



中國海澱集團有限公司  
CHINA HAIDIAN HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立之有限公司

Stock Code 股份代號：256

ANNUAL REPORT 年報

2007



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# CORPORATE INFORMATION

## 公司資料



### BOARD OF DIRECTORS

#### Executive Directors

HON Kwok Lung (Chairman)  
WANG Shaolan (Vice Chairman)  
SHANG Jianguang (Chief Executive Officer)  
SHI Tao  
LAM Toi Man

#### Non-Executive Director

SIT Lai Hei

#### Independent Non-executive Directors

FUNG Tze Wa  
KWONG Chun Wai, Michael  
LI Qiang

### QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

FONG Chi Wah

### AUDITORS

Grant Thornton

### PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited  
Bank of China (Hong Kong) Limited  
Hongkong and Shanghai Banking Corporation Limited  
Industrial Bank Co., Ltd.  
Xiamen International Bank

### SHARE REGISTRAR IN HONG KONG

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

### REGISTERED OFFICE

P.O. Box 309  
Ugland House  
South Church Street  
Grand Cayman  
Cayman Islands

### PRINCIPAL OFFICE

Units 1902-04, Level 19  
International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

### WEBSITE

<http://www.irasia.com/listco/hk/chinahaidian>

### 董事會

#### 執行董事

韓國龍(主席)  
王少蘭(副主席)  
商建光(行政總裁)  
石濤  
林代文

#### 非執行董事

薛黎曦

#### 獨立非執行董事

馮子華  
鄭俊偉  
李強

### 合資格會計師及公司秘書

方志華

### 核數師

均富會計師行

### 主要往來銀行

中國建設銀行(亞洲)股份有限公司  
中國銀行(香港)有限公司  
香港上海滙豐銀行有限公司  
興業銀行  
廈門國際銀行

### 香港股份過戶登記處

秘書商業服務有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘滙中心26樓

### 註冊辦事處

P.O. Box 309  
Ugland House  
South Church Street  
Grand Cayman  
Cayman Islands

### 主要辦事處

香港九龍  
柯士甸道西1號  
環球貿易廣場  
19樓1902-04室

### 網站

<http://www.irasia.com/listco/hk/chinahaidian>

# FINANCIAL HIGHLIGHTS

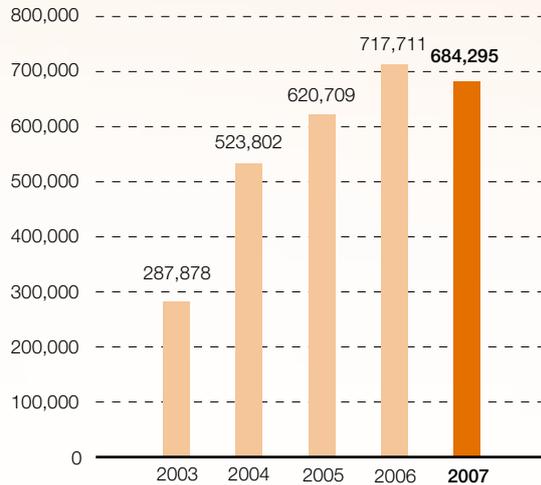
## 財務摘要



### REVENUE

#### 收入

HKS'000  
千港元

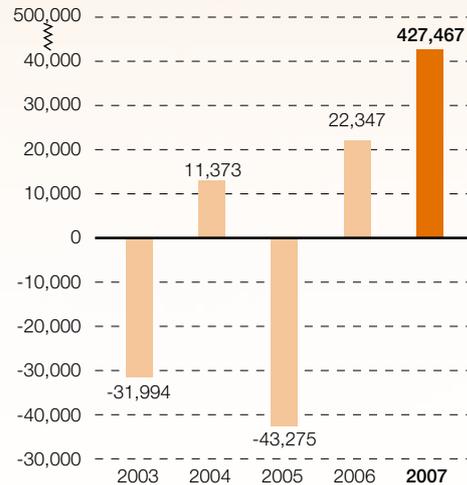


Total revenue including both continuing and discontinued operations  
包括持續經營及已終止經營業務之總收入

### PROFIT

#### 溢利

HKS'000  
千港元

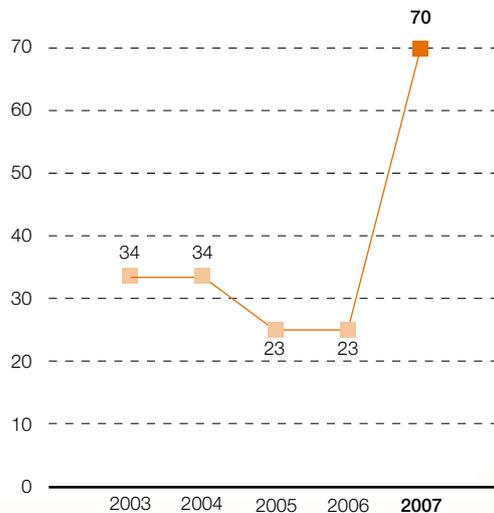


Profit for the year attributable to equity holder  
權益持有人應佔本年度溢利

### SHARE PRICE

#### 股價

HK Cent  
港仙

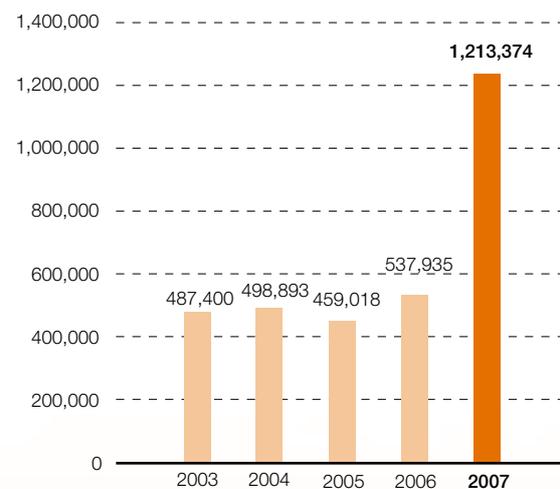


Share price at the end of year  
年終股價

### SHAREHOLDERS' EQUITY

#### 股東權益

HKS'000  
千港元



Equity attributable to equity holders  
權益持有人應佔權益

# CORPORATE HIGHLIGHTS IN 2007

## 二零零七年公司大事記要



### HIGHLIGHTS OF THE YEARS

#### 年度記要

#### MAY 2007

二零零七年五月

The transaction in relation to the transfer of the entire equity interest in Beijing Jing Guan Property Development Co. Ltd., a wholly owned subsidiary of the Group, the 80% interest in Beijing Xin Yang Property Development Co. Ltd. and the allotment and issue of 72,720,000 shares of Citychamp Dartong Company Limited was completed on 22 May 2007.

有關轉讓本集團全資附屬公司北京京冠房地產開發有限公司全部股本權益、北京鑫陽房地產開發有限公司80%權益以及配發及發行72,720,000股冠城大通股份有限公司股份的交易已於二零零七年五月二十二日完成。

#### JUNE 2007

二零零七年六月

The disposal of an investment property in Hong Kong, generated profit of HK\$22,853,000 for the year ended 31 December 2007.

截至二零零七年十二月三十一日止年度，出售香港投資物業產生溢利22,853,000港元。

#### SEPTEMBER 2007

二零零七年九月

The board of Fuzhou Dartong M&E Co. Ltd., a 49% owned jointly controlled entity of the Group, increased capital by RMB36,000,000. Accordingly, the Group injected RMB17,640,000 into Fuzhou Dartong M&E Co. Ltd.

本集團擁有49%權益的共同控制實體福州大通機電有限公司增加資本人民幣36,000,000元，本集團因而向福州大通機電有限公司注資人民幣17,640,000元。

#### DECEMBER 2007

二零零七年  
十二月

Seti Timber Industry (Shenzhen) Co., Ltd. and the Shenzhen Municipal Government entered into an agreement related to the land resumption on 3 December 2007.

森帝木業(深圳)有限公司與深圳市政府於二零零七年十二月三日訂立有關收回土地的協議。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高層管理人員



### EXECUTIVE DIRECTORS

#### HON Kwok Lung (Chairman)

Mr. Hon Kwok Lung, aged 53, is the Chairman of the Board of Directors of Citychamp Dartong Company Ltd. ("Citychamp Dartong"), the shares of which are listed on the Shanghai Stock Exchange in the PRC. Citychamp Dartong and its subsidiaries are principally engaged in manufacturing and sale of enamelled copper wire, high and low voltage cables and oxygen-free copper rod and property development in the PRC. Mr. Hon has extensive business experience in the PRC. Mr. Hon is a member of China Overseas Chinese Committee; Standing Committee of Jinlin Overseas Chinese Committee; Chinese People's Political Consultative Conference ("CPPCC"), Beijing; CPPCC, Hai Dian District Committee of Beijing; and CPPCC, Fu Zhou Committee. He joined the Board in April 2004.

#### WANG Shaolan (Vice Chairman)

Mr. Wang Shaolan, aged 45, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Economics from Peking University. Mr. Wang was formerly General Manager of China Township Enterprise Investment & Development Company Limited. He joined the Board in June 2000.

#### SHANG Jianguang (Chief Executive Officer)

Mr. Shang Jianguang, aged 56, graduated in Fuzhou University majoring in Chemistry is a qualified senior engineer in Mainland China. Prior to joining the Group, he assumed senior posts in various large companies, and was General Manager and Director of Min Xin Holdings Limited, a company listed on the main board of the Stock Exchange. He has extensive knowledge and experience in corporate and investment management. He joined the Board in November 2004.

#### SHI Tao

Mr. Shi Tao, aged 44, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering. Mr. Shi has years of business experience in the PRC. He joined the Board in April 2004.

### 執行董事

#### 韓國龍(主席)

韓國龍先生，現年五十三歲，是冠城大通股份有限公司（「冠城大通」）的主席，冠城大通的股份乃於中國上海證券交易所上市。冠城大通及其附屬公司在中國主要從事製造及銷售漆包線、高低壓架空線和無氧銅杆以及物業發展等業務。韓先生於中國商界累積豐富經驗，是中華全國歸國華僑聯合會委員、吉林省歸國華僑聯合會常委、中國人民政治協商會議北京市委員會委員、中國人民政治協商會議北京市海澱區委員會常委，以及中國人民政治協商會議福建省福州市委員會委員。彼於二零零四年四月加入本公司董事會。

#### 王少蘭(副主席)

王少蘭先生，現年四十五歲，王先生持有清華大學工學學士學位和北京大學經濟學碩士學位。彼曾任中國鄉鎮企業投資開發有限公司總經理。彼於二零零零年六月加入本公司董事會。

#### 商建光(行政總裁)

商建光先生，現年五十六歲，畢業於福州大學化學工專業，持有中國大陸之合資格高級工程師職稱。彼加入本集團前，曾在多家大機構任高級職位，並曾任閩信集團有限公司（一家於聯交所主板上市之公司）之總經理及董事。彼於企業管理、投資管理等方面擁有廣泛知識及豐富經驗。彼於二零零四年十一月加入本公司董事會。

#### 石濤

石濤先生，現年四十四歲，持有清華大學工程學學士學位，以及工程學碩士學位。石先生於中國商界累積多年經驗。彼於二零零四年四月加入本公司董事會。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高層管理人員



### LAM Toi Man

Mr. Lam Toi Man, aged 50, has various years of experience in property development in the PRC. Mr. Lam has been the General Manager of Zhejiang Huashun Real Estate Investment Co., Ltd. In addition, he has been appointed as an Executive Director and the General Manager of Hangzhou Yuanhua Mart Construction Co., Ltd.. He joined the Board in April 2004. Mr. Lam is the brother-in-law of Mr. Hon Kwok Lung.

### NON-EXECUTIVE DIRECTOR

#### SIT Lai Hei

Ms. Sit Lai Hei, aged 31, graduated in Fuzhou University taking Marketing as her major, is a qualified assistant engineer in Mainland China. She joined the Board in November 2004. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung. In addition, Ms. Sit's husband is a nephew of Mr. Lam Toi Man.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### FUNG Tze Wa

Mr. Fung Tze Wa, aged 51, is a Certified Public Accountant and a Director of an accounting firm in Hong Kong. Mr. Fung has various years of experience in auditing, taxation and company secretarial practice in Hong Kong. He obtained a Master degree in professional accounting from the Hong Kong Polytechnic University in 2000. He is a member of the Hong Kong Institute of Certified Public Accountants, the Chartered Association of Certified Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. He joined the Board in April 2004.

#### KWONG Chun Wai, Michael

Dr. Kwong Chun Wai, Michael, aged 43, is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing and a member of the Hong Kong Logistics Association. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University in the United States in 2001. Dr. Kwong is also a certified professional marketer of the Hong Kong Institute of Marketing. He joined the Board in April 2004.

### 林代文

林代文先生，現年五十歲，在中國物業發展方面累積多年經驗，曾任浙江華順房地產投資有限公司總經理。此外，林先生獲委任為杭州元華商城建設有限公司執行董事及總經理。彼於二零零四年四月加入本公司董事會。林先生為韓國龍先生之妻舅。

### 非執行董事

#### 薛黎曦

薛黎曦女士，現年三十一歲，畢業於福州大學市場營銷專業，持有中國大陸之助理工程師職稱。彼於二零零四年十一月加入本公司董事會。薛女士為韓國龍先生之媳婦。此外，薛女士之丈夫為林代文先生之外甥。

### 獨立非執行董事

#### 馮子華

馮子華先生，現年五十一歲，執業會計師及一間香港會計師事務所的董事。馮先生擁有多多年香港核數、稅務及公司秘書經驗，於二零零零年取得香港理工大學專業會計碩士學位。彼為香港會計師公會、特許公認會計師公會、香港稅務學會及華人會計師及核數師公會之會員。彼於二零零四年四月加入本公司董事會。

### 鄭俊偉

鄭俊偉博士，現年四十三歲，國際專業管理學會資深會員、香港市務學會會員及香港物流協會會員。鄭博士於一九八七年在英國諾定咸大學取得哲學榮譽文學士學位，並於二零零一年在美國 Newport University 取得工商管理博士學位。鄭博士亦為香港市務學會認許市務師。彼於二零零四年四月加入本公司董事會。

# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高層管理人員



### LI Qiang

Mr. Li Qiang, aged 42, holds a Master of Science degree and a PhD of Economics degree. Since March 2004, he is a senior consultant of Insurance Fund Management Regulatory Department of China Insurance Regulatory Commission. He has over 14 years of experience in the Mainland China financial market, including banking, securities and fund management. He joined the Board in November 2004.

### SENIOR MANAGEMENT

#### FONG Chi Wah

Mr. Fong Chi Wah, aged 45, is the Chief Financial Officer and Secretary of the Company. Mr. Fong is an associate member of HKICPA, a fellow member of CPA Australia, a Chartered Financial Analyst and a member of the Hong Kong Institute of Directors. Mr. Fong has over 20 years of extensive experience in various sectors of the financial industry, including direct investment, project and structured finance, and capital markets with focus on the PRC and Hong Kong. Mr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He joined the Company in September 2004.

#### TAO Li

Mr. Tao Li, aged 55, is the Vice President of the Company, he is also a Director and General Manager of several subsidiaries of the Company. Mr. Tao is in charge of the watch manufacturing and distribution businesses of the Group. Mr. Tao graduated from Beijing Foreign Trade College (currently known as China Foreign Economy and Trade University) in 1978 is a senior economist in Mainland China. He has over 24 years of experience in business administration, marketing and international trading. He has been working with the Group since 1991.

### 李強

李強先生，現年四十二歲，持有理學碩士學位及經濟學博士學位。彼自二零零四年三月起，在中國保險監督管理委員會資金運用監管部任高級顧問。彼在中國大陸之金融市場，包括銀行、證券及基金管理方面具有逾十四年豐富經驗。彼於二零零四年十一月加入本公司董事會。

### 高層管理人員

#### 方志華

方志華先生，現年四十五歲，本公司的集團財務總監及公司秘書。方先生為香港會計師公會會員、澳洲會計師公會資深會員、特許財務分析師及香港董事學會會員。方先生於中國及香港金融界直接投資、項目及結構融資及資本市場等各方面積逾二十年豐富經驗。方先生曾為Baring Capital (China) Management Limited之董事，並於ING Bank擔任多個管理職位。彼於二零零四年九月加入本公司。

#### 陶立

陶立先生，現年五十五歲，為本公司副總裁及若干附屬公司之董事兼總經理。陶先生主管本集團鐘錶製造及分銷業務。陶先生於一九七八年在北京對外貿易學院(現稱中國對外經貿大學)畢業，持有中國大陸之高級經濟師職稱。彼於商業管理、市場推廣及國際貿易方面擁有逾二十四年經驗，彼於一九九一年加入本集團。

## DIRECTORS AND SENIOR MANAGEMENT 董事及高層管理人員



### YIN Weirong

Mr. YIN Weirong, aged 51, is a qualified senior economist. He is the Vice President of the Company; he is also a Director and a Deputy General Manager of various subsidiaries of the Company. He was the Chief Representative of a reputable multinational company in the PRC; and the General Manager of a large PRC international trust and investment corporation responsible for investment in industrial and financial projects. Having acquired over 28 years of corporate management developing markets in the PRC and overseas, he joined the Company in April 2007.

### XUE Mingdeng

Mr. Xue Mingdeng, aged 46, graduated from Jiangxi Finance and Economics Institution in 1988. He holds a Bachelor Degree in Financial Accounting and is an accountant and economist. Mr. Xue has been the Chairman of 潮洲深寶房地產開發有限公司, the Director of Nanjing Central Emporium Co., Ltd, the Chairman of 深圳天極光電股份有限公司 and the Financial Controller of 深圳華龍房地產開發有限公司. He has been the Executive Director and General Manager of Seti Timber Industry (Shenzhen) Company Limited, a subsidiary of the Company, since August 2005.

### 尹偉榕

尹偉榕先生，現年五十一歲，持有高級經濟師職稱。為本公司副總裁及若干附屬公司董事兼常務副總經理。尹先生曾任中國大陸一間著名跨國性企業之首席代表，及一間中國大陸國際信託及投資公司工業、金融投資部總經理。彼在企業經營管理及國際、國內市場開發方面具有二十八年豐富經驗。彼於二零零七年四月加入本集團。

### 薛命燈

薛命燈先生，現年四十六歲，一九八八年畢業於江西財經學院，持財務會計學學士學位、會計師及經濟師職稱。曾任潮洲深寶房地產開發有限公司董事長，南京中央商場股份有限公司董事，深圳天極光電股份有限公司董事長及深圳華龍房地產開發有限公司財務總監等職務。彼於二零零五年八月起任本公司附屬公司森帝木業(深圳)有限公司之執行董事兼總經理。

# CHAIRMAN'S STATEMENT

## 主席報告



### OVERALL RESULTS

On behalf of the Board of Directors (the "Board"), I am pleased to announce that China Haidian Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") have achieved satisfactory performance in 2007. Revenue (continuing and discontinued operations) decreased by HK\$33,416,000 to HK\$684,295,000 while net profit attributable to equity holders of the parent company increased by HK\$405,120,000 to HK\$427,467,000 in 2007. Earnings per share increased from HK1.45 cents in 2006 to HK23.85 cents in 2007.

### MAJOR PROFIT CONTRIBUTORS

The Group's satisfactory performance was primarily underpinned by two factors. Firstly, the transaction in relation to the disposal of the entire equity interest in Beijing Jing Guan Property Development Co. Ltd. ("Jing Guan") and the issue and allotment of 72,720,000 shares of Citychamp Dartong Company Limited ("Citychamp Dartong") as consideration was completed on 22 May 2007 (the "Asset Transaction"). As a result of the Asset Transaction, the Group recognized a gain on disposal of the discontinued operation of HK\$366,806,000 in the income statement in 2007. In addition, dividend income of HK\$48,383,000 was received from Citychamp Dartong which consisted of the dividend income from 6,079,392 bonus shares of HK\$47,632,000 and a cash dividend of HK\$751,000. A fair value gain of HK\$241,797,000 for the revaluation of shares of Citychamp Dartong as at 31 December 2007 was recognised in the investment revaluation reserve. Secondly, EBOHR Luxuries International Company Limited ("EBOHR") achieved growth in operating profit and net profit after tax as a result of the expanded product lines and markets. Newly developed product lines include expensive metal luxurious watches with new markets being developed in PRC institutional sales and export sales.

### REAL ESTATE DEVELOPMENT BUSINESS

The Group is currently identifying and appraising a number of potential real estate development opportunities, especially commercial real estate in the southern part of the Mainland China. The real estate development business will be the main revenue and profit driver for the Group in the near future.

### 整體業績

本人謹代表董事會(「董事會」)欣然宣布，中國海澱集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)於二零零七年的業績表現令人滿意。二零零七年來自持續經營業務及已終止經營業務的收入減少33,416,000港元至684,295,000港元，而母公司權益持有人應佔純利則增加405,120,000港元至427,467,000港元。每股盈利由二零零六年的1.45港仙增至二零零七年23.85港仙。

### 主要溢利增長動力

本集團的業績表現令人滿意主要受兩項因素支持。其一，有關出售北京京冠房地產開發有限公司(「京冠」)全部股本權益以及發行及配發72,720,000股冠城大通股份有限公司(「冠城大通」)股份作為代價的交易(「資產交易」)已於二零零七年五月二十二日完成。資產交易令本集團於二零零七年的損益表確認出售已終止經營業務的收益366,806,000港元。自冠城大通收取股息收入48,383,000港元，當中包括來自6,079,392股紅股的股息收入47,632,000港元及現金股息751,000港元。於二零零七年十二月三十一日，已於投資重估儲備確認冠城大通股份重估公平值收益241,797,000港元。其二，依波精品(深圳)有限公司(「依波精品」)的經營溢利及除稅後純利因增加產品系列及擴展市場而有所增長。新開發產品包括名貴金屬手錶，並於中國開發新的機構銷售及外銷市場。

### 房地產發展業務

本集團現正物色及評估若干潛在房地產發展機會，特別是位於中國內地南部的商用房地產項目。房地產發展業務於不久將來將成為本集團主要收入及盈利來源。

# CHAIRMAN'S STATEMENT

## 主席報告



### WATCHES AND TIMEPIECES BUSINESS

Revenue from expensive metal luxurious watches will flow into the Group in 2008.

### ENAMELLED COPPER WIRES BUSINESS

During the year under review, additional capital contributions of HK\$18,186,000 were injected into Fuzhou Dartong M&E Co. Ltd., a jointly controlled entity, by the Group. Such capital contributions will provide additional working capital for the expanded production capacity of those entities.

### PROSPECTS

The pace of economic growth of the Mainland China is expected to remain buoyant in 2008, primarily driven by business investment and net exports. It appears likely that the policymakers would apply macroeconomic measures to cool the economy by curbing inflation and alleviating disruptions. Investment growth will remain robust. However, exports to the US may slowdown, which would be more than offset by China's sustained export penetration to other key regions. Domestic consumption should continue to proliferate commensurable with escalating income and wealth.

Owing to the burgeoning growth in investment, consumption and wealth in Mainland China, we believe that the performance of real estate development, watches and timepieces and enamelled copper wire businesses will continue to flourish in the near future.

While Citychamp Dartong and EBOHR will be the recurring sources of profit and funds for working capital, sales proceeds from the land owned by Seti Timber Industry (Shenzhen) Company Limited ("Seti Timber") will provide a one-off source of profit and funds for investment.

The Group has been evaluating investment opportunities in property development; developing the watches and timepieces business; and expanding the enamelled copper wire business. Leveraging on the substantial experience, the Group will continue to make investments with prudence in those businesses, in particular, the commercial real estate development in the southern part of the Mainland China, with an aim to maximize shareholders' value and sustain long-term development. At the same time, the Group strives to further strengthen corporate governance and internal control.

### 鐘錶業務

本集團將於二零零八年錄得來自名貴金屬手錶的收入。

### 漆包線業務

於回顧年度，本集團向共同控制實體福州大通機電有限公司注入額外資本18,186,000港元。有關注資將為該等實體提供額外營運資金以擴充產能。

### 前景

主要在商業投資及淨出口帶動下，預期中國內地於二零零八年的經濟將持續快速增長。中央政府或會實施宏觀經濟措施，透過控制通脹及減輕混亂情況，冷卻過熱的經濟發展。投資將持續強勁增長，但對美國出口則可能減慢，不過中國對其他主要地區的出口持續增長將足以抵銷有關不利影響。由於人民收入及財富增加，本地消費應會持續加速增長。

由於中國國內的投資、消費及財富快步增長，我們相信，本集團的房地產業發展、鐘錶以及漆包線業務表現短期內仍會繼續蓬勃增長。

冠城大通及依波精品將成為本集團的經常性溢利及營運資金來源，而出售森帝木業(深圳)有限公司(「森帝木業」)擁有的土地所得款項將提供一次性溢利及投資所需資金。

本集團現正評估多個開發物業、發展鐘錶業務及擴充漆包線業務的投資機會。憑藉其豐富經驗，本集團將繼續審慎投資於有關業務，特別是位於中國內地南部的商用房地產發展項目，以盡量提高股東價值及維持長遠發展。與此同時，本集團致力加強其企業管治及內部監控水平。

# CHAIRMAN'S STATEMENT

## 主席報告



### APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to our business partners, customers and shareholders. In addition, I would like to take this opportunity to thank all our staff members for their valuable contribution during the past year.

**Hon Kwok Lung**  
*Chairman*

Hong Kong, 17 April 2008

### 致意

承蒙本集團的業務夥伴、客戶及股東鼎力支持，本人謹代表董事會衷心致謝。此外，過去一年全體職員為本集團作出寶貴貢獻，本人亦藉此機會向他們表達謝意。

*主席*  
**韓國龍**

香港，二零零八年四月十七日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



### REVIEW OF RESULTS

For the year ended 31 December 2007, the Group's revenue (continuing and discontinued operations) amounted to HK\$684,295,000, a decrease of HK\$33,416,000 over the last year. Gross profit increased by HK\$27,464,000 to HK\$109,888,000 while net profit attributable to equity holders of the parent company increased by HK\$405,120,000 to HK\$427,467,000. Earnings per share increased from HK1.45 cents in 2006 to HK23.85 cents in 2007.

#### (1) Investment in Citychamp Dartong

The transaction in relation to the disposal of the entire equity interest in Beijing Jing Guan Property Development Co. Ltd. ("Jing Guan"), a wholly owned subsidiary of the Group, the 80% interest in Beijing Xin Yang Property Development Co. Ltd. ("Xin Yang") and the issue and allotment of 72,720,000 shares of Citychamp Dartong Company Limited ("Citychamp Dartong") as consideration was completed on 22 May 2007 ("the Asset Transaction"). As a result of the Asset Transaction, the Group recognised a gain on disposal of the discontinued operation of HK\$366,806,000 in the income statement for the year ended 31 December 2007.

The Group's initial investments of 72,720,000 shares and the bonus shares of 6,079,392 in Citychamp Dartong was revalued to HK\$853,380,000 as at 31 December 2007 and a fair value gain of HK\$241,797,000 was recognised in the investment revaluation reserve as at 31 December 2007. During the year under review, the Group recorded dividend income of HK\$48,383,000 from Citychamp Dartong which consisted of the dividend income from 6,079,392 bonus shares of HK\$47,632,000 and a cash dividend of HK\$751,000.

As at 31 December 2007, the Group has appraised the fair value of its holding of 72,720,000 shares and 6,079,392 bonus shares of Citychamp Dartong with reference to various parameters including, inter alia, historical price volatility, closing price on 31 December 2007 and the time prior to expiry of the lock-up period as on 22 May 2010.

### 業績回顧

截至二零零七年十二月三十一日止年度，本集團來自持續經營業務及已終止經營業務的收入為684,295,000港元，較上年度下跌33,416,000港元。毛利增加27,464,000港元至109,888,000港元，母公司權益持有人應佔純利增加405,120,000港元至427,467,000港元。每股盈利則由二零零六年1.45港仙上升至二零零七年23.85港仙。

#### (1) 於冠城大通的投資

有關出售本集團全資附屬公司北京京冠房地產開發有限公司（「京冠」）全部股本權益、北京鑫陽房地產開發有限公司（「鑫陽」）80%權益以及發行及配發72,720,000股冠城大通股份有限公司（「冠城大通」）股份作為代價的交易已於二零零七年五月二十二日完成（「資產交易」）。由於進行資產交易，本集團已於截至二零零七年十二月三十一日止年度的損益表確認出售已終止經營業務之收益366,806,000港元。

本集團於冠城大通72,720,000股股份及6,079,392股紅股的初步投資於二零零七年十二月三十一日的重估價值為853,380,000港元，並於二零零七年十二月三十一日的投資重估儲備確認公平值收益241,797,000港元。於回顧年度，本集團自冠城大通收取股息收入48,383,000港元，當中包括來自6,079,392股紅股的股息收入47,632,000港元及現金股息751,000港元。

於二零零七年十二月三十一日，本集團根據（其中包括）過往股價變動、於二零零七年十二月三十一日的收市價及禁售期於二零一零年五月二十二日屆滿等多種因素，評估其於冠城大通所持72,720,000股股份及6,079,392股紅股的公平值。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



On 23 February 2008, Citychamp Dartong announced its results under PRC GAAP for the year ended 31 December 2007. Earnings per share for the year was RMB 0.4, an increase of 54% over last year.

The annual dividends of Citychamp Dartong will provide a recurring source of profit contribution as well as funds for working capital.

### (2) Termination of timber plant in Shenzhen

Seti Timber and the Shenzhen Municipal Government entered into an agreement on 3 December 2007, pursuant to which, the Shenzhen Municipal Government will (1) resume the land granted to Seti Timber, retain 50% of the land area and arrange for the remaining 50% of the land area to be sold at an auction; (2) compensate Seti Timber for the land resumption by paying Seti Timber 89.5% of the proceeds from the sale of 50% of the land area; (3) change the land use from industrial to residential and commercial for the portion of land to be auctioned. Based on the revised land use of the portion of land to be auctioned, an independent valuer estimated a value of RMB700 million.

Upon completion of the land resumption, Seti Timber will cease to own the land. The gain expected to accrue to Seti Timber is 89.5% of the proceeds from the sale of 50% of the land area minus the net asset value of the land and the relevant land restoration costs. As the auction is not expected to be executed until the second quarter of 2008, the one-off gain from the land resumption will be fully reflected in the 2008 accounts.

### (3) Watches and timepieces business

EBOHR, a wholly-owned subsidiary of the Group, achieved satisfactory result in 2007. Revenue was HK\$165,327,000, an increase of HK\$34,969,000, or 27%, over HK\$130,358,000 in 2006, contributing net profit of approximately HK\$31,419,000 to the Group.

於二零零八年二月二十三日，冠城大通公佈其根據中國公認會計原則編製截至二零零七年十二月三十一日止年度的業績。本年度每股盈利為人民幣0.4元，較去年增加54%。

自冠城大通收取的年度股息將提供經常性溢利及營運資金。

### (2) 終止深圳的木材廠

森帝木業與深圳市政府於二零零七年十二月三日訂立協議，據此，深圳市政府將(1)收回授予森帝木業的土地，保留該土地的50%，並安排拍賣出售該土地餘下50%；(2)向森帝木業支付銷售該50%土地所得款項的89.5%，以就收回土地補償森帝木業；(3)將拍賣部分土地由工業用途改為住宅及商業用途。獨立估值師根據將予拍賣土地的經修訂用途所作估值為人民幣700,000,000元。

完成收回土地後，森帝木業將終止擁有該土地。預期森帝木業將收取的收益為銷售該50%土地所得款項的89.5%，扣除該土地的資產淨值及相關土地重整成本。由於預期拍賣於二零零八年第二季方會舉行，故自收回土地錄得的一次性收益將於二零零八年賬目內全面反映。

### (3) 鐘錶及時計產品業務

於二零零七年，本集團全資附屬公司依波精品業績理想。收入為165,327,000港元，較二零零六年130,358,000港元增加34,969,000港元，增幅為27%，為本集團貢獻純利約31,419,000港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



During 2007, EBOHR participated and implemented a number of unique marketing activities to promote the brand name. The growth of EBOHR was mainly attributable to the innovative product designs, emerging brand recognition, and strong sales network and market development. As at the end of December 2007, there were 25 sales offices in key cities, approximately 300 distribution points and 300 authorized dealers all over the PRC. In 2007, institutional sales and exports accounted for 20% and 1% of total sales respectively.

#### (4) Enamelled copper wires business

Fuzhou Dartong M&E Co. Ltd. ("Fuzhou Dartong"), a 49% owned jointly controlled entity of the Group contributed revenue and net loss after tax of approximately HK\$406,482,000 and HK\$705,000 respectively in 2007. Increase in revenue was in line with the expanded production capacity and the established brand reputation.

Jiangsu Dartong M&E Co. Ltd. ("Jiangsu Dartong"), a 25% owned associated company of the Group recorded contributions of approximately HK\$2,212,000 in 2007.

#### (5) Property investment

The factory complex in Dongguan, the property on Yan He South Road, Luohu District, Shenzhen, three shop units on Xianghua Road, Zhuhai, all in Guangdong Province of the PRC, and one apartment in Hong Kong owned by the Group have been leased out, with stable rental returns to the Group for the year under review.

The disposal of the investment property in Hong Kong generated profit of HK\$22,853,000 for the year ended 31 December 2007.

於二零零七年，依波精品參與及實行一系列獨特市場推廣活動以推廣其品牌。依波精品的增長主要歸功於創新產品設計、品牌知名度上升、強大銷售網絡及積極開發市場。於二零零七年十二月底，本集團在中國主要城市設有25個銷售辦事處，另有約300個分銷點及300名認可經銷商分布全國。於二零零七年，機構銷售額及出口銷售額分別佔總銷售額20%及1%。

#### (4) 漆包銅線業務

於二零零七年，本集團擁有49%權益的共同控制實體福州大通機電有限公司（「福州大通」）帶來收入及除稅後虧損淨額分別約406,482,000港元及705,000港元。隨著生產能力擴充及建立多年之品牌聲譽，收入相應提升。

於二零零七年，本集團擁有25%權益的聯營公司江蘇大通機電有限公司（「江蘇大通」）錄得貢獻約2,212,000港元。

#### (5) 物業投資

本集團所擁有位於中國廣東省東莞市的工廠綜合大樓、深圳市羅湖區沿河南路的物業及珠海市香華路三個舖位以及香港一個住宅單位均已全部租出，於回顧年度為本集團帶來穩定租金回報。

截至二零零七年十二月三十一日止年度，出售香港投資物業產生溢利22,853,000港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



### FINANCIAL POSITION

#### (1) Liquidity, financial resources and capital structure

As at 31 December 2007, the Group had non-pledged cash and bank balances of approximately HK\$82,362,000 (31 December 2006: HK\$234,616,000). Based on the bank loans of HK\$112,815,000 (31 December 2006: HK\$501,701,000) and shareholders' equity of HK\$1,213,374,000 (31 December 2006: HK\$537,935,000), the Group's gearing ratio (being loans divided by shareholders' equity) was 9% (31 December 2006: 93%).

As at 31 December 2007, the Group's bank loans amounting to HK\$112,815,000 (all bank loans) were repayable within one year.

#### (2) Charge on assets

(i) Other banking facilities of the Company were secured by the Group's investment properties in Tai Hang Road, Hong Kong with a net book values amounting to approximately HK\$12,832,000 as at 31 December 2007.

(ii) Bank loans of HK\$26,596,000 and other banking facilities of Seti Timber were secured by land and buildings in Nanshan District, Shenzhen, the PRC, owned by the Group with a net book value amounting to approximately HK\$128,607,000 as at 31 December 2007.

#### (3) Capital commitments

As at 31 December 2007, the Group had capital commitment of approximately of HK\$13,934,000 for the purchase of property, plant and equipment.

#### (4) Contingent liabilities

The Group had no material contingent liabilities as at the balance sheet date.

### OUTLOOK

The buoyant of economic growth of the Mainland China in the next few years will augur well for our real estate development, watches and timepieces, enamelled copper wires and real estate investment segments.

### 財務狀況

#### (1) 流動資金、財務資源及資本結構

於二零零七年十二月三十一日，本集團有無抵押現金及銀行結存約82,362,000港元(二零零六年十二月三十一日：234,616,000港元)。根據銀行貸款112,815,000港元(二零零六年十二月三十一日：501,701,000港元)及股東權益1,213,374,000港元(二零零六年十二月三十一日：537,935,000港元)計算，本集團的資本負債率(借貸除股東權益)為9%(二零零六年十二月三十一日：93%)。

於二零零七年十二月三十一日，本集團112,815,000港元的銀行貸款(全部銀行貸款)須於一年內償還。

#### (2) 資產抵押

(i) 於二零零七年十二月三十一日，本公司的其他銀行貸款以本集團位於香港大坑道賬面淨值約12,832,000港元的投資物業作抵押。

(ii) 於二零零七年十二月三十一日，森帝木業的26,596,000港元銀行貸款及其他銀行信貸，以本集團位於中國深圳市南山區賬面淨值約128,607,000港元的土地及樓宇作抵押。

#### (3) 資本承擔

於二零零七年十二月三十一日，本集團就購買物業、廠房及設備有資本承擔約13,934,000港元。

#### (4) 或然負債

於結算日，本集團並無重大或然負債。

### 展望

預期中國內地經濟於未來數年將快速增長，令本公司的房地產發展、鐘錶、漆包銅線及房地產投資業務受惠。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



With a sizable land bank in different cities in China, the performance of Citychamp Dartong will flourish and herald significant contribution to the Group in the years to come. Besides, potential real estate development projects currently be identified by the Group will also help drive the long term growth of the Group.

Leveraging on its premier market position and comprehensive sales network, EBOHR has generated increasingly strong revenue and profit by addressing the huge demand for premium products in China. Similarly, Fuzhou Dartong and Jiangsu Dartong have managed to attract more leading local and multinational customers, who are important for the long term profitability.

Recurring profit of the Group will increase gradually driven by the increasing dividends from Citychamp Dartong and the sustained growth of EBOHR, Fuzhou Dartong and Jiangsu Dartong. Increasingly strong profit will be generated from the real estate development business in the near future.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2007, the Group had approximately 1,000 full-time staff in Hong Kong and the PRC. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market conditions and individual performance. The Group also provides other benefits to its employees, including year-end double pay, medical insurance and retirement benefits, and incentive bonus are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes.

### APPRECIATION

The Group's impressive performance in the past year was the result of dedicated work by the management and its staff. I would like to take this opportunity to express our sincere gratitude to our employees, customers, bankers, professional consultants and shareholders for their unflinching support.

**Shang Jianguang**  
Chief Executive Officer

Hong Kong, 17 April 2008

憑藉其於中國各大城市的大量土地儲備，冠城大通可望錄得優秀表現，於往後數年為本集團帶來巨大貢獻。此外，本集團現正物色潛在房地產發展項目，以推動本集團的長遠增長。

憑藉其市場領導地位及龐大銷售網絡，依波精品透過迎合國內對名貴產品的殷切需求，錄得日益增加收入及溢利。同樣，福州大通及江蘇大通成功吸引更多主要本地及跨國客戶，該等客戶乃本集團長遠盈利能力的基石。

受來自冠城大通的股息持續增加以及依波精品、福州大通及江蘇大通持續增長支持，本集團的經常性溢利將逐步提升。於可見將來，房地產發展業務將帶來更多溢利。

### 僱員及薪酬政策

本集團於二零零七年十二月三十一日僱有約1,000名香港及中國內地全職員工。僱員薪酬乃按公平基準，參考市場情況根據個別表現制定及檢討。本集團亦為員工提供其他福利，包括年終雙糧、醫療保險及退休福利，並視乎本集團的經營業績及員工個人工作表現向僱員發放獎金花紅。本集團全體香港僱員均已加入公積金計劃。

### 致謝

本集團於過往一年的優秀表現為管理層及員工共同努力的成果。本人藉此機會，衷心感謝所有僱員、客戶、往來銀行、專業顧問及股東一直以來的鼎力支持。

**行政總裁**  
**商建光**

香港，二零零八年四月十七日

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a standard of corporate governance that is consistent with market practices.

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Government Practices (“Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) for the year ended 31 December 2007 except for code provision E.1.2. Code provision 1.2 stipulates that the Chairman of the board of directors should attend the annual general meeting. The Chairman of the board of directors will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are properly regulated.

The following summarizes the Company’s key corporate governance practices.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conducts for securities transactions by directors of the Company. All the members of the board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2007.

### BOARD OF DIRECTORS

The principal focus of the board is on the overall strategic development and direction of the Group. The board also monitors the financial performance and the internal controls of the Group’s business operations. The board has established a clear segregation of duties and responsibilities between the board and the management as to which types of decisions are to be taken by the board and which are to be delegated to management. This segregation of duties and responsibilities will be regularly reviewed by the board.

### 企業管治常規

本公司致力維持與市場慣例一致的企業管治準則水平。

截至二零零七年十二月三十一日止年度，除守則條文第E.1.2條外，本公司已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）的原則及遵守所有適用守則條文。守則條文第1.2條規定，董事會主席應出席股東週年大會。除遇上阻礙彼出席大會的突發或特殊情況外，董事會主席將盡力出席本公司未來的所有股東週年大會。董事會將不斷檢討及改進本公司的企業管治常規及準則，確保業務活動及決策流程受到妥善規管。

以下概述本公司的主要企業管治慣例。

### 董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易的操守準則。本公司經作出具體查詢後，獲全體董事會成員確認，彼等於截至二零零七年十二月三十一日止年度一直遵守標準守則載列的指定標準。

### 董事會

董事會主要負責制定本集團的整體策略發展及方向。董事會亦監管本集團業務營運的財務表現及內部監控。董事會已清晰劃分董事會與管理層的職務及職責，以釐定董事會作出的決策類別及管理層獲指派的工作。董事會將定期檢討該等職務及職責的分工。

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



The board comprises of five Executive Directors (one of whom is the Chairman and the other of whom is the Chief Executive Officer), one Non-executive Director and three Independent Non-executive Directors. In addition, one of the Independent Non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise. Profiles of directors are set out in the pages 5 to 7 of the Annual Report.

With a wide range of expertise and a balance of skills, the Non-executive Directors bring independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct through their participating in board meetings and committee work.

The views of the independent Non-executive Directors carry significant weight in the board's decision-making process. The board considers that each Independent Non-Executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers such directors to be independent. The Independent Non-executive Directors are explicitly identified in all corporate communications.

The board meets regularly throughout the year to review the overall strategy, discuss business opportunities and to monitor the operation as well as the financial performance of the Group. With the assistance of the Company Secretary, the Chairman and the Chief Executive Officer are primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are promptly provided with adequate information, which enable the board to make an informed decision on matters placed before it.

董事會由五名執行董事(其中一名為主席，另外一名為行政總裁)、一名非執行董事及三名獨立非執行董事組成。此外，其中一名獨立非執行董事擁有適當專業會計資格及財務管理知識。各董事的履歷載於年報第5至第7頁。

非執行董事憑藉廣泛專業知識及各方技能，透過參與董事會會議及委員會事務，就策略、政策、表現、問責、資源、重要委聘及操守準則各項事宜作出獨立判斷。

獨立非執行董事的意見於董事會決策過程中發揮重大影響力。董事會認為，各獨立非執行董事在身分及判斷力上均互相獨立，而彼等均符合上市規則所規定的指定獨立條件。本公司已接獲每名獨立非執行董事根據上市規則第3.13條有關其獨立身分的年度確認函，而本公司認為該等董事仍具獨立性。所有企業通訊內均明確識別各獨立非執行董事的身分。

董事會於年內定期開會檢討整體策略、討論業務商機及監管本集團營運及財務表現。在公司秘書的協助下，主席及行政總裁主要負責在諮詢全體董事後，草擬及批准各董事會會議的議程。董事會就所有董事會例會向全體董事發出最少十四日通知，而董事可於需要時在議程內納入討論課題。有關董事會例會的議程及隨附董事會文件均於確認前在合理時間內全部寄交各董事。

董事會及董事委員會的會議記錄均由各會議經正式委任的秘書保管。所有董事均可取閱董事會文件及相關資料，並適時獲取充足資料，確保董事會就有待處理事宜作出知情決定。

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



Save as mentioned below, there is no relationship among members of the board:

- (i) Mr. Lam Toi Man (Executive Director) is the brother-in-law of Mr. Hon Kwok Lung (Chairman of the board).
- (ii) Ms. Sit Lai Hei (Non-executive Director) is the daughter-in-law of Mr. Hon Kwok Lung and Ms. Sit's husband is a nephew of Mr. Lam Toi Man.

During the year, five board meetings were held and the individual attendance of each director is set out below:

除下文所述者外，董事會成員間並無任何關係：

- (i) 執行董事林代文先生為董事會主席韓國龍先生的妻舅。
- (ii) 非執行董事薛黎曦女士為韓國龍先生的媳婦，而薛女士的丈夫則為林代文先生的外甥。

年內，本公司共舉行五次董事會會議，個別董事之出席率載列如下：

Name of director	董事姓名	Number of board meetings attended 出席董事會會議次數	Attendance rate 出席率
HON Kwok Lung	韓國龍	4/5	80%
WANG Shaolan	王少蘭	4/5	80%
SHANG Jianguang	商建光	5/5	100%
SHI Tao	石濤	3/5	60%
LAM Toi Man	林代文	3/5	60%
SIT Lai Hei	薛黎曦	3/5	60%
FUNG Tze Wa	馮子華	5/5	100%
KWONG Chun Wai, Michael	鄺俊偉	4/5	80%
LI Qiang	李強	5/5	100%

### Re-election of Directors

Each of the directors is appointed for a specific term and is subject to the rotation provision of the Company's Articles of Association and shall retire at least once every three years.

Pursuant to the existing Articles of Association of the Company, at every annual general meeting, one-third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not greater than one-third shall retire from office. Besides, the Company will ensure full compliance with the Code provision that every director should be subject to retirement by rotation at least once every three years.

### Remuneration Committee

Members of the Remuneration Committee are Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael, Mr. Li Qiang, Mr. Hon Kwok Lung and Mr. Shang Jianguang.

### 重選董事

各董事均按指定任期獲委任，且須遵守本公司章程細則有關輪值告退的條文，須最少每三年退任一次。

根據本公司的現行章程細則規定，於每屆股東週年大會上，當時三分一的董事，或倘有關人數並非三的倍數則最接近但不超過三分一的董事須退任。此外，本公司將確保全面遵守有關每名董事須最少每三年輪值告退一次的守則條文。

### 薪酬委員會

薪酬委員會的成員包括馮子華先生(委員會主席)、鄺俊偉博士、李強先生、韓國龍先生及商建光先生。

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



The majority of the Remuneration Committee members are Independent Non-executive Directors. The Remuneration Committee recommends the board on the Group's overall policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee ensures that no director or any of his/her associates is involved in deciding his/her own remuneration. The terms of reference of the Remuneration Committee were adopted are consistent with the requirements of the Code.

The Remuneration Committee has met once on 31 August 2007 to review the main elements of the Company's remuneration policy for directors and senior management, and to review and approve the specific remuneration packages of all directors and senior management.

During the year, one Remuneration Committee meeting was held. The individual attendance of each member is set out below:

薪酬委員會大多數成員均為獨立非執行董事。薪酬委員會就本集團所有董事及高級管理人員薪酬的整體政策及結構，以及就制定薪酬政策確立正規而具透明度程序，向董事會提出建議。薪酬委員會須確保董事或其任何聯繫人士均不得參與釐定其本身薪酬。薪酬委員會已採納與守則規定貫徹一致之書面職權範圍。

薪酬委員會曾於二零零七年八月三十一日舉行會議，以檢討本公司董事及高級管理人員薪酬政策的主要內容，並審閱及批准全體董事及高級管理人員的具體薪酬組合。

年內，薪酬委員會曾舉行一次會議，個別成員的出席率載列如下：

Name of director	董事姓名	Number of meetings attended 出席會議次數	Attendance rate 出席率
FUNG Tze Wa	馮子華	1/1	100%
KWONG Chun Wai, Michael	鄭俊偉	0/1	0%
LI Qiang	李強	1/1	100%
HON Kwok Lung	韓國龍	1/1	100%
SHANG Jianguang	商建光	1/1	100%

### Nomination of Directors

The Company currently does not have a nomination committee. The Company will consider setting up one at the appropriate time.

### 董事提名

本公司現時並無設立提名委員會。本公司將於適當時候考慮成立一個提名委員會。

### Audit Committee

Members of the Audit Committee are Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang.

### 審核委員會

審核委員會成員包括馮子華先生(委員會主席)、鄭俊偉博士及李強先生。

The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were adopted in 1999 and subsequently revised on 23 August 2005 to conform to the provisions of the Code.

審核委員會的組成及成員均符合上市規則第3.21條的規定。詳述審核委員會的權力及職責的書面職權範圍，已於一九九九年獲採納，其後於二零零五年八月二十三日獲修訂，以符合守則條文的規定。

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



During the year under review, the Audit Committee has met four times to review the reporting of financial (including interim and annual results) and other information to shareholders, the system of internal controls, risk management, effectiveness and objectivity of the audit process and perform other duties set out in this terms of reference. Members of the Audit Committee visited subsidiaries and associates of the Group and enquired about and comment on the matters related to system of internal controls and risk management of those subsidiaries. They also reviewed and commented internal audit reports of subsidiaries and associates.

The Audit Committee reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2007.

During the year, two Audit Committee meetings were held and the individual attendance of each member is set out below:

回顧年度內，審核委員會共舉行四次會議，以審閱包括中期及年度業績的財務報告與須向股東提供的其他資料、內部監控制度、風險管理、核數程序的成效與客觀性以及履行職權範圍所載的其他職務。審核委員會成員已視察本集團的附屬公司及聯營公司，並查詢該等附屬公司的內部監控制度及風險管理等相關事項並作出評價。審核委員會成員亦檢討及評價附屬公司及聯營公司的內部審核報告。

審核委員會已與管理層審閱本集團採納的會計準則及慣例，並討論內部監控及財務申報事宜，包括審閱截至二零零七年十二月三十一日止年度賬目。

年內，審核委員會共舉行兩次會議，個別成員的出席率載列如下：

Name of director	董事姓名	Number of meetings attended 出席會議次數	Attendance rate 出席率
FUNG Tze Wa	馮子華	2/2	100%
KWONG Chun Wai, Michael	鄺俊偉	2/2	100%
LI Qiang	李強	2/2	100%

### AUDITORS' REMUNERATION

For the year ended 31 December 2007, the Company has paid an audit fee of HK\$1,200,000 in relation to the audit services for the financial statements for the year ended 31 December 2007. The audit fee was approved by the Audit Committee and endorsed by the Board.

### 核數師酬金

截至二零零七年十二月三十一日止年度，本公司就截至二零零七年十二月三十一日止年度財務報表之審核服務支付核數費用1,200,000港元。審核費用已獲審核委員會批准及董事會認可。

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



### INTERNAL CONTROLS

The board has overall responsibility for maintaining an adequate system of internal controls of the Company and for reviewing its effectiveness. The board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The board has delegated to management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework and reporting to the board and Audit Committee on its material findings.

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2007, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

### INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavours to maintain a high level of transparency in communicating with shareholders and the investment community at large. In order to ensure effective, clear and accurate communications with the shareholders and investors, all corporate communications are arranged and handled by the Executive Directors and designated senior executives according to established practices and procedures of the Company.

### 內部監控

董事會對維持本公司完善內部監控制度及檢討其成效承擔整體責任。董事會致力推行有效及穩健的內部監控制度，保障股東利益及本集團資產。董事會已委派管理層推行內部監控制度，並檢討已建立架構內所有相關財務、營運、合規監控及風險管理職能，並向董事會及審核委員會匯報重要發現。

### 董事責任聲明

董事負責編製各財政期間的賬目，該等賬目須真實反映本集團於該期間的事務、業績及現金流量。編製截至二零零七年十二月三十一日止年度賬目時，董事選用及貫徹應用適當會計政策；採納適當香港財務申報準則及香港會計準則；作出多項審慎合理的調整及估計；以及按持續經營基準編製賬目。董事亦有責任存管適當會計記錄，於任何時間合理準確披露本公司的財政狀況。

### 投資者關係及溝通

本公司致力維持高透明度，務求與股東及投資界大眾連繫溝通。為確保與股東及投資者維持有效、清晰及準確的溝通渠道，所有公司通訊根據本公司的既定慣例及程序，由執行董事及指定高層行政人員安排及處理。

# CORPORATE GOVERNANCE REPORT 2007

## 二零零七年企業管治報告



The Company has announced its annual results and interim results in a timely manner during the year under review, which is within the time limits set out in the Listing Rules. Separate resolutions are proposed at the general meetings on each substantially separate issue, including the re-election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

The Company has also maintained websites at [www.irasia.com/listco/hk/chinahaidian](http://www.irasia.com/listco/hk/chinahaidian) and [www.chinahaidian.com](http://www.chinahaidian.com) which enable shareholders, investors and the general public to have access to the information of the Company on a timely basis. Financial information and all shareholder corporate communications of the Company are made available on the Company's website and updated regularly.

Shareholders who wish to raise any queries with the board may write to the Company Secretary at Unit 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

回顧年度內，本公司於上市規則所訂時限內，適時公佈其全年及中期業績。於股東大會就各重大個別事項(包括重選個別董事)提呈獨立決議案。此外，要求按股數投票表決的程序已載入連同年報一併送交股東的通函內。

本公司另設立網站 [www.irasia.com/listco/hk/chinahaidian](http://www.irasia.com/listco/hk/chinahaidian) 及 [www.chinahaidian.com](http://www.chinahaidian.com)，供股東、投資者及公眾人士適時瀏覽本公司資料。本公司財務資料及所有與股東的公司通訊均刊載於本公司網站，並會定期更新。

股東如對董事會有任何疑問，可來函公司秘書，地址為香港九龍柯士甸道西1號環球貿易廣場19樓1902-04室。

# REPORT OF THE DIRECTORS

## 董事會報告



The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2007.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 21 to the financial statements. There were no significant changes to the Group's principal activities during the year except for manufacture and distribution of timber products and property development, which were presented as discontinued operations during the year.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2007 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 34 to 137.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2007.

### SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 138 and 139. This summary does not form part of the audited financial statements.

### PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 17 and 18 to the financial statements, respectively. Further details of the Group's investment properties are set out on pages 140 of the annual report.

董事謹此提呈董事會報告以及本公司及本集團截至二零零七年十二月三十一日止年度之經審核財務報表。

### 主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於財務報表附註21。除木材產品製造及分銷以及物業發展於本年度呈列為已終止經營業務外，本集團之主要業務於年內並無重大變動。

### 業績及股息

本集團截至二零零七年十二月三十一日止年度之溢利以及本公司和本集團於當日的財務狀況載於財務報表第34至137頁。

董事並不建議就截至二零零七年十二月三十一日止年度派付任何股息。

### 財務資料概要

本集團過去五個財政年度已刊發業績、資產、負債與少數股東權益概要載於第138頁及第139頁，乃摘錄自經審核財務報表。該概要並不構成經審核財務報表其中部分。

### 物業、廠房及設備以及投資物業

本公司及本集團物業、廠房及設備以及投資物業於年內的變動詳情，分別載於財務報表附註17及18內。本集團投資物業之進一步詳情載於年報第140頁。

# REPORT OF THE DIRECTORS

## 董事會報告



### SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 38 to the financial statements.

### PRE-EMPTIVE RIGHTS

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

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

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

### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 40 to the financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

At 31 December 2007, the Company had reserves of available HK\$743,053,000 for cash distribution and/or distribution in specie.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 18% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 15% of the total purchases.

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

### 股本

本公司股本變動詳情，載於財務報表附註38。

### 優先購買權

本公司之公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

### 購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 儲備

本公司及本集團儲備於年內的變動詳情分別載於財務報表附註40及綜合權益變動表內。

### 可供分派儲備

於二零零七年十二月三十一日，本公司有可供作現金及／或實物分派的儲備743,053,000港元。

### 主要客戶與供應商

於回顧年內，本集團五大客戶的銷售額佔年內總銷售額不足18%。本集團五大供應商的購貨額佔總購貨額15%。

本公司董事或彼等任何聯繫人士或就董事所深知任何擁有本公司已發行股本5%以上的股東，概無擁有本集團五大客戶或五大供應商任何實益權益。

# REPORT OF THE DIRECTORS

## 董事會報告



### DIRECTORS

The directors of the Company during the year were:

#### Executive Directors:

Mr. Hon Kwok Lung, *Chairman*  
Mr. Wang Shaolan, *Vice Chairman*  
Mr. Shang Jianguang, *Chief Executive Officer*  
Mr. Shi Tao  
Mr. Lam Toi Man

#### Non-executive Director:

Ms. Sit Lai Hei

#### Independent Non-executive Directors:

Mr. Fung Tze Wa  
Dr. Kwong Chun Wai, Michael  
Mr. Li Qiang

In accordance with article 116 of the Company's articles of association, Mr. Wang Shaolan, Mr. Shang Jianguang and Mr. Lam Toi Man will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation of independence from each of the three Independent Non-executive Directors, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang that they have met all the factors concerning their independence as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and that there are no other factors which may affect their independence. The Company's board of directors (the "Board") considers these Independent Non-executive Directors to be independent.

### DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 5 to 8 of the annual report.

### 董事

以下為本公司本年度在任之董事：

#### 執行董事：

韓國龍先生(主席)  
王少蘭先生(副主席)  
商建光先生(行政總裁)  
石濤先生  
林代文先生

#### 非執行董事：

薛黎曦女士

#### 獨立非執行董事：

馮子華先生  
鄭俊偉博士  
李強先生

根據本公司公司組織章程細則第116條之規定，王少蘭先生、商建光先生及林代文先生將於應屆股東週年大會依章輪值告退，並願且符合資格膺選連任。

本公司已獲取三名獨立非執行董事馮子華先生、鄭俊偉博士及李強先生各自發出之年度獨立確認書，表示彼等已符合香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條有關彼等獨立身分的所有因素，以及並無其他可能會影響彼等獨立身分的因素。本公司董事會(「董事會」)認為，該三名獨立非執行董事均為獨立人士。

### 董事及高層管理人員之履歷

本公司董事及本集團高層管理人員之履歷詳情載於年報第5至第8頁。

# REPORT OF THE DIRECTORS

## 董事會報告



### DIRECTORS INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### DIRECTORS SERVICE CONTRACTS

Mr. Shang Jianguang, an Executive Director and the Chief Executive Officer of the Company, has a service contract with the Company for a term of two years commencing from 18 November 2006 and is subject to termination by either party by giving not less than three month's written notice.

Mr. Hon Kwok Lung, the Chairman of the Company, Mr. Shi Tao, and Mr. Lam Toi Man, Executive Directors of the Company, have service contracts with the Company for an initial term of two years commencing from 1 July 2004 and is subject to termination by either party by giving not less than two months written notice. These service contracts will each continue for successive terms of one year unless terminated by not less than two months written notice served by either party to the other.

Mr. Fung Tze Wa and Dr. Kwong Chun Wai, Michael, Independent Non-executive Directors of the Company, have service contracts with the Company for an initial term of two years commencing from 3 May 2004. These service contracts will each continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### DIRECTORS REMUNERATION

The directors' fees can be fixed by the directors of the Company and are subject to shareholders' authorisation at general meetings. Other emoluments are determined by the Board with reference to the duties, responsibilities and performance of the directors and the results of the Group.

### 董事於合約中之權益

年內，各董事概無於本公司或其任何附屬公司參與訂立而對本集團業務屬重大之任何合約中直接或間接擁有任何重大權益。

### 董事服務合約

本公司執行董事兼行政總裁商建光先生與本公司訂有服務合約，任期由二零零六年十一月十八日起為期兩年，惟任何一方均可向另一方發出不少於三個月書面通知終止該服務合約。

本公司主席韓國龍先生、本公司執行董事石濤先生及林代文先生與本公司訂有服務合約，初步任期由二零零四年七月一日起為期兩年，惟任何一方均可向另一方發出不少於兩個月書面通知予以終止。除非任何一方向另一方發出不少於兩個月書面通知予以終止，此等服務合約將繼續有效，並其後每次續期一年。

本公司獨立非執行董事馮子華先生及鄺俊偉博士均與本公司訂有服務合約，初步任期由二零零四年五月三日起為期兩年。除非任何一方向另一方發出不少於一個月書面通知予以終止，此等服務合約將繼續有效，並其後每次續期一年。

概無建議於應屆股東週年大會膺選連任之董事與本公司訂有任何本公司不可在一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

### 董事酬金

董事袍金可由本公司董事釐定，惟須獲股東於股東大會批准。其他薪酬由董事會參考董事之職務、責任及表現以及本集團業績釐定。

# REPORT OF THE DIRECTORS

## 董事會報告



### DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2007, the interests or short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules, were as follows:

Long position in ordinary shares of the Company:

### 董事及主要行政人員於股份及相關股份之權益及淡倉

於二零零七年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條規定存置之登記冊所記錄，董事及主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股本及相關股份中擁有之權益或淡倉或已根據上市規則項下上市發行人董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

本公司普通股之好倉：

Name of director	董事姓名	Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Mr. Hon Kwok Lung	韓國龍先生	Through a controlled corporation 透過受控制公司	673,737,515 (Note) (附註)	37.60

Note:

附註：

The 673,737,515 shares of the Company are held by Sincere View International Limited ("Sincere View"), which is owned as to 80% and 20% by Mr. Hon Kwok Lung and his wife, Ms. Lam Suk Ying, respectively.

該673,737,515股本公司股份由信景國際有限公司(「信景」)持有，而韓國龍先生及彼之妻子林淑英女士分別持有信景80%及20%權益。

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 673,737,515 held by Sincere View.

韓國龍先生及林淑英女士被視作於信景所持同一批673,737,515股股份中擁有權益。

Save as disclosed above, as at 31 December 2007, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零零七年十二月三十一日，概無任何人士於本公司或其任何相聯法團之股份及相關股份中擁有已根據證券及期貨條例第352條記錄之任何權益或淡倉，或已根據標準守則知會本公司及聯交所之任何權益或淡倉。

# REPORT OF THE DIRECTORS

## 董事會報告



### DIRECTORS RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### 董事購買股份或債券之權利

於年內任何時間，董事或彼等各自的配偶或未成年子女概無獲授或行使可藉購買本公司股份或債券獲益的權利，而本公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法團獲取該等權利。

### SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2007, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### 主要股東於股份及相關股份之權益

於二零零七年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之權益登記冊所記錄，下列人士持有本公司已發行股本5%或以上權益：

#### Long position:

好倉：

Name of director	董事名稱	Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Sincere View International Limited	信景國際有限公司	Directly beneficially owned 直接實益擁有	673,737,515	37.60

Save as disclosed above, as at 31 December 2007, no person, other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文披露者外，於二零零七年十二月三十一日，除其權益載於上文「董事及主要行政人員於股份及相關股份中之權益及淡倉」一節之本公司董事及主要行政人員外，概無任何人士於本公司股份及相關股份中登記擁有須根據證券及期貨條例第336條予以記錄之權益或淡倉。

### CONNECTED TRANSACTION

During the year, there is no connected transaction of the Group under the Listing Rules.

### 關連交易

本集團於年內並無進行任何上市規則項下之關連交易。

# REPORT OF THE DIRECTORS

## 董事會報告



### DIRECTORS INTERESTS IN A COMPETING BUSINESS

During the year, no director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, other than those businesses to which the directors were appointed as directors to represent the interest of the Company and/or the Group.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company's shares which are in the hands of the public exceeded 25% of the Company's total issued share capital as at the date of this report.

### CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has applied the principles and complied with the code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the accounting year covered by the annual report, except for the deviations from code provision E.1.2 of the Code as explained in the Company's interim report for the period ended 30 June 2007.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Board adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiry with all the Company's directors, the Company has ascertained that all of its directors have complied with the required standards set out in the Model Code throughout the accounting year covered by this annual report.

### REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") on 23 August 2005 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company are consistent with the requirements of the Code. The Remuneration Committee currently comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa (the Chairman of the Committee), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang, the Chairman of the Board, Mr. Hon Kwok Lung and the Chief Executive Officer, Mr. Shang Jianguang.

### 董事於競爭業務之權益

年內，除董事因代表本公司及／或本集團權益而獲委聘為董事之該等業務外，根據上市規則，概無董事被視為在直接或間接與本集團業務構成競爭或可能構成競爭之業務中擁有權益。

### 足夠公眾持股量

按本公司可公開獲取之資料及據董事所知悉，公眾人士所持本公司股份數目超過本公司於本報告日期之全部已發行股本25%。

### 企業管治常規守則

董事認為，除本公司截至二零零七年六月三十日止期間之中期報告所闡釋偏離守則條文第E.1.2條外，本公司於年報所涵蓋會計年度已應用上市規則附錄14所載企業管治常規守則（「守則」）之原則及遵守守則條文。

### 證券交易的標準守則

董事會已採納標準守則作為本公司董事買賣本公司證券之操守準則。經向本公司全體董事作出具體查詢後，本公司確定所有董事於本年報所涵蓋整個會計年度一直遵守標準守則所載之規定準則。

### 薪酬委員會

本公司已於二零零五年八月二十三日按照上市規則成立薪酬委員會（「薪酬委員會」），其經本公司董事會採納之職權範圍與守則之規定一致。薪酬委員會現由三名獨立非執行董事馮子華先生（委員會主席）、鄭俊偉博士、李強先生及董事會主席韓國龍先生及行政總裁商建光先生組成。

# REPORT OF THE DIRECTORS

## 董事會報告



### AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three Independent Non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the audited financial statements for the year ended 31 December 2007.

### AUDITORS

In January 2007, Ernst & Young resigned as auditors of the Company and Grant Thornton were appointed by the directors to fill the causal vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the re-appointment of Grant Thornton as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

**Hon Kwok Lung**  
*Chairman*

Hong Kong  
17 April 2008

### 審核委員會

本公司已遵照上市規則第3.21條成立審核委員會，以審閱及監督有關本集團財務申報程序及內部監控。審核委員會由本公司三名獨立非執行董事組成。審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論審計、內部監控及財務事宜，包括審閱截至二零零七年十二月三十一日止年度之經審核財務報表。

### 核數師

於二零零七年一月，安永會計師事務所辭任本公司核數師，均富會計師行獲董事委聘以填補所產生之臨時空缺。核數師於過去三年並無其他變動。本公司將於應屆股東週年大會提呈有關續聘均富會計師行為本公司核數師之決議案。

代表董事會

*主席*  
**韓國龍**

香港  
二零零八年四月十七日



Member of Grant Thornton International Ltd

**To the members of China Haidian Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of China Haidian Holdings Limited (the "Company") and its subsidiaries (collectively, "the Group") set out on pages 34 to 137, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**致中國海澱集團有限公司列位股東**  
*(於開曼群島註冊成立之有限公司)*

本核數師已審核載於第34至137頁中國海澱集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此財務報表包括於二零零七年十二月三十一日之綜合及公司資產負債表、截至該日止年度之綜合損益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

**董事對財務報表之責任**

貴公司董事須負責根據香港會計師公會頒佈之香港財務申報準則及香港公司條例之披露規定編製並真實及公平地呈報該等財務報表。這些責任包括設計、實施及維持與編製並真實而公平地呈報財務報表有關之內部監控，以確保不存在重大錯誤陳述(不論其由欺詐或錯誤引起)；選取並應用適當之會計政策；及作出適合不同情況之合理會計估計。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告



### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these 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 as to whether the financial statements are free from material misstatement.

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

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Grant Thornton**  
Certified Public Accountants  
13th Floor, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

17 April 2008

### 核數師之責任

本核數師之責任是根據審核工作之結果，對此等財務報表發表意見。本核數師之報告僅向整體股東作出，除此之外不作其他用途。本核數師概不就本報告之內容向任何其他人士負責或承擔責任。

本核數師已按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本核數師遵守操守規定以及規劃及進行審核，以合理地確定財務報表是否不存在重大錯誤陳述。

審核工作包括進行程序以取得與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，包括評估財務報表出現重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師將考慮與實體編製並真實而公平地呈列財務報表有關之內部監控，以設計適合不同情況之審核程序，但並非旨在就實體內部監控之效能表達意見。審核工作亦包括評估董事所用會計政策是否合適，及所作會計估計是否合理，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師取得之審核憑證就審核意見提供充分及恰當之基礎。

### 意見

本核數師認為，綜合財務報表根據香港財務申報準則真實與公平地反映 貴公司及 貴集團於二零零七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溢利及現金流量，並已按照香港公司條例之披露規定適當編製。

**均富會計師行**  
執業會計師  
香港中環  
皇后大道中15號  
置地廣場  
告羅士打大廈13樓

二零零八年四月十七日

# CONSOLIDATED INCOME STATEMENT

## 綜合損益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
			(Restated) (重列)
<b>Continuing operations:</b>	<b>持續經營業務：</b>		
Revenue	收入	576,058	330,774
Cost of sales	銷售成本	(468,903)	(251,462)
<b>Gross profit</b>	<b>毛利</b>	<b>107,155</b>	<b>79,312</b>
Other income	其他收入	14,637	9,759
Selling and distribution expenses	銷售及分銷成本	(54,708)	(45,602)
Administrative expenses	行政費用	(65,910)	(51,906)
Gain on fair value changes in financial assets at fair value through profit or loss, net	按公平值計入溢利或虧損之金融資產公平值變動之收益淨額	24,629	38,589
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	10,178	22,031
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	48,383	–
Gain on disposal of an investment property	出售一項投資物業收益	22,853	–
Other operating income, net	其他經營收入淨額	4,614	3,473
Operating profit	經營溢利	111,831	55,656
Financial income	財務收入	1,923	1,690
Finance costs	財務費用	(7,157)	(2,880)
Share of results of an associate	應佔一家聯營公司業績	2,212	5,028
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>108,809</b>	<b>59,494</b>
Income tax expense	所得稅開支	(7,168)	(7,815)
Profit after income tax from continuing operations	持續經營業務除所得稅後溢利	101,641	51,679
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>		
Profit/(Loss) for the year from discontinued operations	已終止經營業務之本年度溢利／（虧損）	325,566	(29,612)
<b>Profit for the year</b>	<b>本年度溢利</b>	<b>427,207</b>	<b>22,067</b>
Attributable to:	以下人士應佔：		
Equity holders of the Company	本公司權益持有人	427,467	22,347
Minority interest	少數股東權益	(260)	(280)
<b>Profit for the year</b>	<b>本年度溢利</b>	<b>427,207</b>	<b>22,067</b>

# CONSOLIDATED INCOME STATEMENT

## 綜合損益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



		Notes 附註	2007 二零零七年	2006 二零零六年
				(Restated) (重列)
<b>Earnings per share from continuing operations attributable to equity holders of the Company</b>	本公司權益持有人應佔持續經營業務之每股盈利	14		
Basic	基本		<u>HK cents 5.67港仙</u>	<u>HK cents 3.34港仙</u>
Diluted	攤薄		<u>N/A不適用</u>	<u>N/A不適用</u>
<b>Earnings/(Loss) per share from discontinued operations attributable to equity holders of the Company</b>	本公司權益持有人應佔已終止經營業務之每股盈利／(虧損)	14		
Basic	基本		<u>HK cents 18.18港仙</u>	<u>(HK cents 1.89港仙)</u>
Diluted	攤薄		<u>N/A不適用</u>	<u>N/A不適用</u>

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

As at 31 December 2007 於二零零七年十二月三十一日



		Notes	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	125,394	200,684
Investment properties	投資物業	18	60,258	159,748
Prepaid land lease payments	預付土地租賃款項	19	10,227	46,545
Interests in associate	所佔聯營公司權益	24	31,484	29,272
Available-for-sale financial assets	可供出售金融資產	25	853,380	-
Prepayments and deposits	預付款項及訂金	26	2,394	41,982
Deferred tax assets	遞延稅項資產	36	1,130	1,062
			<b>1,084,267</b>	<b>479,293</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	27	142,026	114,424
Trade and bills receivables	應收賬款及票據	28	44,052	90,937
Prepaid land lease payments	預付土地租賃款項	19	210	3,764
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	26	87,277	33,391
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	29	44,178	48,765
Pledged deposits	已抵押存款	30	-	4,892
Cash and cash equivalents	現金及現金等價物	30	82,362	39,836
			<b>400,105</b>	<b>336,009</b>
Non-current assets held for sale	持作出售之非流動資產	11	200,989	-
Assets in disposal group classified as held for sale	分類為持作出售之出售組別資產	11	-	1,262,408
			<b>601,094</b>	<b>1,598,417</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付賬款	31	33,497	46,683
Deposits received from customers	已收客戶按金		-	1,613
Other payables and accruals	其他應付款及應計費用	32	95,767	58,623
Tax payables	應付稅項		13,188	9,597
Derivative financial instruments	衍生金融工具	33	5,017	-
Borrowings	借貸	34	112,815	116,353
Due to related companies	應付有關連公司欠款	35	209,311	180,000
			<b>469,595</b>	<b>412,869</b>
Liabilities in disposal group classified as held for sale	分類為持作出售之出售組別負債	11	-	1,038,855
			<b>469,595</b>	<b>1,451,724</b>

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

As at 31 December 2007 於二零零七年十二月三十一日



		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>131,499</b>	146,693
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,215,766</b>	625,986
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	34	–	55,348
			–	55,348
<b>Net assets</b>	<b>資產淨值</b>		<b>1,215,766</b>	570,638
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔權益</b>			
Share capital	股本	38	179,203	179,203
Reserves	儲備	40	1,034,171	348,715
Income and expense recognised directly in equity relating to disposal group	就出售組別直接於權益確認之收入及開支		–	10,017
			<b>1,213,374</b>	537,935
Minority interests	少數股東權益		<b>2,392</b>	32,703
<b>Total equity</b>	<b>權益總額</b>		<b>1,215,766</b>	570,638

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事

# BALANCE SHEET

## 資產負債表

As at 31 December 2007 於二零零七年十二月三十一日



	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	4,881	6,360
Interests in subsidiaries	21	281,025	377,095
Due from disposal group	22	-	1,735
Interests in jointly-controlled entity	23	64,425	46,203
Interests in associate	24	24,244	24,244
Deposits	26	-	27,000
		<b>374,575</b>	<b>482,637</b>
<b>Current assets</b>			
Prepayments, deposits and other receivables	26	37,545	6,987
Financial assets at fair value through profit or loss	29	20,130	37,627
Pledged deposits	30	-	4,892
Cash and cash equivalents	30	29,905	3,812
		<b>87,580</b>	<b>53,318</b>
<b>Current liabilities</b>			
Other payables and accruals	32	14,852	12,847
Borrowings	34	-	3,652
		<b>14,852</b>	<b>16,499</b>
<b>Net current assets</b>		<b>72,728</b>	<b>36,819</b>
<b>Total assets less current liabilities</b>		<b>447,303</b>	<b>519,456</b>
<b>Non-current liabilities</b>			
Borrowings	34	-	55,348
<b>Net assets</b>		<b>447,303</b>	<b>464,108</b>
<b>EQUITY</b>			
Share capital	38	179,203	179,203
Reserves	40	268,100	284,905
<b>Total equity</b>		<b>447,303</b>	<b>464,108</b>

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
			(Restated) (重列)
<b>Cash flows from operating activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之經營業務產生之現金流量</b>		
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)		
Continuing operations	持續經營業務	108,809	59,494
Discontinued operations	已終止經營業務	325,566	(18,781)
Total	總計	434,375	40,713
Adjustments for:	經調整:		
Interest income	利息收入	(1,642)	(2,813)
Finance costs	財務費用	18,761	5,061
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	(48,383)	-
Dividend income from financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產之股息收入	(374)	(756)
Loss on disposals/write off of property, plant and equipment, net	出售/撤銷物業、廠房及設備之虧損淨額	262	31
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	(10,178)	(25,214)
Depreciation	折舊	11,962	21,908
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	3,952	3,465
Share of results of an associate	應佔一家聯營公司業績	(2,212)	(5,028)
Gain on disposals of subsidiaries	出售附屬公司之收益	(366,806)	-
Gain on disposals of investment properties	出售投資物業之收益	(22,853)	-
Unrealised loss on derivative financial instruments	衍生金融工具之未變現虧損	5,017	-
Impairment for doubtful debts	呆賬減值	-	1,997
Write-back for inventories	存貨撥回	-	(6,379)
Provision for inventories	存貨撥備	-	261
Operating profit before working capital changes	營運資金變動前之經營溢利	21,881	33,246
Increase in properties under development	發展中物業增加	(111,339)	(393,585)
Decrease in properties held for sale	待售物業減少	70,164	166
Increase in inventories	存貨增加	(27,602)	(2,384)
Decrease/(Increase) in trade and bills receivables	應收賬款及票據減少/(增加)	47,221	(73,940)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款增加	(28,657)	(39,254)
Decrease/(Increase) in financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產減少/(增加)	4,587	(4,555)
(Decrease)/Increase in trade payables	應付賬款(減少)/增加	(10,514)	27,696
Increase in other payables and accruals	其他應付款及應計費用增加	31,774	18,756
Increase in deposits received from customers	已收客戶按金增加	65,747	16,938
Decrease in amounts due from minority equity holders	應收少數權益持有人欠款減少	-	7,480
Increase in amounts due to related companies	應付有關連公司欠款增加	39,464	163
Cash from/(used in) operations	經營業務產生/(所用)之現金	102,726	(409,273)
Interest received	已收利息	1,642	2,813
Interest paid	已付利息	(18,761)	(5,061)
Overseas tax paid	已付海外稅項	(27,859)	(6,895)
Net cash generated from/(used in) operating activities	經營業務產生/(所用)之現金淨額	57,748	(418,416)

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
			(Restated) (重列)
<b>Cash flows from investing activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之投資活動產生之現金流量</b>		
Dividends received from available-for-sale financial assets	已收可供出售金融資產股息	750	-
Dividends received from financial assets at fair value through profit or loss	已收按公平值計入溢利或虧損之金融資產股息	374	756
Purchases of property, plant and equipment	購買物業、廠房及設備	(73,526)	(21,986)
Additional prepaid land lease payments	額外預付土地租賃款項	(10,511)	
Purchases of investment properties	購買投資物業	(10,332)	(88,795)
Proceeds from disposals of investment properties	出售投資物業所得款項	142,853	-
Acquisition of associate	收購一家聯營公司	-	(24,244)
Net cash outflow from disposals of subsidiaries	出售附屬公司之現金流出淨額	(304,688)	-
Decrease in pledged deposits	已抵押存款減少	4,719	5,670
Net cash used in investing activities	投資活動所用之現金淨額	(250,361)	(128,599)
<b>Cash flows from financing activities of continuing and discontinued operations</b>	<b>持續經營及已終止經營業務之融資活動產生之現金流量</b>		
New bank loans	新增銀行貸款	220,311	207,800
Proceeds from issue of new shares	發行新股份所得款項	-	48,420
Repayments of bank and other loans	償還銀行及其他貸款	(171,701)	(73,000)
Contribution from minority interests	少數股東注資	-	12,019
Loans from a related party	一名有關連人士之貸款	-	180,000
Net cash generated from financing activities	融資活動產生之現金淨額	48,610	375,239
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(144,003)	(171,776)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	234,616	370,909
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(8,251)	35,483
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	82,362	234,616
<b>Analysis of balances of cash and cash equivalents</b>	<b>現金及現金等價物結餘分析</b>		
Cash at bank and in hand	銀行結存及庫存現金		
Remaining Group	餘下集團	30	39,836
Disposal Group	出售組合	11	194,780
		82,362	234,616

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益									
		Share capital	Share premium account *	Goodwill arising on consolidation*	Statutory reserves *	Exchange fluctuation reserve *	Investment revaluation reserve *	Retained profits *	Total	Minority interest	Total equity
		股本	股份溢價賬 *	綜合賬目所產生之商譽 *	法定儲備基金 *	外匯波動儲備 *	投資重估儲備 *	保留溢利 *	總計	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2006	於二零零六年一月一日	154,483	-	(15,300)	14,747	6,803	-	298,285	459,018	20,877	479,895
Exchange realignment	匯兌調整	-	-	-	-	8,150	-	-	8,150	87	8,237
Total income and expense for the year recognised directly in equity	直接於權益確認之本年度收入及開支總額	-	-	-	-	8,150	-	-	8,150	87	8,237
Transfer to statutory reserves	轉撥至法定儲備基金	-	-	-	3,072	-	-	(3,072)	-	-	-
Net profit for the year	年內純利	-	-	-	-	-	-	22,347	22,347	(280)	22,067
Total recognised income and expense for the year	已確認之本年度收入及開支總額	-	-	-	3,072	8,150	-	19,275	30,497	(193)	30,304
Issue of new shares	發行新股份	24,720	23,700	-	-	-	-	-	48,420	-	48,420
Increase in paid up capital of a subsidiary	一家附屬公司繳入股本增加	-	-	-	-	-	-	-	-	12,019	12,019
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及二零零七年一月一日	179,203	23,700	(15,300)	17,819	14,953	-	317,560	537,935	32,703	570,638
Exchange realignment	匯兌調整	-	-	-	-	6,175	-	-	6,175	143	6,318
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	241,797	-	241,797	-	241,797
Total income and expense for the year recognised directly in equity	直接於權益確認之本年度收入及開支總額	-	-	-	-	6,175	241,797	-	247,972	143	248,115
Transfer to statutory reserves	轉撥至法定儲備基金	-	-	-	1,974	-	-	(1,974)	-	-	-
Net profit for the year	年內純利	-	-	-	-	-	-	427,467	427,467	(280)	427,207
Total recognised income and expense for the year	已確認之本年度收入及開支總額	-	-	-	1,974	6,175	241,797	425,493	675,439	(117)	675,322
Disposals of subsidiaries (Note 44)	出售附屬公司 (附註44)	-	-	-	-	-	-	-	-	(30,194)	(30,194)
Balance at 31 December 2007	於二零零七年十二月三十一日之餘額	179,203	23,700	(15,300)	19,793	21,128	241,797	743,053	1,213,374	2,392	1,215,766

\* These reserve accounts comprise the consolidated reserves of HK\$1,034,171,000 (2006: HK\$348,715,000) in the consolidated balance sheet.

\* 該等儲備賬目包括綜合資產負債表內之綜合儲備1,034,171,000港元(二零零六年: 348,715,000港元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 1. GENERAL INFORMATION

China Haidian Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands and its principal place of business is Units 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year, the principal activities of the Company and its subsidiaries (together referred to as the “Group”) include:

- Manufacture and distribution of watches and timepieces
- Property investment

The principal activities of the Group’s jointly-controlled entity are manufacture and distribution of enamelled copper wires.

On 3 December 2007, Seti Timber Industry (Shenzhen) Co., Ltd. (“Seti”), a wholly-owned subsidiary of the Company, entered into a land resumption agreement with the Shenzhen Municipal Government (the “Land Resumption Agreement”). Seti was incorporated in the People’s Republic of China (the “PRC”) and was principally engaged in manufacture and distribution of timber products in Shenzhen in the PRC. Pursuant to the Land Resumption Agreement, in 2008, the Shenzhen Municipal Government shall resume a piece of the land in Shenzhen that is leased to Seti and Seti shall cease its existing production operations. In this regard, Seti has significantly scaled down its operations in manufacture and distribution of timber products (the “2007 Discontinued Timber Business”) as at 31 December 2007. Details of this transaction have been set out in the Company’s circular dated on 24 December 2007 (the “2007 Circular”).

### 1. 一般資料

中國海澱集團有限公司(「本公司」)為於開曼群島註冊成立及存冊之有限公司，其註冊辦事處地址為P.O. Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands，主要營業地點位於香港九龍柯士甸道西1號環球貿易廣場19樓1902-04室。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

年內，本公司及其附屬公司(統稱「本集團」)之主要業務包括：

- 鐘錶及時計產品製造及分銷
- 物業投資

本集團一家共同控制實體之主要業務為製造及分銷漆包銅線。

於二零零七年十二月三日，本公司全資附屬公司森帝木業(深圳)有限公司(「森帝」)與深圳市政府訂立收回土地協議(「收回土地協議」)。森帝於中華人民共和國(「中國」)註冊成立，其主要業務為於中國深圳製造及分銷木材產品。根據收回土地協議，深圳市政府須於二零零八年收回一幅位於深圳目前租予森帝之土地，而森帝則須終止其現有生產業務運作。就此，於二零零七年十二月三十一日，森帝已大幅縮減於中國土地之木材產品製造及分銷業務之規模(「二零零七年已終止木材業務」)。有關是項交易之詳情載於本公司日期為二零零七年十二月二十四日之通函(「二零零七年通函」)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 1. GENERAL INFORMATION (continued)

On 15 September 2006, a shareholders' resolution was passed to dispose of the entire paid-up capital of two subsidiaries, namely Beijing Jing Guan Property Development Company Limited ("Jing Guan") and Beijing Xin Yang Property Development Company Limited ("Xin Yang") (which is 80% owned by Jing Guan). Jing Guan and Xin Yang were both incorporated in the PRC and are principally engaged in the property development (the "2006 Discontinued Property Development Business"). Details of this transaction have been set out in the Company's circular dated on 30 August 2006 (the "2006 Circular"). The disposals of the 2006 Discontinued Property Development Business carried out by Jing Guan and Xin Yang were completed on 22 May 2007. Jing Guan and Xin Yang are together referred to as the "2006 Disposal Group" hereafter.

As the 2007 Discontinued Timber Business carried out by Seti and the 2006 Discontinued Property Development Business carried out by the 2006 Disposal Group represent components of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represent separate major lines of businesses, the Group presented, in its financial statements, the operations of the 2007 Discontinued Timber Business and the 2006 Discontinued Property Development Business as discontinued operations in accordance with HKFRS5. Further details regarding the 2007 Discontinued Timber Business and the 2006 Discontinued Property Development Business are set out in note 11.

The Company and other subsidiaries not engaged in the 2007 Discontinued Timber Business and the 2006 Discontinued Property Development Business are referred to as the "Remaining Group".

The consolidated financial statements on pages 34 to 137 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

### 1. 一般資料(續)

於二零零六年九月十五日通過一項股東決議案，以出售兩家附屬公司北京京冠房地產開發有限公司(「京冠」)及京冠擁有80%權益之北京鑫陽房地產開發有限公司(「鑫陽」)全部繳入股本。京冠及鑫陽均於中國註冊成立，主要從事物業發展業務(「二零零六年已終止物業發展業務」)。該項交易之詳情載於本公司日期為二零零六年八月三十日之通函(「二零零六年通函」)。出售京冠及鑫陽之二零零六年已終止物業發展業務已於二零零七年五月二十二日完成。京冠及鑫陽下文統稱為「二零零六年出售組別」。

由於森帝從事之二零零七年已終止木材業務以及二零零六年出售組別從事之二零零六年已終止物業發展業務為本集團業務一部分，其營運及現金流量可清晰地與本集團其餘業務區分，為獨立主要業務。根據香港財務申報準則第5號，本集團在其財務報表中，將二零零七年已終止木材業務及二零零六年已終止物業發展業務呈列為已終止經營業務。有關二零零七年已終止木材業務及二零零六年已終止物業發展業務之進一步詳情載於附註11。

本公司及其他並無從事二零零七年已終止木材業務及二零零六年已終止物業發展業務之附屬公司稱為「餘下集團」。

於第34至137頁之綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務申報準則(「香港財務申報準則」)(包括所有個別適用之香港財務申報準則以及香港會計準則(「香港會計準則」)及詮釋(「詮釋」))編製。綜合財務報表亦包括香港公司條例及香港聯合交易所有限公司證券上市規則(「上市規則」)之適用規定披露。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 1. GENERAL INFORMATION (continued)

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

The consolidated financial statements for the year ended 31 December 2007 were approved for issue by the board of directors on 17 April 2008.

### 2. ADOPTION OF NEW OR REVISED HKFRS

From 1 January 2007, the Group has adopted all the new and amended HKFRSs which are first effective on 1 January 2007 and relevant to the Group. The adoption of these new and amended HKFRSs did not result in significant changes in the Group’s accounting policies but gave rise to additional disclosures. The specific transitional provisions contained in some of these new or amended HKFRSs have been considered.

In accordance with the HKAS 1 (Amendment) Presentation of Financial Statements – Capital Disclosures, the Group now reports on its capital management objectives, policies and procedures in each annual financial report.

HKFRS 7 – Financial Instruments: Disclosures is mandatory for reporting periods beginning on 1 January 2007 or later. The new standard replaces and amends the disclosure requirements previously set out in HKAS 32 Financial Instruments: Presentation and Disclosures and has been adopted by the Group in its financial statements for the year ended 31 December 2007. All disclosures relating to financial instruments including the comparative information have been updated to reflect the new requirements. In particular, the Group’s financial statements now feature:

- a sensitive analysis explained the Group’s market risk exposure in regard to its financial instruments, and
- a maturity analysis that shows the remaining contractual maturities of financial liabilities,

each as at the balance sheet date. The first-time application of HKFRS 7, however, has not resulted in any prior-period adjustments on cash flows, net income or balance sheet line items.

### 1. 一般資料(續)

綜合財務報表乃以本公司功能貨幣港元(「港元」)呈列，除另有註明外，所有價值均調整至最接近千位(「千港元」)。

截至二零零七年十二月三十一日止年度之綜合財務報表已獲董事會於二零零八年四月十七日批准。

### 2. 採納新訂或經修訂香港財務申報準則

自二零零七年一月一日起，本集團已採納所有於二零零七年一月一日首次生效並與本集團有關之新訂及經修訂香港財務申報準則。採納該等新訂及經修訂香港財務申報準則並無導致本集團之會計政策出現重大變動，惟本集團須作出額外披露。本集團已考慮若干該等新訂及經修訂香港財務申報準則所載特定過渡條文。

按照香港會計準則第1號(修訂本)財務報表呈報－資本披露，本集團現時於各年度財務報告呈報其資本管理目標、政策及程序。

香港財務申報準則第7號－金融工具：披露於二零零七年一月一日或之後開始之申報期間強制實施。此項新準則取代及修訂過往於香港會計準則第32號金融工具：呈列及披露載列之披露規定，本集團已於截至二零零七年十二月三十一日止年度之財務報表採納此項新準則。有關金融工具之所有披露(包括比較資料)已更新，以反映新規定，特別是，本集團之財務報表現時包括以下資料：

- 於結算日之敏感度分析，以解釋本集團之金融工具所面對市場風險；及
- 於結算日之到期日分析，以顯示本集團金融負債之剩餘合約期限，

然而，首次採納香港財務申報準則第7號並無導致現金流量、淨收入或資產負債表所列項目須作出任何前期調整。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 2. ADOPTION OF NEW OR REVISED HKFRS (continued)

The Group has not adopted early the following HKFRSs that have been issued but are not yet effective. The directors of the Company is currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's consolidated financial statements.

### 2. 採納新訂或經修訂香港財務申報準則(續)

本集團並未提早採納以下已頒佈但尚未生效之香港財務申報準則。本公司董事現時正評估該等香港財務申報準則之影響，惟尚未能確定該等準則會否對本集團之綜合財務報表造成重大財務影響。

HKAS 1 (Revised)	"Presentation of Financial Statements" <sup>1</sup>	香港會計準則第1號 (經修訂)	[財務報表呈報] <sup>1</sup>
HKAS 23 (Revised)	"Borrowing Costs" <sup>1</sup>	香港會計準則第23號 (經修訂)	[借款成本] <sup>1</sup>
HKAS 27 (Revised)	"Consolidated and Separate Financial Statements" <sup>2</sup>	香港會計準則第27號 (經修訂)	[綜合及獨立財務報表] <sup>2</sup>
HKFRS 2 (Amendment)	"Share Based Payments" <sup>1</sup>	香港財務申報準則第2號 (修訂本)	[股份付款] <sup>1</sup>
HKFRS 3 (Revised)	"Business Combinations" <sup>2</sup>	香港財務申報準則第3號 (經修訂)	[業務合併] <sup>2</sup>
HKFRS 8	"Operating Segments" <sup>1</sup>	香港財務申報準則第8號	[經營分部] <sup>1</sup>
HK(IFRIC) – Int 11	HKFRS 2 "Group and Treasury Share Transactions" <sup>3</sup>	香港(國際財務報告 詮釋委員會) — 詮釋第11號	[香港財務申報準則 第2號—集團及庫存 股份交易] <sup>3</sup>
HK(IFRIC) – Int 12	"Service Concession Arrangements" <sup>4</sup>	香港(國際財務報告 詮釋委員會) — 詮釋第12號	[服務特許權安排] <sup>4</sup>
HK(IFRIC) – Int 13	"Customer Loyalty Programmes" <sup>5</sup>	香港(國際財務報告 詮釋委員會) — 詮釋第13號	[客戶長期支持計劃] <sup>5</sup>
HK(IFRIC) – Int 14	"HKAS 19 – The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction" <sup>5</sup>	香港(國際財務報告 詮釋委員會) — 詮釋第14號	[香港會計準則第19號— 界定福利資產限額、 最低資金規定及 其相互關係] <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>1</sup> 於二零零九年一月一日或之後開始之年度期間生效

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> 於二零零九年七月一日或之後開始之年度期間生效

<sup>3</sup> Effective for annual periods beginning on or after 1 March 2007

<sup>3</sup> 於二零零七年三月一日或之後開始之年度期間生效

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2008

<sup>4</sup> 於二零零八年一月一日或之後開始之年度期間生效

<sup>5</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>5</sup> 於二零零八年七月一日或之後開始之年度期間生效

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1.1 Basis of preparation

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

The financial statements have been prepared on the historical cost convention except for investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

#### 3.1.2 Going concern

The financial statements have been prepared on a going concern basis though the Remaining Group had net current liabilities (after excluding the non-current assets held for sale/assets and liabilities in disposal group held for sale) of HK\$69,490,000 (2006: HK\$76,860,000) as at 31 December 2007. The Group has taken and will continue the following measures to ensure the Group will have adequate cash flows for the operations of the Group:

- (i) to impose tight cost controls;
- (ii) to raise funds as and when necessary;
- (iii) to obtain extension of repayment of existing borrowings; and
- (iv) to obtain necessary funding from bankers.

### 3. 主要會計政策概要

#### 3.1.1 編製基準

編製此等財務報表時所採用之主要會計政策概述如下。除另有指明外，此等政策在所有呈列年度內貫徹應用。

除投資物業、可供出售金融資產及按公平值計入溢利或虧損之金融資產以公平值列賬外，本財務報表已按歷史成本法編製。此等計量基準已在下文之會計政策全面論述。

謹請注意，編製財務報表使用會計估計及假設。儘管此等估計乃按照管理層對該等現行事件及行動之最佳認知及判斷作出，實際結果最終或會與該等估計不同。涉及高度判斷或複雜性之範圍，或就財務報表而言屬重大之假設及估計之範圍於附註4披露。

#### 3.1.2 持續經營

儘管於二零零七年十二月三十一日，餘下組別錄得流動負債淨額(扣除持作出售之非流動資產/持作出售之出售組別資產及負債後)69,490,000港元(二零零六年：76,860,000港元)，財務報表乃按持續經營基準編製。本集團已採取並將繼續採取以下措施確保本集團具備充足經營現金流量：

- (i) 施行嚴謹成本控制；
- (ii) 於必要時籌集資金；
- (iii) 獲延遲償還現有債務；及
- (iv) 向往來銀行取得所需資金。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1.2 Going concern (continued)

The directors are of the opinion that, in view of the measures taken to date, the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements.

In addition, one of the related companies has agreed not to demand repayment of the amount of HK\$191,490,000 due to it from the Group until such time when repayment will not affect the Remaining Group's ability to repay other creditors and the directors do not foresee any circumstances that the banks will not continue the bank loan facilities for the Group. Accordingly, the directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the next twelve months from 31 December 2007 without significant curtailment of operations and are satisfied that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments relating to the carrying amounts and reclassifications of assets and liabilities that might be necessary should the Remaining Group be unable to continue as a going concern.

#### 3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December each year.

#### 3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

### 3. 主要會計政策概要(續)

#### 3.1.2 持續經營(續)

董事認為，鑑於至今採納之措施，本集團將具備充足現金資源以滿足未來營運資本及其他財務所需。

此外，其中一家有關連公司同意，直至還款不會影響餘下集團向其他債權人還款之能力時，方會要求本集團償還191,490,000港元之應付欠款，而董事預測不會出現任何銀行終止向本集團提供貸款之情況。因此，董事對本集團能夠在毋須大幅縮減營運之情況下承擔本身於二零零七年十二月三十一日起未來十二個月期間之全部到期財務責任，並認為按持續經營基準編製財務報表屬恰當。財務報表不包括倘餘下集團無法按持續基準經營時可能需作出與資產和負債賬面值及重新分類有關之調整。

#### 3.2 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止年度之財務報表。

#### 3.3 附屬公司

附屬公司為本集團有權控制其財政及營運決策以自其業務獲利益之實體。於評估本集團是否控制另一實體時，會考慮現時是否存在可予行使或轉換之潛在投票權及其影響。附屬公司於控制權轉移至本集團之日起全面綜合入賬，並自控制權終止當日起停止綜合入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Subsidiaries (continued)

Business combinations (other than those the combining entities are group entities) are accounted for by applying the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

### 3. 主要會計政策概要(續)

#### 3.3 附屬公司(續)

業務合併(該等集團旗下合併實體除外)均以購買法列賬。該方法涉及於收購當日按公平值重估所有可識別資產及負債，當中包括附屬公司之或然負債(不論是否於收購前已記錄在附屬公司之財務報表內)。於初步確認時，附屬公司之資產及負債乃按其公平值計入綜合資產負債表，有關金額亦會作為其後根據本集團之會計政策所進行計量之依據。

編製綜合財務報表時，集團內公司間交易、交易之結餘及未變現收益會予以撤銷。除非交易提供所轉讓資產出現減值之憑證，否則未變現虧損亦會予以撤銷。

在本公司之資產負債表中，除非附屬公司為持作出售或計入出售組別，否則附屬公司按成本減任何減值虧損列賬。本公司按於結算日之已收及應收股息之基準將附屬公司業績入賬。

少數股東權益指並非由本集團擁有之股本權益，且並非本集團金融負債之應佔一家附屬公司損益及資產淨值部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Subsidiaries (continued)

Minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interest is presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceed the minority interest in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest only after the minority's share of losses previously absorbed by the Group has been recovered.

#### 3.4 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decision relating to the activity require the unanimous consent of the venturers.

Interests in jointly controlled entities are accounted for using proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that it is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

### 3. 主要會計政策概要(續)

#### 3.3 附屬公司(續)

少數股東權益於綜合資產負債表之權益中呈列，且獨立於本公司權益持有人應佔權益。少數股東權益應佔損益在綜合損益表中獨立呈列為本集團業績之分配。倘若少數股東應佔虧損超過少數股東於附屬公司股本之權益，則超過部分及少數股東所承擔之進一步虧損於少數股東權益中扣除，惟少數股東有具約束力之責任及有能力作出額外投資填補虧損除外，否則虧損則在本集團權益中扣除。倘該附屬公司其後錄得溢利，僅於本集團先前承擔之少數股東權益應佔虧損已填補後，該等溢利方會分配予少數股東權益。

#### 3.4 合營公司

合營公司乃一項合約安排，據此，兩名或以上人士進行受到共同控制之經濟活動。共同控制乃按合約同意分享經濟活動之控制權，並只會於與該活動有關之策略財務及營運決定必須獲得合營各方一致同意時方會存在。

於共同控制實體之權益乃按比例合併法計算。本集團將其應佔各合營公司之個別收入及開支、資產及負債以及現金流量逐項合併計入本集團財務報表中之相關部分。本集團確認其向合營公司出售資產之損益中其他合營夥伴應佔之部分。本集團不會確認就其向合營公司購買資產而應佔合營公司之損益，直至本集團向獨立第三方轉售該等資產為止。然而，倘若有跡象顯示流動資產之可變現淨值減少或出現減值虧損，則會即時確認有關交易虧損。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 Joint ventures (continued)

In the Company's balance sheet, investment in jointly controlled entities is stated at cost less any impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

#### 3.5 Associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in a joint venture. In consolidated financial statements, investment in associates is initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

### 3. 主要會計政策概要(續)

#### 3.4 合營公司(續)

於本公司之資產負債表中，於共同控制實體之投資按成本減任何減值虧損入賬。本公司按已收及應收股息之基準將共同控制實體業績入賬。

#### 3.5 聯營公司

聯營公司為本集團對其有重大影響力之公司，一般擁有20%至50%投票權之持股量，惟並不歸類為附屬公司或合營企業投資之公司。於綜合財務報表中，聯營公司之投資初步乃按成本確認，其後採用權益法入賬。根據權益法，本集團於聯營公司之權益乃按成本列賬，並按本集團應佔聯營公司資產淨值減任何已識別減值虧損之收購後變動作出調整，惟已分類為持作出售(或計入分類為持作出售之出售組別資產除外)。綜合損益表載有本集團於收購後應佔權益、聯營公司於年內之除稅後業績，包括有關年內確認於聯營公司之投資之任何商譽減值虧損。

倘本集團應佔聯營公司之虧損相等於或超逾其於有關聯營公司之權益，則本集團不會進一步確認虧損，惟本集團已經代表該聯營公司承擔法律或推定義務或支付款項之情況則除外。就此而言，本集團於聯營公司之權益為按權益法計算之投資賬面值，連同組成本集團於聯營公司之淨投資主要部分之本集團長期權益。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Associates (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, when necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

In the Company's balance sheet, investment in associates is stated at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

#### 3.6 Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in associate or jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 3.7). In respect of associates or jointly controlled entities, the carrying amount of goodwill, if any, is included in the carrying amount of the Group's interest in the associate or jointly controlled entity and is assessed for impairment as part of the interests in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in income statement.

### 3. 主要會計政策概要(續)

#### 3.5 聯營公司(續)

本集團與其聯營公司進行交易所產生之未變現收益予以撇銷，惟以本集團於聯營公司之權益為限。除非交易提供證據顯示所轉讓資產出現減值，否則亦會撇銷未變現虧損。倘聯營公司所用會計政策並非本集團於同類情況下就類似交易及事件所採用者，則於本集團為應用權益法而使用聯營公司之財務報表時作出調整(如需要)，致使該聯營公司之會計政策與本集團所採用者一致。

在本公司之資產負債表中，於聯營公司之投資按成本減任何減值虧損列賬。本公司按已收及應收股息之基準將聯營公司業績入賬。

#### 3.6 商譽

商譽指業務合併成本或於聯營公司或共同控制實體之投資，超出本集團於被收購公司之可識別資產、負債及或然負債之公平淨值權益之差額。

商譽按成本減累計減值虧損後列賬。商譽會分配至現金產生單位，並於每年進行減值檢測(見附註3.7)。就聯營公司或共同控制實體而言，商譽之賬面值(如有)會計入本集團於聯營公司或共同控制實體權益之賬面值，並作為於聯營公司或共同控制實體之部分權益評估減值。

本集團於被收購公司之可識別資產、負債及或然負債之公平淨值權益，超過業務合併之成本或於聯營公司或共同控制實體之投資部分，會即時在損益表中確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Goodwill (continued)

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

Goodwill relating to business combinations or investments in associates or jointly controlled entities prior to 1 January 2001 continues to be held in reserves and will be charged to the retained profits at the time when the business, associate or jointly controlled entity to which the goodwill relates is disposed of or when a cash-generating unit to which goodwill relates becomes impaired.

#### 3.7 Impairment of assets

Goodwill, property, plant and equipment, investment properties, prepaid land lease payments and interests in subsidiaries, associates and jointly controlled entities are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that it is impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

### 3. 主要會計政策概要(續)

#### 3.6 商譽(續)

其後出售附屬公司、聯營公司或共同控制實體時，在計算出售損益金額時，包括應佔已資本化商譽金額。

有關於二零零一年一月一日前之業務合併或於聯營公司或共同控制實體之投資之商譽，繼續於儲備內列賬，並將於出售與商譽有關之業務、聯營公司或共同控制實體或與商譽有關之現金產生單位出現減值時，於保留溢利扣除。

#### 3.7 資產減值

商譽、物業、廠房及設備、投資物業、預付土地租賃款項以及於附屬公司、聯營公司或共同控制實體之權益須進行減值檢測。

不論是否出現任何減值跡象，商譽須至少每年進行減值檢測一次。所有其他資產於倘有跡象顯示可能無法收回資產賬面值時進行減值檢測。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支，除非有關資產根據本集團會計政策按重估金額列賬，則減值虧損會根據該政策而視作重估減值。可收回金額為反映市況之公平值減銷售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Impairment of assets (continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### *Interim financial reporting and impairment*

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 – Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year.

### 3. 主要會計政策概要(續)

#### 3.7 資產減值(續)

就評估減值而言，倘資產產生之現金流入大致上並不獨立於其他資產，可收回金額則按可獨立產生現金流入之最小資產組合(即現金產生單位)釐定。因此，部分資產個別進行減值檢測，另有部分按現金產生單位檢測。商譽分配至該等預期可受惠於相關業務合併協同效應之現金產生單位，即本集團內就內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽賬面值。除資產賬面值不會調減至低於其個別公平值減銷售成本或使用價值(如可釐定)外，任何剩餘減值虧損將按比例自該現金產生單位之其他資產扣除。

商譽減值虧損不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回款額之估計出現有利變動時，則撥回減值虧損，惟以資產賬面值不得高於並無確認減值虧損時原應釐定之賬面值(扣除任何折舊或攤銷)為限。

#### *中期財務報告及減值*

根據上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及撥回條件。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Impairment of assets (continued)

*Interim financial reporting and impairment*  
(continued)

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

#### 3.8 Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) 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 (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

### 3. 主要會計政策概要(續)

#### 3.7 資產減值(續)

*中期財務報告及減值(續)*

於中期內就商譽所確認減值虧損不可在往後期間撥回。倘於中期有關財政年度完結時方可評估減值，屆時即使不用確認虧損或確認較少虧損，亦不會撥回減值虧損。

#### 3.8 有關連人士

在以下情況，有關人士將視作本集團之有關連人士：

- (a) 透過一家或以上中介公司直接或間接(i)控制、受本集團控制或與本集團受共同控制；(ii)於本集團擁有權益且對本集團發揮重大影響力；或(iii)對本集團擁有共同控制權；
- (b) 為聯繫人士；
- (c) 為共同控制實體；
- (d) 為本集團或其母公司之主要管理人員；
- (e) 為(a)或(d)項所述任何人士之近親；
- (f) 為受直接或間接與(d)或(e)項所述任何人士有關之實體控制、共同控制或受重大影響或行使重大投票權之實體；或
- (g) 為本集團或屬本集團有關連人士之任何實體之僱員福利所設離職後福利計劃。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and impairment losses.

Depreciation on other assets is provided to write off the cost less their estimated residual values over their estimated useful lives, using the straight-line method at the following rates per annum:

Buildings	Over the terms of the leases or estimated useful lives, ranging between 6 years and 50 years, whichever is shorter
Leasehold improvements	Over the terms of the leases, or estimated useful life of 10 years, whichever is shorter
Plant and machinery	6% to 25%
Furniture and fixtures	10% to 33 1/3%
Motor vehicles	10% to 25%

The assets' estimated residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

### 3. 主要會計政策概要(續)

#### 3.9 物業、廠房及設備(續)

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他廠房及設備項目（在建工程除外），按成本減累積折舊及減值虧損後列賬。

其他資產之折舊按估計可使用年期以直線法撇銷成本減估計餘值計算，年利率如下：

樓宇	租賃年期或估計可使用年期，（一般介乎6年至50年）以較短者為準
租賃物業裝修	租賃年期或估計可使用年期10年（以較短者為準）
廠房及機器	6%至25%
傢具及固定裝置	10%至33 1/3%
汽車	10%至25%

資產估計剩餘價值及可使用年期於各結算日檢討及視適當情況調整。

廢棄或出售時所產生任何收益或虧損按銷售所得款項與資產賬面值之差額釐定，並於損益表確認。

其後成本僅在項目相關之未來經濟效益可能流入本集團及能夠可靠計量項目成本時，始在適當情況下計入資產賬面值或確認為獨立資產。維修及保養等所有其他成本，均於產生之財政期間自損益表扣除。

# NOTES TO THE FINANCIAL STATEMENTS

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Property, plant and equipment (continued)

CIP, which mainly represents leasehold improvements on buildings, is stated at cost less accumulated impairment losses. Cost comprises direct costs incurred during the periods of construction, installation and testing. No depreciation is provided on CIP. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### 3.10 Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the balance sheet reflect the prevailing market conditions at the balance sheet date.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in the income statement for the period in which they arise.

### 3. 主要會計政策概要(續)

#### 3.9 物業、廠房及設備(續)

在建工程主要包括樓宇租賃物業裝修，按成本減累計減值虧損列賬。成本包括於建造、安裝及測試期內產生之直接成本。在建工程不予折舊。當在建工程完成及可使用時，會被重新分類至物業、廠房及設備之合適組別。

#### 3.10 投資物業

投資物業指就賺取租金收入及／或資本增值而擁有或以租賃權益持有之土地及／或樓宇。

倘本集團以經營租約持有物業權益以賺取租金收入及／或資本增值，有關權益會按每項物業之基準分類及入賬為投資物業。任何分類為投資物業之物業權益之入賬方式會如同以融資租約持有者一樣。

於初步確認時，投資物業初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值列賬。公平值由具足夠資歷之外聘專業估值師就投資物業之所在地及性質釐定。於資產負債表確認之賬面值反映結算日之當時市況。

投資物業公平值變動或銷售產生之收益或虧損於產生期間計入損益表。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Properties under development

Properties under development with undetermined future use are stated at cost, which includes all development expenditure, interest charges and other costs directly attributable to such properties, less any impairment.

Properties under development which had either been pre-sold or which were intended for sale are stated at a lower of cost and net realisable value.

As properties under development were all carried out within the 2006 Discontinued Property Development Business, these are included in assets in disposal group classified as held for sale.

#### 3.12 Properties held for sale

Properties for sale held at the balance sheet date are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. As properties held for sale were all carried out within the 2006 Discontinued Property Development Business, these are included in assets in disposal group classified as held for sale.

#### 3.13 Operating Leases

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

### 3. 主要會計政策概要(續)

#### 3.11 發展中物業

未定日後用途之發展中物業按成本值列賬，包括所有發展費用、利息支出及其他直接與該等物業有關之成本，扣除任何減值。

持有已經預售或擬出售之發展中物業，按成本及可變現淨值之較低者呈列。

由於發展中物業均由二零零六年已終止物業發展業務進行，此等物業包括於分類為持作出售之出售組別資產。

#### 3.12 持作出售物業

於結算日，持作出售物業按成本或可變現淨值之較低者列賬。可變現淨值按估計售價減完成及出售所產生任何估計成本計算。由於持作出售物業均由二零零六年已終止物業發展業務進行，此等物業包括於分類為持作出售之出售組別資產。

#### 3.13 經營租約

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款，一項交易或連串交易之安排則屬於或包括一項租約。該項決定乃基於安排內容之評估而作出，而不論該項安排是否採取租約之法律形式。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 Lease (continued)

(i) *Operating lease charges as the lessee*  
Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement on a straight-line method over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.

(ii) *Prepaid land lease payments*  
Prepaid land lease payments are up-front payments to acquire the long term interests in usage of land. The payments are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line method over the respective lease term.

#### 3.14 Financial assets

The Group's financial assets are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

### 3. 主要會計政策概要(續)

#### 3.13 租約(續)

(i) *作為承租人之經營租約費用*  
擁有權絕大部分風險及回報並無轉移至本集團之租約分類為經營租約。倘若本集團以經營租約持有資產使用權，根據租約作出之付款將於租期內以直線法自損益表扣除，惟倘若有另一種更能反映租賃資產衍生之利益模式之基準除外。所獲租賃減免在損益表確認為已付淨租金總額一部分。或然租金將於其產生之會計期間自損益表扣除。

(ii) *預付土地租賃款項*  
預付土地租賃款項為收購土地使用之長期權益支付之首筆費用，費用乃按成本減累計攤銷及累計減值虧損確認。攤銷以直線法於相關之租賃時期計算。

#### 3.14 金融資產

本集團金融資產分類為按公平值計入溢利或虧損之金融資產、貸款及應收款項以及可供出售金融資產。

管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各申報日期重新評估其分類。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Financial assets (continued)

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, that is, the date that the Group commits to purchase or sell the asset. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

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

Financial assets at fair value through profit or loss are mainly financial assets held for trading and they are acquired for the purpose of selling in the near term.

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

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

### 3. 主要會計政策概要(續)

#### 3.14 金融資產(續)

所有金融資產僅在本集團訂立工具合約協議時確認，日常購買之金融資產乃於交易日期確認。即本集團承諾買賣資產之日期。金融資產初步確認時按公平值計量，而並非按公平值計入溢利或虧損之投資，則加上直接應佔交易成本計量。

倘收取投資現金流量之權利屆滿或轉讓，而所有權絕大部分風險及回報轉讓，則剔除確認金融資產。於各結算日均須檢討金融資產，以確定有否出現減值客觀證據。倘存有任何該等證據，則按金融資產之分類釐定及確認減值虧損。

(i) *按公平值計入溢利或虧損之金融資產*

按公平值計入溢利或虧損之金融資產主要為持作買賣及購入以於短期內銷售之金融資產。

倘若符合以下準則，金融資產則可於初步確認時指定作按公平值計入溢利或虧損：

- 有關指定能消除或大大減低因按照不同基準計量有關資產或確認其損益而出現之不一致處理情況；或
- 根據列明之風險管理策略，該等資產為一組受管理而其表現乃按公平值估值之金融資產之其中一部分，而有關該組金融資產之資料均按該基準提供予內部主要管理人員；或

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Financial assets (continued)

- (i) *Financial assets at fair value through profit or loss (continued)*
- the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement.

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

- (iii) *Available-for-sale financial assets*
- Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of other categories of financial assets. All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value is recognised directly in equity until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in the income statement. Interest calculated using the effective interest rate method is recognised in the income statement. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.

### 3. 主要會計政策概要(續)

#### 3.14 金融資產(續)

- (i) *按公平值計入溢利或虧損之金融資產(續)*
- 有關金融資產包含需要分開記賬之嵌入式衍生工具。

初步確認後，計入此類別之金融資產按公平值計量，而公平值變動在損益表確認。

- (ii) *貸款及應收款項*
- 貸款及應收款項為具固定或有待釐定付款金額而並無在活躍市場報價之非衍生金融資產。該等資產其後以實際利率法按攤銷成本，減任何減值虧損計量。攤銷成本之計算經計及任何收購時產生之折讓或溢價，包括構成實際利率及交易成本之費用。

- (iii) *可供出售金融資產*
- 可供出售金融資產為指定為可供出售或並不合資格歸類為其他金融資產類別之非衍生金融資產。本類別內之所有金融資產其後以公平值計量。公平值變動產生之收益及虧損直接於權益確認，直至有關金融資產剔除確認為止，屆時以往於權益確認之累計收益或虧損將於損益表確認。使用實際利率法計算之利息乃於損益表確認。出售有關資產時，過往於權益確認之累計收益及虧損轉撥至損益表。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Financial assets (continued)

- (iii) *Available-for-sale financial assets* (continued)  
For available-for-sale investments in equity securities which do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

#### Impairment of financial assets

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. If any such evidence exists, the impairment loss is measured and recognised as follows:

- (i) *Loans and receivables*  
A provision for impairment of loans and 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 the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

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

### 3. 主要會計政策概要(續)

#### 3.14 金融資產(續)

- (iii) *可供出售金融資產(續)*  
就並無在活躍市場報價且其公平值不能可靠計量之可供出售股本證券投資而言，於初步確認後各結算日，其按成本減任何已識別減值虧損計量。

#### 金融資產減值

於各結算日檢討按公平值計入溢利或虧損以外之金融資產，以釐定是否出現任何減值客觀證據。如有出現任何該等證據，則按下列方式計量及確認減值虧損：

- (i) *貸款及應收款項*  
當有客觀證據顯示本集團將無法根據應收款項之原訂條款收回所有應收金額時，則就貸款及應收款項作出減值撥備。債務人出現重大財政困難、債務人可能破產或進行財務重組以及拖欠或未能償還借款(逾期30日以上)，均被視為貿易應收款項出現減值之跡象。

倘有客觀證據證明貸款及應收款項出現減值虧損，虧損金額按資產之賬面值與按金融資產原來之實際利率(即於初步確認時計算所得實際利率)折算之估計未來現金流量(不包括未產生之未來信貸虧損)之現值兩者間之差額計算。虧損金額於減值出現之期間於損益表確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Financial assets (continued)

##### Impairment of financial assets (continued)

###### (i) Loans and receivables (continued)

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

###### (ii) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in the income statement as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Reversals of impairment for investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in the income statement.

### 3. 主要會計政策概要(續)

#### 3.14 金融資產(續)

##### 金融資產減值(續)

###### (i) 貸款及應收款項(續)

倘於往後期間，減值虧損金額減少，而減幅與確認減值後發生之某一事項有客觀關連，則過往確認之減值虧損可予撥回，惟不得導致該項金融資產於撥回日期之賬面值超過如無確認減值之原本攤銷成本，撥回金額於撥回發生期間於損益表確認。

###### (ii) 可供出售金融資產

倘可供出售金融資產之公平值減幅已在權益直接確認，且已存在客觀證據證明資產已出現減值，則從權益中扣除某一金額並於損益表確認減值虧損。該金額根據資產之購入成本(已扣除任何本金還款及攤銷後)與現時公平值之差額，減該項資產過往已在損益表確認之減值虧損計量。

有關分類為可供出售股本工具之投資減值撥回不會在損益表確認。其後之公平值升幅直接於權益確認。倘其後公平值升幅可與確認減值虧損後發生之某一事項客觀連繫，則與債務證券有關之減值虧損可予撥回。在此情況下撥回之減值虧損在損益表確認。

# NOTES TO THE FINANCIAL STATEMENTS

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Financial liabilities

The Group's financial liabilities include borrowings, amounts due to related companies, trade and other payables and derivative financial instruments. They are included in balance sheet line items as borrowings under current or non-current liabilities, trade and other payables or derivative financial instruments.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are derecognised when the obligation specified in the relevant contract are discharged, cancelled or expire. All interest related charges are recognised as an expense in finance costs in the income statement.

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

#### (i) Borrowings

Borrowings are mainly bank loans and are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

#### (ii) Trade and other payables and amounts due to related companies

They are recognised initially at fair value and subsequently measured at amortised cost less settlement payments, using the effective interest rate method.

#### (iii) Derivative financial instruments

Detail policy is included in note 3.16 below.

### 3. 主要會計政策概要(續)

#### 3.15 金融負債

本集團之金融負債包括借貸、應付有關連公司欠款、應付賬款及其他應付款及衍生金融工具。該等項目已包括在資產負債表內流動或非流動負債項下之借貸或應付賬款及其他應付款或衍生金融工具。

金融負債在本集團訂立工具合約條文時確認，倘有關合約訂明之責任已履行、註銷或屆滿時則剔除確認金融負債。所有與利息相關之開支均於損益表確認為財務費用開支。

倘一項現有金融負債被相同借款人按重大不同之條款提供之另一項債項取代，或現有負債條款被重大修改，該取代或修改會被視作剔除確認原有負債及確認一項新負債處理，且各賬面值間之差額會於損益表確認。

#### (i) 借貸

借貸主要指銀行貸款，初步按公平值減交易產生之成本確認。借貸其後按攤銷成本列賬，倘扣除交易成本後所得款項與贖回價值間出現任何差額，則於借貸期間按實際利率法在損益表確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被分類為流動負債。

#### (ii) 應付賬款及其他應付款及應付有關連公司欠款

上述項目初步按公平值確認，其後按攤銷成本減結算款項以實際利率法列賬。

#### (iii) 衍生金融工具

詳細政策載於下文附註3.16。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Derivative financial instruments

Contracts to buy and sell a non-financial items is accounted for as derivative when it can be settled net in cash or another financial instrument and is not held for the purpose of receipt or delivery of the non-financial item in accordance with the Group's expected purchase, sale or usage requirement.

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

#### 3.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

#### 3.18 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

#### 3.19 Provisions and contingent liabilities

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

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

### 3. 主要會計政策概要(續)

#### 3.16 衍生金融工具

買賣非金融項目之合約如可以現金或另一項金融工具結算，則列作衍生工具。衍生工具並非按本集團預計買賣或使用要求就收款或交付非金融項目之目的持有。

衍生金融工具初步按公平值確認。於各結算日公平值會重新計量。重新計量公平值產生之溢利或虧損即時計入損益，惟符合現金流量對沖會計處理或對沖海外業務淨投資之衍生工具除外，在此情況下重新計量公平值產生之溢利或虧損須視乎所對沖項目之性質。

#### 3.17 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按加權平均基準釐定，在製品及製成品之成本包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減任何適當銷售開支計算。

#### 3.18 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、活期存款以及原到期日三個月或以下之短期高度流通投資，另扣除須按要求償還及構成本集團現金管理一部分之銀行透支。

#### 3.19 撥備及或然負債

當本集團因過往事件而須承擔法定或推定責任，而結算債務可能要求流出經濟利益，並能可靠地作出估計時，撥備方予確認。倘貨幣時間價值之影響屬重大，則有關撥備將按預計結算該責任所需費用之現值列賬。

所有撥備均於各結算日進行檢討，並作出調整以反映當時最佳估計。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Provisions and contingent liabilities (continued)

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

#### 3.20 Accounting for income taxes

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

### 3. 主要會計政策概要(續)

#### 3.19 撥備及或然負債(續)

當流出經濟利益之可能性不大，或未能可靠估計數額，則有關責任會披露為或然負債，除非流出經濟利益之可能性很低。純粹視乎日後有否出現一項或多項並非完全在本集團控制內之不確定事件而可能產生之責任，亦會披露為或然負債，除非流出經濟利益之可能性很低。

#### 3.20 所得稅會計處理

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括稅收部門要求繳納、涉及即期或以往報告期間但於結算日尚未支付之納稅責任，乃基於該年度應課稅溢利，根據有關財務年度適用之稅率及稅法計算。即期稅項資產或負債之所有變動均載於損益表內，確認為稅項開支之一部分。

遞延稅項採用負債法就於結算日本財務報表內資產及負債之賬面值與其稅基間之暫時差額計算。通常就所有稅基間之暫時差額確認遞延稅項負債。通常就所有可扣稅暫時差額、可滾存稅項虧損及其他未動用稅項抵免確認遞延稅項資產，惟以能抵銷該可抵扣稅暫時差額、可滾存稅項虧損及未動用稅項抵免之可能出現未來應課稅溢利金額為限。

因商譽或初步確認交易(業務合併除外)之資產及負債(但對稅務或會計損益均無影響)產生之暫時差額均不予確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 Accounting for income taxes (continued)

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

#### 3.21 Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with the attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants related to depreciable assets are included in non-current liabilities as deferred income and are recognised in the income statement on a straight line basis over the useful lives of the assets.

#### 3.22 Revenue recognition

Revenue comprises the fair value for the sale of goods and services and the use by others of the Group's assets yielding interest, and dividends, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

### 3. 主要會計政策概要(續)

#### 3.20 所得稅會計處理(續)

除非本集團可以控制暫時差額之撥回，且該撥回在可預見未來不大可能發生；於附屬公司及聯營公司之投資所產生有關應課稅暫時差額確認為遞延負債。

遞延稅項按於結清負債或變現資產期間預期適用之於結算日已頒佈或大致上頒佈稅率計算，而不須予貼現。

遞延稅項資產或負債之變動均於損益表內確認，惟與直接自權益扣除或計入之項目有關者，則直接計入權益。

#### 3.21 政府補助金

政府撥款於可合理確保將收取有關補助金及本集團符合所有附帶條件時，按公平值確認。有關成本之政府補助金遞延處理，並於該補助金擬用作補償之成本相配所需期間，在損益表確認。有關可予折舊資產之補助金計入非流動負債列作遞延收入，並以直線基準按資產之可使用年期於損益表確認。

#### 3.22 收入確認

收入包括銷售貨品及服務之公平值以及其他人士使用本集團資產產生之權益及股息，扣減回扣及折扣。當經濟利益可能流入本集團以及收入及成本(如適用)能夠可靠衡量時，按以下基準確認收入：

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.22 Revenue recognition (continued)

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

Revenue arising from the sale of properties held for sale within the 2006 Discontinued Property Development Business is recognised upon the signing of the sale and purchase agreement or the issue of an occupation permit by the relevant government authorities, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under forward sales deposits and instalments received.

Rental income, is recognised on a time proportion basis over the lease terms.

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

Dividend is recognised when the right to receive payment is established.

#### 3.23 Retirement benefit costs and short term employee benefits

##### (i) Defined contribution plan

The Group operates a defined contribution staff retirement scheme (the "ORSO Scheme") for certain of its employees, the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group can be reduced by the relevant amount of forfeited contributions.

### 3. 主要會計政策概要(續)

#### 3.22 收入確認(續)

貨物銷售於擁有權之大部分回報及風險轉嫁予客戶時確認，一般於貨物交付及客戶接納貨物時確認。

二零零六年已終止物業發展業務內持作出售物業產生之收入在簽訂買賣協議或有關政府部門發出入伙紙(以較遲時間為準)時確認。在確認收入當日前就出售物業已收之訂金及分期付款，則包括在資產負債表之結轉銷售訂金及已收分期付款。

租金收入於租賃期間按時間比例確認。

利息收入以實際利率法按時間比例確認。

股息於確立收取款項權利時確認。

#### 3.23 退休福利成本及短期僱員福利

##### (i) 定額供款計劃

本集團為其若干僱員設有定額供款僱員退休計劃(「職業退休計劃」)。該計劃之資產與本集團資產分開由獨立管理基金持有。供款按合資格僱員基本薪金一定百分比作出，於根據職業退休計劃規則應付時，在損益表扣除。倘若僱員在本集團之僱主供款完全歸其所有前退出職業退休計劃，本集團可將有關金額之沒收供款用以減低日後應付供款。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.23 Retirement benefit costs and short term employee benefits (continued)

(i) *Defined contribution plan* (continued)

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme"), for those employees who are eligible to participate in the MPF Scheme not previously covered by the ORSO Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(ii) *Pension schemes and other retirement benefits*

Pursuant to the relevant regulations of the government in the PRC, the subsidiaries operating in the PRC have participated in central pension schemes (the "Schemes") operated by local municipal governments, whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries in the PRC. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to the income statement as incurred. There are no provisions under the Schemes whereby forfeited contributions may be used to reduce future contributions.

### 3. 主要會計政策概要(續)

#### 3.23 退休福利成本及短期僱員福利(續)

(i) *定額供款計劃*(續)

本集團亦為合資格參與強制性公積金計劃(「強積金計劃」)而之前無參與職業退休計劃之僱員設有定額供款計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規則應付時，在損益表扣除。強積金計劃資產與本集團資產分開，由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出時全數歸僱員所有。

(ii) *退休計劃及其他退休福利*

根據中國政府有關之規例，本公司於中國經營業務之附屬公司須參與有關中國地方政府機關管理之退休福利計劃(「中國計劃」)，據此，於中國之附屬公司規定須就中國計劃作出供款以作為彼等退休福利之基金。地方市政府承諾承擔附屬公司所有現有及未來退休僱員之退休福利責任，而本集團對中國計劃之責任僅為向上述中國計劃持續提供規定之供款。中國計劃之供款於產生時在損益表扣除。本集團並無為中國計劃提供撥備，而沒收之供款可用以減少未來之供款金額。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.23 Retirement benefit costs and short term employee benefits (continued)

##### (iii) Short-term employee benefits

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

#### 3.24 Borrowing costs

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

#### 3.25 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

### 3. 主要會計政策概要(續)

#### 3.23 退休福利成本及短期僱員福利(續)

##### (iii) 短期僱員福利

僱員可享有之年假乃於應計予僱員時確認。因僱員於截至結算日止提供服務而估計尚餘之年假須作出撥備。

#### 3.24 借貸成本

收購、建設或生產任何合資格資產所產生之借貸成本，於完成收購、建設或生產有關資產以作擬定用途之期間撥充資本。合資格資產為需要長時間籌備作擬定用途或銷售之資產。其他借貸成本列作開支。

#### 3.25 外幣換算

合併實體之個別財務報表內，其外匯交易按照交易日之市場匯率折算為該個別實體之功能貨幣。於結算日，以外幣計值之貨幣資產及負債按結算日匯率換算。結算此類交易及按結算日匯率於結算日重新換算以外幣計值之貨幣資產及負債產生之匯兌收益或虧損，均於損益表確認。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.25 Foreign currency translation (continued)

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

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the balance sheet date. Income and expenses have been converted into the HK\$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with in the exchange fluctuation reserve in equity.

#### 3.26 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

### 3. 主要會計政策概要(續)

#### 3.25 外幣換算(續)

以公平值列賬且以外幣計值之非貨幣項目，乃按釐定公平值當日之市場匯率換算，兩者間之差異以作為公平值收益或虧損之一部分呈報。以外幣計值且以歷史成本計量之非貨幣項目概不換算。

於綜合財務報表內，所有原先以有別於本集團呈報貨幣之貨幣呈列之海外業務個別財務報表，均已折算為港元。資產與負債均以結算日之收市匯率折算為港元。收入與開支則按交易日市場匯率或申報期間之平均匯率折算為港元，惟匯率於期間須無大幅波動，因而產生之任何差額均於權益之外匯波動儲備內處理。

#### 3.26 已發出之財務擔保

財務擔保合約為因指定債務人未能按一項債務工具之條款如期付款時，發行人或擔保人須支付指定金額予持有人以補償其所蒙受損失之合約。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.26 Financial guarantees issued (continued)

Financial guarantees contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value plus transactions costs that are directly attributable to the acquisition or issuance of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at higher of : (i) the amount determined in accordance with HKAS 37 "Provision, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, accumulated amortisation recognised in accordance with HKAS 18 "Revenue".

#### 3.27 Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

In respect of business segment reporting, unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, investment properties, prepaid land lease payments, inventories, receivables and operating cash, and mainly exclude available-for-sale financial assets and financial assets at fair value through profit or loss. Segment liabilities comprise operating liabilities and exclude items such as borrowings and other liabilities that are incurred for financing rather than operating purpose.

### 3. 主要會計政策概要(續)

#### 3.26 已發出之財務擔保(續)

屬香港會計準則第39號範圍內之財務擔保合約列作財務負債入賬。財務擔保合約最初以公平值加收購或發行財務擔保合約直接應佔之交易費用確認，惟當該等合約按公平值計入溢利或虧損除外。緊隨初步確認後，本集團按以下較高者計算財務擔保合約：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之款項；及(ii)初步確認金額減(如適用)根據香港會計準則第18號「收入」確認之累計攤銷。

#### 3.27 分類報告

按照本集團之內部財務報告，本集團已決定將業務分類作為主要呈報方式呈列，而地區分類則以次要呈報方式呈列。

就業務分類呈報而言，未分配成本指企業開支。分類資產主要包括物業、廠房及設備、投資物業、預付土地租賃款項、存貨、應收款及經營現金，並主要不包括可供出售金融資產及按公平值計入溢利或虧損之金融資產。分類負債包括經營負債，而不包括如借貸及產生自融資而非經營項目之其他負債。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.27 Segment reporting (continued)

Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, revenue are based on the country in which the customers are located and total assets and capital expenditure are where the assets are located.

#### 3.28 Assets held for sale

Non-current assets held for sale and assets in disposal groups are classified as held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. These assets (and disposal groups), other than financial assets, classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

#### 3.29 Discontinued operations

A discontinued operation is a clearly distinguishable component of the Group's business that has been disposed of or is classified as held for sale, which represents a separate major line of business or geographical area of operations of the Group.

#### 3.30 Share capital

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

### 3. 主要會計政策概要(續)

#### 3.27 分類報告(續)

資本性開支包括添置物業、廠房及設備之開支。

就地區分類呈報而言，收入乃根據客戶所在國家計算，而總資產及資本開支則按資產所在地計算。

#### 3.28 持作出售資產

持作出售之非流動資產及出售組別之資產之賬面值主要透過銷售交易而非經由持續使用收回，則分類為持作出售。只有在極有可能進行銷售，而資產(或出售組別)可以現時狀況即時出售之情況下，方符合上述條件。除金融資產外，此等分類為持作出售之資產(及出售組別)按賬面值與公平值減銷售成本之較低者計量。

#### 3.29 已終止經營業務

已終止經營業務指可以清晰界定為已出售或分類為持作出售之業務部分，為本集團獨立主要業務或地區經營業務。

#### 3.30 股本

普通股分類為權益。股本採用已發行股份之面值釐定。任何有關發行股份之直接交易成本值於股份溢價內扣減，惟以該權益交易應佔遞增成本為限。

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### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

#### 4.1 Critical judgements in applying the entity's accounting policies

##### *Operating lease commitments – Group as lessor*

The Group has entered into commercial property leases on its investment property portfolio and has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

#### 4.2 Critical accounting estimates and assumptions

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

##### *Estimated impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Goodwill of the Group amounting to HK\$4,816,000 has been fully impaired for the years ended 31 December 2007 and 2006, further details of which are set out in note 20 to the financial statements.

### 4. 關鍵會計估計及判斷

本集團會持續評估採用之估計及判斷，並以過往經驗及其他因素為基礎進行評估，包括在有關情況下相信為合理之未來事項之預期。

#### 4.1 應用實體會計政策之關鍵判斷

##### *經營租賃承擔 – 本集團作為出租人*

本集團就其投資物業組合訂立商業物業租約，並已決定保留此等按經營租約租出之物業擁有權之絕大部分風險及回報。

#### 4.2 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，因此而作出之會計估計甚少與有關實際結果相符。下文載列可能導致下個財政年度之資產及負債賬面值須作重大調整之主要估計及假設之討論：

##### *商譽估計減值*

本集團最少每年釐定商譽是否出現減值。此舉須估計獲分配商譽之現金產生單位之使用價值。本集團估計使用價值時須估計預期自該現金產生單位產生之日後現金流量，亦須選用合適貼現率，以計算該等現金流量之現值。本集團價值4,816,000港元之商譽已於截至二零零七年及二零零六年十二月三十一日止年度全數減值，進一步詳情載於財務報表附註20。

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#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### 4.2 Critical accounting estimates and assumptions (continued)

###### *Provision against slow-moving inventories*

Provision for slow-moving inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the provision amount required involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of inventories and provision charge/write-back in the period in which such estimate has been changed.

###### *Depreciation*

The Group depreciates the property, plant and equipment on a straight-line method over the estimated useful lives of 4 to 50 years, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

###### *Estimated impairment of trade receivable*

The impairment loss on trade receivables of the Group 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

###### *Income taxes*

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of payment of related taxes. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

There is no impact of such a change of enterprise income tax on the Group because there are no material temporary differences. Therefore, no deferred taxation has been provided for the year.

#### 4. 關鍵會計估計及判斷(續)

##### 4.2 關鍵會計估計及假設(續)

###### *滯銷存貨撥備*

滯銷存貨按存貨之賬齡及估計可變現淨值作出撥備。評估撥備金額涉及管理層判斷及估計。倘日後實際結果或預期有別於原定估計，則有關差別將影響存貨賬面值，而撥備會於估計有變期間扣除／撥回。

###### *折舊*

本集團以直線法按4至50年估計可用年期為物業、廠房及設備計算折舊，自資產投入生產日期起計算。估計可用年期反映董事預計本集團擬自使用本集團之物業、廠房及設備衍生未來經濟利益之期間。

###### *應收賬款之減值虧損*

倘有客觀證據證明本集團將不能按應收款之原有條款收回全部款項，則就本集團應收賬款確立減值虧損。債務人出現重大財政困難、債務人可能破產或進行財務重組以及拖欠或未能償還借款，均被視為應收賬款出現減值之跡象。

###### *所得稅*

本集團須繳納中國所得稅。於決定就所得稅撥備之金額及就有關稅項付款之時間時，需要作出重大判斷。就預計稅項確認負債時，本集團按有否額外稅項即將到期應付而估計。倘此等事項之最後稅項結果與初步記錄金額不同，該差額將影響作出該項決定期間之所得稅及遞延稅項。

由於並無重大暫時差額，該等企業所得稅變動對本集團並無影響。因此，本年度並無就遞延稅項作出撥備。

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#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### 4.2 Critical accounting estimates and assumptions (continued)

###### *Fair value of investment properties*

The investment properties of the Group were stated at fair value in accordance with the accounting policy stated in note 3.10. The fair values of the investment properties are determined by Chung, Chan & Associates and Asset Appraisal Limited, independent professionally qualified valuers, and the fair value of investment properties are set out in note 18 to the financial statements. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the balance sheet date. These estimates are regularly compared to actual market data and actual transactions in the market.

###### *Fair value of available-for-sale financial assets*

The available-for-sale financial assets of the Group (other than available-for-sale investments in equity securities which do not have a quoted market price in an active market and whose fair value cannot be reliably measured) were stated at fair value in accordance with the accounting policy stated in note 3.14. The fair values of the available-for-sale financial assets are determined by Asset Appraisal Limited, an independent professionally qualified valuer, and the fair values of available-for-sale financial assets are set out in note 25 to the financial statements. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

#### 4. 關鍵會計估計及判斷(續)

##### 4.2 關鍵會計估計及假設(續)

###### *投資物業之公平值*

本集團之投資物業根據附註3.10所載會計政策按公平值呈列。投資物業之公平值由獨立專業認可估值師衡量計及資產評值有限公司釐定，而投資物業之公平值載於財務報表附註18。有關估值根據若干假設作出，有關假設涉及不確定因素，可能與實際結果大不相同。

於作出判斷時，已合理考慮主要基於結算日現有市況作出之假設。此等估計定期與實際市場資料及市場之實際交易比較。

###### *可供出售金融資產之公平值*

本集團之可供出售金融資產(於活躍市場並無報價及其公平值不能可靠計量之可供出售股本證券投資除外)按照附註3.14所載會計政策按公平值列賬。可供出售金融資產之公平值由獨立專業認可估值師資產評值有限公司釐定，而可供出售金融資產之公平值載於財務報表附註25。有關估值根據若干假設作出，有關假設涉及不確定因素，可能與實際結果大不相同。

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### 5. SEGMENT INFORMATION

#### Primary reporting format – business segments

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) manufacture and distribution of watches and timepieces;
- (b) manufacture and distribution of enamelled copper wires (carried out by the Group's jointly controlled entity);
- (c) property investment; and

Manufacture and distribution of timber products carried out by the 2007 Discontinued Timber Business and the 2006 Discontinued Property Development Business carried out by the Disposal Group as mentioned in note 1 during the year have been classified as discontinued operations for the year (note 11).

Inter-segment sales are charged at prevailing market prices.

### 5. 分類資料

#### 主要呈報方式 – 業務分類

本集團經營業務按經營業務之性質及業務提供之產品及服務個別分類及管理。本集團各業務分類均為策略性業務單位，所提供產品及服務之風險及回報與其他業務分類不同。業務分類之詳情概述如下：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 漆包銅線製造及分銷(由本集團共同控制實體經營)；
- (c) 物業投資；及

如附註1所提述於年內由二零零七年已終止木材業務經營之木材產品製造及分銷以及由二零零六年出售組別經營之二零零六年已終止物業發展業務，已分類為年內已終止經營業務(附註11)。

分類間之銷售按現時市場價格進行交易。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 5. SEGMENT INFORMATION (continued)

#### Primary reporting format – business segments (continued)

2007

### 5. 分類資料(續)

#### 主要呈報方式 – 業務分類(續)

二零零七年

		Continuing operations 持續經營業務				Discontinued operations 已終止經營業務		
		Watches and timepieces 鐘錶及時計產品 HK\$'000 千港元	Enamelled copper wires 漆包銅線 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元	2006 Discontinued Property Development Business 已終止 物業發展業務 HK\$'000 千港元	2007 Discontinued Timber Business 已終止 木材業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and gains:	分類收入及收益：							
Sales to external customers	向外界客戶銷售	165,327	406,482	4,249	576,058	3,350	104,887	108,237
Other income and financial income	其他收入及財務收入	1,025	14,599	29	15,653	99	4,802	4,901
<b>Total</b>	<b>總計</b>	<b>166,352</b>	<b>421,081</b>	<b>4,278</b>	<b>591,711</b>	<b>3,449</b>	<b>109,689</b>	<b>113,138</b>
Segment results	分類業績	37,636	4,295	31,275	73,206	(9,785)	(19,851)	(29,636)
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				40,548			366,806
Share of results of an associate	應佔一家聯營公司業績				113,754			337,170
Finance costs	財務費用				2,212			-
					(7,157)			(11,604)
Profit before income tax	除所得稅前溢利				108,809			325,566
Income tax	所得稅				(7,168)			-
<b>Profit for the year</b>	<b>年度溢利</b>				<b>101,641</b>			<b>325,566</b>
Segment assets	分類資產	137,360	200,971	61,285	399,616	-	276,052	276,052
Unallocated assets	未分配資產				1,009,693			-
					1,409,309			276,052
Segment liabilities	分類負債	38,713	27,428	11,301	77,442	-	49,712	49,712
Borrowings	借貸				86,219			26,596
Due to related companies	應付有關連公司欠款				13,034			196,277
Unallocated liabilities	未分配負債				20,315			-
					197,010			272,585
Other segment information:	其他分類資料：							
Depreciation and amortisation of prepaid land lease payments	折舊及預付土地租賃款項攤銷	2,640	2,887	-	5,527	291	10,387	10,678
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	(10,178)	(10,178)	-	-	-
Capital expenditure	資本開支	5,847	78,003	10,513	94,363	23	-	23

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 5. SEGMENT INFORMATION (continued)

#### Primary reporting format – business segments (continued)

2006 (Restated)

### 5. 分類資料(續)

#### 主要呈報方式 – 業務分類(續)

二零零六年(重列)

		Continuing operations 持續經營業務			Discontinued operations 已終止經營業務			Total 總計
		Watches and timepieces 鐘錶及時計產品	Enamelled copper wires 漆包銅線	Property investment 物業投資	2006 Discontinued Property Development Business 二零零六年 已終止 物業發展業務	2007 Discontinued Timber Business 二零零七年 已終止 木材業務	Total 總計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Segment revenue and gains:	分類收入及收益：							
Sales to external customers	向外界客戶銷售	130,358	196,414	4,002	330,774	282,953	386,937	
Other income and financial income	其他收入及財務收入	331	9,515	2	9,848	5,690	9,160	
<b>Total</b>	<b>總計</b>	<b>130,689</b>	<b>205,929</b>	<b>4,004</b>	<b>340,622</b>	<b>288,643</b>	<b>396,097</b>	
Segment results	分類業績	20,514	7,168	22,832	50,514	12,912	(16,600)	
Unallocated corporate income and expenses	未分配公司收入及支出淨額				6,832		-	
Share of results of an associate	應佔一家聯營公司業績				57,346		(16,600)	
Finance costs	財務費用				5,028		-	
					(2,880)		(2,181)	
Profit/(loss) before income tax	除所得稅前溢利/(虧損)				59,494		(18,781)	
Income tax	所得稅				(7,815)		(10,831)	
Profit/(loss) for the year	年度溢利/(虧損)				51,679		(29,612)	
Segment assets	分類資產	107,031	165,273	160,735	433,039	1,262,408	1,508,707	
Unallocated assets	未分配資產				135,964		-	
					569,003		1,508,707	
Segment liabilities	分類負債	32,458	26,705	8,259	67,422	618,559	648,744	
Borrowings	借貸				144,701		447,000	
Due to related companies	應付有關連公司欠款				-		180,296	
Unallocated liabilities	未分配負債				18,909		-	
					231,032		1,276,040	
Other segment information:	其他分類資料：							
Depreciation and amortisation of prepaid land lease payments	折舊及預付土地租賃款項攤銷	2,735	2,444	-	5,179	1,616	19,390	
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	(22,031)	(22,031)	(3,183)	(3,183)	
(Write-back)/Provision for inventories	存貨(撥回)/撥備	261	-	-	261	-	(6,379)	
Capital expenditure	資本開支	1,065	2,108	88,795	91,968	865	878	

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 5. SEGMENT INFORMATION (continued)

#### Secondary reporting format – Geographical segments

The Group's operations are located in two main geographical areas. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods and services.

Sales revenue by geographical markets:

### 5. 分類資料(續)

#### 次要呈報方式—地區分類

本集團業務位於兩個主要地區。下表載有按地區市場(不論貨品及服務之原產地)劃分之本集團銷售分析。

按地區市場劃分之銷售收入：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations:</b>	<b>持續經營業務：</b>		
Hong Kong	香港	3,817	27,938
PRC	中國	<u>572,241</u>	<u>302,836</u>
		576,058	330,774
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>		
PRC	中國	<u>108,237</u>	<u>386,937</u>
		<u>684,295</u>	<u>717,711</u>

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and prepaid land lease payments, analysed by the geographical area in which the assets are located.

分類資產賬面值以及物業、廠房及設備及預付土地租賃款項添置乃按資產所在地區分析，有關分析載列如下。

		Segment assets 分類資產		Capital expenditures 資本開支	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
			(Restated) (重列)		(Restated) (重列)
<b>Continuing operations:</b>	<b>持續經營業務：</b>				
Hong Kong	香港	12,832	120,000	10,513	88,795
PRC	中國	<u>386,784</u>	<u>313,039</u>	<u>83,850</u>	<u>3,173</u>
		399,616	433,039	94,363	91,968
<b>Discontinued operations:</b>	<b>已終止經營業務：</b>				
PRC	中國	<u>276,052</u>	<u>1,508,707</u>	<u>23</u>	<u>878</u>
		<u>675,668</u>	<u>1,941,746</u>	<u>94,386</u>	<u>92,846</u>

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## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 6. REVENUE

Revenue on continuing operations, which is also the Group' turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and rental income received and receivable. Revenue recognised during the year is as follows:

### 6. 收入

持續經營業務之收入亦即本集團營業額，乃指扣除退款及貿易折扣之售出貨品發票淨值，及已收及應收租金收入。年內確認之收入如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Revenue on continuing operations</b>	<b>持續經營業務之收入</b>		
Sales of goods	貨品銷售	571,809	326,772
Gross rental income	租金收入總額	4,249	4,002
		<u>576,058</u>	<u>330,774</u>

### 7. OTHER INCOME AND FINANCIAL INCOME

### 7. 其他收入及財務收入

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
(a) Other income on continuing operations	(a) 持續經營業務之其他收入		
Income from sale of scrapped materials	銷售零碎物料之收入	14,599	9,008
Others	其他	38	751
		<u>14,637</u>	<u>9,759</u>
(b) Financial income on continuing operations	(b) 持續經營業務之財務收入		
Bank interest income	銀行利息收入	1,549	934
Dividend income from financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產之股息收入	374	756
		<u>1,923</u>	<u>1,690</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 8. FINANCE COSTS

### 8. 財務費用

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>		
Interest on bank and other loans wholly repayable within five years	須於五年內悉數償付之銀行及其他貸款利息	<b>7,157</b>	<b>2,880</b>

### 9. PROFIT BEFORE INCOME TAX

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

### 9. 除所得稅前溢利

除所得稅前溢利已扣除/(計入)下列各項：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>		
Cost of inventories recognised as expense	確認為開支之存貨成本	<b>468,903</b>	251,462
Depreciation	折舊	<b>5,455</b>	5,179
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	<b>72</b>	-
Unrealised loss on derivative financial instruments	衍生金融工具未變現虧損	<b>5,017</b>	-
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約項下最低租賃款項	<b>7,236</b>	4,200
Auditors' remuneration	核數師酬金	<b>1,200</b>	1,000
Gross rental income	租金收入總額	<b>(4,249)</b>	(4,002)
Less: direct operating expenses	減：直接經營開支	<b>787</b>	401
Net rental income	租金收入淨額	<b>(3,462)</b>	(3,601)
Loss on disposals/write off of property, plant and equipment, net	出售虧損/撇銷物業、廠房及設備，淨額	<b>112</b>	31
Provision for inventories	存貨撥備	<b>-</b>	261

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 10. INCOME TAX EXPENSE

For the year ended 31 December 2007, Hong Kong profits tax for the Group has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong (2006: 17.5%). The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 33%.

Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

### 10. 所得稅開支

於截至二零零七年十二月三十一日止年度，本集團於香港產生之估計應課稅溢利按稅率17.5%（二零零六年：17.5%）作出香港利得稅撥備。於中國成立之附屬公司須按15%至33%之稅率繳納所得稅。

海外溢利之所得稅乃就年內估計應課稅溢利按本集團經營業務國家之現行稅率計算。

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Current tax for the year:	年內即期稅項：		
Hong Kong	香港	951	2,294
PRC	中國	6,217	3,304
Under-provision in respect of prior years	過往年度撥備不足	-	2,217
Total income tax expense	所得稅開支總額	<u>7,168</u>	<u>7,815</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 10. INCOME TAX EXPENSE (continued)

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rates:

### 10. 所得稅開支(續)

所得稅開支與按適用稅率計算之會計溢利／(虧損)對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Profit before income tax on continuing operations	持續經營業務除之所得稅前溢利	<u>108,809</u>	<u>59,494</u>
Tax at the applicable rates to profit in the tax jurisdictions concerned	有關稅務司法權區溢利按適用稅率計算之稅項	18,053	5,644
Income not subject to tax	毋須課稅之收入	(15,712)	(1,909)
Expenses not deductible for tax	不可扣稅之開支	2,857	1,825
Adjustments in respect of income tax of previous periods	就過往期間所得稅作出調整	-	2,218
Other temporary differences not recognised	其他未確認暫時差額	(72)	(166)
Tax losses utilised from previous periods	過往期間所用稅項虧損	-	203
Tax losses not recognised	未確認稅項虧損	<u>2,042</u>	<u>-</u>
Income tax expense	所得稅開支	<u>7,168</u>	<u>7,815</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

#### 11.1 2007 Discontinued Timber Business

As described in note 1, on 3 December 2007, Seti, a PRC wholly-owned subsidiary within the Group and principally engaged in manufacture and distribution of timber products, entered into the Land Resumption Agreement with the Shenzhen Municipal Government. Pursuant to the Land Resumption Agreement, in 2008, the Shenzhen Municipal Government shall resume the land in Shenzhen that is currently leased to Seti (the "PRC Land") and Seti shall cease its existing production. In this regard, Seti has significantly scaled down its operations in manufacture and distribution of timber products as at 31 December 2007. Details of this transaction have been set out in the Company's 2007 Circular.

According to the Land Resumption Agreement, the Shenzhen Municipal Government shall retain 50% of the PRC Land and shall arrange for the remaining 50% of the PRC Land (the "Auction PRC Land") to be auctioned for sale at an open auction (the "Open Auction") in 2008. The compensation to be paid to Seti by the Shenzhen Municipal Government, as a result of the land resumption, shall be 89.5% of the proceeds of the Auction PRC Land as determined in the Open Auction in 2008 and shall be paid by the Shenzhen Municipal Government to Seti in 60 days after the proceeds from the Open Auction are collected.

As at 31 December 2007, the title of the PRC Land has not yet been passed and Seti is still occupying the PRC Land although the timber operations have been significantly scaled down. Based on the valuation as set out in the 2007 Circular, the value of the PRC Land is significantly higher than the carrying amounts of the property, plant and equipment and prepaid land lease payments as presently recorded in the books of Seti. In the absence of any unforeseen adverse circumstances, no impairment loss is considered necessary by the directors of the Company as a consequence of the land resumption by the Shenzhen Municipal Government.

### 11. 持作出售之非流動資產／分類為持作出售之出售組別資產及已終止經營業務

#### 11.1 二零零七年已終止木材業務

誠如附註1所述，於二零零七年十二月三日，本集團內主要從事木材產品製造及分銷之中國全資附屬公司森帝與深圳市政府訂立收回土地協議。根據收回土地協議，深圳市政府須於二零零八年收回目前租予森帝位於深圳之土地（「中國土地」），而森帝則須終止其現有生產業務。有鑑於此，於二零零七年十二月三十一日，森帝已大幅縮減其木材產品製造及分銷業務之規模。此交易之詳情已載於本公司之二零零七年通函。

根據收回土地協議，深圳市政府將保留中國土地面積50%，並安排中國土地餘下50%面積（「拍賣中國土地」）於二零零八年透過公開拍賣（「公開拍賣」）出售。由於收回土地，深圳市政府須向森帝支付補償，金額相當於二零零八年公開拍賣中國土地所得款項之89.5%，深圳市政府須於收取公開拍賣所得款項後60天內向森帝支付有關款項。

於二零零七年十二月三十一日，儘管木材業務之規模已大幅縮減，惟中國土地之業權尚未轉讓，且森帝仍然佔用中國土地。根據二零零七年通函所載估值，中國土地之價值大幅高於現時於森帝之賬目記錄之物業、廠房及設備賬面值以及預付土地租賃款項。在並無任何不可預見之不利情況下，本公司董事認為深圳市政府收回土地不會導致出現減值虧損。

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### 11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

#### 11.1 2007 Discontinued Timber Business (continued)

Currently, there is no plan to deregister Seti when the Open Auction is completed and the proceeds on the Auction PRC Land are collected.

In accordance with the HKFRS 5, the property, plant and equipment and prepaid land lease payments were classified as held for sale in the consolidated balance sheet as their carrying values will be recovered principally through a sale transaction. Other assets and liabilities were retained by Seti and their carrying amounts were not classified as held for sale.

#### 11.2 2006 Discontinued Property Development Business and 2006 Disposal Group

As described in note 1, on 15 September 2006, a shareholders' resolution was passed to dispose of the entire paid-up capital of the 2006 Disposal Group to Citychamp Dartong Company Limited ("Citychamp"). Citychamp is the joint venturer of the Group's jointly controlled entity and a company listed in the Shanghai Stock Exchange in the PRC. In return, Citychamp conditionally agreed to allot and issue 72,720,000 shares (the "Consideration Shares") and paid RMB36,000 to the Group as the consideration. Details of this transaction were set out in the Company's 2006 Circular. The disposal of the 2006 Disposal Group was completed on 22 May 2007 (note 44).

During the year, the 2006 Discontinued Property Development Business carried out by the 2006 Disposal Group is consistently presented as discontinued operations in accordance with HKFRS 5.

### 11. 持作出售之非流動資產／分類為持作出售之出售組別資產及已終止經營業務(續)

#### 11.1 二零零七年已終止木材業務(續)

現時，並無計劃於公開拍賣完成及收取拍賣中國土地所得款項後取消森帝之註冊。

根據香港財務申報準則第5號，物業、廠房及設備以及預付土地租賃款項乃於綜合資產負債表分類為持作出售，此乃由於其賬面值將主要透過銷售交易收回。其他資產及負債將由森帝保留，其賬面值不會分類為持作出售。

#### 11.2 二零零六年已終止物業發展業務及二零零六年出售組別

誠如附註1所述，於二零零六年九月十五日通過股東決議案，向冠城大通股份有限公司(「冠城」)出售二零零六年出售組別之全部繳足股本。冠城為本集團的共同控制實體之合營方，於中國上海證券交易所上市。冠城有條件同意向本集團配發及發行72,720,000股股份(「代價股份」)以及支付人民幣36,000元，作為交換代價。此項交易之詳情載於本公司之二零零六年通函。出售二零零六年出售組別已於二零零七年五月二十二日完成(附註44)。

年內，二零零六年出售組別從事之二零零六年已終止物業發展業務已根據香港財務申報準則第5號一致呈列為已終止經營業務。

# NOTES TO THE FINANCIAL STATEMENTS

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### 11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

11.3 Profit/(loss) for the year from the discontinued operations is analysed as follows:

### 11. 持作出售之非流動資產／分類為持作出售之出售組別資產及已終止經營業務(續)

11.3 已終止經營業務之本年度溢利／(虧損)分析如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Loss of the 2007 Discontinued Timber Business and 2006 Discontinued Property Development Business (note 11.4)	(41,240)	(29,612)
Gain on disposals of the 2006 Disposal Group (note 44)	366,806	-
Profit/(Loss) for the year from the discontinued operations	<u>325,566</u>	<u>(29,612)</u>

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### 11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

11.4 An analysis of the results of the 2007 Discontinued Timber Business and 2006 Discontinued Property Development Business for the year ended 31 December 2007, with the comparatives for illustrative purpose, is as follows:

### 11. 持作出售之非流動資產／分類為持作出售之出售組別資產及已終止經營業務(續)

11.4 截至二零零七年十二月三十一日止年度，二零零七年已終止木材業務及二零零六年已終止物業發展業務之業績分析及用作說明之比較數字載列如下：

		2007 二零零七年			2006 二零零六年 (Restated) (重列)		
		2007 Discontinued Timber Business 二零零七年 已終止 木材業務 HK\$'000 千港元	2006 Discontinued Property Development Business 二零零六年 已終止 物業發展業務 HK\$'000 千港元	TOTAL 總計 HK\$'000 千港元	2007 Discontinued Timber Business 二零零七年 已終止 木材業務 HK\$'000 千港元	2006 Discontinued Property Development Business 二零零六年 已終止 物業發展業務 HK\$'000 千港元	TOTAL 總計 HK\$'000 千港元
Revenue	收入	104,887	3,350	108,237	103,984	282,953	386,937
Cost of sales	銷售成本	(95,953)	(9,551)	(105,504)	(116,210)	(267,615)	(383,825)
<b>Gross profit/(loss)</b>	<b>毛利/(虧損)</b>	<b>8,934</b>	<b>(6,201)</b>	<b>2,733</b>	<b>(12,226)</b>	<b>15,338</b>	<b>3,112</b>
Other income	其他收入	4,786	22	4,808	3,436	3,844	7,280
Selling and distribution expenses	銷售及分銷成本	(2,751)	(508)	(3,259)	(2,737)	(4,330)	(7,067)
Administrative expenses	行政費用	(10,021)	(2,899)	(12,920)	(30,372)	(7,087)	(37,459)
Redundancy expense	遣散開支	(26,629)	-	(26,629)	-	-	-
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	-	-	3,183	3,183
Other operating income/(expenses) net	其他經營收入/(開支)淨額	5,814	(276)	5,538	12,353	118	12,471
<b>Operating (loss)/profit</b>	<b>經營(虧損)/溢利</b>	<b>(19,867)</b>	<b>(9,862)</b>	<b>(29,729)</b>	<b>(29,546)</b>	<b>11,066</b>	<b>(18,480)</b>
Financial income	財務收入	16	77	93	34	1,846	1,880
Finance cost-interest on bank and other loans wholly repayable within five years	財務費用－五年內償還之銀行及其他貸款利息	(11,604)	-	(11,604)	(2,181)	-	(2,181)
<b>(Loss)/Profit before income tax</b>	<b>除所得稅前(虧損)/溢利</b>	<b>(31,455)</b>	<b>(9,785)</b>	<b>(41,240)</b>	<b>(31,693)</b>	<b>12,912</b>	<b>(18,781)</b>
Income tax expense	所得稅開支	-	-	-	-	(10,213)	(10,213)
- current tax	- 即期稅項	-	-	-	-	(618)	(618)
- deferred tax	- 遞延稅項	-	-	-	-	-	-
<b>(Loss)/Profit after income tax</b>	<b>除所得稅後(虧損)/溢利</b>	<b>(31,455)</b>	<b>(9,785)</b>	<b>(41,240)</b>	<b>(31,693)</b>	<b>2,081</b>	<b>(29,612)</b>
Operating cash flows	經營現金流量	(6,805)	12,340	5,535	(18,464)	(153,956)	(172,420)
Investing cash flows	投資現金流量	-	-	-	1,465	732	2,197
Financing cash flows	融資現金流量	52,622	117,649	170,271	30,821	32,019	62,840
Total cash inflows/(outflows)	總現金流入/(流出)	45,817	129,989	175,806	13,822	(121,205)	(107,383)

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

#### 11.4 An analysis of the results of the 2007 Discontinued Timber Business and 2006 Discontinued Property Development Business for the year ended 31 December 2007, with the comparatives for illustrative purpose, is as follows: (continued)

Depreciation of property, plant and equipment and amortisation of prepaid land lease payments totalling HK\$10,678,000 (2006: HK\$19,390,000) were charged to the profit and loss of the discontinued operations for the year.

The employee benefit expense of the discontinued operation for the year of HK\$33,772,000 (2006: HK\$33,138,000) included wages and salaries of HK\$6,858,000 (2006: HK\$32,274,000), pension cost of HK\$285,000 (2006: HK\$864,000) and redundancy cost of HK\$26,629,000 (2006: Nil).

#### 11.5 An analysis of the non-current assets of the 2007 Discontinued Timber Business classified as held for sale as at 31 December 2007 is as follows:

#### Non-current assets held for sale:

Property, plant and equipment (note 17)  
Prepaid land lease payments (note 19)

At 31 December 2007, certain buildings of the 2007 Discontinued Timber Business with carrying value of HK\$84,722,000 (2006: HK\$83,738,000), situated in the PRC had been pledged to secure certain banking facilities granted to the Group (note 34).

At 31 December 2007, certain prepaid land lease payments of the 2007 Discontinued Timber Business in the PRC with carrying value of HK\$43,885,000 (2006: HK\$44,495,000), have been pledged to secure certain banking facilities granted to the Group (note 34).

In relation to the abovementioned pledged buildings and prepaid land lease payments, the amount of banking facilities being utilised at 31 December 2007 was HK\$26,596,000 (2006: HK\$27,000,000).

### 11. 持作出售之非流動資產／分類為持作出售之出售組別資產及已終止經營業務(續)

#### 11.4 截至二零零七年十二月三十一日止年度，二零零七年已終止木材業務及二零零六年已終止物業發展業務之業績分析及用作說明之比較數字載列如下：(續)

總數為10,678,000港元(二零零六年：19,390,000港元)之物業、廠房及設備折舊及預付土地租賃款項攤銷已於年內已終止經營業務之利潤及虧損。

年內已終止經營業務之僱員福利開支為33,772,000港元(二零零六年：33,138,000港元)，包括工資及薪金6,858,000港元(二零零六年：32,274,000港元)、退休金成本285,000港元(二零零六年：864,000港元)及遣散成本26,629,000港元(二零零六年：無)。

#### 11.5 於二零零七年十二月三十一日，分類為持作出售之二零零七年已終止木材業務之非流動資產分析如下：

	HK\$ 港元
持作出售之非流動資產包括：	
物業、廠房及設備(附註17)	150,759
預付土地租賃款項(附註19)	50,230
	200,989

於二零零七年十二月三十一日，二零零七年已終止木材業務位於中國賬面值為84,722,000港元(二零零六年：83,738,000港元)之若干樓宇已抵押，作為本集團獲授若干銀行融資之擔保(附註34)。

於二零零七年十二月三十一日，二零零七年已終止木材業務位於中國賬面值為43,885,000港元(二零零六年：44,495,000港元)之若干預付土地租賃款項已抵押，作為本集團獲授若干銀行融資之擔保(附註34)。

就上述已抵押之樓宇及預付租賃款項而言，於二零零七年十二月三十一日已動用之銀行融資金額為26,596,000港元(二零零六年：27,000,000港元)。

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### 11. NON-CURRENT ASSETS HELD FOR SALE/ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

11.6 An analysis of the assets and liabilities of the 2006 Discontinued Property Development Business as at 31 December 2006 is as follows:

### 11. 持作出售之非流動資產／分類為持作出售之出售組別資產及已終止經營業務(續)

11.6 於二零零六年十二月三十一日，二零零六年已終止物業發展業務之資產及負債分析如下：

	HK\$ 港元
<b>Assets included in disposal group classified as held for sale:</b>	
Property, plant and equipment (note 17)	8,658
Investment properties (note 18)	31,900
Properties under development	890,406
Properties held for sale	70,164
Trade receivables	5,806
Prepayments, deposits and other receivables	52,115
Due from minority equity holders	489
Pledged deposits	8,090
Cash and cash equivalents	194,780
	<u>1,262,408</u>
<b>Liabilities in disposal group classified as held for sale:</b>	
Trade payables	89,773
Deposits received from customers	270,488
Other payables and accruals	58,271
Tax payables	13,560
Interest-bearing bank borrowings	330,000
Other loans	90,000
Due to related companies	296
Deferred tax liabilities	1,444
Deferred income	185,023
	<u>1,038,855</u>
<b>Net assets</b>	<u>223,553</u>

#### 分類為持作出售之出售組別資產包括：

物業、廠房及設備(附註17)	8,658
投資物業(附註18)	31,900
發展中物業	890,406
持作出售物業	70,164
應收賬款	5,806
預付款項、按金及其他應收款	52,115
應收少數權益持有人欠款	489
已抵押存款	8,090
現金及現金等價物	194,780

#### 分類為持作出售之出售組別負債包括：

應付賬款	89,773
已收客戶訂金	270,488
其他應付款及應計費用	58,271
應付稅項	13,560
計息銀行借貸	330,000
其他貸款	90,000
應付有關連公司欠款	296
遞延稅項負債	1,444
遞延收入	185,023

### 12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated profit attributable to the equity holders of the Company of 427,467,000 (2006: HK\$22,347,000), a loss of HK\$16,805,000 (2006: HK\$6,824,000) has been dealt with in the financial statements of the Company.

### 12. 本公司權益持有人應佔溢利

本公司權益持有人應佔綜合溢利427,467,000港元(二零零六年：22,347,000港元)中，虧損16,805,000港元(二零零六年：6,824,000港元)已於本公司財務報表內處理。

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## 財務報表附註

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### 13. DIVIDENDS

The board of directors did not recommend any payment of dividends during the year (2006: Nil).

### 13. 股息

年內，董事會不建議派發任何股息(二零零六年：無)。

### 14. EARNINGS/(LOSS) PER SHARE

The calculations of basic earnings/(loss) from continuing and discontinued operations per share are based on the profit from continuing operations attributable to equity holders of the Company of HK\$101,641,000 (2006: HK\$51,679,000) and the profit from discontinued operations attributable to equity holders of the Company of HK\$325,826,000 (2006: loss of HK\$29,332,000) and on the weighted average of 1,792,031,000 (2006: 1,548,928,000) ordinary shares in issue during the year.

Diluted earnings/(loss) per share for the years ended 31 December 2007 and 2006 have not been disclosed as no dilutive events existed during the years.

### 14. 每股盈利/(虧損)

持續經營業務及已終止經營業務之每股基本盈利/(虧損)乃根據本公司權益持有人應佔持續經營業務溢利101,641,000港元(二零零六年：51,679,000港元)及本公司權益持有人應佔已終止經營業務溢利325,826,000港元(二零零六年：虧損29,332,000港元)及年內已發行普通股加權平均數1,792,031,000股(二零零六年：1,548,928,000股)計算。

由於截至二零零七年及二零零六年十二月三十一日止年度並無出現攤薄事件，故並無披露該等年度之每股攤薄盈利/(虧損)。

### 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

### 15. 僱員福利開支(包括董事酬金)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
			(Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>		
Wages and salaries	工資及薪金	<b>28,863</b>	21,413
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃	<b>1,465</b>	1,353
		<b>30,328</b>	22,766

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### 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS 16. 董事酬金及高層管理人員酬金

#### 16.1 Directors' emoluments

#### 16.1 董事酬金

		Salaries, allowances and benefits in kind	Contributions to pension scheme	Total	
		Fees 袍金	薪金、津貼及 實物福利	退休 計劃供款	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2007</b>	<b>二零零七</b>				
<b>Executive directors</b>					
Mr. Hon Kwok Lung	韓國龍先生	-	1,690	12	1,702
Mr. Wang Shaolan	王少蘭先生	-	1,580	-	1,580
Mr. Shang Jianguang	商建光先生	-	1,720	60	1,780
Mr. Shi Tao	石濤先生	-	1,690	-	1,690
Mr. Lam Toi Man	林代文先生	-	1,430	12	1,442
<b>Non executive director</b>					
Ms. Sit Lai Hei	薛黎曦女士	100	-	-	100
<b>Independent non-executive directors</b>					
<b>獨立非執行董事</b>					
Mr. Fung Tze Wa	馮子華先生	150	-	-	150
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	100	-	-	100
Mr. Li Qiang	李強先生	100	-	-	100
		<u>450</u>	<u>8,110</u>	<u>84</u>	<u>8,644</u>

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## 財務報表附註

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### 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

### 16. 董事酬金及高層管理人員酬金(續)

#### 16.1 Directors' emoluments (continued)

#### 16.1 董事酬金(續)

		Salaries, allowances and benefits in kind	Contributions to pension scheme	Total
	Fees 袍金	薪金、津貼及 實物福利	退休 計劃供款	總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2006</b>				
<b>Executive directors</b>				
Mr. Hon Kwok Lung		1,690	12	1,702
Mr. Wang Shaolan		1,580	12	1,592
Mr. Shang Jianguang		1,725	60	1,785
Mr. Shi Tao		1,707	-	1,707
Mr. Lam Toi Man		1,430	12	1,442
<b>Non executive director</b>				
Ms. Sit Lai Hei	100	-	-	100
<b>Independent non-executive directors</b>				
Mr. Fung Tze Wa	133	-	-	133
Dr. Kwong Chun Wai, Michael	100	-	-	100
Mr. Li Qiang	100	-	-	100
	<u>433</u>	<u>8,132</u>	<u>96</u>	<u>8,661</u>

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

年內並無董事豁免或同意豁免任何酬金之安排。

#### 16.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for both years were also directors and their emoluments are reflected in the above analysis. No emolument was paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

#### 16.2 五名最高酬金人士

於兩個年度本集團之五名最高酬金人士均為董事，彼等之酬金已反映於上述分析。本集團並無向董事或五名最高薪之任何人士支付酬金，作為其加入本集團或加入本集團後之獎勵或離職補償。

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### 17. PROPERTY, PLANT AND EQUIPMENT Group

### 17. 物業、廠房及設備 本集團

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置 及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日							
Cost	成本	102,438	5,578	118,264	29,643	12,870	-	268,793
Accumulated depreciation	累計折舊	(14,206)	(2,412)	(23,659)	(12,164)	(2,765)	-	(55,206)
Net carrying amount	賬面淨值	88,232	3,166	94,605	17,479	10,105	-	213,587
Year ended 31 December 2006	截至二零零六年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	88,232	3,166	94,605	17,479	10,105	-	213,587
Additions	添置	-	144	1,817	591	6,694	-	9,246
Disposals/write-off	出售/撇銷	-	-	-	-	(30)	-	(30)
Depreciation	折舊	(5,378)	(1,383)	(10,171)	(2,498)	(2,478)	-	(21,908)
Exchange realignment	匯兌調整	10,378	80	116	(3,112)	985	-	8,447
Reclassified to assets in disposal group classified as held for sale (note 11.6)	重新分類為持作 出售之出售組別資產 (附註11.6)	(5,062)	(55)	-	(600)	(2,941)	-	(8,658)
Closing net book amount	年終賬面淨值	88,170	1,952	86,367	11,860	12,335	-	200,684
At 31 December 2006	於二零零六年十二月三十一日							
Cost	成本	107,458	5,417	120,196	26,074	15,250	-	274,395
Accumulated depreciation	累計折舊	(19,288)	(3,465)	(33,829)	(14,214)	(2,915)	-	(73,711)
Net carrying amount	賬面淨值	88,170	1,952	86,367	11,860	12,335	-	200,684
Year ended 31 December 2007	截至二零零七年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	88,170	1,952	86,367	11,860	12,335	-	200,684
Additions	添置	42,191	-	4,334	579	1,555	24,867	73,526
Transfer	轉讓	-	-	15,069	-	-	(15,069)	-
Disposals/write-off	出售/撇銷	-	-	-	(245)	(17)	-	(262)
Depreciation	折舊	(4,884)	(1,073)	(2,399)	(1,600)	(2,006)	-	(11,962)
Exchange realignment	匯兌調整	6,761	(109)	4,301	685	478	2,051	14,167
Reclassified to non-current assets held for sale (note 11.5)	重新分類為持作出售之 非流動資產(附註11.5)	(84,722)	-	(52,182)	(8,625)	(5,230)	-	(150,759)
Closing net book amount	年終賬面淨值	47,516	770	55,490	2,654	7,115	11,849	125,394
At 31 December 2007	於二零零七年十二月三十一日							
Cost	成本	52,177	5,502	65,199	12,951	10,806	11,849	158,484
Accumulated depreciation	累計折舊	(4,661)	(4,732)	(9,709)	(10,297)	(3,691)	-	(33,900)
Net carrying amount	賬面淨值	47,516	770	55,490	2,654	7,115	11,849	125,394

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 17. PROPERTY, PLANT AND EQUIPMENT (continued) Company

### 17. 物業、廠房及設備(續) 本公司

		Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置 及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2006	於二零零六年 一月一日				
Cost	成本	1,767	880	713	3,360
Accumulated depreciation	累計折舊	(525)	(291)	(575)	(1,391)
Net carrying amount	賬面淨值	<u>1,242</u>	<u>589</u>	<u>138</u>	<u>1,969</u>
Year ended 31 December 2006	截至二零零六年 十二月三十一日 止年度				
Opening net book amount	年初賬面淨值	1,242	589	138	1,969
Additions	添置	–	76	5,118	5,194
Depreciation	折舊	(352)	(161)	(290)	(803)
Closing net book amount	年終賬面淨值	<u>890</u>	<u>504</u>	<u>4,966</u>	<u>6,360</u>
At 1 January 2007	於二零零七年 一月一日				
Cost	成本	1,767	956	5,831	8,554
Accumulated depreciation	累計折舊	(877)	(452)	(865)	(2,194)
Net book amount	賬面淨值	<u>890</u>	<u>504</u>	<u>4,966</u>	<u>6,360</u>
Year ended 31 December 2007	截至二零零七年 十二月三十一日 止年度				
Opening net book amount	年初賬面淨值	890	504	4,966	6,360
Additions	添置	–	127	–	127
Depreciation	折舊	(351)	(172)	(1,083)	(1,606)
Closing net book amount	年終賬面淨值	<u>539</u>	<u>459</u>	<u>3,883</u>	<u>4,881</u>
At 31 December 2007	於二零零七年 十二月三十一日				
Cost	成本	1,767	1,083	5,831	8,681
Accumulated depreciation	累計折舊	(1,228)	(624)	(1,948)	(3,800)
Net book amount	賬面淨值	<u>539</u>	<u>459</u>	<u>3,883</u>	<u>4,881</u>

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## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 17. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings separated from the element of the land included above are situated in the PRC and are held under the following lease terms:

### 17. 物業、廠房及設備(續)

上文包括之土地部份分開之本集團樓宇位於中國大陸，並與按下列租期持有：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At cost:	成本值：		
Short-term leases	短期租約	2,640	2,612
Medium-term lease	中期租約	49,537	104,846
		<b>52,177</b>	<b>107,458</b>

At 31 December 2007, no building of the Remaining Group is pledged to secure certain banking facilities granted to the Group. At 31 December 2006, certain of the Group's buildings with carrying value of HK\$84,722,000 situated in the PRC had been pledged to secure certain banking facilities granted to the Group (note 34).

於二零零七年十二月三十一日，並無抵押餘下集團之樓宇以為本集團取得若干銀行融資。於二零零六年十二月三十一日，本集團於中國大陸所持有賬面值為84,722,000港元之若干樓宇已抵押，以為本集團取得若干銀行融資(附註34)。

At 31 December 2007, the Group has not yet obtained the title certificates for certain leasehold buildings situated in Shenzhen with an aggregate carrying value of approximately HK\$1,135,000 (2006: HK\$18,985,000). The Group's legal advisors have confirmed that the Group has legally obtained the rights to use the buildings. The directors are now in process of obtaining the relevant title certificates from the relevant government authorities.

於二零零七年十二月三十一日，本集團尚未就其位於深圳賬面值合共約1,135,000港元(二零零六年：18,985,000港元)之若干租賃樓宇取得任何業權證明。本集團法律顧問確認，本集團已取得有關樓宇之合法使用權，董事正在向有關政府機關申請有關業權證明。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 18. INVESTMENT PROPERTIES – GROUP

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Changes to the carrying amounts presented in the balance sheet can be summarised as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	159,748	66,689
Transfer from prepayments	轉撥自預付款項	-	9,845
Additions	添置	10,332	88,795
Disposals	出售	(120,000)	-
Net surplus on revaluation of investment properties	重估投資物業之盈餘淨額	10,178	25,214
Exchange alignment	匯兌調整	-	1,105
Reclassified to assets in disposal group classified as held for sale (note 11)	重新分類為持作出售之出售組別資產 (附註11)	-	(31,900)
Carrying amount at 31 December	於十二月三十一日之賬面值	60,258	159,748

The carrying amounts of the Group's investment properties situated in Hong Kong and the PRC held under medium-term leases are analysed as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Hong Kong	香港	12,832	120,000
The PRC	中國	47,426	39,748
		60,258	159,748

The Group's investment properties were revalued at 31 December 2007 by Chung, Chan & Associates, and Asset Appraisal Limited, independent professionally qualified valuers, at HK\$60,258,000 in aggregate on market by reference to market prices for similar properties.

The net surpluses on revaluation of HK\$10,178,000 have been credited to the income statement on the continuing operation. (2006: HK\$22,031,000 and HK\$3,183,000 have been credited to the income statement on the continuing operation and discontinued operations respectively.)

### 18. 投資物業 – 本集團

所有本集團就賺取租金或資本增值而以經營租約持有之物業權益，乃按公平值模式計量，並分類及入賬為投資物業。

於資產負債表呈列之賬面值變動概述如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
於一月一日之賬面值	159,748	66,689
轉撥自預付款項	-	9,845
添置	10,332	88,795
出售	(120,000)	-
重估投資物業之盈餘淨額	10,178	25,214
匯兌調整	-	1,105
重新分類為持作出售之出售組別資產 (附註11)	-	(31,900)
於十二月三十一日之賬面值	60,258	159,748

本集團位於香港及中國以中期租賃持有之投資物業之賬面值如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
香港	12,832	120,000
中國	47,426	39,748
	60,258	159,748

本集團之投資物業於二零零七年十二月三十一日由獨立專業認可估值師衡量行及資產評估顧問有限公司參考類似物業之市值重估總額為60,258,000港元。

重估盈餘淨額10,178,000港元已計入損益表之持續經營業務內(二零零六年：22,031,000港元及3,183,000港元已分別計入損益表之持續經營及已終止經營業務內)。

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## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 18. INVESTMENT PROPERTIES – GROUP (continued)

At 31 December 2007, the Group had certain investment properties located in Dongguan, the PRC with aggregate carrying value of HK\$30,240,000 (2006: HK\$24,000,000). The Group has not yet obtained the relevant title certificate for these properties. The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these properties.

At 31 December 2007, certain of the Group's investment properties with carrying value of HK\$12,832,000 (2006: HK\$120,000,000) have been pledged to secure banking facilities granted to the Group (note 34).

During the year, investment properties with carrying amount of HK\$120,000,000 were sold to an independent party at a consideration of HK\$142,853,000. Accordingly, a gain amounting to HK\$22,853,000 was recognised in the income statement during the year. The sale proceeds of HK\$142,853,000 have been collected during the year.

### 19. PREPAID LAND LEASE PAYMENTS – GROUP

These represent interests in leasehold land and land use rights in the PRC. Changes to the carrying amounts presented in the balance sheet can be summarised as follows:

### 18. 投資物業 – 本集團(續)

於二零零七年十二月三十一日，本集團於中國東莞市擁有若干投資物業，賬面總值30,240,000港元(二零零六年：24,000,000港元)。本集團仍未取得該等物業之相關業權證明。本集團之法律顧問已確認，本集團是該等物業之公平合法擁有人。

於二零零七年十二月三十一日，本集團賬面值12,832,000港元(二零零六年：120,000,000港元)之若干投資物業已抵押，以為本集團取得銀行融資(附註34)。

年內，賬面值為120,000,000港元之投資物業已以代價142,853,000港元售予一名獨立第三方。因此，於年內損益表確認22,853,000港元之收益。銷售所得款項142,853,000港元已於年內收取。

### 19. 預付土地租賃款項 – 本集團

此等款項代表於中國租賃土地及土地使用權之權益。於資產負債表呈列之賬面值變動概述如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	50,309	51,648
Additions	添置	10,511	-
Amortisation during the year	年內攤銷	(3,952)	(3,465)
Exchange realignment	匯兌調整	3,799	2,126
Reclassification to non-current assets held for sale (note 11)	重新分類為持作出售之非流動資產(附註11)	(50,230)	-
Carrying amount at 31 December	於十二月三十一日之賬面值	10,437	50,309
Less: Current portion	減：即期部分	(210)	(3,764)
Non-current portion	非即期部分	10,227	46,545

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## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 19. PREPAID LAND LEASE PAYMENTS – GROUP (continued)

At 31 December 2007, no prepaid land lease payments of the Remaining Group are pledged to secure banking facilities granted to the Group. At 31 December 2006, certain of the Group's prepaid land lease payments in the PRC with carrying value of HK\$44,495,000 have been pledged to secure certain banking facilities granted to the Group (note 34).

Their net book values are analysed as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term leases	短期租約	–	44,853
Medium-term leases	中期租約	<u>10,437</u>	<u>5,456</u>
		<u>10,437</u>	<u>50,309</u>

### 19. 預付土地租賃款項－本集團(續)

於二零零七年十二月三十一日，並無抵押餘下集團之預付土地租賃款項以為本集團取得銀行融資。於二零零六年十二月三十一日，本集團於中國所持有賬面值為44,495,000港元之若干預付土地租賃款項已抵押，以為本集團取得若干銀行融資(附註34)。

其賬面淨值分析如下：

### 20. GOODWILL – GROUP

There are no changes in the carrying amounts of goodwill during the year. The net carrying amount of goodwill is analysed as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日		
Gross amount	總值	4,816	4,816
Accumulated impairment	累計減值	<u>(4,816)</u>	<u>(4,816)</u>
Net carrying amount at 31 December	於十二月三十一日之 賬面淨值	<u>–</u>	<u>–</u>

### 20. 商譽－本集團

年內，商譽之賬面值並無變動。商譽賬面淨值分析如下：

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### 20. GOODWILL – GROUP (continued)

The carrying amount of goodwill of HK\$4,816,000 was attributable to the 2007 Discontinued Timber Business. As this has been fully impaired in previous years, there is no impact on the income statement during the year pursuant to the Land Resumption Agreement.

Goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. The carrying amount of goodwill in the consolidated reserves, arising from the acquisition of subsidiaries, was HK\$15,300,000 (2006: HK\$15,300,000) as at 31 December 2007.

### 20. 商譽—本集團(續)

二零零七年已終止木材業務應佔之商譽賬面值為4,816,000港元。由於商譽已於之前年度全數減值，收回土地協議並無為年內損益表帶來影響。

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零零七年十二月三十一日，於綜合儲備內來自收購附屬公司之商譽賬面值為15,300,000港元(二零零六年：15,300,000港元)。

### 21. INTERESTS IN SUBSIDIARIES – COMPANY

Unlisted investments, at cost	非上市投資，成本值
Due from subsidiaries	應收附屬公司欠款
Less: Provision for impairment	減：減值撥備

Amounts due from subsidiaries are unsecured, interest-free and are not expected to be repaid within the next twelve months. These balances are classified as non-current assets accordingly.

### 21. 所佔附屬公司權益—本公司

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted investments, at cost	128,174	128,174
Due from subsidiaries	456,554	552,624
Less: Provision for impairment	584,728 (303,703)	680,798 (303,703)
	<u>281,025</u>	<u>377,095</u>

應收附屬公司欠款乃無抵押、免息及預期毋須於未來十二個月償還，故該等餘額分類為非流動資產。

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### 21. INTERESTS IN SUBSIDIARIES – COMPANY (continued)

Particulars of the principal subsidiaries at 31 December 2007 are as follows:

Name 名稱	Place/ country of incorporation 註冊成立地點 ／國家	Particulars of issued ordinary/ paid-up capital 已發行普通／ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 已發行普通／ 繳入股本百分比		Principal activities and place of operation 主要業務及 營業地點
			Directly 直接	Indirectly 間接	
Qingapen Limited 晴嘉有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業
China Haidian Commercial Network Services Limited	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業
Haidian-Creation International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding in Hong Kong 於香港投資控股
Sure Best Management Limited	Hong Kong 香港	HK\$1 1港元	100	–	Property investment in Hong Kong 於香港投資物業
EBOHR Luxuries International Co., Limited (“Ebohr”) 依波精品(深圳)有限公司 (「依波精品」)	PRC 中國	HK\$30,000,000 30,000,000港元	–	100	Manufacture and sale of watches and timepieces in the PRC 於中國製造及 銷售鐘錶及時計產品
Seti 森帝	PRC 中國	US\$45,525,860 45,525,860美元	–	100	Sale of timber products in the PRC 於中國銷售木材產品

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

### 21. 所佔附屬公司權益－本公司(續)

於二零零七年十二月三十一日主要附屬公司詳情如下：

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

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### 21. INTERESTS IN SUBSIDIARIES – COMPANY (continued)

The Group also holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Ltd. (“Sunto”), a company established in the PRC through which the Group had intended to be engaged in the manufacture and the sale of computer casing products with third parties. Due to the non-disclosure of certain material transactions by the Sunto’s management and its minority shareholder, the Group had reasonable doubts as to the reliability of the financial information provided by Sunto. The directors of the Company are of the opinion that Sunto is practically in a management dead-lock, and the recoverability of the Group’s investment in Sunto and the amount due from Sunto of HK\$60.5 million in aggregate is doubtful. Accordingly, the Group’s interest in this unconsolidated subsidiary has been fully provided for since the year ended 31 December 1998. In addition, Sunto was put under a compulsory winding up pursuant to a court order issued in 2001 and the winding up process had not yet been completed up to the date of issue of these financial statements. The Group will not make any further investment in this subsidiary.

### 22. DUE FROM DISPOSAL GROUP – COMPANY

The balance was due from the 2006 Disposal Group and was unsecured and interest-free. The balance has been fully recovered by the Group during the year.

### 23. INTERESTS IN JOINTLY-CONTROLLED ENTITY – COMPANY

Unlisted investments, at cost 非上市投資，成本值  
Due from a jointly-controlled entity 應收一家共同控制實體欠款

Amounts due from the jointly-controlled entity are unsecured, interest-free and have no fixed terms of repayment.

### 21. 所佔附屬公司權益 – 本公司(續)

本集團亦持有於中國成立之順德市光大順通電腦有限公司(「順通」)51%股本權益。本集團原擬透過該公司聯同第三方，參與製造及銷售電腦機箱產品。由於該附屬公司之管理層及其少數股東未有披露若干重大交易，本集團對順通所提供財務資料之可靠性存有合理疑問。本公司董事會認為順通之管理實際上已陷入僵局，所以本集團於應收順通之投資及應收順通欠款合共60,500,000港元能否收回均存疑問。因此，本集團所佔該未綜合入賬附屬公司之權益已由截至一九九八年十二月三十一日止年度起作出全面撥備。此外，順通根據於二零零一年頒佈之一項法院命令被強制清盤，清盤程序於截至本財務報表刊發日期尚未完成。本集團不會對該附屬公司作出任何進一步投資。

### 22. 應收出售組別欠款 – 本公司

應收二零零六年出售組別欠款為無抵押及免息。集團已於年內全數收回該等結餘。

### 23. 所佔一家共同控制實體權益 – 本公司

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted investments, at cost 非上市投資，成本值	64,215	46,030
Due from a jointly-controlled entity 應收一家共同控制實體欠款	210	173
	<b>64,425</b>	<b>46,203</b>

應收一家共同控制實體欠款為無抵押、免息，且無固定還款期。

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### 23. INTERESTS IN JOINTLY-CONTROLLED ENTITY – COMPANY (continued)

Particulars of the jointly-controlled entity at 31 December 2007 are as follows:

Name 名稱	Place/ country of incorporation 註冊成立 地點/國家	Percentage of ownership interest 擁有權益 百分比	Percentage of voting power 投票權 百分比	Percentage of profit sharing 應佔溢利 百分比	Principal activities and place of operation 主要業務及營業地點
Fuzhou Dartong Mechanic and Electronic Company Limited ("Fuzhou Dartong") 福州大通機電股份有限公司 (「福州大通」)	PRC 中國	49	50	49	Manufacture and sale of enameled copper wire in the PRC 於中國製造及銷售漆包銅線

Fuzhou Dartong is the jointly controlled entity held by the Group. Its financial statements have been incorporated into the Group's consolidated financial statements using proportionate consolidation. The aggregate amounts relating to Fuzhou Dartong that have been included in the Group's consolidated financial statements are as follows:

### 23. 所佔一家共同控制實體權益—本公司(續)

於二零零七年十二月三十一日，共同控制實體之詳情如下：

福州大通為本集團擁有之共同控制實體，其財務報表已按比例綜合計入本集團綜合財務報表。有關福州大通之總額已計入本集團綜合財務報表，載列如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產	116,107	36,789
Current assets	流動資產	84,864	128,484
Current liabilities	流動負債	(126,681)	(112,494)
Net assets	資產淨值	74,290	52,779
Revenue	收入	406,482	196,413
Other income and financial income	其他收入及財務收入	14,599	9,515
Total costs and expenses	總成本及開支	(421,786)	(201,641)
Income tax	所得稅	—	—
(Loss)/Profit after income tax	除所得稅後(虧損)/溢利	(705)	4,287

As at 31 December 2007, Fuzhou Dartong provided a guarantee of HK\$26,596,000 (2006: HK\$25,000,000) for a bank loan granted to Citychamp, the joint venturer.

於二零零七年十二月三十一日，福州大通就銀行向合營方冠城授出貸款提供擔保26,596,000港元(二零零六年：25,000,000港元)。

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### 24. INTERESTS IN ASSOCIATE

### 24. 所佔一家聯營公司權益

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	29,272	-	24,244	-
Acquisition of associate	收購一家聯營公司				
- unlisted investment at cost	- 非上市投資， 成本值	-	24,244	-	24,244
Share of associate's results	應佔一家聯營 公司業績				
- Excess of the Group's share of the net identifiable assets over cost of acquisition (note)	- 本集團應佔 可識別資產 淨值超出收購 成本之差額 (附註)	-	4,725	-	-
- Profit before income tax	- 除所得稅前 溢利	2,212	486	-	-
- Income tax	- 所得稅	-	(183)	-	-
At 31 December	於十二月三十一日	<b>31,484</b>	<b>29,272</b>	<b>24,244</b>	<b>24,244</b>

Note: This had been included in the share of results of associate in 2006.

附註：已計入於二零零六年應佔一家聯營公司業績。

Particulars of the associate at 31 December 2007 are as follows:

於二零零七年十二月三十一日，聯營公司之資料如下：

Name 名稱	Particulars of equity held 持有權益資料	Country of incorporation 註冊成立國家	Percentage of interest held 持有權益所佔百分比
Jiangsu Dartong Qingjiang M&E Co., Ltd ("Jiangsu Dartong") 江蘇大通清江機電有限公司 (「江蘇大通」)	Paid up capital of RMB25,000,000 繳入股本 人民幣25,000,000元	PRC 中國	25

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### 24. INTERESTS IN ASSOCIATE (continued)

The summarised financial information of the Group's associate extracted from its management accounts for the year ended 31 December 2007 are as follows:

### 24. 於聯營公司所佔權益(續)

以下為摘錄自本集團聯營公司截至二零零七年十二月三十一日止年度之管理賬目之財務資料概要：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Assets	資產	392,858	352,335
Liabilities	負債	(266,649)	(235,525)
Revenue	收入	1,414,020	935,338
Profit for the year	本年度溢利	8,848	13,661

### 25. AVAILABLE-FOR-SALE FINANCIAL ASSETS - GROUP 25. 可供出售金融資產 - 本集團

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed equity investment, at fair value (note a)	上市股本投資，公平值（附註a）	853,380	-
Unlisted equity investment, at cost (note b)	非上市股本投資，成本值（附註b）	3,477	3,477
Provision for impairment	減值撥備	(3,477)	(3,477)
		-	-
Total	總計	853,380	-

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### 25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP (continued)

Note:

- (a) On 22 May 2007, the Group completed its disposals of the 2006 Disposal Group to Citychamp. In return, Citychamp allotted and issued 72,720,000 shares (the “Consideration Shares”) and pay RMB36,000 to the Group as the consideration (note 11.2).

On 29 July 2007, Citychamp declared a bonus issue of 0.836 share together with a cash dividend of RMB0.1 for every 10 Citychamp shares. The Group is eligible for the dividends as it held the consideration shares then. In August 2007, 6,079,392 Citychamp bonus shares and cash dividends of RMB727,200 were received by the Group. A dividend income totalling HK\$48,383,000 was recognised in the income statement for the year ended 31 December 2007 (2006: Nil).

All the 78,799,392 Citychamp shares held by the Group are subject to a three-year lock up period commencing from the date of issue of the Consideration Shares to May 2010. The directors are of the opinion that the expected volatility and the effect of the three-year lock up period shall be taken into account in determining the fair value of the Citychamp shares held by the Group. In these regards, the Group engaged Asset Appraisal Limited, an independent professional qualified valuer, to evaluate the fair value of the Citychamp shares held by the Group. The valuation adopted market approach by reference to a list of certain public companies listed in Hong Kong, which are engaged in similar business operation and property development portfolios. The selection of the comparable companies is determined based on their products, markets, earning, growth and nature of competition. Based on the financial data of these selected comparable companies, such as earnings per share, market capitalisation and net profit margin, a weighted average price/earning ratio is computed. Based on this weighted average price/earning ratio, a fair value of RMB10.18 per Citychamp share is recognised in the financial statements of the Group. The above computation is arrived at based on assumptions that there will be no major change in the existing political conditions, legal conditions, economic conditions, tax law, interest rates and exchange rates in the location in which the business is operating.

The market value of the Citychamp shares at 31 December 2007 was amounted to HK\$1,711,791,000.

### 25. 可供出售金融資產 – 本集團(續)

附註:

- (a) 於二零零七年五月二十二日，本集團已完成向冠城出售出其二零零六年售組別。作為代價，冠城則向本集團配發及發行72,720,000股股份(「代價股份」)及支付人民幣36,000元(附註11.2)。

於二零零七年七月二十九日，冠城就每10股冠城股份宣派0.836股紅股及現金股息人民幣0.1元。本集團由於持有代價股份，故合資格獲發股息。於二零零七年八月，本集團已收取6,079,392股冠城紅股及現金股息人民幣727,200元。於截至二零零七年十二月三十一日止年度，總數為48,383,000港元(二零零六年：無)之股息收入已於損益表確認。

本集團所持全部78,799,392股冠城股份須受禁售期所限，自代價股份發行日期起至二零一零年五月止為期三年。董事認為，於釐定本集團所持冠城股份時，已考慮預計波幅及三年禁售期之影響。就此而言，本集團聘用獨立專業認可估值師資產評估有限公司評估本集團所持冠城股份之公平值。估值時採用估值法，參考若干從事類似業務及擁有相若物業發展組合之香港上市公司。可資比較公司乃基於其產品、市場、盈利、增長及競爭性質選出。根據該等經選出可資比較公司之財務資料，例如每股盈利、市值及純利率，計算得出加權平均市盈率。根據是項加權平均市盈率，於本集團之財務報表確認公平值每股冠城股份人民幣10.18元。上述計算乃基於經營業務地區現時政治情況、法律環境、經濟情況、稅務法例、利率及匯率並無重大變動之假設作出。

冠城股份於二零零七年十二月三十一日之市值為1,711,791,000港元。

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### 25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP (continued) 25. 可供出售金融資產 – 本集團(續)

(a) (continued)

Particulars of the available-for-sale financial assets of which the carrying amount of the Group's interest exceeded 10% of the total assets of the Group are as follows:

Name 名稱	Country of incorporation 註冊成立國家	Particulars of issued shares held 所持已發行股份詳情	Percentage of ownership interest attributable to the Group 本集團所佔擁有 權權益之百分比	
			2007	2006
Citychamp Dartong Company Limited 冠城大通股份有限公司	PRC 中國	Ordinary A Share A股普通股	16.39%	–

(a) (續)

本集團於可供出售金融資產之權益賬面值超過本集團資產總值之10%詳情如下：

(b) The Group held an equity interest of 25.5% in 合肥光大木材工業有限公司 ("Hefei Everbright"), a joint venture company established in the PRC in 2003. Since 2004 the Group's investment in Hefei Everbright was accounted for as a long term investment. In 2006, the investment in Hefei Everbright was designated as available-for-sale investment upon adoption of HKAS 39.

Having regard to the deteriorating financial positions of Hefei Everbright, the directors are in the opinion that the investment in Hefei Everbright is not likely to be recoverable and accordingly, an impairment loss of HK\$3,477,000 had been charged to consolidated income statement in 2005. As the financial position of Hebei Everbright continued deteriorating during the year, there was no change in the accumulated impairment as at 31 December 2007.

(b) 本集團持有合肥光大木材工業有限公司(「合肥光大」)25.5%股本權益，該公司為於二零零三年在中國成立之合營公司。自二零零四年起，本集團於合肥光大之投資列作長期投資入賬。於二零零六年，採納香港會計準則第39號後，於合肥光大之投資指定為可供出售投資。

基於合肥光大之財務狀況轉壞，董事認為不大可能收回於合肥光大之投資，故在二零零五年度綜合損益表中扣除減值虧損3,477,000港元。由於合肥光大在本年度之財務狀況繼續轉壞，故於二零零七年十二月三十一日之累計減值並無變動。

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### 26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 26. 預付款項、按金及其他應收款

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Deposits for the acquisition of an investment (note)	收購一項投資 所付按金(附註)	-	27,000	-	27,000
Other receivables	其他應收款	70,678	20,348	29,592	5,183
Prepayments	預付款項	10,416	26,290	1,081	190
Deposits	訂金	8,577	1,735	6,872	1,614
Carrying amount at 31 December	於十二月三十一日 之賬面值	89,671	75,373	37,545	33,987
Less: Current portion	減：即期部分	(87,277)	(33,391)	(37,545)	(6,987)
Non-current portion	非即期部分	2,394	41,982	-	27,000

Note: In 2004, the Company entered into certain share purchase agreements with two independent third parties (the "Vendors") for the acquisition of an aggregate of 15% equity interests in Beijing Haidian Science Park Development Co., Ltd. ("Beijing Haidian"). A deposit of HK\$27,000,000 (the "Deposit") was paid by the Company to the Vendors in 2006.

In March 2007, the Company and Jing Guan further extended the completion date of the proposed acquisition to 28 July 2007 as the approval from the local authorities was not obtained. Details of the proposed acquisition were set out in the Company's various press announcements during the period from 2 December 2004 to 29 March 2007 and the circular dated 25 April 2005 to the Company's shareholders.

As the proposed acquisition of Beijing Haidian was not completed on 28 July 2007, the Vendors has agreed to refund the Deposit to the Group. Accordingly, the Deposit was reclassified as other receivable in current asset at 31 December 2007 as it is to be recovered within twelve months from the balance sheet date. The Deposit was subsequently fully refunded to the Group in January 2008.

附註：於二零零四年，本公司與兩名獨立第三方（「賣方」）訂立若干股份購買協議，收購北京海澱科技園建設股份有限公司（「北京海澱」）合共15%股本權益。於二零零六年，本公司已向賣方支付訂金27,000,000港元（「訂金」）。

於二零零七年三月，由於不獲當地主管當局批准，本公司與京冠將建議收購之完成日期進一步延展至二零零七年七月二十八日。有關建議收購之詳情載於本公司於二零零四年十二月二日至二零零七年三月二十九日期間刊發之各報章公佈及寄發予本公司股東日期為二零零五年四月二十五日之通函。

由於建議收購北京海澱未能於二零零七年七月二十八日完成，賣方同意向本集團退回訂金。由於訂金將於結算日起計十二個月內收回，故於二零零七年十二月三十一日，有關款項重新分類為流動資產內之其他應收款。訂金其後於二零零八年一月全數退回本集團。

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### 27. INVENTORIES – GROUP

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

### 27. 存貨 – 本集團

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
40,014	32,859
12,891	12,822
<b>89,121</b>	<b>68,743</b>
<b>142,026</b>	<b>114,424</b>

### 28. TRADE AND BILLS RECEIVABLES – GROUP

Trade and bills receivables	應收賬款及票據
Less: Impairment losses	減：減值虧損

Trade and bills receivables – net 應收賬款及票據 – 淨額

### 28. 應收賬款及票據 – 本集團

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
114,864	157,417
<b>(70,812)</b>	<b>(66,480)</b>
<b>44,052</b>	<b>90,937</b>

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of three months (2006: three months) for major customers except for customers of the Group's discontinued operations where settlements were made in accordance with the sales contract entered into between the Group and the customers. Each customer has a maximum credit limit. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Movement in the provision for impairment of trade and bills receivables is as follows:

除若干客戶需要預先付款外，本集團與其客戶訂立之買賣條款主要為記賬方式，主要客戶一般可獲三個月（二零零六年：三個月）之信貸期，惟本集團已終止經營業務客戶之間交易乃按本集團與客戶訂立之銷售合約付款。每個客戶設有信貸上限。逾期三個月以上之應收賬款債務人，於獲授出任何進一步信貸前須清還所有未償還餘額。鑑於上述事項及本集團應收賬款涉及大量不同之客戶，故並無高度集中信貸風險。應收賬款並不計息。

應收賬款及票據之減值虧損記入撥備賬，除非本集團確認不大可能收回有關款項，在此情況下，減值虧損直接於應收賬款扣減。應收賬款及票據之減值撥備變動如下：

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 28. TRADE AND BILLS RECEIVABLES – GROUP (continued)

### 28. 應收賬款及票據 – 本集團(續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	66,480	63,924
Impairment loss charged to the income statement	於損益表扣除之減值虧損	86	–
Exchange realignment	匯兌調整	4,246	2,556
At 31 December	於十二月三十一日	<b>70,812</b>	<b>66,480</b>

At each of the balance sheet date, the Group's trade and bills receivables were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific impairment provision was recognised. The Group does not hold any collateral over these balances.

於各結算日，本集團之應收賬款及票據乃個別釐定減值。個別已減值應收款項與經濟有困難之客戶有關，管理層估計，僅可收回部分應收款項。因此，已確認特別減值撥備。本集團並無就該等結餘持有任何抵押品。

Ageing analysis of trade and bills receivables (including amounts due from related party of trading in nature as disclosed in note 43.1(v)) as at the balance sheet date, based on invoice date, and net of provisions, is as follows:

應收賬款及票據(包括附註43.1(v)所述應收有關連人士貿易款項)於結算日按照發票日期及扣減撥備後之賬齡分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1 to 3 months	1至3個月	41,914	90,846
4 to 6 months	4至6個月	2,138	40
7 to 12 months	7至12個月	–	51
		<b>44,052</b>	<b>90,937</b>

Ageing analysis of trade receivables that are not impaired is as follows:

並無減值之應收賬款賬齡分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Neither past due nor impaired	尚未逾期或減值	41,914	90,846
1 – 90 days past due	已逾期1–90日	2,138	40
91 – 180 days past due	已逾期91–180日	–	51
		<b>2,138</b>	<b>91</b>
		<b>44,052</b>	<b>90,937</b>

# NOTES TO THE FINANCIAL STATEMENTS

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### 28. TRADE AND BILLS RECEIVABLES – GROUP (continued)

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not held any collateral over these balances.

Included in trade receivables are the following amounts (net of impairment losses) denominated in a currency other than the functional currency of the entity to which it relates:

### 28. 應收賬款及票據—本集團(續)

尚未逾期或減值之應收款與多名客戶有關，該等客戶最近並無拖欠記錄。

已逾期但尚未減值之應收款與若干於本集團擁有良好付款記錄之客戶有關。根據過往經驗，管理層相信，由於信貸質素並無重大變化，加上有關結餘仍被視為可悉數收回，故毋需就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

應收賬款(扣除減值虧損)包括下列以有關實體之功能貨幣以外之貨幣為單位之款項：

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Renminbi ("RMB")	人民幣(「人民幣」)	<u>41,409</u>	<u>90,937</u>

### 29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 29. 按公平值計入溢利或虧損之金融資產

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed equity investment in Hong Kong, at market value	香港上市股票投資·市值	<u>44,178</u>	<u>48,765</u>	<u>20,130</u>	<u>37,627</u>

Financial assets at fair value through profit or loss are held for trading purposes.

按公平值計入溢利或虧損之金融資產乃持有作買賣用途。

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### 30. PLEDGED DEPOSITS AND CASH AND CASH EQUIVALENTS 30. 已抵押存款與現金及現金等價物

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash at bank and in hand	銀行結存及現金	82,362	39,836	29,905	3,812
Time deposits with original maturity less than three months	原定於三個月內到期之定期存款	-	4,892	-	4,892
		<b>82,362</b>	44,728	<b>29,905</b>	8,704
Less: Deposits pledged for short term banking facilities	減：作為短期銀行貸款抵押之存款	-	(4,892)	-	(4,892)
Cash and cash equivalents	現金及現金等價物	<b>82,362</b>	39,836	<b>29,905</b>	3,812

Cash at bank earns interest at the floating rates based on the daily bank deposits rates. Time deposits are made for various periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

銀行現金按每日銀行存款利率計算之浮動利率計息。定期存款之存款期由一日至三個月不等，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。

Included in pledged deposits and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which it relates:

已抵押存款及現金等價物包括下列以有關實體功能貨幣以外貨幣計值之金額：

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
RMB	人民幣	<b>46,686</b>	35,612

All the above bank balances denominated in RMB were placed with the banks in the PRC. RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through the banks authorised to conduct foreign exchange business in the PRC.

以上之銀行結存以人民幣為單位存於中國銀行。人民幣不得自由兌換為其他貨幣。然而，根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權於中國進行外匯業務之銀行將人民幣兌換為其他貨幣。

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### 31. TRADE PAYABLES – GROUP

Ageing analysis of trade payables (including amounts due to related parties with trading in nature) as at the balance sheet dates is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 – 30 days	0至30日	19,135	45,155
31 – 60 days	31至60日	14,350	727
61 – 90 days	61至90日	–	–
Over 90 days	超過90日	12	801
		<b>33,497</b>	<b>46,683</b>

Included in trade payables are the following amounts denominated in a currency other than the functional currency of the entity to which it relates:

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
RMB	人民幣	<b>31,487</b>	<b>46,683</b>

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

### 31. 應付賬款 – 本集團

應付賬款(包括應付有關連人士之貿易款項)於結算日之賬齡分析如下:

應付賬款包括下列以有關實體之功能貨幣以外之貨幣為單位之款項:

應付賬款並不計息，一般須於60日限期內支付。

### 32. OTHER PAYABLES AND ACCRUALS

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Accruals	應計費用	56,061	12,322	1,265	1,989
Other payables	其他應付款	39,706	46,301	13,587	10,858
		<b>95,767</b>	<b>58,623</b>	<b>14,852</b>	<b>12,847</b>

Other payables are non-interest bearing and have an average term of three months.

其他應付款並不計息，期限平均為三個月。

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### 33. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP

### 33. 衍生金融工具—本集團

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current liability	流動負債		
– Forward contracts for the purchase of copper	– 購買銅之遠期合約	<b>5,017</b>	–

The Group entered into forward contracts for the purchase and sell of copper and recorded unrealised loss of HK\$5,017,000 (2006: Nil) for the year. The fair values of the derivative financial instruments are determined with reference to the quoted market price of the instruments at balance sheet date.

本集團訂立買賣銅之遠期合約，並於年內錄得未變現虧損5,017,000港元(二零零六年：無)。衍生金融工具之公平值乃參考於結算日工具所報市價釐定。

The following is a summary of forward contracts as at 31 December 2007:

以下為於二零零七年十二月三十一日遠期合約之概要：

		2007 二零零七年	2006 二零零六年
<b>Copper cathodes</b>	<b>電解銅</b>		
Purchase	購入		
– tonne	– 噸	1,800	–
– average price (RMB/tonne)	– 平均價(人民幣元/噸)	人民幣RMB62,150	–
– maturity	– 到期日	February 2008 to November 2008 二零零八年二月至 二零零八年十一月	–
Sell	賣出		
– tonne	– 噸	600	–
– average price (RMB/tonne)	– 平均價(人民幣元/噸)	人民幣RMB55,565	–
– maturity	– 到期日	March 2008 to May 2008 二零零八年三月至 二零零八年五月	–

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### 34. BORROWINGS

### 34. 借貸

		Effective interest rate 有效利率	Group 本集團		Company 本公司	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Non-current</b>						
<b>非即期</b>						
Bank borrowings	<b>Floating</b>	<b>6.3%</b>	-	55,348	-	55,348
銀行借貸	浮息					
<b>Current</b>						
<b>即期</b>						
Bank borrowings	<b>Floating</b>	<b>5.9% – 6.3%</b>	<b>26,272</b>	52,652	-	3,652
銀行借貸	浮息					
Bank borrowings	<b>Fixed</b>	<b>5.5% – 7.3%</b>	<b>86,543</b>	63,701	-	-
銀行借貸	定息					
			<b>112,815</b>	116,353	-	3,652
Total borrowings			<b>112,815</b>	171,701	-	59,000
總借貸						

As at 31 December 2007, the Group's bank loans were secured by:

- (i) a legal charge over certain of the Group's prepaid land lease payments and buildings situated in the PRC (notes 11.5, 19 and 17);
- (ii) a legal charge over certain of the Group's investment properties (note 18); and
- (iii) guarantees granted by a director of the Company and certain independent third parties.

於二零零七年十二月三十一日，本集團銀行貸款以下列各項作抵押：

- (i) 本集團若干預付土地租賃款項及位於中國樓宇之法定押記(附註11.5、19及17)；
- (ii) 本集團若干投資物業之法定押記(附註18)；及
- (iii) 本公司一名董事及若干獨立第三方作出之擔保。

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### 34. BORROWINGS (continued)

As at 31 December 2007, the Group's bank loans were repayable as follows:

### 34. 借貸(續)

於二零零七年十二月三十一日，本集團之銀行貸款須於以下年期償還：

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	112,815	116,353	-	3,652
In the second year	第二年	-	3,652	-	3,652
In the third to fifth year	第三年至第五年	-	10,955	-	10,955
Repayable within five years	五年內償還	112,815	130,960	-	18,259
After the fifth year	第五年後	-	40,741	-	40,741
		<b>112,815</b>	<b>171,701</b>	<b>-</b>	<b>59,000</b>

Included in borrowings of the Group are the following amounts denominated in a currency other than the functional currency of the entity to which it relates:

本集團借貸包括下列以有關實體之功能貨幣以外之貨幣為單位之款項：

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
RMB	人民幣	<b>106,046</b>	<b>85,800</b>

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### 35. DUE TO RELATED COMPANIES

As at 31 December 2007, amounts due to related companies are unsecured, interest-free and repayable on demand. One of the related companies has agreed not to demand repayment of the amount of HK\$191,490,000 due to it from the Group until such time when repayment will not affect the Remaining Group's ability to repay other creditors.

As at 31 December 2006, amounts due to related companies of HK\$180,000,000 were unsecured, interest bearing at rates ranging between 5.0% and 5.6% per annum and repayable on 18 December 2007. One of the related companies has agreed to extend the repayment date for the due amount of HK\$144,000,000 to 18 December 2008 when the Group is not financially viable to make the repayment on or before 18 December 2007.

### 36. DEFERRED TAX

Deferred taxation is calculated in full on temporary differences under the liability method using the principal taxation rate of 17.5% (2006: 17.5%).

Movement on the deferred tax liabilities/(assets) is as follows:

#### Deferred tax liabilities

At 1 January	於一月一日	-	794
Exchange difference	匯兌差額	-	32
Deferred tax charged to the results of the 2006 Disposal Group	於二零零六年出售組別業績扣除之遞延稅項	-	618
Transferred to liabilities directly associated with disposal group classified as held for sale (note 11)	轉撥至與分類為持作出售之出售組別直接應佔負債(附註11)	-	(1,444)
At 31 December	於十二月三十一日	-	-

### 35. 應付有關連公司欠款

於二零零七年十二月三十一日，應付有關連公司之欠款為無抵押、免息及須按要求償還。其中一家有關連公司已同意在影響餘下集團向其他債權人償還欠款之能力之情況下，不會要求本集團償還191,490,000港元之欠款。

於二零零六年十二月三十一日，應付有關連公司之欠款為180,000,000港元，為無抵押、按年利率5.0厘至5.6厘計息，並須於二零零七年十二月十八日償還。其中一家有關連公司同意，倘本集團財政能力不足以於二零零七年十二月十八日或之前償還欠款144,000,000港元，則將還款日期延至二零零八年十二月十八日。

### 36. 遞延稅項

遞延稅項就暫時差額按負債法採用主要稅率17.5%(二零零六年：17.5%)作全數撥備。

遞延稅項負債/(資產)變動載列如下：

#### 遞延稅項負債

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	-	794
Exchange difference	-	32
Deferred tax charged to the results of the 2006 Disposal Group	-	618
Transferred to liabilities directly associated with disposal group classified as held for sale (note 11)	-	(1,444)
At 31 December	-	-

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### 36. DEFERRED TAX (continued)

#### Deferred tax assets

At 1 January	於一月一日
Exchange difference	匯兌差額
At 31 December	於十二月三十一日

As at 31 December 2007, the Group has tax losses arising in Hong Kong of HK\$87,891,000 (2006: HK\$76,221,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as these losses were incurred by the companies that have been loss-making for some time.

During the year, there was no significant unrecognised deferred tax liability that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders during the year.

### 36. 遞延稅項(續)

#### 遞延稅項資產

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	1,062	1,021
Exchange difference	68	41
At 31 December	1,130	1,062

於二零零七年十二月三十一日，本集團於香港產生稅項虧損87,891,000港元(二零零六年：76,221,000港元)，有待與稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。由於產生稅項虧損之公司已錄得虧損一段時間，故並無就該等虧損確認任何遞延稅項資產。

年內，本集團並無任何重大未確認遞延稅項負債，原因為倘滙表已匯出，本集團亦無就此進一步繳付額外稅項之責任，故無須就其若干附屬公司未有滙出之盈利應付任何稅項。

年內，本公司並無因向其股東支付股息而須承擔任何所得稅責任。

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### 37. DEFERRED INCOME

### 37. 遞延收入

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	-	177,906
Exchange difference	匯兌差額	-	7,117
Transferred to liabilities directly associated with assets in disposal group classified as held for sale (note 11)	轉撥至分類為持作出售之出售組別資產直接應佔負債(附註11)	-	(185,023)
At 31 December	於十二月三十一日	-	-

Deferred income of HK\$177,906,000 are in fact government grant received in 2005 for partial refund of land premium in respect of a piece of land for a property redevelopment project situated in Beijing, the PRC. No other contingencies are attached to such grants.

As at 31 December 2006, this balance had all been classified as liabilities directly associated with assets in disposal group classified as held for sale (note 11).

There were no government grants recognised as income during the year ended 31 December 2007 and 31 December 2006.

在二零零五年之遞延收入177,906,000港元實質上為政府補助金，乃位於中國北京一項物業重建項目之地塊部分地價退款。該等補助金並無附有其他或然條件。

於二零零六年十二月三十一日，上述結餘全部分類為持作出售之出售組別資產直接應佔負債(附註11)。

於截至二零零七年十二月三十一日及二零零六年十二月三十一日止年度，並無政府補助金確認為收入。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 38. SHARE CAPITAL

### 38. 股本

		2007 二零零七年		2006 二零零六年	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
		'000 千股		'000 千股	
Authorised:	法定：				
Ordinary shares of HK\$0.10 each	每股面值0.10 港元之普通股	2,000,000	200,000	2,000,000	200,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	1,792,031	179,203	1,544,831	154,483
Placement of new shares	配售新股	-	-	247,200	24,720
At 31 December	於十二月三十一日	1,792,031	179,203	1,792,031	179,203

On 8 June 2006, the Company placed 247,200,000 new shares of HK\$0.10 each at a price of HK\$0.20 per share.

於二零零六年六月八日，本公司按每股0.20港元之價格配售247,200,000股每股面值0.10港元之新股。

### 39. SHARE-BASED EMPLOYEE COMPENSATION

The Company has a share option scheme which was adopted on 25 May 2001 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The share option scheme shall be valid and effective for a period of ten years ending on 24 May 2011, after which no further options will be granted. For options granted on or after 1 September 2001, the exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

### 39. 以股份為基礎的僱員補償

本公司於二零零一年五月二十五日採納一項優先認購股份權計劃，據此，本公司董事獲授權，可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納優先認購股份權，以認購本公司股份。優先認購股份權計劃於直至二零一一年五月二十四日前十年一直有效，該日後不可再授出優先認購股份權。就於二零零一年九月一日或以後授出之優先認購股份權而言，優先認購股份權之行使價為股份面值、於授出優先認購股份權當日股份在聯交所之收市價以及緊接授出優先認購股份權當日前五個營業日股份在聯交所之平均收市價之最高者。每份優先認購股份權賦予持有人權利認購一股股份。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 39. SHARE-BASED EMPLOYEE COMPENSATION (continued)

Pursuant to the amendments (the “New Rules”) to Chapter 17 of the Listing Rules, any options granted after September 2001 must comply with the provisions of the New Rules. If the Company wishes to grant options to its directors or other eligible participants in future, a new share option scheme in compliance with the New Rules is to be approved and adopted by the shareholders of the Company in a general meeting. Since the adoption of the New Rules, no new share option scheme has been approved nor adopted.

During the year, no share options were granted or exercised and there were no outstanding options at 31 December 2007 (2006: Nil).

### 40. RESERVES Group

The amounts of the Group’s reserves and the movements therein during the year are presented in the consolidated statement of changes in equity.

In accordance with the PRC regulations, certain of the Group’s subsidiaries registered in the PRC are required to transfer part of their profits after tax to the statutory reserve fund, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of the directors of these companies, in accordance with their joint venture agreements and/or articles of association. The statutory reserve fund is non-distributable and has restricted use.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves as explained in note 20 to the financial statements.

### 39. 以股份為基礎的僱員補償(續)

根據上市規則第17章之修訂(「新規則」)，所有於二零零一年九月後授出之優先認購股份權均須符合新規則之條文。倘本公司擬於將來向其董事或其他合資格參與者授出優先認購股份權，則必須經本公司股東於股東大會批准及採納符合新規則之新優先認購股份權計劃。自採納新規則以來，並無批准或採納任何新優先認購股份權計劃。

年內，概無優先認購股份權獲授出或行使，於二零零七年十二月三十一日，概無任何尚未行使優先認購股份權(二零零六年：無)。

### 40. 儲備 本集團

本集團於本年度之儲備數額及有關變動已載於綜合權益變動表中。

按照中國大陸規例，若干於中國大陸註冊之本集團附屬公司作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備基金。轉撥款額須由該等公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備基金不可分派，且其用途有所限制。

誠如財務報表附註20所闡釋，於過往年度收購附屬公司所產生商譽之若干數額仍於綜合儲備對銷。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 40. RESERVES (continued)

Company

### 40. 儲備(續)

本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	-	268,029	268,029
Premium on new shares	新股溢價	23,700	-	23,700
Net loss for the year (note 12)	本年度虧損淨額 (附註12)	-	(6,824)	(6,824)
At 31 December 2006 and at 1 January 2007	於二零零六年 十二月三十一日及 二零零七年一月一日	23,700	261,205	284,905
Net loss for the year (note 12)	本年度虧損淨額 (附註12)	-	(16,805)	(16,805)
<b>At 31 December 2007</b>	<b>於二零零七年 十二月三十一日</b>	<b>23,700</b>	<b>244,400</b>	<b>268,100</b>

### 41. OPERATING LEASE COMMITMENTS

41.1 At 31 December 2007, the total future minimum sublease payments expected to be received by the Group under non-cancellable subleases by the Group is as follows:

### 41. 經營租賃承擔

41.1 於二零零七年十二月三十一日，根據不可註銷之分租租約，本集團預期應收取之未來最低分租租賃款項總額如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	4,795	9,068
In the second to fifth years	第二年至第五年	26,709	30,335
After five years	五年後	39,812	49,006
		<b>71,316</b>	<b>88,409</b>

The Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years.

本集團根據經營租約安排出租其若干投資物業，該等租約之議定期介乎一年至二十年不等。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 41. OPERATING LEASE COMMITMENTS (continued)

41.2 At 31 December 2007, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

### 41. 經營租賃承擔(續)

41.2 於二零零七年十二月三十一日，根據不可註銷之經營租約，本集團應付之未來最低租賃款項總額如下：

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Remaining Group:</b>	<b>餘下集團：</b>				
Within one year	一年內	3,379	4,787	2,506	4,189
In the second to fifth years	第二年至第五年	24,075	2,192	22,029	—
		27,454	6,979	24,535	4,189
<b>Disposal Group:</b>	<b>出售組別：</b>				
Within one year	一年內	—	451	—	—
In the second to fifth years	第二年至第五年	—	—	—	—
		—	451	—	—
<b>Total</b>	<b>總計</b>	<b>27,454</b>	<b>7,430</b>	<b>24,535</b>	<b>4,189</b>

The Group and the Company lease certain offices and factory premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

本集團及本公司根據經營租約安排出租若干辦公室及工廠物業，該等租約之議定期期介乎一年至十年不等。

In addition, the Group is required to pay an annual fee in respect of a leasehold land in the PRC from the year 1992 up to the year 2042 with a 20% increment for every five years. During the year, an annual fee of HK\$432,000 (2006: HK\$420,000) was charged to the consolidated income statement of the Group.

此外，本集團自一九九二年至二零四二年起，須就其在中國之一幅租賃土地支付年費，年費每五年增加20%。年內，本集團支付年費432,000港元(二零零六年：420,000港元)已於綜合損益表扣除。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 42. CAPITAL COMMITMENTS

#### Group

### 42. 資本承擔

#### 本集團

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Contracted, but not provided for</b>	<b>已訂約但未撥備</b>		
Remaining group:	餘下集團：		
Acquisition of Beijing Haidian (note 26)	收購北京海澱 (附註26)	-	65,621
Purchases of property, plant and equipment	購買物業、廠房及設備	<b>13,934</b>	-
		<b>13,934</b>	65,621
Disposal group:	出售組別：		
Acquisition of Beijing Haidian (note 27)	收購北京海澱 (附註27)	-	25,934
Construction work for properties under development	發展中物業之建築工程	-	106,828
		-	132,762
Total commitments, contracted but not provided for	承擔總額，已訂約但未撥備	<b>13,934</b>	198,383
Total capital commitments	資本承擔總額	<b>13,934</b>	198,383

#### Company

#### 本公司

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Contracted, but not provided for</b>	<b>已訂約但未撥備</b>		
Acquisition of Beijing Haidian (note 26)	收購北京海澱 (附註26)	-	65,621

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 43. RELATED PARTY TRANSACTIONS

43.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(i) Sales of goods

Sales of goods to the joint venturer 向合營方銷售貨物

Sales to the joint venturer of the Group's jointly-controlled entity, of which a director of the Company is also a director.

(ii) Purchases of goods

Purchases of goods from the joint venturer 向合營方購買貨物

Purchases from the joint venturer of the Group's jointly controlled entity, of which a director of the Company is also a director.

### 43. 有關連人士交易

43.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：

(i) 銷售貨物

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
310,319	195,061

本公司一名董事亦為其董事之本集團共同控制實體之合營方所作銷售。

(ii) 購買貨物

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
761	966

本公司一名董事亦為其董事之本集團共同控制實體之合營方所作購買。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 43. RELATED PARTY TRANSACTIONS (continued)

43.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (Continued):

(iii) Purchases of plant and machinery

Purchases of plant and machinery from joint venturer	向合營方購買廠房及機器
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Purchases of plant and machinery from the joint venturer of the Group's jointly controlled entity, of which a director of the Company is also a director.

(iv) Rental income

Rental income received	已收租金收入
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This was received from a company of which a director of the Company is also director and this was charged at HK\$64,000 per month on average (2006: HK\$52,000).

(v) Outstanding balances arising from sales of goods included in trade receivables as appropriate:

Receivables from related party – joint venturer	應收有關連人士欠款 – 共同控制實體合營方
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### 43. 有關連人士交易(續)

43.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易(續)：

(iii) 購買廠房及機器

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
-	352

本公司其中一名董事兼任董事之本集團共同控制實體之合營方所購買廠房及機器。

(iv) 租金收入

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
771	642

上述租金乃向本公司一名董事亦為董事之公司收取租金為平均每月64,000港元(二零零六年：52,000港元)。

(v) 銷售貨物之未償付結餘已計入應收賬款(如適用)：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
14,080	80,522

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 43. RELATED PARTY TRANSACTIONS (continued)

43.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (Continued):

(vi) *Outstanding balances included in other receivables:*

Receivables from a subsidiary of a joint venturer	應收一家合營方之附屬公司欠款
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(vii) *Interest paid by the 2007 Discontinued Timber Business for the loan from related companies*

Loan interest paid to related companies	向有關連公司支付之貸款利息
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(viii) *Acquisition of an associate*  
In April 2006, the Group entered into an agreement with the joint venturer and an independent third party for the acquisition of 25% equity interest in Jiangsu Dartong from these two parties for a consideration of HK\$24,244,000 (note 24). In September 2006, the acquisition was completed and Jiangsu Dartong has been accounted for an associate of the Group using the equity method since that date.

(ix) *Acquisition of investment properties*  
During the year, the Group acquired an investment property from a company controlled by a close family member of a director of the Company at a consideration of HK\$10,332,000 (note 18).

### 43. 有關連人士交易(續)

43.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易(續)：

(vi) 已計入其他應收款之未償付結餘：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
5,117	-

(vii) 二零零七年已終止木材業務就有關連公司提供之貸款所支付利息

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
9,756	337

(viii) *收購一家聯營公司*  
於二零零六年四月，本集團與合營方及一名獨立第三方訂立協議，向該兩家訂約方以代價24,244,000港元收購江蘇大通25%股本權益(附註24)。收購於二零零六年九月完成，自該日起，江蘇大通已按權益法作為本集團一家聯營公司列賬。

(ix) *收購投資物業*  
年內，本集團以代價10,332,000港元向本公司董事之近親所控制的公司收購投資物業(附註18)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 43. RELATED PARTY TRANSACTIONS (continued)

#### 43.2 Key management personnel compensation:

Included in staff costs are key management personnel compensation and comprises the following categories:

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

The key management represents the executive directors of the Group. Further details of directors' emoluments are included in note 16 to the financial statements.

### 43. 有關連人士交易(續)

#### 43.2 主要管理人員之補償：

主要管理人員之補償計入員工成本內，包括以下類別：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short term employee benefits	8,110	8,132
Post-employment benefits	84	96
	<u>8,194</u>	<u>8,228</u>

主要管理人員為本集團執行董事。有關董事酬金之進一步詳情載於財務報表附註16。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 44. DISPOSALS OF THE 2006 DISPOSAL GROUP

As mentioned in note 1, on 22 May 2007, the Group has completed the disposals of its equity interest in the 2006 Disposal Group. Particulars of the disposal transaction are as follows:

### 44. 出售二零零六年出售組別

誠如附註1所述，於二零零七年五月二十二日，本集團已完成出售其於二零零六年出售組別之股本權益。出售交易詳情如下：

		HK\$'000 千港元
Net assets disposed of:	所出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	8,348
Investment properties	投資物業	32,551
Properties under development	發展中物業	1,001,745
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款	66,963
Trade receivables	應收賬款	5,470
Pledged deposits	已抵押存款	8,263
Cash and cash equivalents	現金及現金等價物	304,725
Trade payables	應付賬款	(92,445)
Deposits received from customers	已收客戶訂金	(337,848)
Other payables and accruals	其他應付款及應計費用	(52,901)
Tax payables	應付稅項	(9,783)
Borrowings	借貸	(527,496)
Deferred tax liabilities	遞延稅項負債	(1,474)
Deferred income	遞延收入	(188,799)
Amount due to related companies	應付有關連公司欠款	(10,449)
		<u>206,870</u>
Minority interests	少數股東權益	(30,194)
Tax on gain on disposal of the 2006 Disposal Group	出售二零零六年出售組別收益之稅項	<u>20,505</u>
		197,181
Gain on disposals of the 2006 Disposal Group (note 11)	出售二零零六年出售組別收益(附註11)	<u>366,806</u>
Total consideration	總代價	<u>563,987</u>
Satisfied by (note):	以下列方式支付(附註)：	
Available-for-sale financial assets	可供出售金融資產	563,950
Cash	現金	37
		<u>563,987</u>
An analysis of net outflow of cash and cash equivalents in respect of the disposals of the 2006 Disposal Group is as follows:	有關出售二零零六年出售組別之現金及現金等價物之現金流出淨額分析如下：	
Cash consideration received	已收現金代價	37
Cash and bank balances disposed of	已出售現金及銀行結餘	(304,725)
		<u>(304,688)</u>

Note: At 22 May 2007, Citychamp allotted and issued 72,720,000 shares (the "Consideration Shares") and paid RMB36,000 to the Group as the consideration. The Consideration Shares are subject to a three-year lock up period commencing in the date of issue of the Consideration Shares. The directors are of the opinion that the expected volatility and the effect of the three-year lock up period shall be taken into account in determining the fair value of the Consideration Shares at 22 May 2007. In these regards, the fair value of the Citychamp shares held by the Group have been revaluated by Asset Appraisal Limited, an independent professional qualified valuer, on the market approach.

附註：於二零零七年五月二十二日，冠城向本集團配發及發行72,720,000股股份(「代價股份」)及支付人民幣36,000元作為代價。代價股份受自代價股發行日期起為期三年之禁售期所限。董事認為，於釐定代價股份於二零零七年五月二十二日之公平值時，已考慮預計波幅及三年禁售期之影響。就此而言，本集團所持冠城股份之公平值已由獨立專業認可估值師資產評估顧問有限公司按市場法重新評估。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, trade payables, financial assets at fair value through profit or loss, other receivables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board has reviewed and agreed policies for managing each of these risks and they are summarised below.

#### 45.1 Interest rate risk

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain between 30% and 80% of its interest-bearing borrowings at fixed interest rates. The Group's fair value interest rate risk relates primarily to fixed-rate borrowings. The Group currently had not implemented any procedures to hedge its interest rate risk.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

At 31 December 2007, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit after tax and retained profits by approximately HK\$131,000 (2006: HK\$540,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2006.

### 45. 財務風險管理目標及政策

本集團之主要金融工具包括銀行貸款、現金及短期存款。此等金融工具之主要用途乃為本集團業務籌集資金。本集團有其他直接源自業務之金融資產及負債，例如應收賬款、應付賬款、按公平值計入溢利或虧損之金融資產、其他應收款及其他應付款。

本集團金融工具所產生主要風險為現金流量利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及協定管理上述各項風險之政策，有關政策概述如下。

#### 45.1 利率風險

本集團之政策為同時運用定息及浮息債務管理其利息成本。本集團之政策為將30%至80%計息借貸保持為定息借貸。集團之公平值利率主要與定息借貸有關。本集團現時並無實行任何程序對沖其利率風險。

本集團所承擔市場利率變動風險主要與本集團浮息債務責任有關。

於二零零七年十二月三十一日，假設所有其他因素維持不變，估計假如利率整體上調或下調50基點，將導致本集團之除稅後溢利及保留溢利減少或增加約131,000港元(二零零六年：540,000港元)。

上述敏感度分析乃假設利率於結算日出現變動，已應用於該日存在之衍生及非衍生金融工具利率風險。50基點上調或下調幅度反映管理層合理估計直至下個年度年結日止期間利率可能出現之變動。二零零六年之分析已採納相同基準進行。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 45.2 Foreign currency risk

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to RMB. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Substantial portion of the Group's revenue and costs are denominated in RMB. Thus, when RMB strengthens in value against the HK\$, as has occurred in 2007 and 2006, the Group's operating margins are positively impacted. The Group currently does not have a foreign currency hedging policy.

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's profit before income tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

### 45. 財務風險管理目標及政策(續)

#### 45.2 外匯風險

本集團面對多種貨幣之外匯風險，有關風險主要來自人民幣。外匯風險來自商業交易及確認資產與負債。此外，兌換人民幣為外幣須遵守中國政府頒佈之外匯管制規則及條例。

本集團大部分收入及成本以人民幣為單位。因此，倘人民幣兌港元如二零零七年及二零零六年般升值，本集團之業務邊際利潤將因而上升。本集團現時並無實行外幣對沖政策。

下表顯示假設所有其他因素維持不變，本集團於結算日之除所得稅前溢利(由於貨幣資產及負債公平值變動所致)及本集團權益對人民幣匯率可能出現之合理變動之敏感度分析。

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Trade and bills receivables	應收賬款及票據	41,409	90,937
Cash and cash equivalents	現金及現金等價物	46,686	35,612
Trade payables	應付賬款	(31,487)	(46,683)
Borrowings	借貸	(106,046)	(85,800)
Due to related companies	應付關連公司欠款	(196,752)	(180,000)
		(246,190)	(185,934)

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## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 45.2 Foreign currency risk (continued)

A 5% strengthening/weakening of HK\$ against RMB as at the respective balance sheet dates would increase/(decrease) profit after income tax (due to changes in the fair value of monetary assets and liabilities) by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit for the year:	本年度溢利：		
5% strengthening in HK\$	港元匯率上升5%	<u>13,095</u>	<u>9,297</u>
5% weakening in HK\$	港元匯率下跌5%	<u>(13,095)</u>	<u>(9,297)</u>

#### 45.3 Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets at fair value through profit or loss, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The maximum exposure to credit risk in respect of the financial guarantees at the balance sheet date was HK\$13,032,000 (2006: HK\$12,250,000).

### 45. 財務風險管理目標及政策(續)

#### 45.2 外匯風險(續)

假如港元兌人民幣匯率於有關結算日上升或下跌5%，(由於貨幣資產及負債公平值變動)，將令除所得稅後溢利將按下列金額增加(或減少)。此分析已假設所有其他因素尤其利率維持不變。

#### 45.3 信貸風險

本集團僅與信譽良好之第三方進行買賣。本集團之政策為全部獲授信貸期之客戶均須通過信貸評核程序。此外，本集團不斷監控應收款結餘，且其所面對壞賬風險並不重大。

本集團其他金融資產包括現金及現金等價物及按公平值計入溢利或虧損之金融資產，有關信貸風險源自訂約方失責，最高款額相等於該等工具賬面值。

由於本集團僅與信譽良好之認可第三方進行買賣，故毋須抵押品。

於結算日，財務擔保相關最高信貸風險為13,032,000港元(二零零六年：12,250,000港元)。

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### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 45.4 Liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly.

The Group maintains mainly cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

As at 31 December 2007 and 31 December 2006, the Group's financial liabilities have contractual maturities which are summarised below:

		Repayable on demand (note 35) 按要求償還 (附註35) HK\$'000 千港元	Within 3 months 3個月內 HK\$'000 千港元	4 to 6 months 4至6個月 HK\$'000 千港元	7 to 12 months 7至12個月 HK\$'000 千港元	Over 1 year 超過1年 HK\$'000 千港元
At 31 December 2007	於二零零七年 十二月三十一日					
Trade payables	應付賬款	-	33,497	-	-	-
Derivative financial instruments (on net settlement basis)	衍生金融工具 (按淨結算基準)	-	1,180	2,116	1,721	-
Borrowings	借貸	-	48,166	4,170	60,479	-
Due to related companies	應付有關連公司 欠款	209,311	-	-	-	-
		<u>209,311</u>	<u>81,663</u>	<u>4,170</u>	<u>60,479</u>	<u>-</u>
At 31 December 2006	於二零零六年 十二月三十一日					
Trade payables	應付賬款	-	46,683	-	-	-
Borrowings	借貸	-	8,303	9,800	98,250	55,348
Due to related companies	應付有關連公司 欠款	180,000	-	-	-	-
		<u>180,000</u>	<u>54,986</u>	<u>9,800</u>	<u>98,250</u>	<u>55,348</u>

### 45. 財務風險管理目標及政策(續)

#### 45.4 流動資金風險

本集團透過謹慎監控長期金融負債之還款期及日常業務現金流出，以管理其流動資金需要。本集團按日監察其流動資金需求。擁有360日固定期限之長期流動資金需求乃按月計算。

本集團主要利用現金維持其最多30日期間之流動資金需求。長期流動資金需求透過保持充足承諾信貸融資提供。

於二零零七年十二月三十一日及二零零六年十二月三十一日，本集團之金融負債按合約於下列期間到期：

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### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 45.5 Fair value risk

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity. The fair values of non-current financial assets and liabilities were not disclosed because the carrying values were not materially different from their fair values.

#### 45.6 Commodity price risk

The Group's exposure to commodity price risk relates principally to the market price fluctuation in copper which can affect the Group's results of operations.

The Group entered into forward contracts for the purchase of copper as set out in note 33. All forward commodity contracts can only be carried out at the approval of the management. In addition, the price range of the forward commodity contracts was closely monitored by the management.

At 31 December 2007, a reasonably possible increase/decrease of 10% in commodity price, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately HK\$3,592,000.

#### 45.7 Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as financial assets at fair value through profit or loss and available-for-sale financial assets. Other than unlisted equity investment held for strategic purposes, all of these investments are listed.

Decisions to buy or sell financial assets at fair value through profit or loss are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale financial assets were based on their longer term growth potential and are monitored regularly for performance against expectations.

### 45. 財務風險管理目標及政策(續)

#### 45.5 公平值風險

本集團現時金融資產及負債於即時或於短期內到期，故其公平值與賬面值並無重大差異，因此，並無披露非流動金融資產及負債之公平值。

#### 45.6 商品價格風險

本集團所面對商品價格風險主要與銅之市價波動有關，該等波動可能影響本集團之經營業績。

誠如附註33所述，本集團就購買銅訂立遠期合約。所有遠期商品合約僅可在獲得管理層批准之情況下進行。此外，遠期商品合約之價格水平受管理層密切監控。

於二零零七年十二月三十一日，假設所有其他變數不變，如商品價格合理上升/下跌10%，本集團之除稅後溢利及保留溢利將增加/減少約3,592,000港元。

#### 45.7 股價風險

本集團須面對來自分類為按公平值計入溢利或虧損之金融資產及可供出售金融資產之股本投資之股價變動。除持作策略目的之非上市股本投資外，此等投資均已上市。

買賣按公平值計入溢利或虧損之金融資產之決定乃按每日監察個別證券之表現及其他業內指標以及本集團之流動資金需要作出。本集團按投資於較長期間之增長潛力決定以可供出售金融資產持有之上市投資，並定期監察投資之表現是否符合預期。

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### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 45.7 Equity price risk (continued)

The following table indicates the approximate change in the Group's profit after tax and consolidated equity in response to reasonably possible changes in the share prices of the listed investments classified as financial assets at fair value through profit or loss and the price/earning ratios of comparable listed companies of the listed investment classified as available-for-sale financial assets to which the Group has significant exposure at the balance sheet date.

### 45. 財務風險管理目標及政策(續)

#### 45.7 股價風險(續)

下表顯示分類為按公平值計入溢利或虧損之金融資產之上市投資之股價及本集團於結算日所持大量分類為可供出售金融資產之上市投資之可資比較上市公司之市盈率之合理可能變動，對本集團之除稅後溢利及綜合權益之概約影響。

		2007 二零零七年		2006 二零零六年	
		Effect on profit after tax and retained profits 對除稅後 溢利及保留 盈利之影響 HK\$'000 千港元	Effect on investment revaluation reserve 對投資重估 儲備之影響 HK\$'000 千港元	Effect on profit after tax and retained profits 對除稅後 溢利及保留 盈利之影響 HK\$'000 千港元	Effect on investment revaluation reserve 對投資重估 儲備之影響 HK\$'000 千港元
Financial assets at fair value through profit or loss:	按公平值計入溢利或虧損之金融資產：				
Increase in the share prices of the listed investments by 5%	上市投資之股價上升5%	2,209	-	2,438	-
Decrease in the share prices of the listed investments by 5%	上市投資之股價下跌5%	(2,209)	-	(2,438)	-
Available-for-sale financial assets:	可供出售金融資產：				
Increase in price/earning ratios of comparable listed companies by 5%	可資比較上市公司市盈率上升5%	-	42,669	-	-
Decrease in price/earning ratios of comparable listed companies by 5%	可資比較上市公司市盈率下跌5%	-	(42,669)	-	-

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### 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 45.8 Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities excluding assets and liabilities in disposal group classified as held for sale at 31 December 2007 and 2006 may also be categorised as follows. See notes 3.14 and 3.15 for explanations about how the category of financial instruments affects their subsequent measurement.

(i) *Financial assets*

(i) 金融資產

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	82,362	39,836
Pledged deposits	已抵押存款	-	4,892
Available-for-sale financial assets	可供出售金融資產	853,380	-
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	44,178	48,765
Loans and receivables:	貸款及應收款：		
Trade and bills receivables	應收賬款及票據	44,052	90,937
Other receivables	其他應收款	70,678	20,348
		<b>114,730</b>	<b>111,285</b>
		<b>1,094,650</b>	<b>204,778</b>

(i) *Financial liabilities*

(ii) 金融負債

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Financial liabilities at fair value through profit or loss	按公平值計入溢利或虧損之金融負債		
Derivative financial instruments	衍生金融工具	5,017	-
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
Trade payables	應付賬款	33,497	46,683
Other payables	其他應付款	39,706	46,301
Borrowings	借貸	112,815	171,701
Due to related companies	應付關連公司欠款	209,311	180,000
		<b>395,329</b>	<b>444,685</b>
		<b>400,346</b>	<b>444,685</b>

### 45. 財務風險管理目標及政策(續)

#### 45.8 按組別金融資產及負債之概要

本集團之金融資產及負債(分類為持作出售之出售組別資產及負債除外)之賬面值於二零零七年及二零零六年十二月三十一日亦可能分類如下。見附註3.14及3.15關於金融工具之組別如何影響彼等其後之計算之解釋。

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### 46. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- (i) to ensure the Group's ability to continue as a going concern;
- (ii) to provide an adequate return to shareholders;
- (iii) to support the Group's sustainable growth; and
- (iv) to provide capital for the purpose of potential mergers and acquisitions.

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

The capital-to-overall financing ratio at balance sheet date was as follows:

### 46. 資金管理

本集團之資金管理目標為：

- (i) 確保本集團能夠持續經營；
- (ii) 為股東提供充足回報；
- (iii) 支持本集團持續增長；及
- (iv) 為潛在合併及收購提供資金。

本集團根據其整體財務結構釐定股本金額。本集團管理資金結構，並因應經濟狀況轉變及相關資產之風險特徵作出調整。為維持或調整資本結構，本集團或會調整向股東支付之股息、向股東退回資金、發行新股或出售資產以減低債務。

於結算日，資本佔整體融資比率如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Capital</b>	<b>資本</b>		
Total equity	權益總額	<u>1,215,766</u>	<u>570,638</u>
<b>Overall financing</b>	<b>整體融資</b>		
Borrowings	借貸	112,815	171,701
Due to related companies	應付有關連公司欠款	<u>209,311</u>	<u>180,000</u>
		<u>322,126</u>	<u>351,701</u>
Capital-to-overall financing ratio	資本佔整體融資比率	<u>3.77</u>	<u>1.63</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### 47. FINANCIAL GUARANTEE CONTRACTS

The Group's jointly controlled entity has executed guarantees amounting to approximately HK\$26,596,000 (2006: HK\$25,000,000) with respect to bank loans to the joint venturer (note 23). Under the guarantee, the Group's jointly controlled entity shall be liable to the bank if the bank is unable to recover the loan. At 31 December 2007 and 2006, no provision for the obligations of the Group's jointly controlled entity under the guarantee contract has been made as the directors consider that it is not probable that the repayments of the loan will be in default.

In 2006, the 2006 Disposal Group provided guarantees in favour of certain banks for mortgage loans granted by the banks to the buyers of the Group's properties under development to the extent of approximately HK\$328 million in aggregate. As at 31 December 2006, mortgage loans in aggregate of approximately HK\$265 million were utilised by the buyers of the 2006 Disposal Group's properties under development and properties for sale. No provision for the Group's obligations under the guarantee contract was made as the directors considered that it was not probable that the banks would exercise the guarantee for repayment of the loans when they were in default.

### 48. COMPARATIVE AMOUNTS

As further explained in notes 1 and 11, the comparative figures related to the discontinued operations for the year ended 31 December 2006 have been re-presented.

### 47. 財務擔保合約

本集團之共同控制實體就銀行授予合營方貸款簽立合共約26,596,000港元(二零零六年：25,000,000港元)之擔保(附註23)。根據該項擔保，倘銀行無法收回貸款，則本集團之共同控制實體須向銀行償還。於二零零七年及二零零六年十二月三十一日，由於董事認為合營方不可能不履行償還貸款責任，故本集團之共同控制實體並無就擔保合約項下之責任作出撥備。

於二零零六年，二零零六年出售組別向若干銀行就該等銀行向本集團發展中物業之買家提供之按揭貸款作出擔保，金額共約328,000,000港元。於二零零六年十二月三十一日，共約265,000,000港元之按揭貸款已由二零零六年出售組別發展中及待售物業之買家動用。由於董事認為銀行不大可能在借款人拖欠貸款之情況下行使有關擔保，故本集團之共同控制實體並無就擔保合約項下之責任作出撥備。

### 48. 比較數字

誠如附註1及11所闡釋，有關截至二零零六年十二月三十一日止年度已終止經營業務之比較數字已重新呈列。

# FIVE YEAR FINANCIAL SUMMARY

## 五年財務資料摘要

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度



### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2007	2006	2005	2004	2003
		二零零七年	二零零六年	二零零五年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	(Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>					
Revenue	收入	<b>576,058</b>	330,774	144,847	108,965	92,563
Cost of sales	銷售成本	<b>(468,903)</b>	(251,462)	(78,713)	(53,368)	(44,997)
<b>Gross profit</b>	<b>毛利</b>	<b>107,155</b>	79,312	66,134	55,597	47,566
Other revenue and financial revenue	其他收入及財務收益	<b>16,560</b>	11,449	3,755	(526)	9,520
Selling and distribution expenses	銷售及分銷成本	<b>(54,708)</b>	(45,602)	(36,259)	(29,054)	(29,691)
Administrative expenses	行政費用	<b>(65,910)</b>	(51,906)	(47,308)	(39,078)	(14,369)
Gain/(loss) on fair value changes in financial assets at fair value through profit or loss, net	按公平值計入溢利或虧損之金融資產公平值變動之收益/(虧損)淨額	<b>24,629</b>	38,589	13,335	2,214	-
Net surplus/(deficits) on revaluation of investment properties	投資物業重估盈餘/(虧損)淨額	<b>10,178</b>	22,031	996	-	(2,495)
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	<b>48,383</b>	-	-	-	-
Gain on disposal of investment properties	出售投資物業收益	<b>22,853</b>	-	-	-	-
Other operating income/(expenses), net	其他經營收入/(開支)淨額	<b>4,614</b>	3,473	2,594	40,940	(41,286)
Finance costs	財務費用	<b>(7,157)</b>	(2,880)	-	(3,332)	(33)
Write-back of provision for other receivables	撥回其他應收款撥備	<b>-</b>	-	-	-	16,382
Share of results of associates	應佔聯營公司業績	<b>2,212</b>	5,028	-	-	-
Gain on disposals of subsidiaries	出售附屬公司收益	<b>-</b>	-	-	59	-
<b>Profit/(loss) before income tax</b>	<b>除所得稅前溢利/(虧損)</b>	<b>108,809</b>	59,494	3,227	26,820	(14,406)
Income tax expense	所得稅開支	<b>(7,168)</b>	(7,815)	(3,362)	(2,458)	(661)
Profit/(loss) after income tax from continuing operations	持續經營業務除所得稅後溢利/(虧損)	<b>101,641</b>	51,679	(135)	24,362	(15,067)

# FIVE YEAR FINANCIAL SUMMARY

## 五年財務資料摘要

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



### RESULTS (continued)

### 業績(續)

		Year ended 31 December 截至十二月三十一日止年度				
		2007	2006	2005	2004	2003
		二零零七年	二零零六年	二零零五年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(重列)	(重列)	(重列)	(重列)
<b>Discontinued operations</b>	<b>已終止經營業務</b>					
Profit/(loss) from discontinued operations	已終止經營業務溢利/(虧損)	<b>325,566</b>	(29,612)	(43,576)	(12,942)	(16,819)
<b>Profit/(loss) for the year</b>	<b>本年度溢利/(虧損)</b>	<b>427,207</b>	22,067	(43,711)	11,417	(31,886)
Attributable to:	以下人士應佔:					
Equity holders of the Company	本公司權益持有人	<b>427,467</b>	22,347	(43,275)	11,373	(31,994)
Minority interest	少數股東權益	<b>(260)</b>	(280)	(436)	44	108
<b>Profit/(loss) for the year</b>	<b>本年度溢利/(虧損)</b>	<b>427,207</b>	22,067	(43,711)	11,417	(31,886)

### ASSETS, LIABILITIES AND MINORITY INTEREST

### 資產、負債及少數股東權益

		As at 31 December 於十二月三十一日				
		2007	2006	2005	2004	2003
		二零零七年	二零零六年	二零零五年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	<b>1,685,361</b>	2,077,710	1,546,256	1,137,547	1,163,703
Total liabilities	總負債	<b>(469,595)</b>	(1,507,072)	(1,066,361)	(636,533)	(667,057)
Minority interest	少數股東權益	<b>(2,392)</b>	(32,703)	(20,877)	(2,121)	(9,246)
		<b>1,213,374</b>	537,935	459,018	498,893	487,400

# SCHEDULE OF PRINCIPAL INVESTMENT PROPERTIES

## 主要投資物業附表

31 December 2007 二零零七年十二月三十一日



Description 詳情	Group interest 集團權益	Use 用途	Tenure 年期
<b>Remaining Group:</b> 保留組別：			
Flat B, 21st Floor, Jolly Villa, No. 8 Tai Hang Road, Hong Kong and Car parking space No. 32 on 3rd Floor of the same building 香港大坑道8號竹麗苑21樓B室 及同一幢樓宇內3樓之32號車位	100%	Residential 住宅	Short term lease 短期租約
Industrial Complex, including Dormitories In the Sixth Industrial Zone Houjie Town, Dongguan County Guangdong Province The People's Republic of China (the "PRC") 中華人民共和國(「中國」)廣東省東莞市厚街鎮 第六工業區工廠綜合大樓(包括宿舍)	100%	Industrial/ Residential 工業/住宅	Medium term lease 中期租約
2nd Lower Ground Level Jin Hua Building Yan He South Road Luohu District, Shenzhen Guangdong Province The PRC 中國廣東省深圳市羅湖區 沿河南路錦花大廈底下層二層	100%	Commercial 商業	Medium term lease 中期租約
Shops at Street Nos. 13, 14 and 15 New City Centre Plaza Garden Nos. 459, 461 and 463 Xiang Hua Road Zhuhai City Guangdong Province The PRC 中國廣東省珠海市 香華路459、461和463號 新城市中心花園，商舖13、14和15號	100%	Commercial 商業	Medium term lease 中期租約