零四年九月三十日獲委任為聯交所主板上市公司金朝陽集團有限公司獨立非執行董事，並已於二零一一年一月七日辭任。關先生曾任和記電訊國際有限公司獨立非執行董事，該公司之前於聯交所主板上市並已於二零一零年五月二十五日除牌。此外，關先生亦曾為八佰伴國際集團有限公司之董事，該公司此前於主板上市，目前待決清盤。關先生曾為中華藥業生物科學有限公司(前稱「中華藥業有限公司」)之非執行董事，並於二零零八年五月二十日辭任，該公司於創業板上市，並於二零零八年十二月三日委任臨時清盤人。

關先生於二零零五年三月八日首次獲委任為本公司獨立非執行董事，初始任期為30個月，此後自二零零七年九月八日開始續期24個月。於二零零八年四月九日，關先生轉任為本公司非執行董事。上述任期於二零零九年九月七日屆滿後，關先生之任期自二零零九年九月八日起獲續期24個月。其任期可透過發出不少於3個月之書面通知予以終止，惟關先生與本公司協商之其他方式除外。關先生之年薪為100,000港元，乃參考其資歷及估計之工作時間而釐定。關先生為本公司審核委員會及薪酬委員會成員。

獨立非執行董事

俞漢榮先生，54歲，於一九七八年自香港理工大學畢業(前稱香港理工學院)，取得會計學高級文憑，俞先生為香港會計師公會(前稱為Hong Kong Society of Accountants)的執業會計師。自一九八六年起，彼亦為特許公認會計師公會資深會員，俞先生於二零零五年三月獲委任為獨立非執行董事。俞先生為於澳洲證券交易所上市之公司MIL的獨立非執行董事，該公司之控股股東為甄兆威先生及梁國賢先生。

俞先生自二零零五年三月八日開始獲委任為本公司獨立非執行董事，初始任期為30個月，此後自二零零七年九月八日開始續期24個月。上述任期於二零零九年九月七日屆滿後，俞先生之任期自二零零九年九月八日起獲續期24個月。其任期可透過發出不少於3個月之書面通知予以終止，惟俞先生與本公司協商之其他方式除外。俞先生之年薪為60,000港元，乃參考其資歷及估計之工作時間而釐定。俞先生為本公司審核委員會及薪酬委員會主席。

Garry Alides Willinge先生，61歲，為澳洲公司董事學會(Australian Institute of Company Directors)及香港董事學會(Hong Kong Institute of Directors)資深會員及科廷商學院(Curtin Business School)的副教授。彼於一九七零年自澳洲墨爾本大學畢業，取得理學士學位。於一九九六年，彼取得澳洲Securities Institute Education(現稱「The Securities Institute of Australia」)的應用財務及投資深造文憑。彼曾於一家跨國資訊科技公司擔任數個管理職務。Willinge先生於二零零五年三月獲委任為獨立非執行董事。Willinge先生為於聯交所主板上市之公司中國地產集團有限公司之獨立非執行董事。彼曾為中華藥業生物科學有限公司(前稱「中華藥業有限公司」)之獨立非執行董事，並於二零零八年十月二十四日辭任，該公司於創業板上市，並於二零零八年十二月三日委任臨時清盤人。此外，Willinge先生亦為Canton Property Investment Limited的獨立非執行董事，並於二零零八年十一月五日辭任，該公司之前在倫敦證券交易所的另類投資市場上市，其股份自二零零九年三月十三日起終止買賣，並於二零零九年六月二十六日委任臨時清盤人。

DIRECTORS AND SENIOR MANAGEMENT

Mr. Willinge was appointed as an independent non-executive Director with an initial term of appointment of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007. Following the expiration of such term on 7 September 2009, Mr. Willinge's term of appointment was renewed for another 24 months commenced from 8 September 2009, which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Willinge and the Company. Mr. Willinge is entitled to receive a fee of HK\$100,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Willinge is a member of the audit committee and remuneration committee of the Company.

Mr. Chu Kwok Man, aged 55, is a solicitor practising in Hong Kong since 1983. He was awarded the degree of Master of Laws by the City University of Hong Kong and the degree of Master of Corporate Finance by The Hong Kong Polytechnic University. Mr. Chu is also an independent non-executive director of Decca Holdings Limited, a company listed on the Main Board of the Stock Exchange, and MIL, a company listed on the Australian Stock Exchange, whose controlling shareholders are Mr. Yan Siu Wai and Mr. Leung Kwok Yin.

Mr. Chu was appointed as an independent non-executive Director with an initial term of appointment of 17 months commenced from 9 April 2008, which term had expired on 8 September 2009, and Mr. Chu's term of appointment was renewed for another 24 months commenced from 9 September 2009, which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Chu and the Company. Mr. Chu is entitled to receive a fee of HK\$60,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Chu is a member of the audit committee and remuneration committee of the Company.

SENIOR MANAGEMENT

Mr. Bao Xiangqian, aged 45, joined the Group in January 1999 and was promoted to be the general manager of Ningbo JF Furniture Co. Ltd. in November 2007. Mr. Bao has been appointed the general manager of the Group with effect from 20 April 2009, following the resignation of Mr. Bao Jisheng. He is in charge of the Group's marketing activities and correspondences with overseas customers. Mr. Bao graduated from East China University of Technical Engineering in 1988 with a bachelor degree major in Scientific English. He has been engaged in international trading for 16 years. Mr. Bao obtained a Master of Business Administration from the University of Canberra, Australia in July 2005. Mr. Bao is the son of Mr. Bao Jisheng.

Mr. Wang Shengkang, aged 69, joined the Group in June 2002 and was promoted to the position of deputy general manager in November 2004. Mr. Wang is responsible for the personnel and daily administrative operations of the Group. He has been engaged in corporate administration for over 20 years.

Mr. Wu Dingfeng, aged 47, joined the Group in January 2003, and was appointed as the deputy general manager of Ningbo JF Furniture Co. Ltd. Mr. Wu is responsible for general and technical operations of the Ningbo JF Furniture Co. Ltd. Mr. Wu graduated from the faculty of mechanical engineering in (Zhejiang Engineering College, the PRC) in 1983 with a bachelor degree in engineering. Mr. Wu has been in mechanical engineering industry for over 20 years. Prior to joining the Group in January 2003, Mr. Wu had worked for Yuyao General Machinery Factory and Yuyao Jiehua Compressor Ltd., as technical manager and chief engineer.

Mr. Zheng Yao, aged 50, joined the Group in December 2007 and was appointed as the deputy general manager of JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd. Mr. Zheng was responsible for the administration and management of the factory. Mr. Zheng graduated from Zhejiang Radio & TV University in 1986 majoring in industrial accounting. Mr. Zheng is a qualified accountant and a member of The Chinese Institute of Certified Public Accountants in the PRC. Mr. Zheng has over 20 years of experience in business management. Prior to joining the Group in December 2007, Mr. Zheng worked for Shuaikang Group Co., Ltd. as deputy general manager.

Mr. Cheung Wai Tak, aged 58, joined the Group as the financial controller in May 2005 and has been working in the finance and accounting field for over 20 years. Mr. Cheung is a Certified Public Accountant in the United States and is a member of the Hong Kong Institute of Certified Public Accountants. He graduated with an MBA degree from the University of California at Berkeley, the United States in 1981.

Willinge先生自二零零五年三月八日開始獲委任為本公司獨立非執行董事，初始任期為30個月，此後自二零零七年九月八日開始續期24個月。上述任期於二零零九年九月七日屆滿後，Willinge先生之任期自二零零九年九月八日起獲續期24個月。其任期可透過發出不少於3個月之書面通知予以終止，惟Willinge先生與本公司協商之其他方式除外。Willinge先生之年薪為100,000港元，乃參考其資歷及估計之工作時間而釐定。Willinge先生為本公司審核委員會及薪酬委員會成員。

朱國民先生，55歲，自一九八三年開始於香港從事律師工作。彼獲得香港城市大學法律碩士學位及香港理工大學企業金融碩士學位。朱先生亦為於聯交所主板上市之達藝控股有限公司以及於澳洲證券交易所上市之公司MIL(該公司之控股股東為甄兆威先生及梁國賢先生)的獨立非執行董事。

朱先生於二零零八年四月九日獲委任為獨立非執行董事，初始任期為17個月，已於二零零九年九月八日屆滿。朱先生之任期自二零零九年九月九日起獲續期24個月，其任期可透過發出不少於3個月之書面通知予以終止，惟朱先生與本公司協商之其他方式除外。朱先生之年薪為60,000港元，乃參考其資歷及估計之工作時間而釐定。朱先生為本公司審核委員會及薪酬委員會成員。

高級管理層

鮑向前先生，45歲，於一九九九年一月加入本集團，於二零零七年十一月晉升為寧波捷豐現代家具有限公司之總經理。鮑繼聲先生辭任後，鮑先生自二零零九年四月二十日起獲委任為本集團總經理。彼負責本集團的市場推廣活動及與海外客戶聯繫。鮑先生於一九八八年畢業於華東理工大學，取得學士學位，主修科學英文。彼已從事國際貿易達16年。鮑先生於二零零五年七月取得澳洲坎培拉大學的工商管理碩士學位。鮑先生為鮑繼聲先生之子。

王勝康先生，69歲，二零零二年六月加入本集團，並於二零零四年十一月晉升為副總經理。王先生負責本集團人事及日常行政工作。他從事企業行政工作已逾20年。

吳定鋒先生，47歲，於二零零三年一月加入本集團，並獲委任為寧波捷豐現代家具有限公司常務副總經理。吳先生負責寧波捷豐現代家具有限公司之一般及技術運作。吳先生於一九八三年畢業於中國浙江工學院機械工程系，取得工程學學士學位。吳先生從事機械工程業已逾20年。於二零零三年一月加入本集團前，吳先生曾擔任餘姚通用機器廠及餘姚捷華壓縮機有限公司的技術經理及總工程師。

鄭耀先生，50歲，二零零七年十二月加入本集團，並獲委任為寧波捷豐家居用品有限公司常務副總經理。鄭先生負責工廠的行政管理工作。鄭先生於一九八六年畢業於浙江廣播電視大學，主修工業會計。鄭先生已取得專業會計師資格，並為中國註冊會計師協會會員。鄭先生從事企業管理逾20年。於二零零七年十二月加入本集團前，鄭先生曾擔任帥康集團有限公司副總經理。

張偉德先生，58歲，於二零零五年五月加入本集團出任財務總監，並已於財務會計業工作逾20年。張先生為美國執業會計師，並為香港會計師公會會員。彼於一九八一年於美國加州柏克萊大學畢業，取得工商管理碩士學位。

REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited financial statements of JF Household Furnishings Limited ("the Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2010.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2005 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of (i) furnishings, home products and accessories primarily used in kitchens and bathrooms with stainless steel as raw materials and (ii) wooden panel furniture. Turnover represents invoiced value of goods sold, net of value-added tax, and after allowance for goods returned and trade discounts.

An analysis of the turnover from the principal activities during the financial year is set out in note 6 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

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

	Percentage of the Group's total Sales/Purchases
The largest customer	98.1%
Five largest customers in aggregate	98.3%
The largest supplier	24.1%
Five largest suppliers in aggregate	61.7%

None of the Directors or any of their associates or any shareholders of the Company (who or which to the knowledge of the Directors own more than 5.0% of the share capital of the Company) has any beneficial interest in any of the Group's five largest customers and five largest suppliers.

DIVIDEND

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

PROPERTY, PLANT AND EQUIPMENT

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

DISTRIBUTABLE RESERVES

At 31 December 2010, the Company's reserves available for cash distribution amounted to approximately HK\$124.2 million. Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 25 to the financial statements. Shares were issued during the year pursuant to the exercise of certain pre-IPO share options during the year.

董事欣然提呈捷豐家居用品有限公司(「本公司」)及其附屬公司(統稱「本集團」)的董事會報告及截至二零一零年十二月三十一日止年度的經審核財務報表。

本公司於二零零五年一月十九日根據開曼群島公司法第22章(一九六一年第3條法律，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。

主要業務

本公司為投資控股公司，本集團主要從事製造及銷售(i)主要用於廚房及浴室，以不銹鋼作為原材料的家俱、家居用品及配件以及(ii)木製家俱。營業額指扣除增值稅及退貨備抵和貿易折扣後售出貨品的發票值。

主要業務於本財政年度的營業額分析載於財務報表附註6。

主要客戶及供應商

於本財政年度內，主要客戶及供應商分別佔本集團銷售及採購額的資料如下：

	佔本集團銷售／ 採購總額百分比
最大客戶	98.1%
五大客戶合計	98.3%
最大供應商	24.1%
五大供應商合計	61.7%

就董事所知，概無董事、彼等的聯繫人或本公司的任何股東(就董事所知擁有超過5.0%本公司股本者)擁有本集團任何五大客戶及五大供應商的實益權益。

股息

董事並不建議派付截至二零一零年十二月三十一日止年度末期股息。

物業、廠房及設備

物業、廠房及設備的變動詳情載於財務報表附註15。

可供分派儲備

於二零一零年十二月三十一日，本公司可供現金分派之儲備約為124,200,000港元。根據開曼群島公司法(經修訂)，本公司之股份溢價賬可分派予本公司股東，惟本公司須於緊隨建議派發股息日之後仍有能力償還在日常業務過程中到期之債務。股份溢價賬亦可以繳足紅利股份的形式分派。

股本

年內，本公司股本變動詳情載於財務報表附註25。年內，股份乃根據本年度若干首次公開招股前購股權之行使而發行。

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the financial year and up to the date of this report were:

Executive Directors

Mr. Yan Siu Wai (*Chairman*)
Mr. Leung Kwok Yin
Mr. Bao Jisheng

Non-Executive Director

Mr. Kwan Kai Cheong

Independent Non-Executive Directors

Mr. Yu Hon Wing Allan
Mr. Garry Alides Willinge
Mr. Chu Kwok Man

DIRECTORS' SERVICE CONTRACTS

On 8 September 2005, all the executive Directors entered into a service agreement with the Company for an initial term of three years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Each executive Director is committed by the respective service agreements to devote himself exclusively and diligently to the business and interests of the Group and to keep the Board promptly and fully informed of his conduct of business affairs, among other commitments. All executive Directors are also entitled to a bonus depending on the profit of the Group attributable to shareholders of the Company. The bonus shall be determined by the Board but in any case the aggregate amount payable for each financial year to all the executive Directors of the Company shall not exceed 10% of such profit.

The Board first appointed Mr. Kwan Kai Cheong, Mr. Garry Alides Willinge and Mr. Yu Hon Wing Allan as independent non-executive Directors on 8 March 2005 for an initial term of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007 and had expired on 7 September 2009. On 9 April 2008, Mr. Kwan Kai Cheong was re-designated as a non-executive Director of the Company and Mr. Chu Kwok Man was appointed as independent non-executive Director with an initial term of 17 months which had expired on 8 September 2009. Following the expiration of each of their respective term, each of Mr. Yu Hon Wing Allan, Mr. Garry Alides Willinge and Mr. Chu Kwok Man's term of appointment as independent non-executive Director was renewed for another 24 months commenced from 8 September 2009 and 9 September 2009 respectively, and Mr. Kwan Kai Cheong's term of appointment as non-executive Director was also renewed for another 24 months commenced from 8 September 2009. Each of the term of appointment of such Director will be terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between such Director and the Company respectively.

The Company has received from each of Mr. Yu Hon Wing Allan, Mr. Garry Alides Willinge and Mr. Chu Kwok Man, a written confirmation confirming his independence as an independent non-executive Director pursuant to Rule 3.13 of the Listing Rules. Based on such written confirmations, the Company considers all of the independent non-executive Directors to be independent.

董事

於本財政年度及直至本報告刊發日期止的董事如下：

執行董事

甄兆威先生(主席)
梁國賢先生
鮑繼聲先生

非執行董事

關啟昌先生

獨立非執行董事

俞漢榮先生
Garry Alides Willinge先生
朱國民先生

董事之服務合約

於二零零五年九月八日，全部執行董事與本公司訂立初步為期三年的服務協議，自二零零五年九月八日生效，於二零零八年九月七日期滿，並可自當時的委任年期到期後翌日起自動連續續任，每次任期一年，除非一方於初始任期結束時或此後任何時間發出不少於六個月的書面通知予以終止。每名執行董事根據各自的服務協議，承諾專注於本集團的業務及為本集團之利益勤勉工作，並及時及全面通知董事會其商務事務之執行情況(包括其他承諾)。所有執行董事亦視乎本公司股東應佔本集團的溢利享有花紅。花紅須由董事會決定，但於任何情況下每個財政年度應付本公司全部執行董事的總額不得超過上述溢利10%。

董事會於二零零五年三月八日首次委任關啟昌先生、Garry Alides Willinge先生及俞漢榮先生為獨立非執行董事，初始任期為期三十個月，自二零零五年三月八日起生效，其任期自二零零七年九月八日起續期二十四個月，其後於二零零九年九月七日屆滿。於二零零八年四月九日，關啟昌先生轉任為本公司非執行董事，而朱國民先生獲委任為獨立非執行董事，初始任期為17個月，其後於二零零九年九月八日屆滿。於他們各自的任期屆滿後，俞漢榮先生、Garry Alides Willinge先生及朱國民先生的獨立非執行董事任期，分別自二零零九年九月八日及二零零九年九月九日起續期二十四個月，而關啟昌先生的非執行董事任期亦續期二十四個月，自二零零九年九月八日開始生效。各有關董事的任期將可通過發出至少三個月的事先書面通知予以終止，惟有關董事與本公司各自相互協定之其他方式除外。

本公司已收到俞漢榮先生、Garry Alides Willinge先生及朱國民先生根據上市規則第3.13條規定各自發出的書面確認，確認彼等作為獨立非執行董事的獨立性。基於該等書面確認，本公司認為全體獨立非執行董事均為獨立人士。

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2010, the interests and short positions of the Directors and the chief executives of the Company and each of their respective associates (as defined under the Listing Rules), 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 (Chapter 571 of the Laws of Hong Kong) ("SFO") which (a) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Interests in the shares of the Company

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of the total issued capital of the Company
Mr. Yan Siu Wai	17,035,200	—	63,000,000	80,035,200 (Note 1)	35.94%
Mr. Leung Kwok Yin	18,076,800	—	12,600,000	30,676,800 (Note 2)	13.78%
Mr. Bao Jisheng	3,360,000	—	22,680,000	26,040,000 (Note 3)	11.69%

Notes:

- Among these 80,035,200 shares, (i) 34,020,000 shares were registered in the name of Excel Strength Investments Limited ("Excel Strength"); (ii) 28,980,000 shares were registered in the name of Willhero Investments Limited ("Willhero"); and (iii) the remaining 17,035,200 shares were registered in the name of Mr. Yan Siu Wai directly. Each of Excel Strength and Willhero is a company incorporated in the British Virgin Islands ("BVI") and whose entire issued capital is solely owned by Mr. Yan Siu Wai. By virtue of the SFO, Mr. Yan Siu Wai was deemed to be interested in 63,000,000 shares through his shareholdings in Excel Strength and Willhero.
- Among these 30,676,800 shares, (i) 12,600,000 shares were registered in the name of Joyday Consultants Limited ("Joyday"); and (ii) the remaining 18,076,800 shares were registered in the name of Mr. Leung Kwok Yin directly. Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung Kwok Yin. By virtue of the SFO, Mr. Leung Kwok Yin was deemed to be interested in 12,600,000 shares through his shareholdings in Joyday.
- Among these 26,040,000 shares, (i) 22,680,000 shares were registered in the name of Hero Talent Investments Limited ("Hero Talent"); and (ii) the remaining 3,360,000 shares were registered in the name of Mr. Bao Jisheng directly. Hero Talent is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Bao Jisheng. By virtue of the SFO, Mr. Bao Jisheng was deemed to be interested in 22,680,000 shares through his shareholdings in Hero Talent.

Interests in underlying shares of the Company

As at 31 December 2010, none of the Directors have options to subscribe for shares in the Company.

As at 31 December 2010, none of the Directors or chief executive of the Company and each of their respective associates (as defined under the Listing Rules) had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

董事於本公司或其相聯法團的股份、相關股份及債券中的權益及淡倉

於二零二零年十二月三十一日，本公司董事及主要行政人員及彼等各自之聯繫人士(定義見上市規則)於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例第XV部)(「證券及期貨條例」)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文董事被當作擁有或被視為擁有的權益及淡倉)；或(b)根據證券及期貨條例第352條規定須記錄於該條例所指登記冊的權益及淡倉；或(c)根據上市規則所載之上市公司董事進行證券交易之標準守則須知會本公司及聯交所的權益及淡倉如下：

於本公司股份之權益

董事姓名	個人權益	家族權益	公司權益	總計	約佔本公司已發行股本總數的百分比
甄兆威先生	17,035,200	—	63,000,000	80,035,200 (附註1)	35.94%
梁國賢先生	18,076,800	—	12,600,000	30,676,800 (附註2)	13.78%
鮑繼聲先生	3,360,000	—	22,680,000	26,040,000 (附註3)	11.69%

附註：

- 於該80,035,200股股份中，(i) 34,020,000股股份以Excel Strength Investments Limited(卓能投資有限公司)(「卓能」)名義登記；(ii) 28,980,000股股份以Willhero Investments Limited(志雄投資有限公司)(「志雄」)名義登記；及(iii) 其餘的17,035,200股股份以甄兆威先生名義直接登記。卓能及志雄均為於英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司，其全部已發行股本由甄兆威先生單獨擁有。根據證券及期貨條例，甄兆威先生被視為通過彼於卓能及志雄的股權而於該63,000,000股股份中擁有權益。
- 於該30,676,800股股份中，(i) 12,600,000股股份以Joyday Consultants Limited(欣日顧問有限公司)(「欣日」)名義登記；及(ii) 其餘的18,076,800股股份以梁國賢先生名義直接登記。欣日為於英屬維爾京群島註冊成立的公司，其全部已發行股本由梁國賢先生單獨擁有。根據證券及期貨條例，梁國賢先生被視為通過彼於欣日的股權而於該12,600,000股股份中擁有權益。
- 於該26,040,000股股份中，(i) 22,680,000股股份以Hero Talent Investments Limited(雄才投資有限公司)(「雄才」)名義登記；及(ii) 其餘3,360,000股股份以鮑繼聲先生之名義直接登記。雄才為在英屬維爾京群島註冊成立的公司，其全部已發行股本由鮑繼聲先生單獨擁有。根據證券及期貨條例，鮑繼聲先生被視為透過其於雄才之股權於該22,680,000股股份中擁有權益。

於本公司相關股份之權益

於二零二零年十二月三十一日，概無董事擁有可認購本公司股份之購股權。

於二零二零年十二月三十一日，概無本公司董事或主要行政人員及彼等各自之聯繫人士(定義見上市規則)於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或被視為擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文董事被當作擁有或被視為擁有的權益或淡倉)；或(b)根據證券及期貨條例第352條規定須記錄於該條例所指登記冊的權益或淡倉；或(c)根據上市規則所載有關上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, other than the interests disclosed above in respect of certain Directors, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTIONS

By written resolutions passed on 8 September 2005, the then shareholders of the Company approved and adopted a share option scheme entitling the Board to grant share options at its discretion before the listing of the Shares on GEM (the "Pre-IPO Share Option Scheme"), and conditionally adopted a post-IPO share option scheme (the "Post-IPO Share Option Scheme"). By an ordinary resolution passed on 26 November 2008, the then shareholders of the Company approved (i) the adoption of a new share option scheme ("New Share Option Scheme"), and (ii) the termination of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. Pursuant to the terms of the Pre-IPO Share Option Scheme, the share options previously granted under the Pre-IPO Share Option Scheme but not yet exercised will remain valid and exercisable in accordance with the provisions of the Pre-IPO Share Option Scheme and the terms of issue of such options.

Details of the share options granted on 8 September 2005 pursuant to the Pre-IPO Share Option Scheme which had been exercised or lapsed during the year ended 31 December 2010 are as follows:

		Share options				
		Share options held as at 1 January 2010	exercised during the year ended 31 December 2010	Share options lapsed during the year ended 31 December 2010	Share options held as at 31 December 2010	Exercise price
						HK\$
(A)	Employees	2,688,000	(2,688,000)	—	—	0.80
		1,675,000	(1,395,000)	(280,000)	—	0.56
(B)	Directors					
	Yan Siu Wai	4,435,200	(4,435,200)	—	—	0.80
	Leung Kwok Yin	2,956,800	(2,956,800)	—	—	0.80
	Bao Jisheng	2,360,000	(2,360,000)	—	—	0.80
		14,115,000	(13,835,000)	(280,000)	—	

主要股東

於二零一零年十二月三十一日，除上文所披露有關若干董事的權益外，董事並不知悉任何其他人士在本公司股份或相關股份中持有根據證券及期貨條例第336條規定存置於登記冊之權益或淡倉。

購股權

根據於二零零五年九月八日通過的書面決議案，本公司當時的股東批准及採納一項購股權計劃，賦予董事會權力可於股份在創業板上市前酌情授出購股權（「首次公開招股前購股權計劃」），並有條件地採納首次公開招股後購股權計劃（「首次公開招股後購股權計劃」）。根據二零零八年十一月二十六日通過之一項普通決議案，本公司當時的股東批准(i)採納新購股權計劃（「新購股權計劃」），及(ii)終止首次公開招股前購股權計劃及首次公開招股後購股權計劃。根據首次公開招股前購股權計劃之條款，此前根據首次公開招股前購股權計劃授出但尚未行使之購股權將仍然有效，並可根據首次公開招股前購股權計劃之條文以及發行該等購股權之條款行使。

有關根據首次公開招股前購股權計劃於二零零五年九月八日的購股權詳情如下（該等購股權於截至二零一零年十二月三十一日止年度已獲行使或已失效）：

	於二零一零年 一月一日	於截至	於截至	於二零一零年 十二月三十一日	行使價 港元
		二零一零年 十二月三十一日	二零一零年 十二月三十一日		
	持有的購股權	止年度內已經 行使的購股權	止年度內已經 失效的購股權	持有的購股權	
(A) 僱員	2,688,000	(2,688,000)	—	—	0.80
	1,675,000	(1,395,000)	(280,000)	—	0.56
(B) 董事					
甄兆威	4,435,200	(4,435,200)	—	—	0.80
梁國賢	2,956,800	(2,956,800)	—	—	0.80
鮑繼聲	2,360,000	(2,360,000)	—	—	0.80
	14,115,000	(13,835,000)	(280,000)	—	

REPORT OF THE DIRECTORS

Details of the share options granted pursuant to the New Share Option Scheme and remained outstanding as at 31 December 2010 are as follows:

	Share options held as at 1 January 2010	Share options granted during the year ended 31 December 2010	Share options exercised during the year ended 31 December 2010	Share options held as at 31 December 2010	Exercise price
					HK\$
(A) Employees	1,000,000	—	—	1,000,000	0.90
(B) Directors	—	—	—	—	—
	1,000,000	—	—	1,000,000	

SHARE OPTION SCHEME

No options granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are still outstanding. Save as disclosed above, no other options have been granted under the New Share Option Scheme since its adoption on 26 November 2008.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year under review or any time during the year under review save and except for the transactions disclosed as connected and/or related party transactions in accordance with the requirements of the Listing Rules and accounting principles generally accepted in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

Since the listing of the Company's shares on GEM on 13 October 2005, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans of the Group as at 31 December 2010 are set out in note 23 to the financial statements.

RETIREMENT SCHEMES

The Group maintains a mandatory provident fund ("MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$20,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes ("Schemes") organised by the relevant local government authorities in Yuyao, the PRC whereby the Group is required to make contributions to the Schemes at the rate of 20% of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

AUDITORS

A resolution to re-appoint the retiring auditors, RSM Nelson Wheeler, will be proposed at the forthcoming annual general meeting. There has been no change of the Company's auditors since its incorporation.

有關根據新購股權計劃授出及於二零一零年十二月三十一日尚未行使的購股權的詳情如下：

	於二零一零年 一月一日持有 的購股權	於截至	於截至	於二零一零年 十二月三十一日 持有的購股權	行使價 港元
		二零一零年 十二月三十一日 止年度內已經 授出的購股權	二零一零年 十二月三十一日 止年度內已經 行使的購股權		
(A) 僱員	1,000,000	—	—	1,000,000	0.90
(B) 董事	—	—	—	—	—
	1,000,000	—	—	1,000,000	

購股權計劃

概無根據首次公開招股前購股權計劃及首次公開招股後購股權計劃授出之購股權仍未行使。除以上披露者外，自二零零八年十一月二十六日採納新購股權計劃起概無根據該計劃授出任何其他購股權。

董事於合約的權益

除根據上市規則及香港公認會計原則之要求須予披露的關連及／或關聯方交易之交易外，本公司各董事概無於本公司或其任何附屬公司所訂立之於回顧年度結束或回顧年度內任何時間存續之重大合約中直接或間接擁有重大權益。

購買、銷售或贖回股份

自本公司的股份於二零零五年十月十三日在創業板上市起，本公司或其任何附屬公司概無購買、銷售或贖回本公司的任何股份。

銀行貸款及其他借貸

本集團於二零一零年十二月三十一日的銀行貸款詳情載於財務報表附註23。

退休金計劃

本集團為其全體香港合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團及僱員對強積金計劃之供款乃按照強制性公積金計劃條例及相關規例的要求，根據相關僱員之相關收入(每月相關收入上限為20,000港元)的5%計算。

根據中國有關勞工條例及規定，本集團參與了由中國餘姚當地政府機構管理的定額供款退休福利計劃(「計劃」)，據此，本集團須按合資格僱員薪金的20%向該計劃供款。地方政府負責向退休僱員全數發放退休金。

核數師

一項有關重新委任退任核數師中瑞岳華(香港)會計師事務所之決議案將於應屆股東週年大會上提出。自本公司註冊成立以來，本公司並無更換核數師。

CORPORATE GOVERNANCE REPORT

CODE OF BEST PRACTICE

The Group is committed to ensuring high standards of corporate governance and business practices. The Group has complied throughout the period from 1 January 2010 to 31 December 2010 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules. The Board will continue to commit itself to achieving a high quality of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding Directors' securities transactions as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, all Directors have fully complied with the required standard set out in Appendix 10 of the Listing Rules for the year ended 31 December 2010.

BOARD OF DIRECTORS

As at 31 December 2010, the Board comprised of seven members, namely the Chairman and two other executive Directors, one non-executive Director, and three non-executive Directors who are independent as defined in the Listing Rules (the biographies of the Directors are set out on page 12). Apart from the jointly invested businesses between Mr. Yan Siu Wai and Mr. Leung Kwok Yin, there is no other relationship among the members of the Board.

The Board oversees the Group's strategic development and the overall management of the Group. The Board also monitors the financial performance and internal controls of the Group. The Board members have a broad access to business documents and information about the Group. Two Board committees, namely, the audit committee and the remuneration committee have been established to oversee particular aspects of the Group's affairs. The Board meets regularly to review the financial and operating performance of the Group and to approve future plans and development.

Two Board meetings were held in 2010 and the attendance rate was as follows:

Name of directors	Number of meetings	Attended	Attendance rate
Mr. Yan Siu Wai (<i>Chairman</i>)	2/2		100%
Mr. Leung Kwok Yin	2/2		100%
Mr. Bao Jisheng	2/2		100%
Mr. Kwan Kai Cheong	2/2		100%
Mr. Yu Hon Wing, Allan	2/2		100%
Mr. Garry Alides Willinge	2/2		100%
Mr. Chu Kwok Man	1/2		50%

The Chairman and executive Directors also held informal meetings with independent non-executive Directors for the advices on the well being and the long term development of the Group.

All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense if they require it.

ROLE OF CHAIRMAN AND GENERAL MANAGER

During the year under review, Mr. Yan Siu Wai was the Chairman and Mr. Bao Xiangqian was the General Manager of the Group.

There is segregation of duties between the Chairman's responsibility for leadership and management of the Board and the Company's strategy, and the General Manager's responsibility to implement the Company's strategy.

The Chairman of the Board is responsible for leading the Board in establishing corporate directions and monitoring the implementation of the corporate strategies and plans for the long term development of the Group and to create value for shareholders.

最佳常規守則

本集團致力維持良好的企業管治及業務常規。於二零一零年一月一日至二零一零年十二月三十一日期間內，本集團已遵守上市規則附錄十四之企業管治常規守則所載守則條文，董事會將繼續致力達致高質素的企業管治。

董事進行證券交易

本集團已採納載於上市規則附錄十有關董事進行證券交易的標準守則。在向所有董事作出具體查詢後，彼等於截至二零一零年十二月三十一日止年度已經完全遵守載於上市規則附錄十的規定準則。

董事會

於二零一零年十二月三十一日，董事會由七名成員組成，包括主席、兩名其他執行董事、一名非執行董事及三名獨立非執行董事(定義見上市規則)(董事之個人資料載於第13頁)。除甄兆威先生與梁國賢先生之間有聯合投資業務外，董事會成員間概無其他關係。

董事會監管本集團的策略發展及整體管理。董事會亦監管本集團的財務表現及內部控制。董事會成員可廣泛查閱本集團的業務文件及資料。兩個董事會委員會(即審核委員會及薪酬委員會)乃為了監察本集團在有關方面的事務而成立。董事會定期召開會議，審核本集團的財務及營運表現，以及通過日後的發展策略。

於二零一零年已舉行兩次董事會會議，出席率如下：

董事姓名	已出席會議次數	出席率
甄兆威先生(主席)	2/2	100%
梁國賢先生	2/2	100%
鮑繼聲先生	2/2	100%
關啟昌先生	2/2	100%
俞漢榮先生	2/2	100%
Garry Alides Willinge 先生	2/2	100%
朱國民先生	1/2	50%

主席及執行董事亦與獨立非執行董事舉行非正式會議，以便獲得有關本集團的利益及長遠發展的意見。

所有董事及董事會委員會均可在有需要時尋求外部法律顧問及其他專業顧問之獨立意見，費用由本集團承擔。

主席及總經理的角色

於回顧年內，本集團主席由甄兆威先生擔任，總經理由鮑向前先生擔任。

主席及總經理的職責已清楚劃分，主席肩負領導之責及管理董事會及制訂本公司的策略，而總經理則負責執行本公司的策略。

董事會主席負責領導董事會確立公司的發展方向，並監督企業策略、有關本集團長遠發展計劃的實施及為股東創造價值。

CORPORATE GOVERNANCE REPORT

The General Manager is responsible for managing the operation of the Group's businesses, proposing strategies to the Board, preparing plans and forecast and the implementation of plans and policies adopted by the Board.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The primary duties of the audit committee are to review the Company's interim and annual reports and accounts and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing internal control procedures of the Group.

The audit committee comprises of the three independent non-executive Directors, namely, Mr. Yu Hon Wing, Allan (Chairman), Mr. Garry Alides Willinge and Mr. Chu Kwok Man, and one non-executive Director, namely, Mr. Kwan Kai Cheong.

The committee members possess diversified industry experience and the Chairman is an expert on financial and auditing matters. The committee met two times last year. During 2010, the audit committee considered the external auditors' projected audit fees, discussed with the external auditors their independence and the nature and scope of the audit; reviewed the interim and annual financial statements; and reviewed the external auditors' management letter and management's response. As a result, they recommended the Board to adopt the interim report and annual report for 2010.

REMUNERATION COMMITTEE

The remuneration committee was set up to review the remuneration policies and approved the salary and bonus of the executive Directors and certain key executives, to review the remuneration policy of the Group and to approve the granting of options. One meeting was held in 2010. The remuneration committee comprises of four non-executive Directors, amongst which three are independent non-executive Directors. No executive Director took part in any discussion about his own remuneration.

Directors' emoluments and retirement benefits are disclosed on pages 67 to 69.

NOMINATION COMMITTEE

No nomination committee was established by the Company.

AUDITOR'S REMUNERATION

During the year ended 31 December 2010, the remuneration paid and payable to the auditors of the Company, RSM Nelson Wheeler, for the provision of the Group's audit services and taxation services were HK\$600,000 and HK\$15,500 respectively.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in note 32 to the financial statements.

By order of the Board
Yan Siu Wai
Chairman

Hong Kong, 31 March 2011

總經理負責管理本集團業務的營運、向董事會提呈策略、編製計劃及預測，以及實行董事會採納的計劃及政策。

審核委員會

本公司已成立審核委員會，並根據上市規則以書面形式釐定其職權範圍。審核委員會的主要職責為審閱本公司的中期及年度報告與賬目，並就此向董事會提供意見及建議。審核委員會亦負責審閱本集團的內部監控程序。

審核委員會由三名獨立非執行董事，即俞漢榮先生(主席)、Garry Alides Willinge先生及朱國民先生，以及一名非執行董事關啟昌先生組成。

審核委員會成員具有不同行業的豐富經驗，而主席亦屬財務及審核工作之專家。審核委員會去年已召開兩次會議。於二零一零年，審核委員會已審核外部核數師之預計核數酬金，並與外部核數師審議其獨立性、核數之性質及範圍；審閱中期及年度財務報表、外部核數師致管理層之函件以及管理層之回覆。因此，彼等建議董事會接納二零一零年之中期報告及年度報告。

薪酬委員會

薪酬委員會的成立旨在審核薪酬政策及審批執行董事及部份主要行政人員之薪金及花紅，並審核本集團之薪酬政策及審批購股權的授予。二零一零年已舉行一次會議。薪酬委員會由四名非執行董事組成，其中三名為獨立非執行董事。並無執行董事參與有關其本身薪酬的討論。

董事酬金及退休福利於第67頁至第69頁披露。

提名委員會

本公司並無成立提名委員會。

核數師酬金

於截至二零一零年十二月三十一日止年度，就為本集團提供審計服務及稅務服務已付及應付本公司核數師中瑞岳華(香港)會計師事務所之酬金分別為600,000港元及15,500港元。

關聯人士交易

關聯人士交易載於財務報表附註32。

承董事會命
甄兆威
主席

香港，二零一一年三月三十一日

INDEPENDENT AUDITOR'S REPORT

RSM Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

TO THE SHAREHOLDERS OF

JF HOUSEHOLD FURNISHINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of JF Household Furnishings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 96, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010, and of the Group's results 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.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong

31 March 2011

RSM! Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

致捷豐家居用品有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師(下稱「吾等」)已審核第34至96頁所載致捷豐家居用品有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一零年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量報表，以及主要會計政策概要及其他說明資料。

董事就綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之《香港財務報告準則》及《香港公司條例》之披露規定，負責編製及真實兼公平地呈列綜合財務報表及落實其認為編製綜合財務報表所必要的內部監控，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。

核數師之責任

吾等之責任是根據審核之結果，對此等綜合財務報表作出意見，並僅向全體股東報告，除此以外，別無其他用途。吾等概不就本報告之內容向任何其他人士負責或承擔責任。吾等之審核工作按照香港會計師公會頒佈之香港審計準則進行。該等準則要求吾等遵守操守規定，計劃及進行審核以合理確定此等綜合財務報表是否沒有重大之錯誤陳述。

審核範圍包括進程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選取之程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製及真實兼公平地呈列綜合財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性及董事所作之會計估計之合理性，並就綜合財務報表之整體呈列方式作出評估。

吾等相信，吾等所取得之審核憑證就提出審核意見而言屬充分恰當。

意見

吾等認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示 貴集團於二零一零年十二月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並按照香港公司條例之披露規定妥為編製。

中瑞岳華(香港)會計師事務所

執業會計師

香港

二零一一年三月三十一日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

		Note 附註	2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
REVENUE	收益	6	438,243,822	368,474,160
Cost of goods sold	貨品銷售成本		(377,794,418)	(312,120,927)
Gross profit	毛利		60,449,404	56,353,233
Other income	其他收入	7	903,972	2,188,126
Distribution costs	分銷成本		(2,228,451)	(4,130,560)
Administrative expenses	行政開支		(24,561,660)	(21,398,430)
Other operating expenses	其他經營開支		(893,851)	(671,520)
PROFIT FROM OPERATIONS	經營溢利		33,669,414	32,340,849
Finance costs	融資成本	10	(3,910,680)	(2,430,099)
PROFIT BEFORE TAX	除稅前溢利		29,758,734	29,910,750
Income tax expense	所得稅開支	11(a)	(11,385,754)	(8,406,677)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人年內 應佔溢利	12	18,372,980	21,504,073
EARNINGS PER SHARE	每股盈利	14		
Basic	基本		0.09	0.12
Diluted	攤薄		0.08	0.11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Profit for the year	年內溢利	18,372,980	21,504,073
Other comprehensive income:	其他全面收益：		
Exchange differences on translating foreign operations	換算海外業務而產生之匯兌差異	9,615,303	(77,364)
Other comprehensive income for the year, net of tax	年內除稅後其他全面收益	9,615,303	(77,364)
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人年內應佔全面收益總額	27,988,283	21,426,709

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

		31 December 十二月三十一日		1 January 一月一日
		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元 (restated) (經重列)	2009 二零零九年 HK\$ 港元 (restated) (經重列)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	194,727,430	118,060,331
Available-for-sale financial assets	可供出售金融資產	17	2,000,000	2,000,000
			196,727,430	120,060,331
				118,740,871
Current assets	流動資產			
Inventories	存貨	18	128,915,041	85,713,658
Trade and bills receivables	應收貿易賬款及應收票據	19	67,517,484	33,030,243
Deposits, other receivables and prepayments	按金、其他應收款項 及預付款項		27,700,073	9,172,272
Restricted cash and bank balances	受限制現金及銀行結餘	20	21,339,517	2,201,986
Cash and bank balances	現金及銀行結餘	20	32,572,820	29,613,856
			278,044,935	159,732,015
				153,126,500
Non-current assets held for sale	持作出售之非流動資產	21	11,158,972	-
			289,203,907	159,732,015
				153,126,500
Current liabilities	流動負債			
Trade and bills payables	應付貿易賬款及應付票據	22	72,433,233	29,152,081
Other payables and accruals	其他應付款項及應計項目		30,011,390	9,155,889
Current tax liabilities	本年稅項負債		9,333,650	4,837,895
Bank borrowings	銀行借款	23	160,008,863	49,272,038
			271,787,136	92,417,903
				128,969,873
NET CURRENT ASSETS	淨流動資產		17,416,771	67,314,112
				24,156,627
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動 負債		214,144,201	187,374,443
				142,897,498
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	1,223,267	2,673,792
				1,021,798
NET ASSETS	淨資產		212,920,934	184,700,651
				141,875,700
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25	2,226,890	2,088,540
Reserves	儲備		210,694,044	182,612,111
				1,739,950
				140,135,750
TOTAL EQUITY	總權益		212,920,934	184,700,651
				141,875,700

Approved by the Board of Directors on 31 March 2011
董事會已於二零一一年三月三十一日批准

Yan Siu Wai
甄兆威
Director
董事

Leung Kwok Yin
梁國賢
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Note	Share capital	Share premium (Note 28 (a))	Merger reserve (Note a)	Foreign currency translation reserve (Note b)		Capital reserve (Note c)	General reserve (Note d)	Share-based payments reserve (Note 28 (c))	Retained profits	Total
				外幣匯兌儲備 (附註b)	資本儲備 (附註c)					
附註	股本 HK\$ 港元	股份溢價 (附註28(a)) HK\$ 港元	合併儲備 (附註a) HK\$ 港元	外幣匯兌儲備 (附註b) HK\$ 港元	資本儲備 (附註c) HK\$ 港元	一般儲備 (附註d) HK\$ 港元	以股份支付 款項儲備 (附註28(c)) HK\$ 港元	保留溢利 HK\$ 港元	總值 HK\$ 港元	
At 1 January 2009	於二零零九年一月一日	1,739,950	26,407,639	7,358,082	18,570,473	946,832	17,547,990	1,484,613	67,820,121	141,875,700
Total comprehensive income for the year	年內全面收益總額	-	-	-	(77,364)	-	-	-	21,504,073	21,426,709
Recognition of share-based payments	確認以股份支付款項	-	-	-	-	-	-	217,000	-	217,000
Shares issued on exercise of share options	行使購股權時發行的股份	25(i) 500	39,500	-	-	-	-	(12,000)	-	28,000
Shares issued on placement	因配售股份而發行的股份	25(ii) 348,090	29,507,402	-	-	-	-	-	-	29,855,492
Dividend paid	已付股息	-	-	-	-	-	-	-	(8,702,250)	(8,702,250)
Transfers	轉撥	-	-	-	-	-	2,659,936	-	(2,659,936)	-
Changes in equity for the year	年內權益變動	348,590	29,546,902	-	(77,364)	-	2,659,936	205,000	10,141,887	42,824,951
At 31 December 2009	於二零零九年十二月三十一日	2,088,540	55,954,541	7,358,082	18,493,109	946,832	20,207,926	1,689,613	77,962,008	184,700,651
Representing:	代表:									
At 31 December 2009 after proposed final dividend	於二零零九年十二月三十一日，建議派付末期股息後								67,460,808	
Proposed final dividend	建議末期股息	13							10,501,200	
									77,962,008	
At 1 January 2010	於二零一零年一月一日	2,088,540	55,954,541	7,358,082	18,493,109	946,832	20,207,926	1,689,613	77,962,008	184,700,651
Total comprehensive income for the year	年內全面收益總額	-	-	-	9,615,303	-	-	-	18,372,980	27,988,283
Shares issued on exercise of share options	行使購股權時發行的股份	25(iii) 138,350	12,000,808	-	-	-	-	(1,405,958)	-	10,733,200
Share options forfeited	已作廢之購股權	-	-	-	-	-	-	(66,655)	66,655	-
Dividend paid	已付股息	-	-	-	-	-	-	-	(10,501,200)	(10,501,200)
Transfers	轉撥	-	-	-	-	-	2,966,754	-	(2,966,754)	-
Changes in equity for the year	年內權益變動	138,350	12,000,808	-	9,615,303	-	2,966,754	(1,472,613)	4,971,681	28,220,283
At 31 December 2010	於二零一零年十二月三十一日	2,226,890	67,955,349	7,358,082	28,108,412	946,832	23,174,680	217,000	82,933,689	212,920,934
Representing:	代表:									
At 31 December 2010 after proposed final dividend	於二零一零年十二月三十一日，建議派付末期股息後								82,933,689	
Proposed final dividend	建議末期股息	13							-	
									82,933,689	

Note:

附註:

- The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiaries arising from group reorganisation on 8 September 2005 ("Corporate Reorganisation").
- The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(b) to the financial statements.
- This represents the transfer from retained profits to capital reserve as a result of the write off of certain trade payables by 寧波捷豐家居用品有限公司 (JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd.) ("JF Ningbo"), a subsidiary of the Company. Pursuant to the People's Republic of China ("PRC") accounting principles and financial regulations, any gains arising from debt restructuring which represent the difference between the final settlement and the carrying value of the debt concerned are directly reflected in capital reserve and therefore not distributable. Accordingly, a transfer has been made from retained profits to capital reserve. The capital reserve can only be used to increase capital of this subsidiary.
- The general reserve is set up by way of appropriation from the profit after tax in accordance with the relevant laws and regulations in the PRC. The rate of appropriation to the general reserve is subject to the decision of the board of directors of PRC subsidiaries, but the minimum appropriation rate is 10% of the profit after tax for each year, until when the accumulated balance reaches 50% of its registered capital. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the general reserve can be used in setting off accumulated losses or to increase the capital of this subsidiary.
- 合併儲備指於二零零五年九月八日進行集團重組(「公司重組」)時產生的本公司已發行股本面值交換其附屬公司之股本及股份溢價面值之差額。
- 外幣匯兌儲備包括換算海外業務財務報表而產生的所有外匯差額。該儲備乃按載於財務報表附註3(b)之會計政策處理。
- 資本儲備指因註銷本公司附屬公司寧波捷豐家居用品有限公司(「寧波捷豐」)的若干應付貿易款項，自保留溢利轉撥至資本儲備。根據中華人民共和國(「中國」)會計原則及財務規條，因重組債務而產生的任何收益指最後結算與債務賬面值的差額，有關差額直接反映於資本儲備因此不可供分派。故此從保留溢利轉撥至資本儲備。資本儲備僅可用作增加此附屬公司之資本。
- 一般儲備乃按有關的中國法律及規條由除稅後溢利撥付而成。撥付予一般儲備的比例由中國附屬公司之董事會釐定，惟最低撥付比例為每年除稅後溢利的10%，直至累計結餘達其註冊資本的50%。根據中國的有關法律及規條，倘取得有關政府當局之批准，一般儲備可用作抵銷累計虧損或增加此附屬公司之資本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

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

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元 (restated) (經重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前溢利	29,758,734	29,910,750
Adjustments for:	經調整：		
Depreciation	折舊	7,042,837	6,698,332
Equity-settled share-based payments	按權益結算以股份支付之款項	–	217,000
Finance costs	融資成本	3,910,680	2,430,099
Interest income	利息收入	(193,820)	(47,325)
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之 (收益)/虧損	(64,059)	1,582
Write-off of property, plant and equipment	物業、廠房及設備撇銷	164,854	–
Allowance for inventories	存貨撥備	862,177	–
Operating profit before working capital changes	營運資金變動前之經營溢利	41,481,403	39,210,438
Increase in inventories	存貨增加	(44,063,560)	(5,018,151)
(Increase)/decrease in trade and bills receivables	應收貿易賬款及應收票據(增加)/減少	(34,487,241)	13,131,696
Increase in deposits, other receivables and prepayments	按金、其他應收款項及預付款項 增加	(18,527,801)	(5,428,576)
Increase/(decrease) in trade and bills payables	應付貿易賬款及應付票據增加/(減少)	43,281,152	(1,702,375)
Increase/(decrease) in other payables and accruals	其他應付款項及應計項目增加/(減少)	20,855,501	(567,670)
Cash generated from operations	經營產生的現金	8,539,454	39,625,362
Income taxes paid	已付所得稅	(8,340,524)	(9,409,733)
Net cash generated from operating activities	經營業務產生的現金淨額	198,930	30,215,629
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(90,263,117)	(7,978,060)
Increase in restricted cash and bank balances	受限制現金及銀行結餘增加	(19,137,531)	(1,137,028)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得 款項	107,147	851
Interest received	已收利息	193,820	47,325
Net cash used in investing activities	投資活動所用的現金淨額	(109,099,681)	(9,066,912)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

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

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元 (restated) (經重列)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Proceeds from issue of shares	發行股份所得款項	10,733,200	29,883,492
Inception of new bank loans	新借銀行貸款	331,718,189	174,534,493
Repayment of bank loans	償還銀行貸款	(216,025,394)	(206,070,441)
Dividends paid	已付股息	(10,501,200)	(8,702,250)
Interest paid	已付利息	(3,910,680)	(2,430,099)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)的現金淨額	112,014,115	(12,784,805)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物的增加淨額	3,113,364	8,363,912
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	6,124,431	(95,663)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等值物	23,335,025	15,066,776
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及現金等值物	32,572,820	23,335,025
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等值物分析		
Cash and bank balances	現金及銀行結餘	32,572,820	29,613,856
Bank overdrafts	銀行透支	-	(6,278,831)
		32,572,820	23,335,025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 15th floor, EIB Tower, 4-6 Morrison Hill Road, Wanchai, Hong Kong. The Company's shares were previously listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the listing of which were subsequently transferred to the Main Board of the Stock Exchange on 10 September 2008.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 29 to the financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

(a) Classification of a Term Loan that contains a Repayment on Demand Clause

In November 2010 the HKICPA issued Hong Kong Interpretation 5 "Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause". The interpretation is effective immediately and is a clarification of an existing standard, HKAS 1 "Presentation of Financial Statements". It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

1. 一般資料

本公司根據開曼群島公司法於開曼群島註冊成立為一家獲豁免有限公司，其註冊地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，主要營業地點位於香港灣仔摩利臣山道4-6號經信商業大廈15樓。本公司之股份之前於香港聯合交易所有限公司（「聯交所」）創業板上上市，其後於二零零八年九月十日轉往聯交所主板上市。

本公司為投資控股公司。本公司各附屬公司的主要業務列載於財務報表附註29。

2. 新訂及經修訂香港財務報告準則的採用

於本年度，本集團已採用經香港會計師公會頒佈的所有與本集團營運有關，於二零一零年一月一日開始的本會計年度生效之新訂及經修訂香港財務報告準則。此等財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採用此等新訂及經修訂香港財務報告準則並未導致本集團之會計政策、本集團財務報表之呈列及本年度和過往年度的呈報金額發生重大變化，惟下文所述者除外。

(a) 對包含按要求償還條款的定期貸款的分類

於二零一零年十一月，香港會計師公會頒佈香港詮釋第5號「財務報表的呈列－借款人對包含按要求償還條款的定期貸款的分類」。該詮釋即時生效，並用以澄清現有準則香港會計準則第1號「財務報表的呈列」。當中載列香港會計師公會作出的結論：定期貸款如包含貸款人擁有無附帶條件的權利可隨時要求償還貸款的條款，則不論貸款人是否可能會無故引用有關條款，均須根據香港會計準則第1號第69(d)段分類為流動負債。

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

(a) Classification of a Term Loan that contains a Repayment on Demand Clause (cont'd)

In order to comply with the requirements of Hong Kong Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1 January 2009, with consequential reclassification adjustments to comparatives for the year ended 31 December 2009. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

Effect of adoption of Hong Kong Interpretation 5 on the consolidated statement of financial position:

2. 新訂及經修訂香港財務報告準則的採用 (續)

(a) 對包含按要求償還條款的定期貸款的分類 (續)

為遵守香港詮釋第5號的規定，本集團已更改與包含按要求償還條款的定期貸款分類有關的會計政策。根據新政策，貸款人擁有無附帶條件的權利可隨時要求償還的定期貸款於財務狀況報表中分類為流動負債。以往該等定期貸款乃根據協定還款期進行分類，惟本集團於截至報告日期違反協議所載的任何貸款契諾或有理由相信貸款人會於可見將來援引即時還款條款下的權利則除外。

透過重新呈列於二零零九年一月一日的年初結餘，並隨後對截至二零零九年十二月三十一日止年度的比較數字作重新分類調整，本集團已追溯應用新會計政策。重新分類對任何已呈列期間的已呈報損益、全面收入總額或權益並無影響。

採納香港詮釋第5號對綜合財務狀況報表的影響載列如下：

		At 31 December 於十二月三十一日		At 1 January 於一月一日
		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Increase/(decrease) in	增加/(減少)			
Current liabilities	流動負債			
Bank borrowings	銀行借款	14,237,274	1,616,379	2,541,579
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	(14,237,274)	(1,616,379)	(2,541,579)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

(b) Classification of Land Leases

Amendments to HKAS 17 "Leases" deleted the guidance in HKAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term.

The Group reclassifies a land lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the Group e.g. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the land.

Amendments to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

		At 31 December 於十二月三十一日		At 1 January 於一月一日
		2010 二零一零年	2009 二零零九年	2009 二零零九年
		HK\$ 港元	HK\$ 港元	HK\$ 港元
Increase in property, plant and equipment	物業、廠房及設備之增加	51,823,762	50,976,388	50,700,545
Decrease in land use rights	土地使用權減少	(51,823,762)	(50,976,388)	(50,700,545)

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

2. 新訂及經修訂香港財務報告準則的採用 (續)

(b) 土地租賃分類

香港會計準則第17號「租賃」之修訂刪除香港會計準則第17號之指引，該指引指出除非所有權預期於租期結束前轉讓至承租人，否則於土地之經濟年期為無限時，土地部分一般分類為經營租賃。

倘租賃將擁有權附帶之絕大部分風險及回報轉讓予本集團(即於租賃開始時，最低租賃款項現值最少為土地公平值之絕大部分)，則本集團將土地租賃重新分類為融資租賃。

香港會計準則第17號之修訂已追溯應用，並導致財務報表呈報之綜合金額出現下列變動：

	At 31 December 於十二月三十一日		At 1 January 於一月一日
	2010 二零一零年	2009 二零零九年	2009 二零零九年
	HK\$ 港元	HK\$ 港元	HK\$ 港元
Increase in property, plant and equipment	51,823,762	50,976,388	50,700,545
Decrease in land use rights	(51,823,762)	(50,976,388)	(50,700,545)

本集團尚未應用已頒佈但尚未生效的新訂香港財務報告準則。本集團正在評估該等新訂香港財務報告準則的影響，但仍未能指出該等新訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

3. 主要會計政策

本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、香港公認的會計原則及聯交所證券上市規則和香港公司條例要求之適用披露規定而編製。

本財務報表乃按歷史成本慣例編製。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 主要會計政策(續)

編製符合香港財務報告準則的財務報表，須使用若干主要假設和估計，亦需要董事在採用會計政策的過程中行使其判斷。涉及重要判斷的內容及對本財務報表產生重要作用之假設和估計的內容於財務報表附註4中披露。

編製本財務報表所採用之主要會計政策如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團對其擁有控制權之實體。控制權指監管該實體財務及經營政策，從而自其業務取得利益之權力。在評估本集團是否擁有控制權時，會考慮現時可行使或轉換之潛在投票權的存在及影響。

附屬公司自其控制權轉移予本集團之日起全部綜合入賬，並於控制權終止當日停止綜合入賬。

出售附屬公司而導致失去控制權之盈虧乃指(i)出售代價公平值連同於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值連同與該附屬公司有關之任何剩餘商譽以及任何相關累計匯兌儲備兩者間差額。

集團內公司間交易、交易所產生的結餘及未變現收益予以抵銷。未變現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。本公司對附屬公司之會計政策在必要情況下已予修訂，以確保與本集團所採納之政策一致。

3. SIGNIFICANT ACCOUNTING POLICIES

(cont'd)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

3. 主要會計政策(續)

(b) 外幣兌換

(i) 功能及呈列貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以港元(本公司之功能和呈列貨幣)呈列。

(ii) 各實體財務報表之交易及結餘

外幣交易於首次確認時按交易日之現行匯率兌換為功能貨幣。以外幣列值之貨幣性資產和負債均按各報告期結束時之匯率兌換。按此兌換政策產生的盈虧在損益表內確認。

以公平值計量的外幣非貨幣性項目按照釐定公平值當日的匯率兌換。

倘非貨幣性項目的盈虧於其他全面收益確認，則該盈虧之匯兌部份亦會於其他全面收益中確認。倘非貨幣性項目的盈虧於損益確認，則該盈虧之匯兌部份會於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Foreign currency translation (cont'd)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

3. 主要會計政策(續)

(b) 外幣兌換(續)

(iii) 綜合賬目的兌換

本集團所有實體如持有與本公司呈列貨幣不同之功能貨幣，其業績及財務狀況均按以下方式兌換為本公司的呈列貨幣：

- 各財務狀況表呈列之資產與負債均按該財務狀況表日期之收市匯率兌換；
- 各收益表之收入和支出均按照平均匯率兌換(若此平均匯率未能合理反映各交易日匯率所帶來之累計影響，在此情況下，收入和支出則按照交易日之匯率兌換)；及
- 所有匯兌差額均於外幣匯兌儲備中確認。

在綜合賬目時，兌換於海外公司投資淨額和借貸產生之匯兌差額於外幣匯兌儲備中確認。當出售海外業務時，此部份匯兌差額將於綜合損益中確認為出售盈虧之一部份。

3. SIGNIFICANT ACCOUNTING POLICIES

(cont'd)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Leasehold land	The shorter of the lease terms and 50 years
Buildings	20 years
Plant and machinery	10 years
Furniture, fixtures and equipment	2-5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

3. 主要會計政策(續)

(c) 物業、廠房及設備

物業、廠房及設備以成本值減累計折舊及減值虧損列賬。

其後的成本計入資產賬面值內，或僅當與該項目相關之未來經濟利益很可能流入本集團且該項目成本能可靠計量時，可被確認為一項獨立資產(如適用)。其他的所有維修及保養費用均於其產生期間於損益確認。

物業、廠房及設備乃以直線法於估計可使用年期內按足以撇銷其成本減其剩餘價值之比率計算折舊。主要可使用年期如下：

租賃土地	租期或50年 (以較短者為準)
建築物	20年
廠房及機械	10年
傢俬、裝置及設備	2-5年
車輛	5年

剩餘價值、可使用年期及折舊方法將於每個報告期結束時予以檢討及調整(如適用)。

在建工程指在建建築物及待安裝的廠房和機械，以成本值減減值虧損列賬。相關資產於可供使用時開始折舊。

出售物業、廠房及設備之盈虧指出售相關資產所得款項淨額與其賬面值之差額，於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Leases

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

(e) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. 主要會計政策(續)

(d) 租賃

(i) 經營租賃

資產擁有權的所有風險及回報並無絕大部份轉讓予本集團的租賃列作經營租賃。租賃付款(經扣除自出租方獲得之所有優惠)於租賃期內以直線法確認為開支。

(ii) 融資租賃

資產擁有權的所有風險及回報絕大部份轉讓予本集團的租賃列作融資租賃。租賃期開始後，融資租賃乃以租賃開始時釐定之租賃資產之公平值或最低租賃付款之現值(以較低者為準)進行資本化。

出租人之相應債務於財務狀況表中列作應付融資租賃款項。租賃付款按比例分配於財務費用及削減未付債務。財務費用在各租期內分攤，以得出一個債務結餘之定期利率。

融資租賃之資產按與自有資產相同之基準計算折舊。

(e) 研究與發展支出

研究活動的支出於產生期間確認為開支。

(f) 存貨

存貨以成本值及可變現淨值兩者間之較低者呈列。成本乃基於加權平均數釐定。製成品及在製品成本包括原材料、直接勞工及適當比例的所有生產間接開支及分判承包費用(如適用)。可變現淨值為日常業務過程中的估計銷售價格減估計完成成本值及估計促成銷售所需的成本值。

3. SIGNIFICANT ACCOUNTING POLICIES

(cont'd)

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income 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 is recognised in profit or loss.

(h) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss.

3. 主要會計政策(續)

(g) 確認及解除確認金融工具

倘本集團成為工具合約條文的一方，則金融資產及金融負債於財務狀況表中確認。

當從資產收取現金流的合約權利屆滿時，或本集團將資產所有權所有風險與回報的絕大部份轉讓時，或本集團並無將資產所有權所有風險與回報的絕大部份轉讓或保留，但亦未保留對資產的控制權時，金融資產將被解除確認。於解除確認金融資產時，資產的賬面值與所收代價與已在其他全面收益中確認的累積損益之總和兩者的差額將於損益確認。

當相關合約中規定的責任解除、取消或屆滿時，金融負債將解除確認。解除確認的金融負債的賬面值與已付代價間的差額將於損益確認。

(h) 投資

倘投資買賣是根據合約進行，而其條款規定該投資須於有關市場設定的時限內交付，則該投資按交易日期基準確認及解除確認，並初步以公平值加直接應佔交易成本計量。

可供出售金融資產

可供出售金融資產指並未分類為應收貿易賬款及其他應收款項或以公平值計入損益之金融資產之非衍生金融資產。可供出售金融資產其後按公平值計量。由此等投資之公平值變動而產生的盈虧於其他全面收益確認，直至有關投資被出售或有客觀證據顯示該投資已減值時，過往於其他全面收益內確認之累計盈虧於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Investments (cont'd)

Available-for-sale financial assets (cont'd)

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

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

(i) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

(h) 投資(續)

可供出售金融資產(續)

分類為可供出售金融資產之權益投資於損益確認減值虧損後不會自損益撥回。分類為可供出售金融資產之債務工具於損益確認減值虧損後，倘該工具公平值之增加可客觀地與在確認減值虧損後發生之事件相關時，則有關減值虧損可被撥回並於損益中確認。

該等並無活躍市場之市價報價，而其公平值未能可靠計量的可供出售權益投資及與該等權益投資有關並須以交付該等無報價工具結算之衍生工具，於各個報告期末以成本扣除任何已識別減值虧損計量。

(i) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項指並非於活躍市場報價，具有固定或可釐定付款之非衍生金融資產，初步按公平值確認，其後使用實際利率法按攤銷成本減值撥備計量。倘有客觀證據顯示本集團將不能根據應收款項的原有期限收取所有到期金額，將會就應收貿易賬款及其他應收款項作出減值撥備。撥備金額乃應收款項的賬面值與估計未來現金流量的現值之差額，按初步確認時使用的實際利率貼現。撥備金額於損益中確認入賬。

當應收賬款之可收回金額增加可客觀地與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並於損益內確認，惟該應收賬款於撥回減值當日之賬面值不得超過假設未確認減值時之攤銷成本。

3. SIGNIFICANT ACCOUNTING POLICIES

(cont'd)

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(k) Non-current assets held for sale

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

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

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3. 主要會計政策(續)

(j) 現金及現金等值物

就現金流量報表而言，現金及現金等值物指銀行存款及手頭現金，銀行及其他金融機構的活期存款及短期高流動性投資(可隨時轉換為已知數額的現金且價值變動的風險不高)。現金及現金等值物亦包括須於要求時償還及屬於本集團現金管理組成部份的銀行透支。

(k) 持作出售之非流動資產

倘若非流動資產的賬面值主要透過銷售交易而非持續使用而收回，該非流動資產則將分類為持作出售之非流動資產。是項條件僅於銷售極可能達成而該資產可於現況下即時出售時方算符合。本集團必須對出售作出承諾，而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

分類為持作出售之非流動資產乃按該資產過往的賬面值及公平值減出售成本兩者的較低者計量。

(l) 金融負債及權益工具

金融負債及權益工具按所訂立的合約安排內容及香港財務報告準則有關金融負債及權益工具的定義分類。權益工具為本集團在扣除所有債務後的資產中證明擁有剩餘權益的任何合約。就特定金融負債及權益工具所採納的會計政策載列如下：

借貸

借貸最初乃按公平值扣除所產生的交易成本確認入賬，其後以實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲清償負債至報告期後至少十二個月，否則借貸分類為流動負債。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Financial liabilities and equity instruments (cont'd)

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

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

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

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

Interest income is recognised on a time-proportion basis using the effective interest method.

(n) Employee benefits

(i) *Employee leave entitlements*

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

3. 主要會計政策(續)

(l) 金融負債及權益工具(續)

應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項最初按其公平值列賬，其後以實際利率法按攤銷成本計量，惟倘折現影響並不重大，則以成本值列賬。

權益工具

由本公司發行的權益工具按已收取所得款項扣除直接發行成本入賬。

(m) 收益確認

收益按所收取或應收取代價之公平值計量，並當經濟利益很可能流入本集團且收益數額能可靠計量時予以確認。

製成品之銷售收入在擁有權之大部份風險及回報轉移時確認，通常亦即為貨品付運及所有權轉讓予客戶時。

利息收入按時間比例基準使用實際利率法確認。

(n) 僱員福利

(i) *僱員可享假期*

僱員可享年假及長期服務休假在僱員應該享有時確認。本集團為截至報告期結束時僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員可享病假及產假在僱員正式休假時予以確認。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Employee benefits (cont'd)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(o) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(p) 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 capitalised as part of 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.

3. 主要會計政策(續)

(n) 僱員福利(續)

(ii) 退休金責任

本集團向界定供款退休計劃供款，所有僱員均可參與。本集團與僱員之計劃供款按員工基本薪金之百分比計算。在損益內支銷之退休福利計劃成本指本集團應向基金支付之供款。

(iii) 合約終止補償

合約終止補償只會在本集團根據正式、具體，且不大可能撤回的計劃終止僱員合約或根據該計劃自願遣散僱員而終止合約並作出補償時確認。

(o) 以股份支付款項

本集團向若干僱員發放按權益結算以股份支付之款項。按權益結算以股份支付之款項於授出日期按權益工具之公平值(不包括非市場歸屬條件之影響)計量。按權益結算以股份支付之款項在授出日釐定之公平值將依據本集團對最終歸屬之股份所作估計，並對非市場歸屬條件之影響作出調整後，以直線法於歸屬期內列作開支。

(p) 借貸成本

借貸成本直接與收購、建造或生產合資格資產有關，而該資產須於一段長時間後方可用於其擬定用途或銷售，則此部份借貸成本均撥充為該等資產之成本的一部份，直至該等資產已大致可作擬定用途或可供出售時為止。在等待將特定借貸款項用在合資格資產上之前，將特定借貸款項作暫時性投資所賺取的投資收入，會用作扣減適合作資本化的借貸成本。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Borrowing costs (cont'd)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

(q) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

3. 主要會計政策(續)

(p) 借貸成本(續)

對於一般性借款用於獲取合資格資產，其借貸成本中可用於資本化的數額乃透過該項資產之支出所採用之資本化比率而釐定。資本化比率為適用於本集團期內未償還借貸之借貸成本的加權平均數，惟為獲取合資格資產而特別作出的借貸除外。

所有其他借貸成本值在產生期間於損益內確認。

(q) 政府津貼

政府津貼於有合理保證本集團將遵守有關附帶條件及有關津貼將可獲取時予以確認。

為補償有關成本而收取與收入相關之政府補貼，會按遞延法於有關成本記帳之期間內於損益配對確認。

(r) 稅項

所得稅指本年稅項及遞延稅項之總額。

本年應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或可扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目，故與損益確認的溢利不同。本集團本年稅項之負債乃使用於報告期結束前已實行或實質已實行之稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES

(cont'd)

(r) Taxation (cont'd)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. 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, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items 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.

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

3. 主要會計政策(續)

(r) 稅項(續)

遞延稅項乃按財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異確認。遞延稅項負債一般按所有應課稅之暫時性差異予以確認，並於應課稅溢利有可能用作抵銷可扣稅暫時差額、未動用稅項虧損或未動用稅務抵免之情況下，確認遞延稅項資產。若暫時性差異乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不予確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而引致之應課稅暫時性差異而確認，惟若本集團可控制暫時性差額之回撥及暫時性差額可能於可見將來無法回撥之情況除外。

遞延稅項資產之賬面值會於每個報告期結束時覆核，倘不再可能有足夠應課稅溢利可用於收回全部或部份遞延稅項資產則會予以扣減。

遞延稅項按預計於負債償還或資產變現期間所採用之稅率計算，所採用之稅率為於報告期結束前已實行或實質實行之稅率。遞延稅項於損益內確認，惟遞延稅項與於其他全面收入內確認或直接計入權益的項目有關的情況下，亦會於其他全面收入或直接於權益內確認。

當有可合法執行權利許可將本年稅項資產與本年稅項負債互相抵銷，及當其涉及同一稅項機關徵收之所得稅，而本集團計劃以淨額基準處理其本年稅項資產及負債時，則遞延稅項資產可與遞延稅項負債互相抵銷。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(t) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except inventories, investments and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. 主要會計政策(續)

(s) 關聯人士

在下列情況下，有關人士將視為本集團之關聯人士：

- (i) 透過一個或多個中介實體，該方直接或間接控制本集團，或由本集團控制或與本集團受到共同控制；於本集團擁有權益，並可藉此權益對本集團行使重大影響力；或對本集團進行共同控制；
- (ii) 有關人士為聯營公司；
- (iii) 有關人士為合營企業；
- (iv) 有關人士為本公司或其母公司之主要管理人員；
- (v) 有關人士為(i)或(iv)項所述人士之直系親屬；
- (vi) 有關人士受直接或間接歸屬於(iv)或(v)項所述人士之實體所控制、與他人共同控制或發揮重大影響力之實體，或擁有重大投票權；或
- (vii) 有關人士為本集團僱員或本集團關聯人士實體之離職後福利計劃之受益人。

(t) 資產減值

於各報告期結束時，本集團會審閱其有形及無形資產之賬面值(存貨、投資及應收賬款除外)，以釐定是否有任何情況顯示該等資產已出現減值虧損。倘出現任何該等情況，則會估計資產之可收回金額，以釐定減值虧損之數額。如未能對個別資產之可收回金額作出估計，則本集團會評估該資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減出售成本與使用價值兩者中之較高者。於評估使用價值時，以估計未來現金流量按反映市場現時對貨幣時間價值及資產特定風險之評估之稅前折現率折現至其現值。

3. SIGNIFICANT ACCOUNTING POLICIES

(cont'd)

(t) Impairment of assets (cont'd)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(u) Provisions and contingent liabilities

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

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

3. 主要會計政策(續)

(t) 資產減值(續)

倘估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值將撇減至其可收回金額。減值虧損即時於損益中確認，除非有關資產乃以重估金額列賬，在該情況下減值虧損將視為重估之減值。

倘減值虧損於其後回撥，資產或現金產生單位之賬面值將增加至重新估計之可收回金額，惟增加後之賬面值不得超過於以往年度並無就資產或現金產生單位確認減值虧損而原有之賬面值(扣除攤銷或折舊)。減值虧損之回撥即時於損益中確認，除非有關資產乃以重估金額列賬，在該情況下減值虧損之回撥將視為重估之增值。

(u) 撥備及或然負債

當本集團因過去的事件負有現有的法律或推定責任，而在履行責任的過程中，很有可能須要付出經濟利益並能作出可靠的估計時，則對該等在時間及金額上未確定的負債作出撥備。當金錢時間值影響重大時，撥備則以預計履行責任時所需支出之現值列賬。

如付出經濟利益的機會不大，或所涉及的金額未能可靠地估計時，除非付出經濟利益的可能性極微，否則該等責任會以或然負債披露。如責任的存在取決於一件或多件事件將來發生與否時，除非付出經濟利益的可能性極微，否則該等可能的責任亦會以或然負債披露。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements apart from those involving estimations, which are dealt with below.

Legal titles of certain land and buildings

As stated in notes 15 to the financial statements, the titles of certain buildings and leasehold land were not transferred to the Group as at 31 December 2010. Despite the fact that the Group has not obtained the relevant legal titles, the directors determine to recognise those buildings and leasehold land as property, plant and equipment on the grounds that they expect the transfer of legal titles in future should have no major difficulties and the Group is in substance controlling those buildings and land.

Key sources of estimation uncertainty

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

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

3. 主要會計政策(續)

(v) 報告期後事項

為本集團於報告期結束後之狀況提供額外資料或顯示持續經營假設並不合適之報告期後事項，為調整事項並反映於財務報表內。不屬於調整事項之報告期後事項若屬重大則在財務報表附註內作出披露。

4. 重大判斷及主要估計

應用會計政策之重大判斷

於應用會計政策之過程中，除該等相關之估計外，董事作出如下對財務報表中確認之金額影響最為重大之判斷，處理如下：

若干土地及樓宇之業權

如財務報表附註15所載，若干樓宇及租賃土地之業權於二零一零年十二月三十一日尚未轉讓予本集團。儘管本集團尚未獲得相關合法業權，惟由於預期未來合法業權之轉讓並不存在重大困難，而本集團實質上亦控制該等樓宇及土地，故董事決定將該等樓宇及租賃土地作為物業、廠房及設備確認。

估計不明朗因素之主要來源

涉及日後之主要假設及於報告期結束時估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債賬面值出現大幅調整之重大風險)討論如下。

(a) 物業、廠房及設備及折舊

本集團就其物業、廠房及設備釐定估計可用年期、剩餘價值及相關折舊開支。此項估計乃根據具有類似性質及功能之物業、廠房及設備的實際可使用年期及剩餘價值之過往經驗作出。倘可用年期及剩餘價值與先前估計有別，則本集團會修訂折舊開支，或撇銷或撇減已棄用或出售的技術性陳舊或非策略性資產。

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (cont'd)

Key sources of estimation uncertainty (cont'd)

(b) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(c) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars ("HKD"), United States dollars ("USD"), EURO ("EUR") and Renminbi ("RMB"). The Group entered into foreign currency forward contracts to mitigate the foreign currency risk arising from sales of goods denominated in USD during the year. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

4. 重大判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(b) 壞賬及呆賬減值虧損

本集團根據貿易及其他應收賬款的可收回性評估，包括每一借貸人之現時信譽及過往收款歷史記錄作出壞賬及呆賬減值虧損。若事件或情況變化顯示無法收取結餘則產生減值。確認壞賬和呆賬需要作出判斷及評估。倘若實際結果與最初估計存在差異，則將影響於該估計改變之年度的貿易及其他應收賬款之賬面值以及呆賬開支。

(c) 滯銷存貨撥備

滯銷存貨撥備乃按存貨的賬齡及估計可變現淨值計提。撥備金額的評估需要作出判斷及估計。若未來實際情況有別於最初估計，則有關差額將於有關估計已改變的期間內影響存貨及撥備開支/回撥的賬面值。

5. 財務風險管理

本集團之經營活動令其須承受眾多不同之財務風險：外匯風險、信用風險、流動資金風險及利率風險。本集團之整體風險管理計劃主要針對金融市場之不可預測性，旨在將對本集團之財務表現之潛在不利影響減至最低。

(a) 外匯風險

由於本集團之大部份業務交易、資產及負債主要以港元(「港元」)、美元(「美元」)、歐元(「歐元」)及人民幣(「人民幣」)計值，故需承受若干外匯風險。本集團訂立外匯期貨合約，以減少年內以美元計值之貨物銷售所產生的外幣風險。目前，本集團並無對外匯交易、資產及負債採取外匯對沖政策。本集團將緊密監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

5. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign currency risk (cont'd)

At 31 December 2010, if the USD had weakened 5 per cent against the RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,008,000 lower (2009: HK\$912,000), arising mainly as a result of the net foreign exchange loss on cash and bank balances, receivables, payables and bank borrowings denominated in USD. If the USD had strengthened 5 per cent against the RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,008,000 higher (2009: HK\$912,000), arising mainly as a result of the net foreign exchange gain on cash and bank balances, receivables, payables and bank borrowings denominated in USD.

At 31 December 2010, if the EUR had weakened 10 per cent against the HKD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,722,000 higher (2009: HK\$3,000 lower), arising mainly as a result of the net foreign exchange gain (2009: loss) on cash and bank balances, payables and bank borrowings denominated in EUR. If the EUR had strengthened 10 per cent against the HKD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,722,000 lower (2009: HK\$3,000 higher), arising mainly as a result of the net foreign exchange loss (2009: gain) on cash and bank balances, payables and bank borrowings denominated in EUR.

(b) Credit risk

The carrying amount of the cash and bank balances and trade, bills and other receivables and investments included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on cash and bank balances, bills receivables and investments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

5. 財務風險管理(續)

(a) 外匯風險(續)

於二零一零年十二月三十一日，若美元兌人民幣匯率下跌5%，其他所有變數維持不變，主要由於以美元計值之現金及銀行結餘、應收款項、應付款項及銀行借款之匯兌虧損淨值，年內綜合除稅後溢利將下降約1,008,000港元(二零零九年：912,000港元)。若美元兌人民幣匯率上升5%，其他所有變數維持不變，主要由於以美元計值之現金及銀行結餘、應收款項、應付款項及銀行借款之匯兌收益淨值，年內綜合除稅後溢利將增加約1,008,000港元(二零零九年：912,000港元)。

於二零一零年十二月三十一日，若歐元兌港元匯率下跌10%，其他所有變數維持不變，由於以歐元計值之現金及銀行結餘、應付款項及銀行借款獲得之匯兌收益(二零零九年：虧損)淨值，年內綜合除稅後溢利將增加約1,722,000港元(二零零九年：下跌3,000港元)。若歐元兌港元匯率上升10%，其他所有變數維持不變，主要由於以歐元計值之現金及銀行結餘、應付款項及銀行借款造成之匯兌虧損(二零零九年：收益)淨值，年內綜合除稅後溢利將減少約1,722,000港元(二零零九年：增加3,000港元)。

(b) 信用風險

本集團載於財務狀況表內的現金及銀行結餘以及應收貿易賬款、應收票據及其他應收款項及投資，其賬面值代表本集團所承載與其金融資產有關的最大信用風險。

本集團定有適當政策，確保向擁有一定信用歷史的客戶進行銷售。

現金及銀行結餘、應收票據以及投資的信用風險有限，原因為對方主要為國際信貸評級機構給予高信用評級的銀行。

5. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

The Group has significant concentration of credit risk to its trade receivables as the Group's largest customer contributed over 98% (2009: 98%) of the turnover for the year and shared over 99% (2009: 94%) of the trade receivables at the end of the reporting period. The Group has policies and procedures to monitor the collection of the trade receivables to limit the exposure to non-recoverable of the receivables and there is no recent history of default for the Group's largest customer.

(c) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank loans is prepared based on the scheduled repayment dates.

5. 財務風險管理(續)

(b) 信用風險(續)

本集團應收貿易賬款的信用風險高度集中，原因是本集團的最大客戶於年內佔營業額逾98% (二零零九年：98%)及於報告期結束時佔應收貿易賬款逾99% (二零零九年：94%)。本集團已設定政策及程序監察應收貿易賬款之追收，以限制就應收款項不可收回部份的風險。近期，本集團最大客戶並無違約之情況出現。

(c) 流動資金風險

本集團的政策為定期監控流動資金要求、其遵守貸款契約情況及與其銀行的關係，以確保其維持充足現金儲備、隨時可銷售變現的有市證券及由主要金融機構提供足夠的承諾融資，使其可配合短期及長期的流動資金需要。

以下附表顯示於報告期末本集團餘下的合約到期期間，並計及合約未折算現金流量(包括以合約利率或(如浮動)根據於報告期末當時的利率計算的利息支付)及本集團需要支付的最早日期。

尤其是帶有銀行可絕對酌情行使要求時償還條款的銀行貸款，該分析顯示倘貸款人行使其權利立即無條件收回貸款，本集團可能須償還款項最早期間的現金流出。本集團按照協定還款日期的其他銀行貸款編製到期日分析。

5. FINANCIAL RISK MANAGEMENT (cont'd)

5. 財務風險管理(續)

(c) Liquidity risk (cont'd)

(c) 流動資金風險(續)

		2010 二零一零年					
		Maturity Analysis - Undiscounted cash outflows 到期日分析—未折算現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows
		按要求	一年以內	一至兩年間	二至五年間	五年以上	未折算現金 流出總值
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
Trade and bills payables	應付貿易賬款及應付票據	-	72,433,233	-	-	-	72,433,233
Other payables and accruals	其他應付款項及應計項目	-	30,011,390	-	-	-	30,011,390
Bank loans subject to a repayment on demand clause	帶有按要求的償還條款的銀行貸款	89,226,006	-	-	-	-	89,226,006
Other bank loans	其他銀行貸款	-	71,915,695	-	-	-	71,915,695
		89,226,006	174,360,318	-	-	-	263,586,324

		2009 (restated) 二零零九年(經重列)					
		Maturity Analysis - Undiscounted cash outflows 到期日分析—未折算現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows
		按要求	一年以內	一至兩年間	二至五年間	五年以上	未折算現金 流出總值
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
Trade and bills payables	應付貿易賬款及應付票據	-	29,152,081	-	-	-	29,152,081
Other payables and accruals	其他應付款項及應計項目	-	9,155,889	-	-	-	9,155,889
Bank overdrafts	銀行透支	6,278,831	-	-	-	-	6,278,831
Bank loans subject to a repayment on demand clause	帶有按要求的償還條款的銀行貸款	19,995,917	-	-	-	-	19,995,917
Other bank loans	其他銀行貸款	-	23,536,036	-	-	-	23,536,036
		26,274,748	61,844,006	-	-	-	88,118,754

5. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

The table that follows summarises the maturity analysis of bank loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained in the above. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

5. 財務風險管理(續)

(c) 流動資金風險(續)

下表概列附有須應要求還款之條款的銀行貸款根據貸款協議所載之協定還款時間表作出之到期分析。有關金額包括運用合約利率計算之利息付款。因此，此等金額高於上列到期分析中「應要求」時間類別中披露之金額。計及本集團之財務狀況，本公司董事並不認為銀行將行使要求即時還款的酌情權。本公司董事相信，有關銀行貸款將會根據貸款協議所載之協定還款日期而償還。

Maturity Analysis - Bank loans subject to a repayment on demand clause based on scheduled repayments

到期分析 — 根據協定還款日期而償還的附有須應要求還款條款的銀行貸款

	On demand	Within 1 year	More than	More than	More than	Total
			1 year but less than 2 years	2 years but less than 5 years		
	按要求	一年以內	一至兩年間	二至五年間	五年以上	未折算現金流出總值
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元
31 December 2010		於二零一零年十二月三十一日				
	-	75,675,679	4,615,734	10,306,253	-	90,597,666
31 December 2009		於二零零九年十二月三十一日				
	-	18,551,766	949,691	697,097	-	20,198,554

(d) Interest rate risk

The Group's exposure to cash flow interest rate risk arises from its bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

Bank loans of approximately HK\$39,411,000 (2009: HK\$4,649,000) are arranged at fixed interest rates and expose the Group to fair value interest rates risk. Other bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

(d) 利率風險

本集團之現金流量利率風險來自其銀行存款及銀行借貸。該等存款及借貸跟隨當時之市場狀況按不同利率計息。

銀行貸款約為39,411,000 港元(二零零九年：4,649,000港元)乃以固定息率計息，故本集團面臨公平值利率風險。其他銀行借款乃按浮動息率計息，故本集團需承受現金流量利率風險。

5. FINANCIAL RISK MANAGEMENT (cont'd)

5. 財務風險管理(續)

(d) Interest rate risk (cont'd)

At 31 December 2010, if interest rates at that date had been 100 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$711,000 (2009: HK\$446,000) higher, arising mainly as a result of the net effect of lower interest expense on bank borrowings and lower interest income on bank deposits. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$711,000 (2009: HK\$446,000) lower, arising mainly as a result of the net effect of higher interest expense on bank borrowings and higher interest income on bank deposits.

(d) 利率風險(續)

於二零一零年十二月三十一日，倘當日之利率下降100點子，其他所有變數保持不變，由於銀行借款利息開支淨額減少及銀行存款的利息收入減少，年內綜合除稅後溢利將上升約711,000港元(二零零九年：446,000港元)。倘利率上升100點子，其他所有變數保持不變，由於銀行借款利息開支淨額增加及銀行存款的利息收入增加，年內綜合除稅後溢利將減少約711,000港元(二零零九年：446,000港元)。

(e) Categories of financial instruments at 31 December

(e) 於十二月三十一日之金融工具分類

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值物)	138,234,284	67,799,914
Available-for-sale financial assets	可供出售金融資產	2,000,000	2,000,000
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量之金融負債	262,453,486	87,580,008

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

本集團計入綜合財務狀況表的金融資產及金融負債之賬面值與其各自的公平值相若。

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6. REVENUE

The Group's revenue represented the net invoiced value of goods sold to customers, after allowances for trade discounts and returns.

6. 收益

本集團之收益乃指扣減貿易折扣及退貨後，售予客戶之貨品之發票淨值。

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Sales of goods	貨品銷售	438,243,822	368,474,160

7. OTHER INCOME

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Government grants	政府津貼	363,975	1,026,295
Interest income	利息收入	193,820	47,325
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	64,059	-
Write back of trade payables	應付貿易款項回撥	91,466	783,194
Others	其他	190,652	331,312
		903,972	2,188,126

7. 其他收入

8. SEGMENT INFORMATION

The Group has two reportable segments as follows:

Stainless steel furnishings	-	manufacture and sale of stainless steel furnishings and home products
Wooden furnishings	-	manufacture and sale of wooden panel furniture

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment results do not include unallocated finance costs and corporate income and expenses. Segment assets do not include available-for-sale financial assets and unallocated corporate assets.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

8. 分類資料

本集團之兩個可申報分類如下：

不銹鋼傢俱	-	製造及銷售不銹鋼傢俱及家居用品
木製傢俱	-	製造及銷售木製傢俱

本集團之可申報分類為供應不同產品及服務之策略性業務單位。由於各分類需要不同技術及市場推廣策略，故各可申報分類均被獨立管理。

經營分類之會計政策與財務報表附註3所述者相同。分類業績並不包括未分配融資成本以及企業收入及開支。分類資產並不包括可供出售金融資產及未分配企業資產。

本集團將分類間銷售及轉讓當作向第三方進行之銷售或轉讓（即按目前市價進行者）入賬。

8. SEGMENT INFORMATION (cont'd)

8. 分類資料(續)

Information about reportable segment revenue, results and assets:

有關可申報分類收益、業績及資產之資料：

		Stainless steel furnishings 不銹鋼傢俱 HK\$ 港元	Wooden furnishings 木製傢俱 HK\$ 港元	Total 總計 HK\$ 港元
Year ended 31 December 2010	截至二零一零年 十二月三十一日止年度			
Revenue from external customers	來自外部客戶之收益	310,669,826	127,573,996	438,243,822
Intersegment revenue	分類間收益	32,630	–	32,630
Segment results	分類業績	32,484,428	(4,491,133)	27,993,295
Interest revenue	利息收益	30,058	54,695	84,753
Interest expense	利息開支	1,648,032	1,677,877	3,325,909
Depreciation	折舊	2,188,828	4,852,109	7,040,937
Income tax expense	所得稅開支	9,691,748	1,694,006	11,385,754
Additions to segment non-current assets	添置分類非流動資產	3,453,758	86,804,550	90,258,308
As at 31 December 2010	於二零一零年 十二月三十一日			
Segment assets	分類資產	209,120,306	266,686,298	475,806,604
		Stainless steel furnishings 不銹鋼傢俱 HK\$ 港元	Wooden furnishings 木製傢俱 HK\$ 港元	Total 總計 HK\$ 港元
Year ended 31 December 2009	截至二零零九年 十二月三十一日止年度			
Revenue from external customers	來自外部客戶之收益	241,313,781	127,160,379	368,474,160
Intersegment revenue	分類間收益	11,509,888	–	11,509,888
Segment results	分類業績	21,622,723	7,682,196	29,304,919
Interest revenue	利息收益	26,605	19,041	45,646
Interest expense	利息開支	1,232,860	319,127	1,551,987
Depreciation	折舊	2,264,819	4,432,037	6,696,856
Income tax expense	所得稅開支	8,406,677	–	8,406,677
Additions to segment non-current assets	添置分類非流動資產	1,478,773	6,499,287	7,978,060
As at 31 December 2009	於二零零九年 十二月三十一日			
Segment assets	分類資產	109,741,947	165,512,362	275,254,309

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8. SEGMENT INFORMATION (cont'd)

Reconciliations of reportable segment revenue, results and assets:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Revenue	收益		
Total revenue of reportable segments	可申報分類之總收益	438,276,452	379,984,048
Elimination of intersegment revenue	抵銷分類間收益	(32,630)	(11,509,888)
Consolidated revenue	綜合收益	438,243,822	368,474,160
Results	業績		
Total results of reportable segments	可申報分類之總業績	27,993,295	29,304,919
Unallocated finance costs	未分配融資成本	(584,771)	(878,112)
Unallocated corporate income	未分配企業收入	157,300	31,457
Unallocated corporate expenses	未分配企業開支	(9,192,844)	(6,954,191)
Consolidated profit for the year	年內綜合溢利	18,372,980	21,504,073
Assets	資產		
Total assets of reportable segments	可申報分類之總資產	475,806,604	275,254,309
Available-for-sale financial assets	可供出售金融資產	2,000,000	2,000,000
Unallocated corporate assets	未分配企業資產	8,124,733	2,538,037
Consolidated total assets	綜合總資產	485,931,337	279,792,346

Geographical information:

Geographical information about the Group's revenues from external customers and non-current assets other than available-for-sale financial assets are as follows:

8. 分類資料(續)

可申報分類收益、業績及資產之對賬：

地區資料：

有關本集團來自外部客戶之收益及可供出售金融資產以外之非流動資產之地區資料如下：

		Revenue 收益		Non-current assets 非流動資產	
		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元	2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Hong Kong	香港	361,706,078	317,986,660	-	-
PRC except Hong Kong	中國(不包括香港)	76,537,744	50,487,500	194,727,430	118,060,331
Total	總計	438,243,822	368,474,160	194,727,430	118,060,331

In presenting the geographical information, revenue is based on the locations of the customers.

於呈列地區資料時，收益乃按客戶所在地區計算。

8. SEGMENT INFORMATION (cont'd)

Revenue from major customer:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Stainless steel furnishings segment Customer A	不銹鋼傢俱分類 客戶 A	303,290,244	235,447,236
Wooden furnishings segment Customer A	木製傢俱分類 客戶 A	127,127,846	126,675,739

8. 分類資料(續)

來自主要客戶之收益：

9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of the directors of the Company disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance are as follows:

For the year ended 31 December 2010

9. 董事酬金及五位最高薪酬人士

根據上市規則及香港公司條例第161條，本公司董事之酬金詳情披露如下：

截至二零一零年十二月三十一日止年度

Name of director 董事姓名		Fees 袍金 HK\$ 港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物利益 HK\$ 港元	Discretionary bonuses 酌情花紅 HK\$ 港元	Retirement benefits scheme contributions 退休福利 計劃供款 HK\$ 港元	Total emoluments 酬金總額 HK\$ 港元
Executive directors	執行董事					
Mr. Yan Siu Wai	甄兆威先生	—	408,000	142,000	12,000	562,000
Mr. Leung Kwok Yin	梁國賢先生	—	216,000	134,000	12,000	362,000
Mr. Bao Jisheng	鮑繼聲先生	—	720,380	481,715	—	1,202,095
Independent non-executive directors	獨立非執行董事					
Mr. Garry Alides, Willinge	Garry Alides, Willinge 先生	100,000	—	—	—	100,000
Mr. Yu Hon Wing, Allan	俞漢榮先生	60,000	—	—	—	60,000
Mr. Chu Kwok Man	朱國民先生	60,000	—	—	—	60,000
Non-executive director	非執行董事					
Mr. Kwan Kai Cheong	關啟昌先生	100,000	—	—	—	100,000
Total	總額	320,000	1,344,380	757,715	24,000	2,446,095

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9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (cont'd)

For the year ended 31 December 2009

Name of director	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement benefits scheme contributions	Total emoluments
董事姓名	袍金	薪金、津貼及實物利益	酌情花紅	退休福利計劃供款	酬金總額
	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元
Executive directors	執行董事				
Mr. Yan Siu Wai	甄兆威先生	–	408,000	142,000	562,000
Mr. Leung Kwok Yin	梁國賢先生	–	216,000	134,000	362,000
Mr. Bao Jisheng	鮑繼聲先生	–	760,000	509,716	1,269,716
Independent non-executive directors	獨立非執行董事				
Mr. Garry Alides, Willinge	Garry Alides, Willinge 先生	100,000	–	–	100,000
Mr. Yu Hon Wing, Allan	俞漢榮先生	60,000	–	–	60,000
Mr. Chu Kwok Man	朱國民先生	60,000	–	–	60,000
Non-executive director	非執行董事				
Mr. Kwan Kai Cheong	關啟昌先生	100,000	–	–	100,000
Total	總額	320,000	1,384,000	785,716	2,513,716

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2009: HK\$Nil).

The five highest paid individuals in the Group for the year ended 31 December 2010 included three (2009: three) directors, details of whose emoluments are disclosed above. Details of the emoluments of the remaining two (2009: two) highest paid individuals for the year ended 31 December 2010, which fell within the "HK\$Nil to HK\$1,000,000" band, are as follows:

9. 董事酬金及五位最高薪酬人士 (續)

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年內，董事概無根據任何安排放棄或同意放棄領取酬金(二零零九年：零港元)。

本集團於截至二零一零年十二月三十一日止年度的五位最高薪酬人士包括三位(二零零九年：三位)董事，彼等的酬金詳情載於上文。其餘兩位(二零零九年：兩位)最高薪酬人士於截至二零一零年十二月三十一日止年度的酬金介乎「零港元至1,000,000港元」之間，詳情如下：

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	682,100	681,276
Discretionary bonuses	酌情花紅	241,400	234,610
Equity-settled share-based payments	按權益結算以股份支付之款項	–	217,000
Retirement benefits scheme contributions	退休福利計劃供款	24,168	24,828
		947,668	1,157,714

9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (cont'd)

During the year, no emoluments were paid or payable by the Group to any of the directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2009: HK\$Nil).

9. 董事酬金及五位最高薪酬人士(續)

年內，本集團概無向任何董事或五位最高薪酬人士支付或應支付酬金作為加入本集團或加入本集團後的獎賞或作為離職補償(二零零九年：零港元)。

10. FINANCE COSTS

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Interest on bank loans and overdrafts	銀行貸款及透支利息	3,910,680	2,430,099

10. 融資成本**11. INCOME TAX EXPENSE**

(a) Taxation included in the consolidated income statement represents:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Current tax - PRC enterprise income tax	本年稅項 — 中國企業所得稅	9,942,293	6,187,483
Deferred tax - Withholding tax on dividend - PRC (note 24)	遞延稅項 — 股息預扣稅 — 中國 (附註24)	1,443,461	2,219,194
		11,385,754	8,406,677

11. 所得稅開支

(a) 載入綜合收益表的稅項如下：

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year (2009: HK\$Nil).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the New PRC enterprise income tax law, which is passed by the Tenth National People's Congress on 16 March 2007 and effective from 1 January 2008, the enterprise income tax has various changes. It includes the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%; cancellation of existing tax holiday available to export-oriented enterprises; and enforcement of commencement of the tax holiday ("Enforcement of Tax Holiday") on 1 January 2008 for those Foreign Investment Enterprise which have not commenced their tax holiday due to ongoing tax losses since their commencement of businesses.

由於本集團於年內並無應課稅溢利(二零零九年：零港元)，故無須就香港利得稅作出撥備。

其他地區應課稅溢利之稅項開支乃採用本集團經營所在國家當前稅率根據現行的相關法例、詮釋及慣例計算。

根據第十屆全國人民代表大會於二零零七年三月十六日通過及於二零零八年一月一日起生效之新中國企業所得稅法，企業所得稅出現多項變動。新稅法包括將內資及外資企業的企業所得稅稅率統一為25%，取消出口型企業原來享有之稅務優惠期，以及就因自開業以來持續錄得營業稅務虧損而尚未開始其稅務優惠期的外商投資企業，該稅務優惠期必須於二零零八年一月一日開始(「稅務優惠期的實施」)。

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11. INCOME TAX EXPENSE (cont'd)

- (a) Taxation included in the consolidated income statement represents: (cont'd)

寧波捷豐金屬制品有限公司 (Ningbo JF Metal Products Co., Ltd.) (“JF Metal”) and 寧波捷豐現代傢俱有限公司 (Ningbo JF Furniture Co. Ltd.) (“JF Furniture”), two subsidiaries of the Company operating in Zhejiang Province, the PRC, is entitled to a two-year exemption from enterprise income tax starting from its first profit-making year followed by a 50% reduction for the subsequent three years. Pursuant to the Enforcement of Tax Holiday, tax holiday for JF Metal and JF Furniture commenced on 1 January 2008. Hence, JF Metal and JF Furniture are subject to the PRC enterprise income tax rate of 12.5% in the current year (2009: Nil).

The relevant tax holiday for the other operating PRC subsidiary of the Company, JF Ningbo, had expired. Hence, JF Ningbo is subject to the PRC enterprise income tax rate of 25% (2009: 25%).

- (b) The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC enterprise income tax rate is as follows:

11. 所得稅開支(續)

- (a) 載入綜合收益表的稅項如下：(續)

本公司於中國浙江省經營之兩間附屬公司寧波捷豐金屬製品有限公司(「捷豐金屬」)及寧波捷豐現代傢俱有限公司(「捷豐傢俱」)自其首個獲利年度起兩年獲豁免企業所得稅，並於其後三年獲寬減50%稅項。根據稅務優惠期的實施，捷豐金屬及捷豐傢俱的稅務優惠期於二零零八年一月一日開始。因此，捷豐金屬及捷豐傢俱於本年度按12.5%之稅率繳納中國企業所得稅(二零零九年：零)。

本公司於中國經營之另一間附屬公司寧波捷豐之相關稅務優惠期已經屆滿。因此，寧波捷豐按25%(二零零九年：25%)之稅率繳納中國企業所得稅。

- (b) 所得稅開支與除稅前溢利乘中國企業所得稅稅率之乘積對賬如下：

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Profit before tax	除稅前溢利	29,758,734	29,910,750
Tax at PRC enterprise income tax rate of 25%	按中國企業所得稅稅率25%計稅	7,439,684	7,477,688
Tax effect of income that is not taxable	不用課稅收入的稅務影響	(26,267,332)	(15,492,591)
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	28,986,739	16,471,201
Tax effect of unrecognised temporary difference	未確認暫時性差異的稅務影響	(18,348)	(18,105)
Tax effect of income tax on concession	特許權所得稅的稅務影響	(447,760)	(2,250,710)
Tax effect of unrecognised tax losses	未確認稅項虧損的稅務影響	160,499	-
Effect of different tax rates of subsidiaries	附屬公司不同稅率的影響	88,811	-
Tax effect of withholding tax on dividend	股息預扣稅的稅務影響	1,443,461	2,219,194
Income tax expense	所得稅開支	11,385,754	8,406,677

12. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

12. 年內溢利

本集團之年內溢利乃經扣除下列各項列賬：

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元 (restated) (重列)
Auditors' remuneration	核數師之酬金	653,065	640,475
Cost of inventories sold	已出售存貨成本	377,794,418	312,120,927
Depreciation	折舊	7,042,837	6,698,332
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	1,582
Write-off of property, plant and equipment	物業、廠房及設備撇銷	164,854	-
Allowance for inventories (included in other operating expenses)	存貨撥備(包括於其他經營開支中)	862,177	-
Research and development expenditure	研究及開發開支	4,200,854	575,757
Staff costs (including directors' emoluments (note 9))	員工成本(包括董事酬金(附註9))		
Fees	袍金	320,000	320,000
Basic salaries, bonuses, allowances and benefits in kind	基本薪金、花紅、津貼及實物利益	30,965,052	26,144,836
Equity-settled share-based payments	按權益結算以股份支付之款項	-	217,000
Retirement benefits scheme contributions	退休福利計劃供款	3,079,343	2,428,024
Operating lease - buildings	經營租約—建築物	1,026,435	699,788
Net exchange losses	淨匯兌虧損	1,079,333	2,158,989

Cost of inventories sold included staff costs and depreciation of approximately HK\$30,994,000 (2009: HK\$25,440,000) which are included in the amounts disclosed separately above.

Note:

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

已出售存貨成本包括員工成本及折舊約30,994,000港元(二零零九年:25,440,000港元),已計入上述分別披露之款項內。

附註:

本集團已根據香港《強制性公積金計劃條例》的規定,為其全體香港合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團向強積金計劃之供款乃以薪金的5%計算(上限金額為每月每名僱員1,000港元),供款一旦注入強積金計劃,即悉數歸屬僱員。

本集團在中國設立之附屬公司之僱員均參與地區市政府設立之中央退休金計劃。該等附屬公司須按其基本工資及薪金之若干百分比向中央退休金計劃供款,以作為退休福利的資金。地方政府承諾會承擔該等附屬公司所有現時及日後退休僱員之退休福利責任。該等附屬公司於中央退休金計劃之唯一責任乃根據該計劃提供所需供款。

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13. DIVIDEND

13. 股息

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Proposed final dividend – HK\$ Nil (2009: HK5 cents) per ordinary share	建議派付之末期股息 — 每股普通股零港元 (二零零九年：5港仙)	–	10,501,200

The previously recorded final dividend for the year ended 31 December 2009 was HK\$10,442,700. The additional amount of HK\$58,500 paid was as a result of the exercise of share options prior to approval of final dividend at the annual general meeting.

截至二零零九年十二月三十一日止年度之過往記錄末期股息為10,442,700港元。額外支付之款項58,500港元乃由於股東週年大會批准末期股息前之購股權行使所致。

14. EARNINGS PER SHARE

14. 每股盈利

The calculation of basic and diluted earnings per share are based on the following:

每股基本及攤薄盈利乃根據下列各項計算：

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Earnings	盈利		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之本公司擁有人應佔溢利	18,372,980	21,504,073
Number of shares	股份數目		
Weighted average number of ordinary shares used in basic earnings per share calculation	用於計算每股基本盈利之普通股加權平均數	212,744,726	185,948,767
Effect of share options	購股權的影響	7,073,224	3,931,357
Weighted average number of ordinary shares used in diluted earnings per share calculation	用於計算每股攤薄盈利之普通股加權平均數	219,817,950	189,880,124

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold land	Buildings	Plant and machinery	Furniture, fixtures and equipment 傢俱、裝置及 設備	Motor vehicles	Construction in progress	Total
		租賃土地 HK\$ 港元	建築物 HK\$ 港元	廠房及機械 HK\$ 港元	傢俱、裝置及 設備 HK\$ 港元	車輛 HK\$ 港元	在建工程 HK\$ 港元	總額 HK\$ 港元
Cost	成本							
At 1 January 2009, as previously reported	於二零零九年一月一日 (之前呈報)	-	39,497,022	26,916,457	2,818,103	1,783,724	6,631,077	77,646,383
Effect on change in accounting policies	會計政策變動之影響	51,809,405	-	-	-	-	-	51,809,405
At 1 January 2009, as restated	於二零零九年一月一日 (重列)	51,809,405	39,497,022	26,916,457	2,818,103	1,783,724	6,631,077	129,455,788
Additions	添置	901,734	-	2,406,276	342,663	-	4,327,387	7,978,060
Disposal	出售	-	-	-	-	(24,338)	-	(24,338)
Transfer	轉撥	404,163	2,987,115	5,426,115	-	-	(8,817,393)	-
Exchange differences	匯兌差額	21,378	16,298	11,095	1,160	712	2,965	53,608
At 31 December 2009, as restated and 1 January 2010	於二零零九年十二月三十一日 (重列)及二零一零年一月一日	53,136,680	42,500,435	34,759,943	3,161,926	1,760,098	2,144,036	137,463,118
Additions	添置	944,506	-	3,151,474	147,660	586,358	85,433,119	90,263,117
Disposal	出售	-	-	-	-	(430,884)	-	(430,884)
Write-off	撇銷	-	-	(173,554)	-	-	(119,260)	(292,814)
Transfer	轉撥	-	-	3,123,018	-	-	(3,123,018)	-
Transfer to non-current assets held for sale	轉撥至持作出售之非流動資產	(1,751,464)	(13,981,116)	-	-	-	-	(15,732,580)
Exchange differences	匯兌差額	2,245,607	1,796,110	1,486,347	133,296	78,954	87,104	5,827,418
At 31 December 2010	於二零一零年十二月三十一日	54,575,329	30,315,429	42,347,228	3,442,882	1,994,526	84,421,981	217,097,375
Accumulated depreciation	累計折舊							
At 1 January 2009 as previously reported	於二零零九年一月一日 (之前呈報)	-	4,207,765	5,101,138	1,250,593	1,046,561	-	11,606,057
Effect on change in accounting policies	會計政策變動之影響	1,108,860	-	-	-	-	-	1,108,860
At 1 January 2009, as restated	於二零零九年一月一日 (重列)	1,108,860	4,207,765	5,101,138	1,250,593	1,046,561	-	12,714,917
Charge for the year	年內折舊	1,050,002	1,776,353	2,872,886	788,472	210,619	-	6,698,332
Disposal	出售	-	-	-	-	(21,905)	-	(21,905)
Exchange differences	匯兌差額	1,430	3,380	4,785	1,243	605	-	11,443
At 31 December 2009, as restated and 1 January 2010	於二零零九年十二月三十一日 (重列)及二零一零年一月一日	2,160,292	5,987,498	7,978,809	2,040,308	1,235,880	-	19,402,787
Charge for the year	年內折舊	1,095,821	1,823,828	3,294,636	629,623	198,929	-	7,042,837
Disposal	出售	-	-	-	-	(387,796)	-	(387,796)
Write-off	撇銷	-	-	(127,960)	-	-	-	(127,960)
Transfer to non-current assets held for sales	轉撥至持作出售之非流動資產	(628,050)	(3,945,558)	-	-	-	-	(4,573,608)
Exchange differences	匯兌差額	123,504	306,642	432,393	104,467	46,679	-	1,013,685
At 31 December 2010	於二零一零年十二月三十一日	2,751,567	4,172,410	11,577,878	2,774,398	1,093,692	-	22,369,945
Carrying amount	賬面值							
At 31 December 2010	於二零一零年十二月三十一日	51,823,762	26,143,019	30,769,350	668,484	900,834	84,421,981	194,727,430
At 31 December 2009, as restated	於二零零九年十二月三十一日 (重列)	50,976,388	36,512,937	26,781,134	1,121,618	524,218	2,144,036	118,060,331

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15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group's leasehold land and buildings are situated in the PRC.

The Group's leasehold land are under medium term leases.

At 31 December 2010, the Group's leasehold land and buildings with carrying value of approximately HK\$31,730,000 (2009: HK\$32,195,000) and HK\$Nil (2009: HK\$5,325,000) respectively were pledged as security to a bank for the Group's banking facilities (note 23).

At 31 December 2010, the Group's leasehold land and buildings with carrying value of approximately HK\$20,094,000 (2009: HK\$18,781,000) and HK\$26,143,000 (2009: HK\$26,281,000) respectively for which the Group are in the process of obtaining the relevant land use rights certificates and building ownership certificates.

15. 物業、廠房及設備(續)

本集團的租賃土地及建築物均位於中國。

本集團之租賃土地乃通過中期租約持有。

於二零一零年十二月三十一日，本集團賬面值分別約為31,730,000港元(二零零九年：32,195,000港元)及零港元(二零零九年：5,325,000港元)的租賃土地及建築物已抵押予銀行，作為本集團獲取銀行信貸的抵押品(附註23)。

於二零一零年十二月三十一日，本集團賬面值分別約為20,094,000港元(二零零九年：18,781,000港元)及26,143,000港元(二零零九年：26,281,000港元)的租賃土地及建築物目前正在申請有關土地使用權證及房屋所有權證。

16. LAND USE RIGHTS

16. 土地使用權

		HK\$ 港元
Cost	成本	
At 1 January 2009, as previously reported	於二零零九年一月一日(之前呈報)	51,809,405
Effect on change in accounting policies	會計政策變動之影響	(51,809,405)
At 1 January 2009 and 31 December 2009, as restated, 1 January 2010 and 31 December 2010	於二零零九年一月一日及二零零九年 十二月三十一日(重列)、二零一零年 一月一日及二零一零年十二月三十一日	-
Accumulated amortisation	累計攤銷	
At 1 January 2009, as previously reported	於二零零九年一月一日(之前呈報)	1,108,860
Effect on change in accounting policies	會計政策變動之影響	(1,108,860)
At 1 January 2009 and 31 December 2009, as restated, 1 January 2010 and 31 December 2010	於二零零九年一月一日及二零零九年 十二月三十一日(重列)、二零一零年 一月一日及二零一零年十二月三十一日	-
Carrying amount	賬面值	
At 31 December 2010	於二零一零年十二月三十一日	-
At 31 December 2009, as restated	於二零零九年十二月三十一日(重列)	-

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

17. 可供出售金融資產

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Unlisted equity securities fund, at cost	非上市股本證券基金，按成本	2,000,000	2,000,000

Unlisted equity securities fund with carrying amount of HK\$2,000,000 (2009: HK\$2,000,000) was carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and pledged as security to a bank for the Group's banking facilities (note 23).

非上市股本證券基金之賬面值為2,000,000 港元(二零零九年：2,000,000港元)，由於該等證券基金於活躍市場並無市場報價，且其公平值不能可靠計量，因此按成本列賬，並已抵押予銀行作為本集團銀行信貸的抵押品(附註23)。

18. INVENTORIES

18. 存貨

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Raw materials	原材料	72,910,245	43,504,866
Work in progress	在製品	45,381,513	31,716,957
Finished goods	製成品	11,485,460	10,491,835
Less: Allowance for inventories	減：存貨撥備	(862,177)	-
		128,915,041	85,713,658

19. TRADE AND BILLS RECEIVABLES

19. 應收貿易賬款及應收票據

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Trade receivables	應收貿易賬款	51,940,021	33,030,243
Bills receivables	應收票據	15,577,463	-
		67,517,484	33,030,243

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19. TRADE AND BILLS RECEIVABLES (cont'd)

The Group normally granted customers with credit terms of 30 to 90 days. The ageing analysis of the Group's trade receivables, based on the invoice date, and net of allowance, is as follows:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
0 - 30 days	0至30日	45,981,698	32,466,416
31 - 60 days	31至60日	4,932,868	563,228
61 - 90 days	61至90日	-	-
Over 90 days	超過90日	1,025,455	599
		51,940,021	33,030,243

The carrying amounts of the Group's trade and bills receivables are denominated in the following currencies:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
RMB	人民幣	24,049,086	5,985,068
USD	美元	43,468,398	27,045,175
		67,517,484	33,030,243

20. CASH AND BANK BALANCES

The Group's restricted cash and bank balances comprised guaranteed deposits for the issuance of RMB letter of credit and deposits pledged to banks to secure banking facilities granted to the Group as set out in note 23 to the financial statements.

An analysis of the carrying amount of restricted cash and bank balances is as follows:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Guaranteed deposits for the issuance of RMB letter of credit	用於發出人民幣信用證之擔保存款	19,065,533	-
Pledged bank deposits	抵押銀行存款	2,273,984	2,201,986
		21,339,517	2,201,986

19. 應收貿易賬款及應收票據(續)

本集團一般授予客戶30至90天的信貸期。本集團應收貿易賬款按發票日期及扣除撥備後的賬齡分析如下：

本集團應收貿易賬款及應收票據之賬面值乃按下列貨幣列值：

20. 現金及銀行結餘

本集團之受限制現金及銀行結餘包括用於發出人民幣信用證之擔保存款，以及已抵押予銀行作為授予本集團銀行信貸之擔保的存款(詳情載於財務報表附註23)。

受限制現金及銀行結餘之賬面值分析如下：

20. CASH AND BANK BALANCES (cont'd)

At 31 December 2010, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$40,372,000 (2009: HK\$28,464,000). Conversion of RMB into foreign currencies is subject to PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The carrying amounts of the Group's cash and bank balances are denominated in the following currencies:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
HKD	港元	1,474,760	1,322,540
RMB	人民幣	40,372,331	28,463,988
USD	美元	11,786,129	1,923,553
EUR	歐元	262,352	33,857
Other	其他	16,765	71,904
		53,912,337	31,815,842

21. NON-CURRENT ASSETS HELD FOR SALE

On 30 September 2010, JF Ningbo has signed a sales and purchase agreement to dispose of the leasehold land and buildings owned by JF Ningbo to a third party. The completion of the transaction is subject to the approval of transfer of the title by the relevant government authorities. Details of the disposal by JF Ningbo had been disclosed in an announcement of the Company dated 30 September 2010.

The leasehold land and buildings, which are expected to be sold within twelve months, have been classified as non-current assets held for sale and are presented separately in the statement of financial position. The disposal assets are included in the Group's stainless steel furnishings segment.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these assets as held for sale.

20. 現金及銀行結餘(續)

於二零一零年十二月三十一日，本集團以人民幣列值之現金及銀行結餘約為40,372,000港元(二零零九年：28,464,000港元)。人民幣兌換為外幣須遵循中國外匯管制條例和結匯、售匯及付匯管理規定。

本集團之現金及銀行結餘賬面值乃按下列貨幣列值：

21. 持作出售之非流動資產

於二零一零年九月三十日，寧波捷豐簽訂買賣協議向第三方出售寧波捷豐擁有的租賃土地及建築物。該項交易須待相關政府部門批准轉讓業權後方告完成。有關寧波捷豐的出售事項詳情已於本公司日期為二零一零年九月三十日的公告中披露。

該等租賃土地及建築物預期將於十二個月內出售，已被劃分為持作出售之非流動資產並於財務狀況表單獨呈列。出售資產計入本集團之不銹鋼傢俱分類。

出售所得款項預期將超過相關資產及負債之賬面淨值，因此，並無就劃分該等資產為持作出售而確認減值虧損。

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21. NON-CURRENT ASSETS HELD FOR SALE (cont'd)

The major classes of assets classified as held for sale at 31 December 2010 are as follows:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Leasehold land	租賃土地	1,123,414	-
Buildings	建築物	10,035,558	-
		11,158,972	-

At 31 December 2010, the Group's leasehold land and buildings classified as non-current assets held for sale with carrying value of approximately HK\$1,123,000 (2009: HK\$Nil) and HK\$5,209,000 (2009: HK\$Nil) respectively were pledged as security to a bank for the Group's banking facilities (note 23).

22. TRADE AND BILLS PAYABLES

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Trade payables	應付貿易賬款	45,041,147	29,152,081
Bills payables	應付票據	27,392,086	-
		72,433,233	29,152,081

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
0 - 30 days	0至30日	29,911,934	24,507,986
31 - 60 days	31至60日	11,544,022	4,310,649
61 - 90 days	61至90日	2,142,350	12,132
Over 90 days	超過90日	1,442,841	321,314
		45,041,147	29,152,081

21. 持作出售之非流動資產(續)

於二零一零年十二月三十一日，劃分為持作出售之資產的主要類別如下：

22. 應付貿易賬款及應付票據

供應商授予本集團的信貸期一般為30至90日。

應付貿易賬款按收取貨物日期之賬齡分析如下：

22. TRADE AND BILLS PAYABLES (cont'd)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
EUR	歐元	11,589,488	-
RMB	人民幣	56,425,725	23,827,835
USD	美元	4,418,020	5,324,246
		72,433,233	29,152,081

22. 應付貿易賬款及應付票據(續)

本集團應付貿易賬款之賬面值乃按下列貨幣列值：

23. BANK BORROWINGS

The analysis of the carrying amount of bank borrowings is as follows:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元 (restated) (經重列)
Current liabilities	流動負債		
Bank overdrafts repayable on demand - secured	應要求償還之銀行透支 — 已抵押	-	6,278,831
Portion of bank loans from banks due for repayment within one year	須於一年內償還之部分 銀行貸款		
— secured	— 已抵押	49,915,590	33,144,938
— unsecured	— 無抵押	95,856,000	8,231,890
Portion of bank loans from banks due for repayment after one year which contain a repayment on demand clause	可於一年後償還但含有 應要求償還條款之部分 銀行貸款		
— secured	— 已抵押	5,037,273	1,616,379
— unsecured	— 無抵押	9,200,000	-
		160,008,863	49,272,038
The borrowings are repayable as follows:	借款償還期限如下：		
Within one year	一年內	145,771,589	47,655,659
In the second year	第二年	4,301,178	925,200
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	9,936,096	691,179
		160,008,863	49,272,038

23. 銀行借款

銀行借款之賬面值分析如下：

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23. BANK BORROWINGS (cont'd)

The above amounts due are based on the scheduled repayment dates set out in the loan agreements and ignored the effect of any repayment on demand clause.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		HKD 港幣 HK\$ 港元	RMB 人民幣 HK\$ 港元	USD 美元 HK\$ 港元	EUR 歐元 HK\$ 港元	Total 總計 HK\$ 港元
2010	二零一零年					
Bank loans	銀行貸款	18,772,472	41,433,000	95,649,757	4,153,634	160,008,863
2009	二零零九年					
Bank overdrafts	銀行透支	6,278,831	-	-	-	6,278,831
Bank loans	銀行貸款	3,179,202	17,037,000	22,777,005	-	42,993,207
		9,458,033	17,037,000	22,777,005	-	49,272,038

The average interest rates per annum at 31 December were as follows:

		2010 二零一零年	2009 二零零九年
Bank loans	銀行貸款	1.87%-5.63%	1.89%-7.04%
Bank overdrafts	銀行透支	N/A 不適用	4.22%-5.81%

At 31 December 2010, the Group's bank facilities were secured by the following:

- legal charge on leasehold land and certain buildings owned by the Group;
- corporate guarantees given by the Company and three (2009: two) of the subsidiaries;
- all monies charge over deposits executed by subsidiaries of the Company in favour of banks of HK\$2,274,000 (2009: HK\$2,202,000);
- charge on available-for-sale financial assets of HK\$2,000,000 (2009: HK\$2,000,000); and
- assignment of life insurance policy owned by a subsidiary including prepayments of life insurance policy of HK\$4,304,000 (2009: Nil) included in deposits, other receivables and prepayments.

23. 銀行借款(續)

上述金額乃基於貸款協議所載預定還款日期呈列，並忽略應要求償還條款之影響。

本集團借款之賬面值乃按下列貨幣列值：

		HKD 港幣 HK\$ 港元	RMB 人民幣 HK\$ 港元	USD 美元 HK\$ 港元	EUR 歐元 HK\$ 港元	Total 總計 HK\$ 港元
2010	二零一零年					
Bank loans	銀行貸款	18,772,472	41,433,000	95,649,757	4,153,634	160,008,863
2009	二零零九年					
Bank overdrafts	銀行透支	6,278,831	-	-	-	6,278,831
Bank loans	銀行貸款	3,179,202	17,037,000	22,777,005	-	42,993,207
		9,458,033	17,037,000	22,777,005	-	49,272,038

於十二月三十一日之平均年利率如下：

		2010 二零一零年	2009 二零零九年
Bank loans	銀行貸款	1.87%-5.63%	1.89%-7.04%
Bank overdrafts	銀行透支	N/A 不適用	4.22%-5.81%

於二零一零年十二月三十一日，本集團之銀行信貸由以下項目作抵押：

- 本集團擁有的租賃土地及若干建築物的法定抵押；
- 本公司及其中三家附屬公司(二零零九年：兩家)提供的公司擔保；
- 本公司附屬公司以銀行為受益人作出全數存款抵押2,274,000港元(二零零九年：2,202,000港元)；
- 可供出售金融資產2,000,000港元(二零零九年：2,000,000港元)作為抵押；及
- 一家附屬公司擁有的壽險保單(包括列入按金、其他應收款項及預付款項之壽險保單預付款項4,304,000港元(二零零九年：無))之轉讓。

24. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group:

24. 遞延稅項負債

本集團確認的主要遞延稅項負債如下：

		Undistributed earnings of PRC subsidiaries 中國附屬公司 之未分配盈利 HK\$ 港元
At 1 January 2009	於二零零九年一月一日	1,021,798
Settlement during the year	於年內結算	(567,200)
Charge to profit or loss for the year (note 11a)	於年內損益中扣除(附註11a)	2,219,194
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及 二零一零年一月一日	2,673,792
Settlement during the year	於年內結算	(2,893,986)
Charge to profit or loss for the year (note 11a)	於年內損益中扣除(附註11a)	1,443,461
At 31 December 2010	於二零一零年十二月三十一日	1,223,267

25. SHARE CAPITAL

25. 股本

		Ordinary shares of HK\$0.01 each 每股面值0.01港元的普通股	
		Number of shares 股份數目	Par value 面值 HK\$ 港元
Authorised:	法定：		
At 1 January 2009, 31 December 2009, 1 January 2010 and 31 December 2010	於二零零九年一月一日、 二零零九年十二月三十一日、 二零一零年一月一日及 二零一零年十二月三十一日	500,000,000	5,000,000
Issued and fully paid:	已發行及已繳足：		
At 1 January 2009	於二零零九年一月一日	173,995,000	1,739,950
Shares issued on exercise of share options	行使購股權時發行的 股份	(i) 50,000	500
Share issued on placement of shares	配售股份時發行的股份	(ii) 34,809,000	348,090
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及 二零一零年一月一日	208,854,000	2,088,540
Shares issued on exercise of share options	行使購股權時發行的 股份	(iii) 13,835,000	138,350
At 31 December 2010	於二零一零年十二月三十一日	222,689,000	2,226,890

25. SHARE CAPITAL (cont'd)

Note:

- (i) During the year ended 31 December 2009, 50,000 ordinary shares of HK\$0.01 each were issued in relation to share options exercised by senior management under the Pre-IPO Share Option Scheme of the Company at HK\$0.56 for a total cash consideration of HK\$28,000. The excess of the subscription consideration received over the nominal values issued, amounted to HK\$27,500, was credited to the share premium account.
- (ii) On 29 August 2009, the Company entered into a conditional placing agreement with the placing agent in respect of the placement of 34,809,000 ordinary shares of HK\$0.01 each to independent third parties at a price of HK\$0.88 per share. The placement of shares was completed on 9 September 2009 and the excess of the subscription consideration received over the nominal values issued, amounting to approximately HK\$29,507,000, net of share issuance expenses, was credited to the share premium account.
- (iii) During the year ended 31 December 2010, 13,835,000 ordinary shares of HK\$0.01 each were issued in relation to share options exercised by executive directors, senior management and other employees under the Pre-IPO Share Option Scheme of the Company at HK\$0.56 to HK\$0.8 for a total cash consideration of HK\$10,733,200. The excess of the subscription consideration received over the nominal values issued, amounted to HK\$10,594,850, was credited to the share premium account.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, retained profits and other reserves).

It is the Group's strategy to keep the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The only externally imposed capital requirement is that for the Company to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

25. 股本(續)

附註：

- (i) 於截至二零零九年十二月三十一日止年度，因高級管理層根據本公司的首次公開招股前購股權計劃按0.56港元的價格行使購股權而發行50,000股每股面值0.01港元的普通股，現金總代價為28,000港元。收到的認購代價高出發行面值的超額部分為27,500港元，已計入股份溢價賬。
- (ii) 於二零零九年八月二十九日，本公司與配售代理訂立有條件配售協議，以每股0.88港元的價格配售34,809,000股每股面值0.01港元的普通股予獨立第三方。股份配售於二零零九年九月九日完成，收到的認購代價高出發行面值的超額部分約為29,507,000港元（已扣除股份發行開支），已計入本公司的股份溢價賬。
- (iii) 於截至二零一零年十二月三十一日止年度，因執行董事、高級管理層及其他僱員根據本公司的首次公開招股前購股權計劃按0.56港元至0.8港元的價格行使購股權而發行13,835,000股每股面值0.01港元的普通股，現金總代價為10,733,200港元。收到的認購代價高出發行面值的超額部分為10,594,850港元，已計入股份溢價賬。

本集團管理股本的目的旨在保障本集團的持續經營能力，並透過優化債務與權益比率為股東帶來最大回報。

本集團將按風險比例釐定資本金額。本集團根據經濟環境變動及有關資產的風險特性管理及調整資本結構。為維持或調整資本結構，本集團或會調整派發股息、發行新股、回購股份、新增債務、贖回現有債務或出售資產以減少債務。

本集團以債務對經調整資本比率為基準監控資本。該比率以債務淨額除以經調整資本計算。債務淨額以債務總額減現金及現金等值物計算。經調整資本包括所有權益部分，即股本、股份溢價、保留溢利及其他儲備。

本集團之策略為將債務淨額對經調整資本比率維持於合理低位。為維持或調整該比率，本集團或會調整派發予股東之股息金額、發行新股、向股東退還資本、新增債務融資或出售資產以減少債務。

本公司維持其在聯交所上市地位的唯一外部強制資本要求為須保持至少25%股份由公眾持有。

26. SHARE - BASED PAYMENTS

Equity-settled share option scheme

(i) Pre-IPO share option scheme

Pursuant to the written resolution passed by all shareholders of the Company on 8 September 2005, the pre-IPO share option scheme ("Pre-IPO Share Option Scheme") was approved.

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain persons to the growth of the Group and/or to the listing of shares of the Company on the GEM of the Stock Exchange. The total number of the shares of the Company subject to the Pre-IPO Share Option Scheme is 20,160,000 representing 12% of the issued share capital of the Company upon completion of the placing of the shares of the Company and capitalisation issue and no further options will be granted under the Pre-IPO Share Option Scheme. Upon acceptance of the option, each grantee shall pay HK\$1 to the Company by way of consideration for the grant. All of these options granted under the Pre-IPO Share Option Scheme will only be exercised after the expiry of six months from 13 October 2005 ("Listing Date") but in any event not later than five years from the Listing Date.

Details of the specific categories of options are as follows:

		Date of grant 授出日期	Vesting date 歸屬日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
Executive directors	執行董事	8 September 2005 二零零五年 九月八日	13 April 2006 二零零六年 四月十三日	13 April 2006 to 12 October 2010 二零零六年四月十三日至 二零一零年十月十二日	0.80
Senior management	高級管理層	8 September 2005 二零零五年 九月八日	13 April 2006 二零零六年 四月十三日	13 April 2006 to 12 October 2010 二零零六年四月十三日至 二零一零年十月十二日	0.80
Other employees and senior management	其他僱員 及高級管理層	8 September 2005 二零零五年 九月八日	13 April 2006 二零零六年 四月十三日	13 April 2006 to 12 October 2010 二零零六年四月十三日至 二零一零年十月十二日	0.56

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited on the date which is 3 months after the date on which the eligible employee ceases to be an employee of the Group.

26. 以股份支付款項

以權益結算的購股權計劃

(i) 首次公開招股前購股權計劃

根據本公司全體股東於二零零五年九月八日通過的書面決議案，首次公開招股前購股權計劃（「首次公開招股前購股權計劃」）已獲得批准。

首次公開招股前購股權計劃旨在表揚若干人士對本集團發展及／或本公司股份於聯交所創業板上市作出的貢獻。首次公開招股前購股權計劃涉及的本公司股份總數為20,160,000股，佔完成配售本公司股份及資本化發行後本公司已發行股本之12%，且本公司不會根據首次公開招股前購股權計劃授出其他購股權。接納購股權後，各承授人須向本公司繳付1港元，作為接受購股權的代價。根據首次公開招股前購股權計劃授出的所有購股權，在自二零零五年十月十三日（「上市日期」）起滿六個月後方可行使，惟無論如何須於上市日期起計五年內行使。

購股權特定分類之詳情如下：

倘若自授出日期起五年期滿後購股權仍未獲行使，購股權將失效。當合資格員工不再為本集團之員工，自其離職日起三個月後，購股權將被作廢。

26. SHARE - BASED PAYMENTS (cont'd)

Equity-settled share option scheme (cont'd)

(i) Pre-IPO share option scheme (cont'd)

Details of the share options outstanding during the year are as follows:

		2010 二零一零年		2009 二零零九年	
		Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		購股權數目	加權平均 行使價 HK\$ 港元	購股權數目	加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	14,115,000	0.77	14,165,000	0.77
Exercised during the year	年內已行使	(13,835,000)	0.78	(50,000)	0.56
Lapsed during the year	年內已失效	(280,000)	0.56	—	N/A 不適用
Outstanding at the end of the year	年末尚未行使	—	N/A 不適用	14,115,000	0.77
Exercisable at the end of the year	年末可予行使	—	N/A 不適用	14,115,000	0.77

The weighted average share price at the date of exercise for share options exercised during the year was HK\$1.95 (2009: HK\$0.70). The options outstanding at the end of 2009 have a weighted average remaining contractual life of 0.79 years and the exercise prices range from HK\$0.56 to HK\$0.80.

(ii) Post-IPO share option scheme

Pursuant to the written resolution passed by all shareholders of the Company on 8 September 2005, the post-IPO share option scheme ("Post-IPO Share Option Scheme") was approved.

The purpose of the Post-IPO Share Option Scheme is to enable the Company to recognise the contributions of any employees (including directors of the Company), consultants and/or advisers who in the sole discretion of the directors of the Company have contributed or will contribute to the Group ("Participants") and to motivate the Participants to continuously work to the benefit of the Group by offering to the Participants and opportunity to have personal interest in the share capital of the Company.

26. 以股份支付款項(續)

以權益結算的購股權計劃(續)

(i) 首次公開招股前購股權計劃(續)

年內尚未行使的購股權之詳情如下：

		2010 二零一零年		2009 二零零九年	
		Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		購股權數目	加權平均 行使價 HK\$ 港元	購股權數目	加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	14,115,000	0.77	14,165,000	0.77
Exercised during the year	年內已行使	(13,835,000)	0.78	(50,000)	0.56
Lapsed during the year	年內已失效	(280,000)	0.56	—	N/A 不適用
Outstanding at the end of the year	年末尚未行使	—	N/A 不適用	14,115,000	0.77
Exercisable at the end of the year	年末可予行使	—	N/A 不適用	14,115,000	0.77

年內已獲行使的購股權於行使日的加權平均股價為1.95港元(二零零九年:0.70港元)。於二零零九年末尚未行使的購股權之加權平均剩餘合約年期為0.79年及行使價介於0.56港元至0.80港元之間。

(ii) 首次公開招股後購股權計劃

根據本公司全體股東於二零零五年九月八日通過的書面決議案，首次公開招股後購股權計劃(首次公開招股後購股權計劃)獲得批准。

首次公開招股後購股權計劃旨在方便本公司肯定本公司董事全權酌情認為曾經或將會為本集團作出貢獻的任何僱員(包括本公司董事)、諮詢人士及/或顧問(「參與者」)的貢獻，並藉著使參與者有機會於本公司股本中擁有個人權益，激勵參與者繼續為本集團的利益而努力。

26. SHARE - BASED PAYMENTS (cont'd)**Equity-settled share option scheme** (cont'd)**(ii) Post-IPO share option scheme** (cont'd)

The overall limit on the number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and other share option scheme of the Group (including the Pre-IPO Share Option Scheme) must not exceed 30% of the shares of the Company in issue from time to time. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option.

Under the Post-IPO Share Option Scheme, the Company may grant options, at its discretion, to Participants to subscribe for such number of new shares at any exercise price determined by the board of directors of the Company in its absolute discretion. The price will be the highest of (i) the closing price of the share of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the option (which must be a business day), (ii) the average closing prices of the share of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option and (iii) the nominal value of a share of the Company on the date of the option.

An option under the Post-IPO Share Option Scheme may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined and notified by the board of directors of the Company to each grantee which period of time shall commence on the expiration of three years of the date of grant of the option and expire on such date as determined by the board of directors of the Company provided that the option may not be exercised after the expiration of 10 years from the date of grant of the option.

The Post-IPO Share Option Scheme does not require a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised, unless the board of directors of the Company otherwise determined and stated in the offer of the grant of options to the grantee.

No options had been granted under the Post-IPO Share Option Scheme since its adoption on 8 September 2005, and no options remained outstanding under the Post-IPO Share Option Scheme at the end of the year (2009: Nil).

26. 以股份支付款項(續)**以權益結算的購股權計劃(續)****(ii) 首次公開招股後購股權計劃(續)**

因行使根據本集團首次公開招股後購股權計劃及其他購股權計劃(包括首次公開招股前購股權計劃)所授出但尚未獲行使的所有未行使購股權而可能發行的本公司股份數目，整體上限不得超過本公司不時已發行股份的30%。承授人接納購股權時須繳付1港元的名義代價。

根據首次公開招股後購股權計劃，本公司可酌情向參與者授出購股權，按本公司董事會全權酌情釐定之行使價認購該等數目之新股，價格將為以下三者之較高者，(i)本公司股份於購股權授出日期(必須為營業日)在聯交所日報表所報之收市價；(ii)本公司股份於緊接購股權授出日期前五個營業日在聯交所日報表所報之平均收市價及(iii)本公司股份於購股權日期之面值。

根據首次公開招股後購股權計劃授出之購股權可於本公司董事會釐定並知會各承授人之期間內任何時間，根據首次公開招股後購股權計劃之條款行使，該期間應於購股權授出日期起計三年期屆滿起，直至本公司董事會釐定之日期為止，惟購股權不可於購股權授出日期起計十年期屆滿後行使。

首次公開招股後購股權計劃並無規定必須持有購股權之最短期限，或購股權獲行使前必需達到的表現目標，惟本公司董事會另有決定及於授出購股權予承授人時聲明者除外。

自首次公開招股後購股權計劃於二零零五年九月八日採納以來，概無根據首次公開招股後購股權計劃授出任何購股權，亦無任何首次公開招股後購股權計劃項下之購股權於年末時尚未行使(二零零九年：無)。

26. SHARE - BASED PAYMENTS (cont'd)

Equity-settled share option scheme (cont'd)

(ii) Post-IPO share option scheme (cont'd)

Pursuant to the ordinary resolution passed in the extraordinary general meeting of the Company on 26 November 2008, the New Share Option Scheme (as defined in sub-section (iii) headed "New Share Option Scheme" below) was approved and adopted by the Company to comply with the requirements under Chapter 17 of the Listing Rules; and the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were terminated accordingly.

(iii) New Share Option Scheme

Pursuant to the ordinary written resolution passed in the extraordinary general meeting of the Company on 26 November 2008, the New Share Option Scheme ("New Share Option Scheme") was approved and adopted by the Company to comply with the requirements under Chapter 17 of the Listing Rules; and the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme were terminated accordingly.

The purpose of the New Share Option Scheme is to enable the Company to recognise the contributions of the Participants to the Group and to motivate the Participants to continuously work to the benefit of the Group by offering to the Participants an opportunity to have personal interest in the share capital of the Company.

The overall limit on the number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and other share option scheme of the Group (including the Pre-IPO Share Option Scheme) must not exceed 30% of the shares of the Company in issue from time to time. Upon acceptance of the option, the Grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

26. 以股份支付款項(續)

以權益結算的購股權計劃(續)

(ii) 首次公開招股後購股權計劃(續)

根據本公司於二零零八年十一月二十六日舉行的股東特別大會上通過的普通決議案，新購股權計劃(定義見下文「新購股權計劃」(iii)分節)已獲本公司批准及採納，以符合《上市規則》第十七章的規定，而首次公開招股前購股權計劃及首次公開招股後購股權計劃則相應終止。

(iii) 新購股權計劃

根據本公司於二零零八年十一月二十六日舉行的股東特別大會上通過的書面普通決議案，新購股權計劃(「新購股權計劃」)已獲本公司批准及採納，以符合《上市規則》第十七章的規定，而首次公開招股前購股權計劃及首次公開招股後購股權計劃則相應終止。

新購股權計劃旨在方便本公司肯定參與者對本集團的貢獻，並藉著使參與者有機會於本公司股本中擁有個人權益，激勵參與者繼續為本集團的利益而努力。

因行使根據新購股權計劃及本集團其他購股權計劃(包括首次公開招股前購股權計劃)所授出但尚未獲行使的所有未行使購股權而可能發行的本公司股份數目，整體上限不得超過本公司不時已發行股份的30%。接納購股權後，承授人須向本公司繳付1.00港元，作為接受購股權的代價。

26. SHARE - BASED PAYMENTS (cont'd)

Equity-settled share option scheme (cont'd)

(iii) New Share Option Scheme (cont'd)

The subscription price for share(s) under the New Share Option Scheme will be a price as the board of directors in its absolute discretion shall determine and notify to each Participant and will be the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day), (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option and (iii) the nominal value of a share on the date of grant of the option. The date of grant is the date on which the option is offered.

An option under the Share Option Scheme may be exercised in accordance with the terms of the New Share Option Scheme at any time during the period to be determined and notified by the board of directors of the Company to each grantee which period of time shall commence on the date of grant of the option and expire on such date as determined by the board of directors of the Company provided that the option may not be exercised after the expiration of 10 years from the date of grant of the option.

The New Share Option Scheme does not require a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised, unless the board of directors of the Company otherwise determined and stated in the offer of the grant of options to the grantee.

Details of the specific categories of options are as follows:

		Date of grant 授出日期	Vesting date 歸屬日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
Senior management	高級管理層	4 August 2009 二零零九年 八月四日	4 August 2009 二零零九年 八月四日	4 August 2009 to 3 August 2014 二零零九年八月四日至 二零一四年八月三日	0.90

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited on the date which is 3 months after the date on which the eligible employee ceases to be an employee of the Group.

26. 以股份支付款項(續)

以權益結算的購股權計劃(續)

(iii) 新購股權計劃(續)

根據新購股權計劃，股份之認購價格將由董事會全權酌情釐定並知會予各參與者，且將為以下三者之較高者，(i)股份於購股權授出日期(必須為營業日)在聯交所日報表所報之收市價；(ii)股份於緊接購股權授出日期前五個營業日在聯交所日報表所報之平均收市價及(iii)股份於購股權授出日期之面值。授出日期乃購股權獲授出之日期。

根據購股權計劃授出之購股權可於本公司董事會釐定並知會各承授人之期間內任何時間，根據新購股權計劃之條款行使，該期間應於購股權授出日期起，直至本公司董事會釐定之日期為止，惟購股權不可於購股權授出日期起計十年期屆滿後行使。

新購股權計劃並無規定必須持有購股權之最短期限，或購股權獲行使前必需達到的表現目標，惟本公司董事會另有決定及於授出購股權予承授人時聲明者除外。

購股權之特定分類詳情如下：

倘若自授出日期起五年期滿後購股權仍未獲行使，購股權將屆滿。當合資格員工不再為本集團之員工，自其離職日起三個月後，購股權將會被作廢。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

26. SHARE - BASED PAYMENTS (cont'd)

Equity-settled share option scheme (cont'd)

(iii) New Share Option Scheme (cont'd)

Details of the share options outstanding during the year are as follows:

		2010 二零一零年		2009 二零零九年	
		Number of share options 購股權 數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權 數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	1,000,000	0.9	–	N/A 不適用
Granted during the year	年內已授出	–	N/A 不適用	1,000,000	0.9
Outstanding at the end of the year	年末尚未行使	1,000,000	0.9	1,000,000	0.9
Exercisable at the end of the year	年末可予行使	1,000,000	0.9	1,000,000	0.9

The options outstanding at the end of the year have a weighted average remaining contractual life of 3.59 years (2009: 4.59 years) and the exercise price is HK\$0.90.

Options to subscribe for 1,000,000 shares were granted on 4 August 2009. The estimated fair value of the option on that date was HK\$217,000.

The fair value was calculated using the Black-Scholes pricing model. The inputs into the model are as follows:

26. 以股份支付款項(續)

以權益結算的購股權計劃(續)

(iii) 新購股權計劃(續)

年內尚未行使的購股權之詳情如下：

於年末尚未行使的購股權之加權平均剩餘合約年期為3.59年(二零零九年：4.59年)及行使價為0.90港元。

於二零零九年八月四日，授出可認購1,000,000股股份的購股權，估計當日該項購股權的公平值為217,000港元。

有關公平值按畢蘇定價模式計算，對模式輸入之資料如下：

		2009 二零零九年
Weighted average share price	加權平均股價	HK\$0.82
Weighted average exercise price	加權平均行使價	HK\$0.90
Expected volatility	預期波幅	62.08%
Expected life	預期期限	2.50 years/年
Risk free rate	無風險利率	0.78%
Expected dividend yield	預期股息收益率	6.10%

26. SHARE - BASED PAYMENTS (cont'd)**Equity-settled share option scheme** (cont'd)**(iii) New Share Option Scheme** (cont'd)

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 2.5 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

26. 以股份支付款項 (續)**以權益結算的購股權計劃** (續)**(iii) 新購股權計劃** (續)

預期波幅根據本公司股價於過去2.5年之歷史波幅釐定。基於本集團的最佳估計，於模式使用之預期期限已就不可轉讓性、行使限制及行為因素之影響作出調整。

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**27. 本公司之財務狀況表**

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Investments in subsidiaries	於附屬公司之投資	42,967,020	42,967,020
Due from subsidiaries	應收附屬公司款項	93,744,560	92,201,307
Other current assets	其他流動資產	183,554	191,903
Due to subsidiaries	應付附屬公司款項	(9,182,989)	(9,182,989)
Other current liabilities	其他流動負債	(1,266,497)	(1,231,497)
NET ASSETS	淨資產	126,445,648	124,945,744
Share capital	股本	2,226,890	2,088,540
Reserves	儲備	124,218,758	122,857,204
TOTAL EQUITY	總權益	126,445,648	124,945,744

Note:

The amounts due from/(to) subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附註：

應收／(應付)附屬公司款項為無抵押、免息及無固定還款期。

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28. RESERVES

28. 儲備

Company		本公司				
	Note	Shares premium (note (a))	Contributed surplus (note (b))	Share-based payments reserve (note (c))	Retained profits	Total
	附註	股份溢價 (附註 (a))	繳入盈餘 (附註 (b))	以股份支付 款項儲備 (附註 (c))	保留溢利	總值
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
At 1 January 2009	於二零零九年一月一日	26,407,639	42,967,020	1,484,613	30,081,424	100,940,696
Shares issued on exercise of share options	因行使購股權而發行的股份 25(i)	39,500	–	(12,000)	–	27,500
Shares issued on placement of shares	因配售股份而發行的股份 25(ii)	29,507,402	–	–	–	29,507,402
Recognition of share-based payments	確認以股份支付款項	–	–	217,000	–	217,000
Dividend paid	已付股息	–	–	–	(8,702,250)	(8,702,250)
Profit for the year	年內溢利	–	–	–	866,856	866,856
At 31 December 2009	於二零零九年十二月三十一日	55,954,541	42,967,020	1,689,613	22,246,030	122,857,204
Representing:	代表:					
At 31 December 2009 after proposed final dividend	二零零九年十二月三十一日建議末期股息後				11,744,830	
Proposed final dividend	建議末期股息 13				10,501,200	
					<u>22,246,030</u>	
At 1 January 2010	於二零一零年一月一日	55,954,541	42,967,020	1,689,613	22,246,030	122,857,204
Shares issued on exercise of share options	因行使購股權而發行的股份 25(iii)	12,000,808	–	(1,405,958)	–	10,594,850
Share options forfeited	已作廢購股權	–	–	(66,655)	66,655	–
Dividend paid	已付股息	–	–	–	(10,501,200)	(10,501,200)
Profit for the year	年內溢利	–	–	–	1,267,904	1,267,904
At 31 December 2010	於二零一零年十二月三十一日	67,955,349	42,967,020	217,000	13,079,389	124,218,758
Representing:	代表:					
At 31 December 2010 after proposed final dividend	二零一零年十二月三十一日建議末期股息後				13,079,389	
Proposed final dividend	建議末期股息 13				–	
					<u>13,079,389</u>	

28. RESERVES (cont'd)

Notes:

- (a) Under the Companies Law of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business.
- (b) The contributed surplus of the Company arose as a result of the Corporate Reorganisation and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.
- (c) The share-based payments reserve of the Company and the Group arises on the grant of share options of employees under the Pre-IPO Share Option Scheme and Share Option Scheme. Further information about share-based payments to employees is set out in note 26 to the financial statements. The fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3(o) to the financial statements.

28. 儲備(續)

附註：

- (a) 根據開曼群島公司法，本公司的股份溢價可根據本公司的公司組織章程大綱及細則的規定，用於向股東作出分派或派付股息，惟本公司在緊隨分派或派付股息後仍須有能力支付在日常業務過程中到期應付之債務。
- (b) 本公司的繳入盈餘因企業重組產生，為所收購附屬公司當時的合併資產淨值超過為進行收購交換股份而發行的本公司股份面值的數額。
- (c) 本公司及本集團之以股份支付款項儲備於根據首次公開招股前購股權計劃及購股權計劃將購股權授予僱員時產生。有關以股份支付予僱員之款項的進一步詳情載列於財務報表附註26。根據財務報表附註3(o)所列就以股份支付款項所採用的會計政策，確認已授予本公司僱員但尚未行使的實際或估計購股權數目的公平值。

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29. SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2010 are as follows:

29. 附屬公司

附屬公司於二零一零年十二月三十一日的詳情如下：

Company	Place of incorporation/ establishment and operation 註冊成立/ 成立及經營地點	Attributable interest 應佔權益	Nominal value of issued and paid-up ordinary shares/registered capital 已發行及繳足普通股 面值/註冊資本	Principal activities 主要業務
Directly held	直接持有			
JF Household Furnishings (Asia) Ltd. ("JF Asia") 捷豐家居用品(亞洲) 有限公司(「捷豐亞洲」)	British Virgin Islands 英屬維爾京群島	100%	300 ordinary shares of US\$1 each 300股每股面值1美元的 普通股	Investment holding 投資控股
Indirectly held	間接持有			
JF Household Furnishings (BVI) Ltd. ("JF BVI") 捷豐家居用品(維爾京群島) 有限公司(「捷豐維爾京」)	British Virgin Islands 英屬維爾京群島	100%	100 ordinary shares of US\$1 each 100股每股面值1美元的 普通股	Investment holding 投資控股
Keylink Technology Limited 機靈科技有限公司	British Virgin Islands 英屬維爾京群島	100%	100 ordinary shares of US\$1 each 100股每股面值1美元的 普通股	Investment holding 投資控股
JF Household Furnishings (Macau) Holdings Ltd. 捷豐家居用品(澳門)控股 有限公司	British Virgin Islands 英屬維爾京群島	100%	100 ordinary shares of US\$1 each 100股每股面值1美元的 普通股	Investment holding 投資控股
JF Ningbo ** 寧波捷豐**	PRC 中國	100%	Registered capital and paid-up capital of US\$7,000,000 註冊資本及繳足資本 7,000,000美元	Manufacturing and sales of stainless steel furnishings and home products and accessories 製造及銷售不銹鋼傢俱、 家居用品及配件

29. SUBSIDIARIES (cont'd)

29. 附屬公司(續)

Company 公司	Place of incorporation/ establishment and operation 註冊成立/ 成立及經營地點	Attributable interest 應佔權益	Nominal value of issued and paid-up ordinary shares/registered capital 已發行及繳足普通股 面值/註冊資本	Principal activities 主要業務
Indirectly held	間接持有			
JF Metal **	PRC	100%	Registered capital and paid-up capital of US\$140,000	Manufacturing and processing of stainless steel rods and other accessories
捷豐金屬**	中國		註冊資本及繳足資本 140,000美元	製造及加工不銹鋼桿及其 他配件
JF Furniture **	PRC	100%	Registered capital of US\$13,500,000 (2009: US\$8,500,000) and paid-up capital of US\$12,000,000 (2009: US\$8,500,000)	Manufacturing and sales of wooden furnishings and home products
捷豐家俱**	中國	100%	註冊資本13,500,000 美元(二零零九年: 8,500,000美元)及繳 足資本12,000,000 美元(二零零九年: 8,500,000美元)	製造及銷售木製家俱及家 居用品
JF Household Furnishings Macao Commercial Offshore Limited #	Macau	100%	MOP100,000	General trading
捷豐家居用品澳門離岸商業 服務有限公司#	澳門		100,000澳門幣	一般貿易
#	Statutory financial statements not audited by RSM Nelson Wheeler		#	法定財務報表未經中瑞岳華(香港)會計師事務所審核
*	Wholly-owned foreign enterprise established in the PRC		*	在中國成立的外商獨資企業

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30. CONTINGENT LIABILITIES

At 31 December 2010, the Group did not have any significant contingent liabilities (2009: Nil).

31. COMMITMENTS

(a) Operating lease commitments

At 31 December 2010, the Group had total future minimum lease payments under non-cancellable operating leases for leasehold land and buildings falling due as follows:

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Within one year	一年內	124,500	124,500

(b) Capital commitments

Construction of the factory premises and acquisition of plant and machinery	興建工廠物業及購買廠房及機械		
– Contracted but not provided for	— 已訂約但未撥備	19,809,646	28,552,445

30. 或然負債

於二零一零年十二月三十一日，本集團並無任何重大或然負債(二零零九年：無)。

31. 承擔

(a) 經營租賃承擔

於二零一零年十二月三十一日，本集團就租賃土地及建築物之不可撤銷經營租賃之未來最低租金總額如下：

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Within one year	一年內	124,500	124,500

(b) 資本承擔

Construction of the factory premises and acquisition of plant and machinery	興建工廠物業及購買廠房及機械		
– Contracted but not provided for	— 已訂約但未撥備	19,809,646	28,552,445

32. RELATED PARTY TRANSACTIONS

In addition to those transactions and balances disclosed elsewhere in the financial statements, in the normal course of business, the Group had the following transactions with its related parties during the year, of which certain directors of the Company are also directors of these companies or held beneficial interests therein, as follows:

32. 關聯人士交易

除財務報表其他部份所披露的交易及結餘外，於年內，本集團在正常業務過程中與其關聯人士進行以下交易，本公司若干董事亦為該等公司的董事或持有其實益權益，有關資料載列如下：

		2010 二零一零年 HK\$ 港元	2009 二零零九年 HK\$ 港元
Sales to	向以下公司銷售		
– 寧波鑫龍空調器材有限公司 (Ningbo Xinlong Air-Conditioner Equipment Co., Ltd.) (“Ningbo Xinlong”)	— 寧波鑫龍空調器材有限公司 (「寧波鑫龍」)	–	19,704
– 餘姚捷豐空調設備有限公司 (Yuyao Jiefeng Air Conditioning Equipment Co., Ltd.) (“Yuyao Jiefeng”)	— 餘姚捷豐空調設備有限公司 (「餘姚捷豐」)	–	743
Purchases from	向以下公司購買		
– Ningbo Xinlong	— 寧波鑫龍	–	436
– Yuyao Jiefeng	— 餘姚捷豐	–	5,819
– 餘姚捷豐空調風機有限公司 (Yuyao Jiefeng Fan and Air-conditioning Co., Ltd.)	— 餘姚捷豐空調風機有限公司	1,955	–
Leasing charges paid to	向以下公司支付租賃費用		
– Yuyao Jiefeng	— 餘姚捷豐	533,914	526,833
Processing charges paid to	向以下公司支付加工費		
– Yuyao Jiefeng	— 餘姚捷豐	14,852	4,216
License fees paid to	向以下公司支付特許費		
– A.C.R. Equipment Supplies Limited	— 捷豐冷凍器材有限公司	120,000	120,000
Rental expenses paid to	向以下人士支付租金		
– Senior management	— 高級管理層	82,800	82,800

The executive directors, Mr. Yan Siu Wai and Mr. Leung Kwok Yin, have beneficial interests in the above companies.

執行董事甄兆威先生及梁國賢先生於上述公司擁有實益權益。

In the opinion of the directors, these transactions with the related parties have been conducted on normal commercial terms and the terms are fair and reasonable.

董事認為，該等與關聯人士的交易乃按正常商業條款進行，其條款屬公平合理。

During the year, the key management personnel compensation paid by the Group were disclosed in note 9 to the financial statements.

於年內，本集團支付予主要管理層人員的酬金於財務報表附註9披露。

33. EVENTS AFTER THE REPORTING PERIOD

On 29 January 2011, JF Asia, a wholly-owned subsidiary of the Company (as vendor), entered into a disposal agreement (“Disposal Agreement”) with First Priority Inc. (“First Priority”) (as purchaser) pursuant to which JF Asia agreed to dispose and First Priority agreed to acquire 100 shares of US\$1.00 each of JF BVI (being the entire issued shares of JF BVI) at a consideration of HK\$102,060,703 subject to certain disposal consideration adjustments. Details of the Disposal Agreement had been disclosed in an announcement jointly issued by the Company and Bounty Wealth Limited, an independent third party (“Joint Announcement”) on 3 March 2011.

Further, as disclosed in the Joint Announcement, the Board proposed a distribution of special dividend of not more than HK\$170,000,000 (subject to full declaration and finalization of the proposed special distribution) (“Proposed Special Distribution”) and a reduction of share premium account (“Reduction of Share Premium”) to facilitate the Proposed Special Distribution. Details of the Proposed Special Distribution and the Reduction of Share Premium were also set out in the Joint Announcement.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2011.

33. 報告期後事件

於二零一一年一月二十九日，本公司的全資附屬公司捷豐亞洲(作為賣方)與First Priority Inc. (「First Priority」，作為買方)訂立出售協議(「出售協議」)，據此，捷豐亞洲同意出售以及First Priority同意購買捷豐維爾京的100股每股面值1.00美元之股份(即捷豐維爾京的全部已發行股份)，代價為102,060,703港元(視乎出售代價調整而定)。出售協議詳情已於本公司和獨立第三方Bounty Wealth Limited於二零一一年三月三日刊發的聯合公告(「聯合公告」)中披露。

此外，如聯合公告所披露，董事會建議分派不超過170,000,000港元特別股息(須待建議特別分派得以全面宣派及落實)(「建議特別分派」)，並建議削減股份溢價(「削減股份溢價」)以促進建議特別分派。有關建議特別分派以及削減股份溢價之詳情亦載於聯合公告。

34. 財務報表的批准

董事會已於二零一一年三月三十一日批准及授權刊發本財務報表。