



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

2008



**BROTHERHOOD**  
兄弟情誼



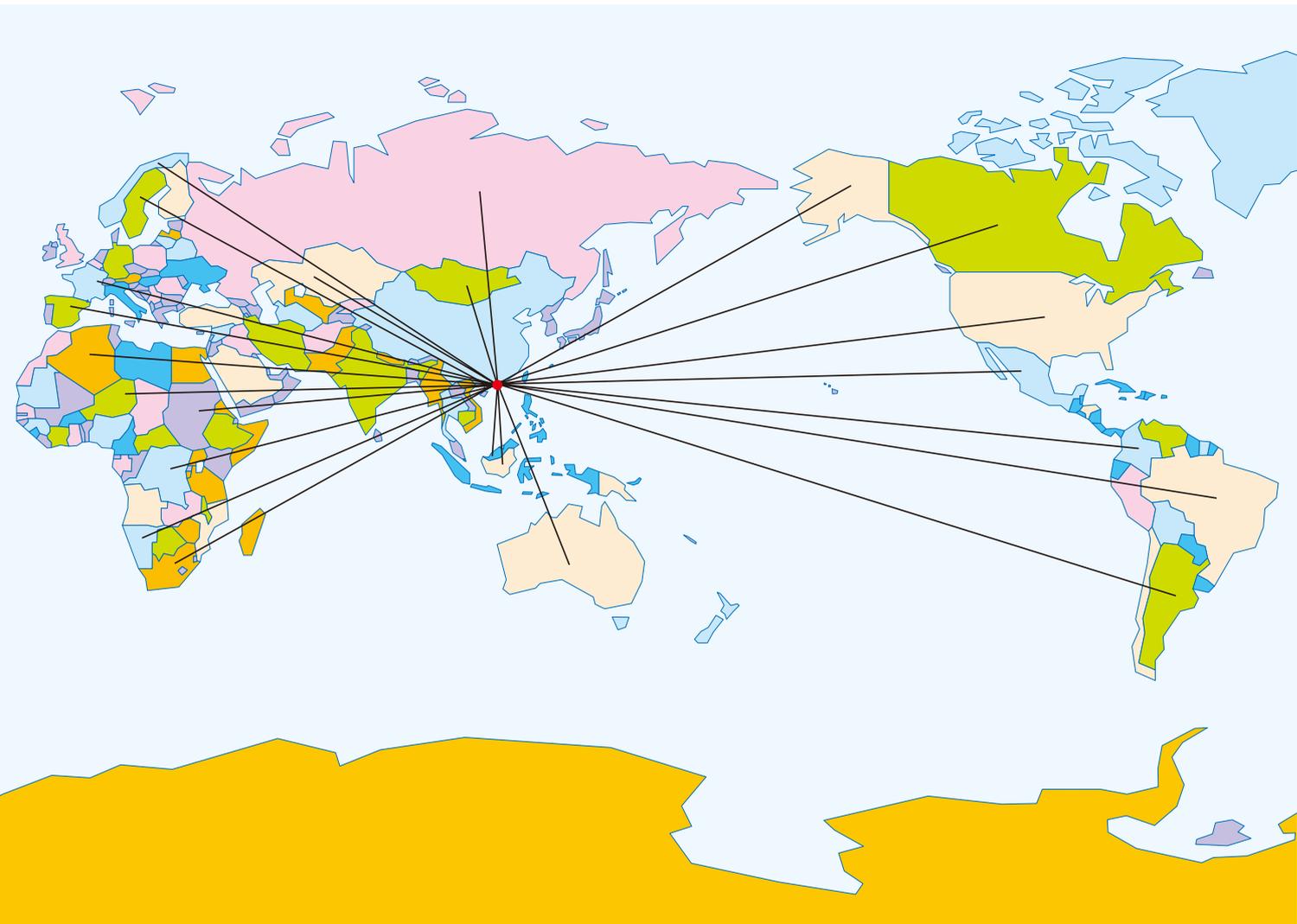
**EBOHR**  
依波表



**羅西尼表**  
ROSSINI WATCH



**PAMA** 帕玛

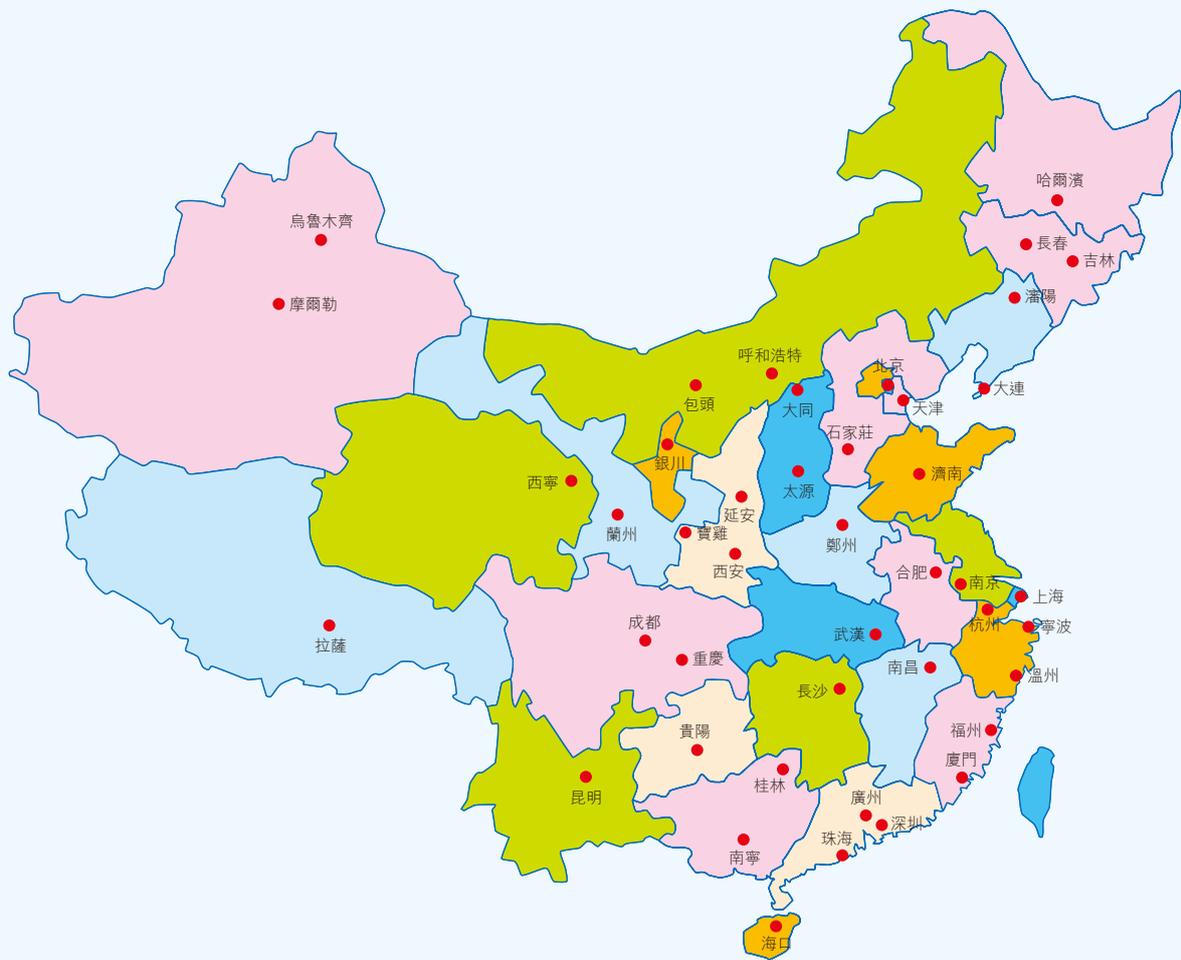


**EBOHR**  
依波表

**羅西尼表**  
ROSSINI WATCH

**PAMA** 帕瑪

**世界市場 Global Market**



**EBOHR**  
依波表

**羅西尼表**  
ROSSINI WATCH

**PAMA** 帕瑪

**中國主要銷售地點**  
**Major Distribution Points in China**

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## CORPORATE INFORMATION

### 公司資料

#### BOARD OF DIRECTORS

##### Executive Directors

HON Kwok Lung (Chairman)  
 WANG Shaolan (Vice Chairman)  
 (Resigned on 29 December 2008)  
 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

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

#### SHARE REGISTRAR IN HONG KONG

Tricor 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)  
 (於二零零八年十二月二十九日辭任)  
 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

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

#### 香港股份過戶登記處

卓佳秘書商務有限公司  
 香港  
 灣仔  
 皇后大道東28號  
 金鐘匯中心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>

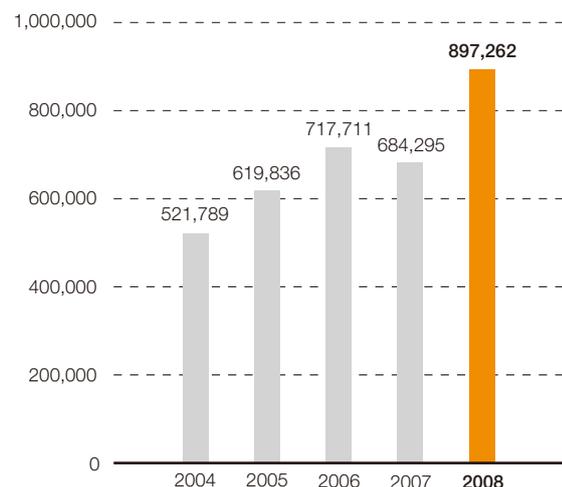
# FINANCIAL HIGHLIGHTS

## 財務摘要

### REVENUE

收入

HK\$'000  
千港元

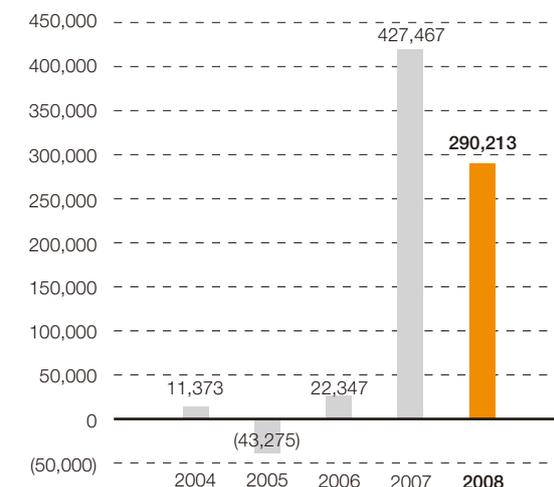


Total revenue including both continuing and discontinued operations  
包括持續經營及已終止經營業務之總收入

### PROFIT/(LOSS)

溢利/(虧損)

HK\$'000  
千港元

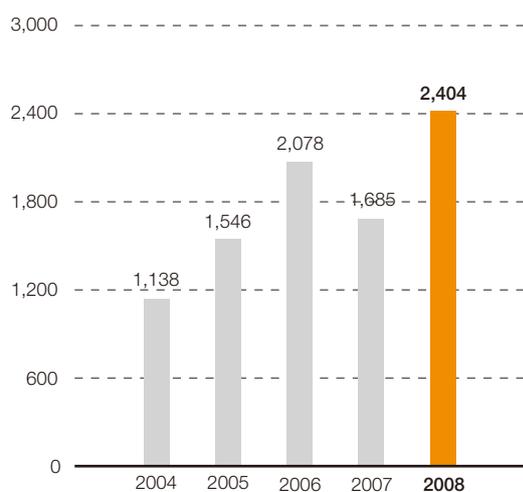


Profit/(Loss) attributable to equity holders of the Company  
本公司權益持有人應佔溢利/(虧損)

### TOTAL ASSETS

總資產

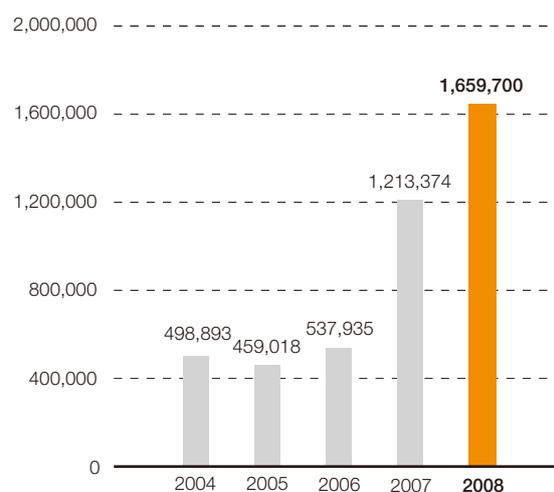
HK\$ million  
港幣百萬元



### SHAREHOLDERS' EQUITY

股東權益

HK\$'000  
千港元



Equity attributable to equity holders of the Company  
本公司權益持有人應佔權益

## CORPORATE HIGHLIGHTS IN 2008

### 二零零八年公司大事記要

#### JUNE 2008 二零零八年六月

The Company injected equity funds of RMB4,475,000 into Jiangsu Dartong M&E Co. Ltd. ("Jiangsu Dartong"). Following the equity injection, the Company's interest in Jiangsu Dartong was increased to 25.58% and the total issued capital of Jiangsu Dartong was RMB115,234,000.

EBOHR Luxuries International Ltd. ("EBOHR") and Zhuhai Rossini Watch Industry Ltd. ("Rossini") have been awarded China's 500 most valuable brands for the year 2008 by the World Brand Laboratory.

本公司向江蘇大通機電有限公司(「江蘇大通」)注入股本資金人民幣4,475,000元。注資後，本公司於江蘇大通之權益增至25.58%，而江蘇大通之已發行股本總額為人民幣115,234,000元。

於二零零八年，依波精品(深圳)有限公司(「依波精品」)及珠海羅西尼錶業有限公司(「羅西尼」)榮獲世界品牌實驗室頒發中國500最具價值品牌。

#### SEPTEMBER 2008 二零零八年九月

Rossini has been awarded the Asia's 500 most influential brands for the year 2008 by the World Brand Laboratory.

於二零零八年，羅西尼榮獲世界品牌實驗室頒發亞洲品牌500強榮譽稱號。

#### OCTOBER 2008 二零零八年十月

The Company acquired 100% of the issued capital of Jia Cheng Investment Limited ("Jia Cheng") for a consideration of HK\$525 million satisfied by the allotment and issue of 1,750 million shares of the Company at HK\$0.30 each. Jia Cheng owns 91% of Rossini. Pursuant to the relevant accounting standard, the fair value of the shares issued was HK\$665 million based on the market price of the share of HK\$0.38 each as of the completion date.

本公司收購佳城投資有限公司(「佳城」)100%已發行股本，代價為525,000,000港元，按每股0.30港元之價格配發及發行1,750,000,000股本公司股份之方式支付。佳城擁有羅西尼91%權益。根據相關會計準則，按完成日期每股0.38港元之市價計算，已發行股份之公平值為665,000,000港元。

#### NOVEMBER 2008 二零零八年十一月

EBOHR set up a 100% owned subsidiary, PAMA Precision Manufacturing Limited with share capital of RMB10 million for manufacturing luxurious watches.

The open auction of land in Shenzhen owned by Seti Timber Industry (Shenzhen) Co., Ltd., a 100% owned subsidiary of the Company, at a consideration of RMB800 million was executed. A joint venture, 70% owned by Citychamp Dartong Company Limited and 30% owned by the Company, won the bid at the open auction and would develop the land into a residential, commercial, office and hotel complex with total gross floor area of 205,693 sqm.

依波精品成立全資附屬公司深圳市帕瑪精品制造有限公司，股本為人民幣10,000,000元，製造名貴鐘錶。

本公司全資附屬公司森帝木業(深圳)有限公司擁有之深圳土地於公開拍賣中以代價人民幣800,000,000元成交。一家由冠城大通股份有限公司及本公司分別擁有70%及30%之合資公司於公開拍賣成功投得土地，並將土地發展為住宅、商業、辦公室及酒店綜合項目，總建築面積為205,693平方米。

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

### EXECUTIVE DIRECTORS

#### HON Kwok Lung (Chairman)

Mr. Hon Kwok Lung, aged 54, 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 wires and property development in the Mainland China. Mr. Hon has extensive business experience in the Mainland China. 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 46, 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. He resigned on 29 December 2008.

#### SHANG Jianguang (Chief Executive Officer)

Mr. Shang Jianguang, aged 57 and graduated in Fuzhou University majoring in Chemistry, is a qualified senior engineer in the 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 45, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering from Wuhan University of Technology (formerly known as Wuhan Industrial University). Mr. Shi has years of business experience in the Mainland China. He has also been appointed as an Executive Director of New Capital International Investment Limited, a company whose shares are listed on the Stock Exchange, since November 2006. He joined the Board in April 2004.

### 執行董事

#### 韓國龍(主席)

韓國龍先生，現年五十四歲，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，現年四十六歲，持有清華大學工程學學士學位和北京大學經濟學碩士學位。王先生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。彼於二零零八年十二月二十九日辭任。

#### 商建光(行政總裁)

商建光先生，現年五十七歲，畢業於福州大學化工專業，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，現年四十五歲，持有清華大學工程學學士學位，並持有武漢理工大學（前稱武漢工業大學）工程碩士學位。石先生於中國商界累積多年經驗。彼亦已獲委任為新資本國際投資有限公司執行董事，該公司股份自二零零六年十一月於聯交所上市。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 51, has various years of experience in property development in the Mainland China. 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 32 and 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 52, 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 ("HKICPA"), the Chartered Association of Certified Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. He has also been appointed as the independent non-executive director of New Capital International Investment Limited since April 2004 and of Jiwa Bio-Pharm Holdings Limited since September 2004. Both companies' shares are listed on the Stock Exchange. He joined the Board in April 2004.

#### 林代文

林代文先生，現年五十一歲，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，現年三十二歲，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，現年五十二歲，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（「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。彼亦分別自二零零四年四月及自二零零四年九月起獲委任為新資本國際投資有限公司及積華生物醫藥控股有限公司之獨立非執行董事，兩家公司之股份均於聯交所上市。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

### **KWONG Chun Wai, Michael**

Dr. Kwong Chun Wai, Michael, aged 44, is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing, a member of the Hong Kong Logistics Association, a certified professional marketer of the Hong Kong Institute of Marketing and a business strategist specialising in the area of marketing and business administration. 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 has also been appointed as an independent non-executive director of New Capital International Investment Limited, a company whose shares are listed on the Stock Exchange, since November 2006. He joined the Board in April 2004.

### **LI Qiang**

Mr. Li Qiang, aged 43, 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 15 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 46, 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 Mainland China 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.

### **鄭俊偉**

鄭俊偉博士，現年四十四歲，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、香港市務學會認許市務師以及專門於市場推廣及商業行政之業務策略師。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。鄭博士亦自二零零六年十一月起獲委任為新資本國際投資有限公司之獨立非執行董事，該公司股份於聯交所上市。彼於二零零四年四月加入本公司董事會。

### **李強**

李強先生，現年四十三歲，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十五年豐富經驗。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，現年四十六歲，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。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高層管理人員

#### TAO Li

Mr. Tao Li, aged 56, is the Vice President of the Company. He is also a Director and General Manager of several subsidiaries of the Company 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 25 years of experience in business administration, marketing and international trading. He has been working with the Group since 1991.

#### YIN Weirong

Mr. Yin Weirong, aged 52, 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. Mr. Yin 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 29 years of corporate management developing markets in the PRC and overseas, he joined the Company in April 2007.

#### XUE Mingdeng

Mr. Xue Mingdeng, aged 47, 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.

#### 陶立

陶立先生，現年五十六歲，為本公司副總裁及若干附屬公司之董事兼總經理，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二十五年經驗，彼於一九九一年加入本集團。

#### 尹偉榕

尹偉榕先生，現年五十二歲，持有高級經濟師職稱，為本公司副總裁及若干附屬公司之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超過二十九年豐富經驗。彼於二零零七年四月加入本集團。

#### 薛命燈

薛命燈先生，現年四十七歲，一九八八年畢業於江西財經學院，持有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

### MAJOR ACHIEVEMENTS

2008 was an important year for China Haidian Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"). Two strategic moves, namely acquisition of Jia Cheng Investment Limited ("Jia Cheng") and auction of land in Shenzhen, were made during the year.

The Company acquired 100% of the issued capital of Jia Cheng for a consideration of HK\$525 million satisfied by the allotment and issue of 1,750 million shares of the Company at HK\$0.30 each. Jia Cheng owns 91% of Zhuhai Rossini Watch Industry Ltd. ("Rossini"). Pursuant to the relevant accounting standard, the fair value of the shares issued was HK\$665 million based on the market price of the share of HK\$0.38 each as of the completion date.

The open auction of land in Shenzhen was completed at a consideration of RMB800 million. The land was previously occupied by the production plant of Seti Timber Industry (Shenzhen) Co., Ltd. ("Seti"), a 100% owned subsidiary of the Company. Pursuant to the Land Resumption Agreement, the Shenzhen Government would pay 89.5% of the consideration to Seti as compensation for the land resumption. A joint venture, 30% owned by the company won the bid at the open auction and would develop the land into a residential, commercial, office and hotel complex with total gross floor area of 205,693 sq.m.. The remaining 70% of the joint venture is owned by Citychamp Dartong Company Limited ("Citychamp Dartong"). 50% of gain from the land auction and resumption has been accounted for in 2008; the remaining 50% would be fully reflected in 2009.

### OVERALL RESULT

Our net profit attributable to shareholders for the year ended 31 December 2008 was HK\$290,000,000. Net asset value per share is HK\$0.47. The Board of Directors recommends a final dividend of HK2.50 cents per share.

### 主要成就

二零零八年對中國海澱集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)而言為關鍵的一年。年內曾進行兩項策略舉動，分別為收購佳城投資有限公司(「佳城」)及投得深圳土地。

本公司收購佳城100%已發行股本，代價為525,000,000港元，透過以每股0.30港元之價格配發及發行1,750,000,000股本公司股份之方式支付。佳城擁有珠海羅西尼錶業有限公司(「羅西尼」)91%權益。根據相關會計準則，按完成日期每股0.38港元之市價計算，已發行股份之公平值為665,000,000港元。

公開拍賣深圳土地以代價人民幣800,000,000元成交。本公司之全資附屬公司森帝木業(深圳)有限公司(「森帝」)之前曾佔用該土地用作生產廠房。根據收回土地協議，深圳政府將向森帝支付89.5%代價，作為收回土地賠償。本公司持有30%權益之合資公司於公開拍賣成功投得土地，並將發展為住宅、商業、辦公室及酒店綜合項目，總建築面積為205,693平方米。合資公司餘下70%權益由冠城大通股份有限公司(「冠城大通」)擁有。土地拍賣及收回之50%收益已於二零零八年入賬，而餘下50%將於二零零九年全面反映。

### 整體業績

截至二零零八年十二月三十一日止年度，股東應佔純利為290,000,000港元。每股資產淨值為0.47港元。董事會建議末期股息為每股2.50港仙。

## CHAIRMAN'S STATEMENT

### 主席報告

#### WATCHES AND TIMEPIECES BUSINESS

EBOHR Luxuries International Ltd. ("EBOHR"), a wholly subsidiary of the Group, strived to make progress in increasing unit price, gross margin, net margin and revenue per outlet in 2008. Its net profit in 2008 increased by 39% to HK\$43,777,000. During 2008, Rossini contributed net profit of HK\$11,165,000 to the Group after the acquisition was duly completed on 15 October 2008. Such acquisition would not only generate increasing revenue and profit but also strengthen the leading position of the Group in the watches and timepieces industry in the Mainland China. These two brands are two of the top four domestic brands in the Mainland China, which account for over 40% share of domestic-made watch market in 2008.

#### ENAMELLED COPPER WIRES BUSINESS

Though both enamelled copper wires companies currently went through a difficult period amid the industry consolidation, they were able to draw customers away from peers that were relatively leveraged or might be suffering short-term cash flow problems with their strong balance sheet. It is believed that their performance will improve after the industry consolidation given our distinguished product quality, customer quality and production scale.

#### EQUITY INVESTMENT IN CITYCHAMP DARTONG

During the year, the Group recorded dividend income of HK\$73,624,000 from Citychamp Dartong which consisted of the dividend income from 11,819,909 bonus shares of HK\$72,128,000 and a cash dividend of HK\$1,496,000. The investment in Citychamp Dartong provides the Group with recurring income and long-term capital gain.

#### PROSPECTS

The economic growth of the Mainland China was dragged by the global financial crisis in the second half of 2008. However, the Mainland China, with its impressive strength, is able to rise to the challenge. It has more than US\$2 trillion in foreign exchange reserves, the largest in the world, as well as solid fiscal and current account surpluses to serve as major cushions against external shocks. The Mainland China's RMB4 trillion stimulus package demonstrated its extensive resource and determination to combat the slowdown in the economic growth. These measures together with the financing readiness of the PRC banks shall help maintain the growth in investment, consumption and income. The relatively strong domestic economy and the stimulus measures will translate into a speedy economic recovery.

#### 鐘錶業務

於二零零八年，本集團全資附屬公司依波精品(深圳)有限公司(「依波精品」)致力提高各分店之單位售價、毛利率、純利率及收入。二零零八年之純利增加39%至43,777,000港元。於二零零八年，羅西尼於二零零八年十月十五日收購正式完成後，向本集團貢獻純利11,165,000港元。有關收購不僅帶動收入及溢利增加，亦有助鞏固本公司於中國大陸鐘錶業之領導地位。該兩個品牌高踞中國本地四大品牌其中兩席，於二零零八年佔本地製手錶市場份額超過40%。

#### 漆包銅線業務

儘管漆包銅線公司正值行業整合之艱難時刻，惟憑藉其雄厚資產，可自其他出現相關融資困難或可能遇到短期現金問題之同業手中爭取客戶。基於本集團品質、客戶質素及生產規模與眾不同，故相信其表現在行業整合後將有所改善。

#### 於冠城大通之股本投資

年內，本集團自冠城大通錄得股息收入73,624,000港元，其中72,128,000港元股息收入以11,819,909股紅股方式派發，另加現金股息1,496,000港元。投資於冠城大通為本集團帶來經常性收入及長期資本收益。

#### 前景

中國大陸經濟增長於二零零八年下半年備受環球金融危機所拖累。然而，中國大陸憑藉其過人優勢，將得以克服挑戰。其坐擁超過2萬億美元之外匯儲備，冠絕全球，加上穩健的財政及經常賬盈餘均為抵禦外圍衝擊之主要後盾。中國大陸之人民幣4萬億元刺激方案，彰顯其資源充沛以及對抗經濟增長放緩之決心。此等措施，加上中國各大銀行之備用融資，將有助維持投資、消費及收入增長。國內相對較強之經濟表現及刺激措施將轉化為經濟迅速復甦之動力。

## CHAIRMAN'S STATEMENT 主席報告

While the road ahead is challenging, we are committed to building a portfolio covering extensive products and markets through various watch companies. The acquisition of Rossini is the first of a series of intended acquisitions. With a strong balance sheet and recurring income from EBOHR and Rossini and proceeds from the land sale, the Group would have sufficient funding to acquire quality watch companies at attractive cost given the current dried up capital markets. The Group intended to achieve growth internally and externally against the background of increasing demand for cost-effective local watches amid the ongoing process of urbanization in the Mainland China.

As we look forward to a more promising year in 2009, we believe our major achievements during 2008 will create long-term sustainable value for the Group. The expected economic recovery in the near future would certainly benefit the watch and timepieces business, enamelled copper wires business and performance of Citychamp Dartong.

### 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 2009

儘管前路仍然挑戰重重，本集團致力透過多家鐘錶公司，建立涵蓋更多產品及市場覆蓋面之組合。收購羅西尼為一連串擬進行收購之第一步。憑藉雄厚資產、依波精品及羅西尼所帶來之經常性收入以及出售土地收益，本集團將擁有足夠資金，於現時乾涸的資本市場，以具吸引力之成本購入高質素之鐘錶公司。中國大陸城市化持續，在具成本效益之本土鐘錶需求日趨殷切之背景下，本集團矢志達到內外增長之目標。

隨著本集團展望二零零九年前景更為美好，本集團相信二零零八年之主要成就將為本集團創造長遠可持續價值。預期不久將來之經濟復甦，定必利好鐘錶業務、漆包銅線業務及冠城大通之表現。

### 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，本人亦藉此機會表達謝意。

**主席**  
**韓國龍**

香港，二零零九年四月十七日

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### REVIEW OF RESULTS

For the year ended 31 December 2008, the Group's revenue (continuing and discontinued operations) amounted to HK\$897,262,000, an increase of HK\$212,967,000 over the last year. Gross profit increased by HK\$55,015,000 to HK\$164,903,000 while net profit attributable to equity holders decreased by HK\$137,254,000 to HK\$290,213,000. Earnings per share decreased from HK23.85 cents in 2007 to HK13.44 cents in 2008. The decrease in net profit and earnings per share was due to the exceptional gain on disposal of the entire equity interest in Beijing Jing Guan Property Development Co. Ltd., a wholly owned subsidiary of the Group and 80% equity interest in Beijing Xin Yang Property Development Co. Ltd. in 2007.

#### (1) Investment in Citychamp Dartong Company Limited ("Citychamp Dartong")

During the year, the Group received 11,819,909 bonus shares and cash dividend of HK\$1,496,000 from Citychamp Dartong, being 14.78% owned by the Group.

On 31 March 2009, Citychamp Dartong announced its results under PRC GAAP for the year ended 31 December 2008. The earnings per share for the year is RMB0.27, which represents a decrease of 18.18% as compared with last year.

The annual dividends from Citychamp Dartong will provide recurring source of profit and funds for working capital.

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

Seti Timber and the Shenzhen Government entered into an agreement on 3 December 2007. Pursuant to the agreement, the Shenzhen Government will (1) resume the land granted to Seti Timber and will retain 50% of area of the land and will arrange for the remaining 50% of area of the land to be auctioned for sale at the open auction; (2) compensate Seti Timber for the land resumption by paying Seti Timber 89.5% of the proceeds from the sale of 50% area of the land; (3) change the land use from industrial to residential and commercial for the portion of land to be auctioned.

#### 業績回顧

截至二零零八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897,262,000港元，較去年上升212,967,000港元。毛利增加55,015,000港元至164,903,000港元，而權益持有人應佔純利則減少137,254,000港元至290,213,000港元。每股盈利由二零零七年23.85港仙減少至二零零八年13.44港仙。純利及每股盈利減少乃由於二零零七年出售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及北京鑫陽房地產開發有限公司80%股本權益獲得額外收益所致。

#### (1) 於冠城大通股份有限公司(「冠城大通」)的投資

年內，本集團自其擁有14.78%權益之冠城大通收取11,819,909股紅股及1,496,000港元現金股息。

於二零零九年三月三十一日，冠城大通公佈其根據中國公認會計原則編製截至二零零八年十二月三十一日止年度的業績。年內每股盈利為人民幣0.27元，較去年減少18.18%。

自冠城大通收取的年度股息將為營運資金提供經常性溢利及資金來源。

#### (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%面積及安排於公開拍賣出售該土地餘下50%面積；(2)向森帝木業支付銷售該50%土地面積所得款項的89.5%，以就收回土地補償森帝木業；(3)將部分拍賣土地由工業用途改為住宅及商業用途。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The gain expected to accrue to Seti Timber is 89.5% of the proceeds from the sale of the 50% of area of the land minus the net asset value of the land and the relevant land restoration costs. On 26 November 2008, the open auction of land in Shenzhen at a consideration of RMB800 million was executed. A joint venture, 70% owned by Citychamp Dartong Company Limited and 30% owned by the Company, won the bid at the open auction and would develop the land into a residential, commercial, office and hotel complex with total gross floor area of 205,693 sq.m.. The Group's share of registered capital and the consideration was RMB270 million (equivalent to approximately HK\$306.8 million) in aggregate and there was no other funding requirement from the Group for the development. 50% of gain from the land auction and resumption has been accounted for in 2008; the remaining 50% would be fully reflected in 2009.

#### (3) Watches and timepieces business

EBOHR Luxuries International Ltd. ("EBOHR"), a wholly-owned subsidiary of the Group, achieved satisfactory result in 2008. Revenue was HK\$224,434,000, an increase of HK\$59,107,000, or 36%, from HK\$165,327,000 for the last year, contributing net profit of approximately HK\$43,777,000 to the Group. EBOHR was characterized by increasing unit price, gross margin, net margin and revenue per outlet. During 2008, EBOHR has established PAMA Precision Manufacturing Ltd that focus on gold watches with Swiss and Japanese mechanic and quartz movements and jewellery watches exclusive for ladies.

The Company acquired 100% of the issued capital of Jia Cheng Investment Limited ("Jia Cheng") for a consideration of HK\$525 million satisfied by the allotment and issue of 1,750 million shares of the Company at HK\$0.30 each. Pursuant to the relevant accounting standard, the fair value of the shares issued was HK\$665 million based on the market price of the share of HK\$0.38 each as of the completion date. Jia Cheng owns 91% of Zhuhai Rossini Watch Industry Ltd. ("Rossini"). The acquisition was fully completed on 15 October 2008. Rossini contributed net profit of approximately HK\$11,165,000 to the Group in 2008 after the acquisition was duly completed on 15 October 2008.

預期森帝木業將收取的收益為銷售該50%土地面積所得款項的89.5%，扣除該土地的資產淨值及相關土地重整成本。於二零零八年十一月二十六日，該土地於深圳的公開拍賣以人民幣800,000,000元之代價成交。由冠城大通股份有限公司及本公司分別擁有70%及30%之合營企業勝出該次拍賣，並將該土地發展為住宅、商業、辦公室及酒店綜合項目，總建築面積為205,693平方米。本集團應佔註冊資本及代價總額為人民幣270,000,000元（約相當於306,800,000港元），本集團之發展並無任何其他資本需求。土地拍賣及收回之50%收益已於二零零八年入賬，而餘下50%將於二零零九年全面反映。

#### (3) 鐘錶及時計產品業務

於二零零八年，本集團全資附屬公司依波精品(深圳)有限公司(「依波精品」)獲得理想業績。收入為224,434,000港元，較去年同期165,327,000港元增加59,107,000港元或36%，為本集團貢獻純利約43,777,000港元。依波精品受到各分店之單位價格、毛利率、純利率及收益增加所影響。於二零零八年，依波精品成立深圳市帕瑪精品制造有限公司，專門售賣鑲嵌瑞士及日本機械及石英錶芯的金錶，以及專為女士而設的珠寶鐘錶。

本公司收購佳城投資有限公司(「佳城」)100%已發行股本，代價為525,000,000港元，透過以每股0.30港元之價格配發及發行1,750,000,000股本公司股份之方式支付。根據相關會計準則，已發行股份公平值為665,000,000港元，乃按完成日期每股0.38港元之股份市價計算。佳城擁有珠海羅西尼錶業有限公司(「羅西尼」)之91%權益。收購已於二零零八年十月十五日完成。於二零零八年十月十五日收購正式完成後，羅西尼為本集團之二零零八年純利貢獻約11,165,000港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

These brands were two of the top four domestic watch brands in the Mainland China, accounting for over 40% share of the domestic watch market. The impact of the global financial crisis on both watch companies was limited as 95% sale was domestic.

#### (4) Enamelled copper wires business

Fuzhou Dartong Mechanic and Electronic Company Limited ("Fuzhou Dartong"), a 49% owned joint venture of the Group contributed revenue and net loss after tax of approximately HK\$589,869,000 and HK\$7,773,000 respectively in 2008. Although sale volume and revenue increased by 45% in 2008, Fuzhou Dartong incurred loss due to low profitability and written-off of inventory.

Jiangsu Dartong M&E Co. Ltd. ("Jiangsu Dartong"), a 25.58% owned associated company of the Group recorded contributions of profit of approximately HK\$241,000 in 2008. The decrease in contributions was due to the decrease in revenue.

The global financial crisis influenced both enamelled copper wires companies. They went through a difficult period of industry consolidation. Given the product quality, customer quality and production scale, both companies were strong enough to draw customers away from peers that were relatively leveraged or might be suffering short-term cash flow problems. Coupled with customer profitability analyses, both companies would focus on more profitable customers rather than non-profitable customers, thus increasing the overall profitability. As a result, both companies may be able to grow market share even under low or no growth industry conditions. The competitive position of both companies would be enhanced in the long run.

#### (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, 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.

該等品牌高踞中國內地四大本地鐘錶品牌其中兩席，佔本地鐘錶市場份額超過40%。由於銷售額當中95%為本地銷售，故全球金融危機對該兩家鐘錶公司之影響有限。

#### (4) 漆包銅線業務

於二零零八年，本集團擁有49%權益之合營企業福州大通機電有限公司（「福州大通」）分別貢獻約589,869,000港元收入及7,773,000港元除稅後虧損淨額。儘管銷量及收入於二零零八年增加45%，惟溢利水平下降及就存貨撇銷導致福州大通產生虧損。

於二零零八年，本集團擁有25.58%權益之聯營公司江蘇大通機電有限公司（「江蘇大通」）錄得溢利貢獻約241,000港元。貢獻減少乃由於收入下降所致。

兩家漆包銅線公司均受到全球金融危機影響，經歷行業整合的艱難時刻。憑藉品質、客戶質素及生產規模，該等公司具備雄厚實力，可自其他出現相關融資困難或可能遇到短期現金流問題的同業手中爭取客戶。通過客戶溢利水平分析，該等公司集中於獲利較高而非無利可圖之客戶，從而增加整體溢利水平。因此，儘管行業增長情況欠佳甚或並無增長，該等公司仍可增加市場佔有率。該等公司可長遠提升競爭優勢。

#### (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、珠海市香華路三個舖位及香港一個住宅單位均已全部租出，於回顧年內為本集團帶來穩定租金回報。

# 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 2008, the Group had non-pledged cash and bank balances of approximately HK\$62,340,000 (31 December 2007: HK\$82,362,000). Based on the bank loans of HK\$173,393,000 (31 December 2007: HK\$112,815,000) and shareholders' equity of HK\$1,659,700,000 (31 December 2007: HK\$1,213,374,000), the Group's gearing ratio (being loans divided by Shareholders' equity) was 10% (31 December 2007: 9%).

As at 31 December 2008, the Group's bank loans amounting to HK\$147,779,000 (85% of all bank loans) were repayable within one year.

#### (2) Charge on assets

Other banking facilities of the Company were secured by the Group's investment properties on Tai Hang Road with carrying amount of approximately HK\$12,450,000 as at 31 December 2008.

#### (3) Capital commitments

As at 31 December 2008, the Group had capital commitments of HK\$228,229,000 (31 December 2007: HK\$13,934,000).

#### (4) Contingent liabilities

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

### 財務狀況

#### (1) 流動資金、財務資源及資本結構

於二零零八年十二月三十一日，本集團有無抵押現金及銀行結存約62,340,000港元(二零零七年十二月三十一日：82,362,000港元)。按照銀行貸款173,393,000港元(二零零七年十二月三十一日：112,815,000港元)及股東權益1,659,700,000港元(二零零七年十二月三十一日：1,213,374,000港元)計算，本集團的資本負債率(借貸除股東權益)為10%(二零零七年十二月三十一日：9%)。

於二零零八年十二月三十一日，本集團147,779,000港元的銀行貸款(佔全部銀行貸款的85%)須於一年內償還。

#### (2) 資產抵押

於二零零八年十二月三十一日，本公司的其他銀行信貸以本集團位於大坑道賬面值約12,450,000港元的投資物業作抵押。

#### (3) 資本承擔

於二零零八年十二月三十一日，本集團之資本承擔為228,229,000港元(二零零七年十二月三十一日：13,934,000港元)。

#### (4) 或然負債

於資產負債表日，本集團並無重大或然負債。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### OUTLOOK

We strive to develop our watch business by expanding internally and externally. Owing to their leading market positions and comprehensive sales networks, EBOHR and Rossini are expected to generate increasingly strong revenue and profits even in the current economic environment. The profits would be applied to improve the products and channels of distribution. In the current environment, net cash to be received from the land auction and resumption or sitting on the balance sheet of our Group would be transformed into a potential “value driver”. This arises as low-cost acquisition opportunities emerge, offering potential long-term value generation. Given the intended acquisitions, the Group would become one of the important players in the watch market in the mainland China. With the recurring revenue and profit, the Group is more likely to be able to pay or sustain cash dividend payments in the future.

After a period of industry consolidation, Fuzhou Dartong and Jiangsu Dartong would manage to attract more leading local and multinational customers, who are important for the long term profitability. The industry consolidation may lead to improvement of the competitive position and profitability both companies in the long run.

The Group will also explore potential investments and acquisition opportunities in order to develop its business portfolio.

The economic recovery of the Mainland China in the next few years would benefit the segments of watches and timepieces, enamelled copper wires and real estate investment.

#### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2008, the Group had approximately 2,000 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 condition 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.

#### 展望

本集團透過內外擴充致力發展鐘錶業務。儘管現處經濟困境，惟憑藉依波精品及羅西尼的市場領導地位及全面銷售網絡，預期將帶來更多強勁收入及溢利。有關溢利將用作改善產品及分銷渠道。在現況下，自土地拍賣及收回所收取或於本集團資產負債表入賬之現金淨額將轉化為潛在「增值動力」，此乃由於低成本收購之機會湧現，將為本集團帶來長遠潛在價值。鑑於擬進行之各項收購，本集團定必成為中國內地鐘錶市場舉足輕重之業者。本集團擁有經常性收益及溢利，故有能力於日後支付或維持現金股息的派發。

經過行業整合期後，福州大通及江蘇大通可吸引更多對本集團長遠溢利水平重要攸關之大型本地及跨國客戶。長遠而言，行業整合或會有助該公司之競爭狀況及溢利水平得到改善。

本集團亦將就發展業務組合發掘更多潛在投資及收購機會。

未來數年，鐘錶及時計、漆包銅線及房地產投資業務將受惠於中國內地之經濟復甦。

#### 僱員及薪酬政策

本集團於二零零八年十二月三十一日在香港及中國內地僱有約2,000名全職員工。僱員薪酬待遇乃按公平基準，參考市場情況及個別表現制定及檢討。本集團亦為僱員提供其他福利，包括年終雙糧、醫療保險及退休福利，並視乎本集團經營業績及僱員個人工作表現向彼等發放獎金花紅。本集團全體香港僱員均已參加公積金計劃。

## CORPORATE GOVERNANCE REPORT 2008 二零零八年企業管治報告

### 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 2008 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 ensue 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 2008.

### 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。

截至二零零八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，彼等於截至二零零八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 2008

### 二零零八年企業管治報告

The board currently comprises four 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 8 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.

董事會現由四名執行董事(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8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件, 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 2008

### 二零零八年企業管治報告

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 Tai Man.

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。

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

年內，本公司共舉行四次董事會會議，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	3/4	75%
WANG Shaolan (Resigned on 29 December 2008)	王少蘭 (於二零零八年十二月二十九日辭任)	1/4	25%
SHANG Jianguang	商建光	4/4	100%
SHI Tao	石濤	1/4	25%
LAM Toi Man	林代文	3/4	75%
SIT Lai Hei	薛黎曦	3/4	75%
FUNG Tze Wa	馮子華	4/4	100%
KWONG Chun Wai, Michael	鄭俊偉	3/4	75%
LI Qiang	李強	3/4	75%

#### 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 less 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，於每屆股東週年大會，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少於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

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

## CORPORATE GOVERNANCE REPORT 2008

### 二零零八年企業管治報告

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 17 April 2008 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。

薪酬委員會曾於二零零八年四月十七日舉行會議，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 board meetings attended 出席董事會會議次數	Attendance rate 出席率
FUNG Tze Wa	馮子華	1/1	100%
KWONG Chun Wai, Michael	鄭俊偉	1/1	100%
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 2008

### 二零零八年企業管治報告

During the year under review, the Audit Committee has met twice to review the reporting of financial (including half-yearly and annual results) and other information to shareholders, the accounting system, 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 accounting, internal controls and risk management of those subsidiaries. They also reviewed and commented internal audit reports of subsidiaries and associates and adequacy of resources, qualifications, experience and training of staff engaged in the accounting and financial reporting function.

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 2008.

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

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
FUNG Tze Wa	馮子華	2/2	100%
KWONG Chun Wai, Michael	鄺俊偉	1/2	50%
LI Qiang	李強	2/2	100%

#### AUDITORS' REMUNERATION

For the year ended 31 December 2008, the Company has paid an audit fee of HK\$1,280,000 in relation to the audit services for the financial statements for the year ended 31 December 2008. The audit fee was approved by the Audit Committee and endorsed by the board.

回顧年度內，審核委員會共舉行兩次會議，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、會計制度、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，並諮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，以及資源充足度、從事會計及財務申報職能的員工資歷、經驗及培訓。

審核委員會與管理層已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，包括審閱截至二零零八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：

#### 核數師酬金

截至二零零八年十二月三十一日止年度，本公司就截至二零零八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1,280,000港元。審核費用已獲審核委員會批准及董事會認可。

## CORPORATE GOVERNANCE REPORT 2008

### 二零零八年企業管治報告

#### 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 2008, 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.

#### CORPORATE SOCIAL RESPONSIBILITY

The copper wires companies put efforts into the occupational safety and health training with objectives to reduce accidents in the plant and job related illness. There were publications on occupational safety and occupational health, information on earthquake and precautions, and information on first aid available to the employees. There were also formal classroom trainings on occupational safety and occupational health.

The production facilities of copper wires companies were designed with minimal environmental pollution and there were measures to encourage the employees to save energy and minimize pollution.

#### 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。編製截至二零零八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，隨時合理準確披露本公司的財政狀況。

#### 企業社會責任

為減低工廠意外及職業相關疾病，銅線公司致力提供職業安全及健康培訓。載有職業安全及職業健康、地震及有關預防資料以及急救資料之刊物可供各僱員參閱。此外，本公司亦提供正式的職業安全及職業健康課程。

銅線公司的生產設備設計對環境所造成的污染甚低，本公司亦實施措施鼓勵僱員節約能源及盡量減少污染。

## CORPORATE GOVERNANCE REPORT 2008

### 二零零八年企業管治報告

Various entities of the Group were engaged in community services. For instance, for the victims of the Sichuan Earthquake in May 2008, employees of EBOHR visited the relevant schools, pooled RMB150,000 for the urgent requirements and promised an accumulated donation of RMB3,600,000 over 18 years to provide orphans of the Sichuan earthquake with basic living expenses and education. Employees of Fuzhou Dartong also made a donation of RMB51,720.

#### 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 establish practices and procedures of the Company.

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

本集團旗下各實體曾參與社會服務。例如，對於二零零八年五月四川地震災民，依波精品僱員曾探訪有關學校、籌集人民幣150,000元作緊急需要用途，並承諾於其後十八年向四川地震中的孤兒捐出累積捐款人民幣3,600,000元，作為基本日常開支及教育經費。福州大通僱員亦捐出人民幣51,720元。

#### 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，根據本公司的既定慣例及程序，所有公司通訊均由執行董事及指定高層行政人員安排及處理。

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)，以供股東、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，可致函公司秘書，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 2008.

#### 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.

#### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2008 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 35 to 146.

The directors recommended the payment of a final dividend of HK2.50 cents per share for the year ended 31 December 2008.

#### 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 147 and 148. 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 page 149 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二零零八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。本集團之主要業務於年內並無重大變動。

#### 業績及股息

本集團截至二零零八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35至146頁。

董事建議就截至二零零八年十二月三十一日止年度派付末期股息每股2.50港仙。

#### 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147頁及第148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149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 36 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 38 to the financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

In addition to the retained profits of the Company, the share premium account of the Company is also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

At 31 December 2008, the Company had reserves of HK\$593,732,000, consisting of the retained profits and the share premium account, available 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 61% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 79% of the total purchases.

The percentage of sales attributable to the Group's largest customer was 67%. The percentage of purchases attributable to the Group's largest supplier was 56%.

### 股本

本公司股本變動詳情，載於財務報表附註36。

### 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38及綜合權益變動表內。

### 可供分派儲備

除本公司之保留溢利外，本公司之股份溢價賬亦可向股東分派，惟於緊隨建議進行上述分派當日之後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

於二零零八年十二月三十一日，本公司可供作現金及／或實物分派的儲備為593,732,000港元，包括保留溢利及股份溢價賬。

### 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61%。本集團五大供應商的購貨額佔總購貨額79%。

本集團最大客戶應佔銷售百分比為67%。本集團最大供應商應佔採購百分比為56%。

## REPORT OF THE DIRECTORS

### 董事會報告

Sales to a joint venturer of the Group's jointly-controlled entity, of which three directors of the Company are also directors amounted to HK\$549,256,000 in 2008. The sales was based on the open market price.

#### DIRECTORS

The directors of the Company during the year were:

##### Executive Directors:

Mr. Hon Kwok Lung, *Chairman*

Wang Shaolan, (*Vice Chairman*)

(Resigned on 29 December 2008)

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. Shi Tao, Mr. Fung Tze Wa and Dr. Kwong Chun Wai, Michael 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.

於二零零八年，向本公司三名董事亦出任董事之本集團共同控制實體之一名合營方作出之銷售為549,256,000港元。銷售乃按公開市價進行。

#### 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)

(於二零零八年十二月二十九日辭任)

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，石濤先生、馮子華先生及鄭俊偉博士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

During the year, the Company acquired 100% of the share capital of Jia Cheng Investment Limited ("Jia Cheng") at a consideration of HK\$525 million from Full Day Limited ("Full Day") satisfied by the allotment and issue of 1,750 million shares of the Company at HK\$0.30 each. Jia Cheng owns 91% of Zhuhai Rossini Watch Industry Ltd. Pursuant to the relevant accounting standard, the fair value of the shares issued was HK\$665 million based on the market price of the share of HK\$0.38 each as of the completion date. Full Day is an investment holding company ultimately beneficially wholly-owned by Mr. Hon Kwok Lung, an Executive Director of the Company who is also the sole director of Full Day.

### 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 three years commencing from 18 November 2008 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，本公司自朝豐有限公司(「朝豐」)購入佳城投資有限公司(「佳城」)全部股本，代價為525,000,000港元，乃透過按每股0.30港元之價格配發及發行1,750,000,000股本公司股份支付。佳城擁有珠海羅西尼錶業有限公司91%權益。根據相關會計準則，已發行股份公平值為665,000,000港元，乃按完成日期每股0.38港元之股份市價計算。朝豐為本公司執行董事兼朝豐唯一董事韓國龍先生最終實益全資擁有之投資控股公司。

### 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，任期由二零零八年十一月十八日起為期三年，惟任何一方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 2008, 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:

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 controlled corporations 透過受控制公司	2,433,441,515 (Note) (附註)	68.70%

Note:

683,441,515 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. 1,750,000,000 shares were held by Full Day, which is wholly-owned by Mr. Hon Kwok Lung.

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 2,433,441,515 held by Sincere View and Full Day.

Save as disclosed above, as at 31 December 2008, 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.

#### 董事及主要行政人員於股份及相關股份之權益及淡倉

於二零零八年十二月三十一日，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 controlled corporations 透過受控制公司	2,433,441,515 (Note) (附註)	68.70%

附註：

683,441,515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。1,750,000,000股股份由韓國龍先生全資擁有之朝豐持有。

韓國龍先生及林淑英女士被視作於信景及朝豐所持同一批2,433,441,515股股份中擁有權益。

除上文披露者外，於二零零八年十二月三十一日，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.

#### SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2008, 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:

##### Long position:

#### 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。

#### 主要股東於股份及相關股份之權益

於二零零八年十二月三十一日，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：

##### 好倉：

Name of shareholders	股東名稱	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
Full Day	朝豐	Directly beneficially owned 直接實益擁有	1,750,000,000	49.41%
Sincere View	信景	Directly beneficially owned 直接實益擁有	683,441,515	19.29%
Hon Kwok Lung (Note)	韓國龍(附註)	Deemed interest 視作擁有權益	2,433,441,515	68.70%
Lam Suk Ying (Note)	林淑英(附註)	Deemed interest 視作擁有權益	2,433,441,515	68.70%

Note:

As Mr. Hon Kwok Lung owns 100% and 80% of Full Day and Sincere View respectively, he is deemed to be interested in the total of 2,433,441,515 shares held by Full Day and Sincere View under Part XV of the SFO. Ms. Lam Suk Ying, being Mr. Hon Kwok Lung's spouse, is also deemed to be interested in the total of 2,433,441,515 shares held by Full Day and Sincere View under Part XV of the SFO. Mr. Hon Kwok Lung is a director of both Full Day and Sincere View.

Save as disclosed above, as at 31 December 2008, 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.

附註：

由於韓國龍先生分別擁有朝豐及信景全部及80%權益，根據證券及期貨條例第XV部，彼被視作於朝豐及信景所持合共2,433,441,515股股份中擁有權益。根據證券及期貨條例第XV部，韓國龍先生之配偶林淑英女士亦被視作於朝豐及信景所持合共2,433,441,515股股份中擁有權益。韓國龍先生為朝豐及信景之董事。

除上文披露者外，於二零零八年十二月三十一日，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。

## REPORT OF THE DIRECTORS

### 董事會報告

#### CONNECTED TRANSACTION

During the year, the Group had a material connected transaction in respect of the acquisition of Jia Cheng under the Listing Rules. Details of the transaction has been disclosed in the Directors' Interests in Contracts.

#### 關連交易

年內，本集團根據上市規則就收購佳城進行一項關連交易。交易詳情已於董事於合約中之權益披露。

#### SHARE OPTION SCHEME

Particulars of the share option schemes of the Company are set out in note 37 to the consolidated financial statements.

#### 優先認購股份權計劃

本公司優先認購股份權計劃詳情載於綜合財務報表附註37。

The following table discloses movements in the Company's share options for the year ended 31 December 2008:

下表披露本公司優先認購股份權於截至二零零八年十二月三十一日止年度之變動：

Name or category of participants	參與者姓名或類別	At 1 January 2008 於二零零八年一月一日	Number of options granted 已授出優先認購股份權數目	At 31 December 2008 於二零零八年十二月三十一日
<b>Executive directors</b>	<b>執行董事</b>			
Mr. Hon Kwok Lung	韓國龍先生	–	3,500,000	3,500,000
Mr. Shang Jianguang	商建光先生	–	8,000,000	8,000,000
Mr. Shi Tao	石濤先生	–	5,000,000	5,000,000
Mr. Lam Toi Man	林代文先生	–	3,500,000	3,500,000
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>			
Mr. Fung Tze Wa	馮子華先生	–	3,500,000	3,500,000
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	–	3,500,000	3,500,000
Mr. Li Qiang	李強先生	–	3,500,000	3,500,000
Sub-total	小計	–	30,500,000	30,500,000
<b>Other eligible employees</b>	<b>其他合資格僱員</b>			
In aggregate	總計	–	98,000,000	98,000,000
<b>Other eligible persons</b>	<b>其他合資格人士</b>			
In aggregate	總計	–	50,500,000	50,500,000
Total	合計	–	179,000,000	179,000,000

## 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2008, except for the deviations from code provisions E.1.2 of the Code as explained in the Company's interim report for the period ended 30 June 2008.

### 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，除本公司截至二零零八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，本公司於截至二零零八年十二月三十一日止年度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」)，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 2008.

#### 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 2009

#### 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，包括審閱截至二零零八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  
二零零九年四月十七日

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告



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 referred to as the "Group") set out on pages 35 to 146, which comprise the consolidated and company balance sheets as at 31 December 2008, 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.

### 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.

### 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35至146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，此財務報表包括於二零零八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。

### 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。

## INDEPENDENT AUDITORS' REPORT

### 獨立核數師報告

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 2008 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 2009

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 貴集團於二零零八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  
皇后大道中15號  
置地廣場  
告羅士打大廈13樓

二零零九年四月十七日

# CONSOLIDATED INCOME STATEMENT

## 綜合損益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Continuing operations:</b>			
Revenue	6	865,304	576,058
Cost of sales		(696,597)	(468,903)
<b>Gross profit</b>		<b>168,707</b>	<b>107,155</b>
Other income	7(a)	25,136	19,362
Selling and distribution expenses		(78,518)	(54,708)
Administrative expenses		(99,009)	(66,021)
(Loss)/Gain on fair value changes in financial assets at fair value through profit or loss, net		(36,968)	24,629
Net surplus on revaluation of investment properties	18	9,348	10,178
Dividend income from available-for-sale financial assets	24	73,624	48,383
Gain on disposals of an investment property	18	-	22,853
Operating profit		<b>62,320</b>	<b>111,831</b>
Financial income	7(b)	1,662	1,923
Finance costs	8	(8,637)	(7,157)
Share of profit of an associate	23	241	2,212
<b>Profit before income tax</b>		<b>55,586</b>	<b>108,809</b>
Income tax expense	10	(16,082)	(7,168)
Profit after income tax from continuing operations		<b>39,504</b>	<b>101,641</b>
<b>Discontinued operations:</b>			
Profit for the year from discontinued operations	11	251,812	325,566
<b>Profit for the year</b>		<b>291,316</b>	<b>427,207</b>
<b>Attributable to:</b>			
Equity holders of the Company	12	290,213	427,467
Minority interests		1,103	(260)
<b>Profit for the year</b>		<b>291,316</b>	<b>427,207</b>

# CONSOLIDATED INCOME STATEMENT

## 綜合損益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

		Notes	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		附註		
<b>Dividends</b>	股息	13	<u>88,551</u>	<u>–</u>
<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 1.78港仙</u>	<u>HK cents 5.67港仙</u>
Diluted	攤薄		<u>N/A不適用</u>	<u>N/A不適用</u>
<b>Earnings 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	14		
Basic	基本		<u>HK cents 11.66港仙</u>	<u>HK cents 18.18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 2008 於二零零八年十二月三十一日

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	159,147	125,394
Investment properties	18	69,606	60,258
Prepaid land lease payments	19	20,742	10,227
Goodwill	20	621,382	–
Interests in associates	23	34,582	31,484
Available-for-sale financial assets	24	413,010	853,380
Prepayments and deposits	25	84,360	2,394
Deferred tax assets	35	1,207	1,130
		<b>1,404,036</b>	<b>1,084,267</b>
<b>Current assets</b>			
Inventories	26	217,949	142,026
Trade and bill receivables	27	103,651	44,052
Prepaid land lease payments	19	444	210
Prepayments, deposits and other receivables	25	469,323	87,277
Financial assets at fair value through profit or loss	28	29,059	44,178
Cash and cash equivalents	29	62,340	82,362
		<b>882,766</b>	<b>400,105</b>
Non-current assets held for sale	11	116,893	200,989
		<b>999,659</b>	<b>601,094</b>
<b>Current liabilities</b>			
Trade payables	30	86,318	33,497
Other payables and accruals	31	150,469	95,767
Tax payables		61,992	13,188
Derivative financial instruments	32	7,588	5,017
Borrowings	33	147,779	112,815
Due to related companies	34	256,288	209,311
		<b>710,434</b>	<b>469,595</b>

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>289,225</b>	131,499
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,693,261</b>	1,215,766
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	33	25,614	–
<b>Net assets</b>	<b>資產淨值</b>		<b>1,667,647</b>	1,215,766
<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	36	354,203	179,203
Proposed final dividend	擬派末期股息	13	88,551	–
Reserves	儲備	38	1,216,946	1,034,171
			<b>1,659,700</b>	1,213,374
Minority interests	少數股東權益		7,947	2,392
<b>Total equity</b>	<b>權益總額</b>		<b>1,667,647</b>	1,215,766

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 2008 於二零零八年十二月三十一日

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	7,388	4,881
Interests in subsidiaries	21	934,909	281,025
Interests in jointly-controlled entity			
	22	64,442	64,425
Interests in an associate	23	29,336	24,244
		<b>1,036,075</b>	<b>374,575</b>
<b>Current assets</b>			
Prepayments, deposits and other receivables	25	11,945	37,545
Financial assets at fair value through profit or loss	28	16,706	20,130
Cash and cash equivalents	29	221	29,905
		<b>28,872</b>	<b>87,580</b>
<b>Current liabilities</b>			
Other payables and accruals	31	14,064	14,852
Borrowings	33	12,660	–
Due to a related company	34	769	–
		<b>27,493</b>	<b>14,852</b>
<b>Net current assets</b>		<b>1,379</b>	<b>72,728</b>
<b>Net assets</b>		<b>1,037,454</b>	<b>447,303</b>
<b>EQUITY</b>			
Share capital	36	354,203	179,203
Proposed final dividend	13	88,551	–
Reserves	38	594,700	268,100
<b>Total equity</b>		<b>1,037,454</b>	<b>447,303</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 2008 截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<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 before income tax	除所得稅前溢利		
Continuing operations	持續經營業務	55,586	108,809
Discontinued operations	已終止經營業務	291,033	325,566
Total	總計	346,619	434,375
Adjustments for :	經調整 :		
Interest income	利息收入	(543)	(1,642)
Finance costs	財務費用	10,916	18,761
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	(73,624)	(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	(1,139)	(374)
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損淨額	74	262
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	(9,348)	(10,178)
Depreciation	折舊	16,892	11,962
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	4,568	3,952
Share of profit of an associate	應佔一家聯營公司溢利	(241)	(2,212)
Equity-settled share-based compensation	以股本結算之股份補償	968	-
Profit on disposal of non-current assets held for sale	出售持作出售非流動資產溢利	(317,227)	-
Fair value change of 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公平值變動	15,119	4,587
Unrealised loss on derivative financial instruments	衍生金融工具之未變現虧損	2,571	5,017
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)
Impairment losses on trade receivables	應收賬款減值虧損	80	-
Written off of obsolete inventories	撇銷陳舊存貨	5,050	-
Operating profit before working capital changes	營運資金變動前之經營溢利	735	26,468
Increase in inventories	存貨增加	(5,213)	(27,602)
(Increase)/Decrease in trade and bills receivables	應收賬款及票據(增加)/減少	(12,583)	47,221
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款減少/(增加)	40,072	(28,657)
Increase/(Decrease) in trade payables	應付賬款增加/(減少)	15,193	(10,514)
(Decrease)/Increase in other payables and accruals	其他應付款及應計費用(減少)/增加	(14,986)	31,774
Increase in amounts due to related companies	應付有關連公司欠款增加	32,367	39,464
Increase in deposits received from customers	已收客戶按金增加	-	65,747
Increase in properties under development	在建物業增加	-	(111,339)
Decrease in properties held for sale	持作出售物業減少	-	70,164
Cash from operations	經營業務產生之現金	55,585	102,726
Interest received	已收利息	543	1,642
Interest paid	已付利息	(10,916)	(18,761)
Income tax paid	已付所得稅	(10,242)	(27,859)
Net cash generated from operating activities	經營業務產生之現金淨額	34,970	57,748

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<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	1,495	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	1,139	374
Dividends received from an associate	已收一家聯營公司股息	2,389	-
Purchases of property, plant and equipment	購買物業、廠房及設備	(29,543)	(73,526)
Purchases of prepaid land lease payments	購買預付土地租賃款項	(9,565)	(10,511)
Purchases of investment properties	購買投資物業	-	(10,332)
Proceeds from disposals of investment properties	出售投資物業所得款項	-	142,853
Net cash inflow from acquisition of subsidiaries	收購附屬公司之現金流入淨額	23,598	-
Additional investments in an associate	於一家聯營公司之額外投資	(5,092)	-
Prepayment for acquisition of Auction PRC Land	收購拍賣中國土地之預付款項	(81,818)	-
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	810	-
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
<b>Net cash used in investing activities</b>	<b>投資活動所用之現金淨額</b>	<b>(96,587)</b>	<b>(250,361)</b>
<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	137,324	220,311
Repayments of bank and other loans	償還銀行及其他貸款	(92,098)	(171,701)
<b>Net cash generated from financing activities</b>	<b>融資活動產生之現金淨額</b>	<b>45,226</b>	<b>48,610</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等價物之減少淨額</b>	<b>(16,391)</b>	<b>(144,003)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日之現金及現金等價物</b>	<b>82,362</b>	<b>234,616</b>
<b>Effect of foreign exchange rate changes, net</b>	<b>匯率變動影響淨額</b>	<b>(11,291)</b>	<b>(8,251)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日之現金及現金等價物</b>	<b>54,680</b>	<b>82,362</b>
<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 and cash equivalents	現金及現金等價物	62,340	82,362
Bank overdrafts	銀行透支	(7,660)	-
		<b>54,680</b>	<b>82,362</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2008 截至二零零八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*	Share options reserve	Goodwill arising on consolidation*	Statutory reserve	Exchange fluctuation reserve*	Investment revaluation reserve*	Retained profits*	Proposed final dividend	Minority interests	Total equity	
		股本	股份溢價賬*	股份權儲備*	產生之商譽*	儲備基金*	波動儲備*	重估儲備*	保留溢利*	末期股息	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	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2007	於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	(260)	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 43)	出售附屬公司(附註43)	-	-	-	-	-	-	-	-	-	-	(30,194)	(30,194)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	179,203	23,700	-	(15,300)	19,793	21,128	241,797	743,053	-	1,213,374	2,392	1,215,766
Exchange realignment	匯兌調整	-	-	-	-	-	2,718	-	-	-	2,718	137	2,855
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	-	(512,573)	-	-	(512,573)	-	(512,573)
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	-	-	-	-	-	2,718	(512,573)	-	-	(509,855)	137	(509,718)
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	-	3,928	-	-	(3,928)	-	-	-	-
Net profit for the year	年內純利	-	-	-	-	-	-	-	290,213	-	290,213	1,103	291,316
Total recognised income and expense for the year	已確認之本年度收入及開支總額	-	-	-	-	3,928	2,718	(512,573)	286,285	-	(219,642)	1,240	(218,402)
Issuance of new shares	發行新股份	175,000	490,000	-	-	-	-	-	-	-	665,000	-	665,000
Recognition of equity-settled share based compensation	確認以權益結算之股份補償	-	-	968	-	-	-	-	-	-	968	-	968
Acquisition of subsidiaries (note 42)	收購附屬公司(附註42)	-	-	-	-	-	-	-	-	-	-	4,315	4,315
Proposed final dividend (note 13)	擬派末期股息(附註13)	-	-	-	-	-	-	-	(88,551)	88,551	-	-	-
<b>Balance at 31 December 2008</b>	<b>於二零零八年十二月三十一日之餘額</b>	<b>354,203</b>	<b>513,700</b>	<b>968</b>	<b>(15,300)</b>	<b>23,721</b>	<b>23,846</b>	<b>(270,776)</b>	<b>940,787</b>	<b>88,551</b>	<b>1,659,700</b>	<b>7,947</b>	<b>1,667,647</b>

\* These reserve accounts comprise the consolidated reserves of HK\$1,216,946,000 (2007: HK\$1,034,171,000) 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1,216,946,000港元(二零零七年: 1,034,171,000港元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八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. Its registered office address 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.

To broaden and increase the Group’s income stream and its market share in the watch and timepiece markets in the People’s Republic of China (the “PRC”), on 20 August 2008, the Company entered into an agreement with Mr. Hon Kwok Lung (“Mr. Hon”), the chairman and executive director of the Company, and Full Day Limited, an investment holding company beneficially wholly-owned by Mr. Hon to acquire the entire issued share capital of Jia Cheng Investment Limited (“Jia Cheng”) (the “Acquisition”). Jia Cheng is an investment holding company with an indirect 91% equity interest, held through its wholly owned subsidiary, Actor Investments Limited, in the issued share capital of Zhuhai Rossini Watch Industry Ltd. (“Rossini”). Rossini is principally engaged in manufacture and distribution of watches in the PRC. Details of the Acquisition have been set out in the Company’s circular dated 12 September 2008. The Acquisition was completed on 15 October 2008.

### 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。

為擴闊及增加本集團於中華人民共和國(「中國」)鐘錶及時計產品市場之收入來源及市場份額，於二零零八年八月二十日，本公司就收購佳城投資有限公司(「佳城」)全部已發行股本(「收購事項」)與本公司主席兼執行董事韓國龍先生(「韓先生」)及由韓先生實益全資擁有之投資控股公司朝豐有限公司訂立協議。佳城為投資控股公司，透過其全資附屬公司安達投資有限公司間接持有珠海羅西尼錶業有限公司(「羅西尼」)已發行股本91%股權。羅西尼主要業務為主要於中國從事手錶製造及分銷。有關收購事項詳情已載於本公司日期為二零零八年九月十二日之通函。收購事項於二零零八年十月十五日完成。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 1. GENERAL INFORMATION (Continued)

On 3 December 2007, Seti Timber Industry (Shenzhen) Co., Ltd. ("Seti"), a wholly-owned subsidiary of the Group established in the PRC, entered into a land resumption agreement with the Shenzhen Municipal Government (the "Land Resumption Agreement"). Seti 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 resumed a piece of the land in Shenzhen that was leased to Seti and Seti had ceased its production operations. In this regard, Seti significantly scaled down its operations in manufacture and distribution of timber products (the "2007 Discontinued Timber Business") in 2007. Details of this transaction were set out in the Company's circular dated on 24 December 2007.

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 were set out in the Company's circular dated on 30 August 2006. The disposals of the 2006 Discontinued Property Development Business 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 represented components of the Group's business, the operations and cash flows of which could be clearly distinguished from the rest of the Group and which represented 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 HKFRS 5. Further details regarding the 2007 Discontinued Timber Business and the 2006 Discontinued Property Development Business are set out in note 11 to the financial statements.

Other than the Acquisition as described above, there were no significant changes in the Group's operations during the year. The Group's principal places of the business are in Hong Kong and the PRC.

### 1. 一般資料(續)

於二零零七年十二月三日，本集團於中國成立之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」)。森帝主要業務為於中國深圳製造及分銷木材產品。根據於二零零八年之收回土地協議，深圳市政府須收回一幅位於深圳曾租予森帝之土地，而森帝則已終止其生產業務。就此，於二零零七年，森帝已大幅縮減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。

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。出售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。京冠及鑫陽於下文統稱為「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財務報表附註11。

除上述收購事項外，本集團於年內之業務並無重大變動。本集團主要營業地點位於香港及中國。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 1. GENERAL INFORMATION (Continued)

The financial statements on pages 35 to 146 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) of 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 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 (the “Listing Rules”).

The 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 financial statements for the year ended 31 December 2008 were approved for issue by the board of directors on 17 April 2009.

### 2. ADOPTION OF NEW AND AMENDED HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2008:

HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HKAS 39 and HKFRS 7 (Amendment)	Reclassification of Financial Assets

The adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

At the date of authorisation of these financial statements, the following new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

### 1. 一般資料(續)

第35頁至第146頁之財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈包括所有適用個別香港財務申報準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」)之香港財務申報準則(統稱「香港財務申報準則」)編製。財務報表亦包括香港公司條例以及聯交所證券上市規則(「上市規則」)之適用披露規定。

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」)。

截至二零零八年十二月三十一日止年度之財務報表已獲董事會於二零零九年四月十七日批准刊發。

### 2. 採納新訂及經修訂香港財務申報準則

於本年度，本集團首次應用以下由香港會計師公會頒佈之新準則、修訂及詮釋(統稱「新香港財務申報準則」)，該等準則與本集團於二零零八年一月一日開始之年度期間之財務報表相關及有效：

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
香港會計準則第39號及香港財務申報準則第7號(修訂本)	重新分類金融資產

採納新香港財務申報準則對已編製及呈列之現行及過往期間業績及財務狀況並無重大影響。因此，毋須作出前期調整。

於該等財務報表獲授權當日，本集團並無提早採納下列已頒佈但尚未生效之新訂及經修訂香港財務申報準則。

## NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

2. ADOPTION OF NEW AND AMENDED HKFRSs 2. 採納新訂及經修訂香港財務申報準則(續)  
(Continued)

HKAS 1 (Revised)	Presentation of Financial Statement <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)	借貸成本 <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statement <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>
HKAS 32, HKAS 39 & HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>1</sup>	香港會計準則第32號、 香港會計準則第39號 及香港財務申報準則 第7號(修訂本)	可沽售金融工具及 清盤所產生責任 <sup>1</sup>
HKAS 39 (Amendment)	Eligible Hedged Items <sup>2</sup>	香港會計準則第39號 (修訂本)	合資格對沖項目 <sup>2</sup>
HKFRS 1 (Revised)	First-time Adoption of HKFRSs <sup>2</sup>	香港財務申報準則第1號 (經修訂)	首次採納香港財務 申報準則 <sup>2</sup>
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>1</sup>	香港財務申報準則第1號 及香港會計準則 第27號(修訂本)	投資附屬公司、共同 控制實體或聯營公司 之成本 <sup>1</sup>
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations <sup>1</sup>	香港財務申報準則第2號 (修訂本)	股份付款 – 歸屬條件 及註銷 <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 2	Members' Shares in Co-operative Entities and Similar Instruments <sup>1</sup>	香港(國際財務報告 詮釋委員會) – 詮釋第2號	股東於合作實體之 股份及類似工具 <sup>1</sup>
HK (IFRIC) – Int 13	Customer Loyalty Programmes <sup>3</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>3</sup>
HK (IFRIC) – Int 15	Agreements for the Construction of Real Estate <sup>1</sup>	香港(國際財務報告 詮釋委員會) – 詮釋第15號	房地產建造協議 <sup>1</sup>
HK (IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation <sup>4</sup>	香港(國際財務報告 詮釋委員會) – 詮釋第16號	對沖海外業務投資淨額 <sup>4</sup>
HK (IFRIC) – Int 17	Distributions of Non-Cash Assets to Owners <sup>2</sup>	香港(國際財務報告 詮釋委員會) – 詮釋第17號	向擁有人分派非現金 資產 <sup>2</sup>
HK (IFRIC) – Int 18	Transfers of Assets from Customers <sup>5</sup>	香港(國際財務報告 詮釋委員會) – 詮釋第18號	來自客戶之資產轉讓 <sup>5</sup>
Various	Annual Improvements to HKFRSs 2008 <sup>6</sup>	其他修訂	二零零八年香港財務 申報準則之改進 <sup>6</sup>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 2. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2009
- 2 Effective for annual periods beginning on or after 1 July 2009
- 3 Effective for annual periods beginning on or after 1 July 2008
- 4 Effective for annual periods beginning on or after 1 October 2008
- 5 Effective for transfers received on or after 1 July 2009
- 6 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

Amongst these new standards and interpretations, HKAS 1 (Revised) Presentation of Financial Statements is expected to materially change the presentation of the Group's financial statements. These amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). These amendments do not affect the financial position or results of the Group but will give rise to additional disclosures.

In addition, HKFRS 8 Operating Segments may result in new or amended disclosures. The directors are in the process of identifying reportable operating segments as defined in HKFRS 8.

The directors are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

### 2. 採納新訂及經修訂香港財務申報準則(續)

- 1 於二零零九年一月一日或之後開始之年度期間生效
- 2 於二零零九年七月一日或之後開始之年度期間生效
- 3 於二零零八年七月一日或之後開始之年度期間生效
- 4 於二零零八年十月一日或之後開始之年度期間生效
- 5 於二零零九年七月一日或之後之轉讓生效
- 6 除非指定香港財務申報準則另有說明，否則一般於二零零九年一月一日或之後開始之年度期間生效。

董事預期，所有該等聲明將於有關聲明生效日期後開始之首個期間於本集團會計政策中採納。

於該等新訂準則及詮釋中，預期香港會計準則第1號(經修訂)財務報表之呈列將令本集團財務報表之呈列產生重大變動。該等修訂會影響擁有人權益變動之呈列，並引入全面收入報表。本集團將可選擇以計入小計數額之單一全面收入報表或兩份獨立報表(獨立之損益表後加入全面收入報表)呈列收支項目及其他全面收入產生之組成部分。該等修訂不會影響本集團之財務狀況或業績，惟須作出額外披露。

此外，香港財務申報準則第8號經營分部或產生新訂或經修訂披露。董事現正識別香港財務申報準則第8號界定之可報告經營分部。

董事現正評估其他新訂及經修訂香港財務申報準則於初步應用時之影響。至今，董事初步結論為首次應用該等香港財務申報準則不大可能對本集團業績及財務狀況構成重大影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) of which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). They also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rule Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). They have been prepared under the historical cost convention, except for investment properties and financial instruments classified as available-for-sale and at fair value through profit or loss, and derivative financial instruments which are stated at fair value. The 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 indicated.

It should be noted that accounting estimates and assumptions are used in the 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.

#### 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 de-consolidated from the date that control ceases.

### 3. 主要會計政策概要

#### 3.1 編製基準

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」）編製，當中包括所有適用個別香港財務申報準則、香港會計準則（「香港會計準則」）及詮釋（「詮釋」），亦包括香港公司條例及聯交所證券上市規則（「上市規則」）之適用披露規定。綜合財務報表按歷史成本法編製，惟投資物業、分類為可供出售及按公平值計入溢利或虧損之金融工具以及衍生金融工具按公平值計算。財務報表以本公司功能貨幣港元（「港元」）呈列，除另有指明者外，所有價值均調整至最接近千位（「千港元」）。

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。

#### 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 2008 截至二零零八年十二月三十一日止年度

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

### 3. 主要會計政策概要(續)

#### 3.3 Subsidiaries (Continued)

Business combinations (other than for combining entities under common control) are accounted for by applying the purchase method. This involves the estimation of 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 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.

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.

#### 3.3 附屬公司(續)

業務合併(受共同控制之合併實體除外)均以購買法列賬。該方法涉及於收購當日按公平值估計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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

### 3. 主要會計政策概要(續)

#### 3.4 Joint ventures

#### 3.4 合營公司

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 decisions 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.

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.

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同類項目部分。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。

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列賬。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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

### 3. 主要會計政策概要(續)

#### 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 the 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 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.

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.

#### 3.5 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公司投資之公司。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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

#### 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. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination or investment.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") 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 interests 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 the income statement.

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 associate or jointly controlled entity to which the goodwill relates is disposed of or when a CGU to which goodwill relates becomes impaired.

### 3. 主要會計政策概要(續)

#### 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。業務合併成本按於交換日期資產所賦予之公平值、所產生或取得之負債以及本集團所發行股本工具之總額加任何業務合併或投資直接應佔成本計量。

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(「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。

其後出售附屬公司、聯營公司或共同控制實體時，在釐定出售損益金額時，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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.7 Impairment of non-financial 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.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. 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.

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

#### 3.7 非金融資產減值

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、聯營公司及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。

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。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。

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水平檢測。商譽分配至該等預期可受惠於相關業務合併協同效益之現金產生單位，即本集團內就內部管理目的而監控商譽之最小單位。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.7 Impairment of non-financial assets (Continued)

Impairment losses recognised for CGUs, 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 CGU, 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 including impairment losses recognised in an interim period. 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.

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.

#### 3.7 非金融資產減值(續)

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，包括於中期確認之減值虧損。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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

#### 3.8 Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or is the close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

### 3. 主要會計政策概要(續)

#### 3.8 有關連人士

就該等財務報表而言，有關人士將視作本集團之有關連人士：

- (i) 有關人士透過一家或多家中介公司有能力直接或間接控制本集團或對本集團作出財務及經營決策行使重大影響力，或對本集團擁有共同控制權；
- (ii) 本集團與有關人士受共同控制；
- (iii) 有關人士為本集團之聯營公司或本集團為其合資方之合營公司；
- (iv) 有關人士為本集團或本集團母公司之主要管理人員，或為該名人士的直系親屬，或由該等人士控制、共同控制或行使重大影響力之實體；
- (v) 有關人士為(i)項所述任何人士之直系親屬或由該等人士控制、共同控制或行使重大影響力之實體；或
- (vi) 有關人士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。

有關連人士之直系親屬指預期就其與實體之交易對或受該人士影響之親屬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 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 any identified impairment.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Depreciation 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 20 years and 40 years, whichever is shorter
Leasehold improvements	Over the terms of the leases, or estimated useful life of 5 years, whichever is shorter
Plant and machinery	6% to 20%
Furniture, fixtures and office equipment	6% to 33 $\frac{1}{3}$ %
Motor vehicles	9% to 20%

The assets' estimated residual values, depreciation methods and estimated 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 net sales proceeds and the carrying amount of the asset and is recognised in the income statement.

#### 3.9 物業、廠房及設備

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），按成本減累計折舊及任何可資識別減值後列賬。

資產成本包括其購買價及任何使其投入擬定用途之運作狀況及地點之直接應佔成本。

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20年至40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5年（以較短者為準）
廠房及機器	6%至20%
傢具、裝置及辦公室設備	6%至33 $\frac{1}{3}$ %
汽車	9%至20%

資產估計剩餘價值、折舊方法及估計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淨額與資產賬面值之差額釐定，並於損益表確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

### 3. 主要會計政策概要(續)

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

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 in the period in which they are incurred.

CIP, which mainly represents leasehold improvements on buildings, is stated at cost less any impairment losses and is not depreciated. Cost comprises direct costs incurred during the periods of construction, installation and testing. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is 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.

#### 3.9 物業、廠房及設備(續)

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，均於產生之期間自損益表扣除。

在建工程主要包括樓宇租賃物業裝修，按成本減任何減值虧損列賬及不會折舊。成本包括於建造、安裝及測試期內產生之直接成本。當在建工程完成及資產可準備使用時，會被重新分類至物業、廠房及設備之合適組別，並開始折舊。

#### 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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.11 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.

- (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 right to use of assets held under operating leases, payments made under the leases are charged to the income statement using the 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) *Assets leased out under operating leases as the lessor*  
Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

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

#### 3.11 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。

- (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採用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) *作為出租人根據經營租約出租資產*  
根據經營租約出租之資產乃根據資產之性質計量及呈列。於協商及安排經營租約時所產生之初步直接成本乃計入租賃資產之賬面值，並根據租期以與租金收入相同之基準確認為開支。

來自經營租約之應收租金收入於租賃期間按直線法於損益表確認，除非有其他基準更能呈列來自使用租賃資產之利益。所獲得之租賃減免均在損益表中確認為應收租賃款項總額淨值之組成部分。或然租金在其賺取之會計期間確認為收入。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.11 Operating leases (Continued)

##### (iii) Prepaid land lease payments

Prepaid land lease payments are up-front payments to acquire the long term interests in usage of land on which the buildings are situated. These payments are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over the respective lease terms.

#### 3.12 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.

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.

#### 3.11 經營租約(續)

##### (iii) 預付土地租賃款項

預付土地租賃款項為收購樓宇所在土地使用長期權益支付之首筆費用。該等費用乃按成本減累計攤銷及累計減值虧損確認。攤銷採用直線法於相關之租賃期計算。

#### 3.12 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。

所有金融資產僅在本集團訂立工具合約協議時確認，日常買賣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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.12 Financial assets (Continued)

(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 is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.

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

#### 3.12 金融資產(續)

(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
- 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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

### 3. 主要會計政策概要(續)

#### 3.12 Financial assets (Continued)

##### (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. These 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

These include non-derivative financial assets that do not qualify for inclusion in any of the 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 excluding any dividend and interest income, except for impairment losses (see the policy below) and foreign exchange gains and losses, 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 recycled to the income statement. Interest calculated using the effective interest method is recognised in the income statement. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.

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.

#### 3.12 金融資產(續)

##### (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

當中包括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。除減值虧損(見下文政策)及外匯損益外，公平值變動產生之收益及虧損(不包括任何股息及利息收入)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重新確認。使用實際利息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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

#### 3.12 Financial assets (Continued)

##### 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. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

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

### 3. 主要會計政策概要(續)

#### 3.12 金融資產(續)

##### 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。個別金融資產之客觀減值證據包括引致本集團對下列一項或多項虧損事件關注之可觀察數據：

- 債務人陷入重大財務困難；
- 違反合約，例如拖欠或延遲償還利息或本金；
- 債務人可能會破產或進行其他財務重整；
- 科技、市場、經濟及法律環境之重大改變對債務人造成負面影響；或
- 對股本權益工具之投資之公平值出現重大或長期下降至低於成本值。

有關某一組金融資產之虧損事項包括顯示該組金融資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於組別內債務人之付款狀況，以及與組別內資產拖欠情況有關之國家或當地經濟狀況出現逆轉。

倘存在任何該等證明，則減值虧損按以下方式計量及確認：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.12 Financial assets (Continued)

##### Impairment of financial assets (Continued)

##### (i) *Loans and receivables carried at amortised cost*

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 reorganisation, 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.

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.

#### 3.12 金融資產(續)

##### 金融資產減值(續)

##### (i) *按攤銷成本列賬之貸款及應收款項*

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款額時，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)，均被視為應收賬款出現減值之跡象。

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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.12 Financial assets (Continued)

##### Impairment of financial assets (Continued)

##### (i) *Loans and receivables carried at amortised cost* (Continued)

Impairment losses recognised whose recovery is considered doubtful but not remote, are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against the loans and receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

##### (ii) *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.

##### (iii) *Financial assets carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

#### 3.12 金融資產(續)

##### 金融資產減值(續)

##### (i) *按攤銷成本列賬之貸款及應收款項* (續)

可收回款項被視為呆滯但並非不可能收回之已確認減值虧損採用撥備賬記錄。當本集團信納收回款項為不可能，被視為不可收回之款項於貸款及應收款項直接撇銷，撥備賬內任何有關該債項之款項則撥回。過往計入撥備賬但其後收回之款項於撥備賬撥回。撥備賬其他變動以及過往直接撇銷但其後收回之款項於損益表確認。

##### (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。

##### (iii) *按成本列賬之金融資產*

減值虧損金額於金融資產賬面值與估計未來現金流量現值按同類金融資產之現行市場回報率貼現時之差額計量。有關減值虧損不會於往後期間撥回。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.12 Financial assets (Continued)

##### Impairment of financial assets (Continued)

##### (iii) *Financial assets carried at cost* (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, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

Impairment losses recognised in an interim period in respect of available for sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period.

#### 3.13 Financial liabilities

The Group's financial liabilities include borrowings, amounts due to related companies, trade and other payables, accruals and derivative financial instruments. These 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 obligations specified in the relevant contract are discharged, cancelled or expires. All interest related charges are recognised as an expense in finance costs in the income statement.

#### 3.12 金融資產(續)

##### 金融資產減值(續)

##### (iii) *按成本列賬之金融資產(續)*

就於活躍市場並無市場報價及其公平值未能可靠計量之可供出售股本證券投資而言，減值虧損與相關資產直接撇銷。倘應收賬款被視為呆賬但並非難以收回，呆賬應收款項之減值虧損採用撥備賬入賬。倘本集團信納應收賬款難以收回，則被視為無法收回之款額會直接與應收賬款對銷，而於撥備賬就應收款項持有之任何款額則會撥回。過往於撥備賬扣除之其後收回款額於撥備賬撥回。撥備賬之其他變動及過往直接撇銷之其後收回款額於損益表確認。

於中期就可供出售股本證券及並無報價股本證券按成本列賬之已確認減值虧損不會於往後期間撥回。

#### 3.13 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、應計費用及衍生金融工具。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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.13 Financial liabilities (Continued)

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. Other than derivative financial instruments which are detailed in note 3.14 below, measurements of the financial liabilities are as follows:

(i) *Borrowings*

Borrowings are mainly bank loans and are recognised initially at fair value, net of transaction costs incurred. These 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*

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

#### 3.13 金融負債(續)

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。除下文附註3.14所詳述衍生金融工具外，金融負債之計量如下：

(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，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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

### 3. 主要會計政策概要(續)

#### 3.14 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. Gain or loss on re-measurement to fair value is charged immediately to the income statement, 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.

#### 3.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using 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.

#### 3.16 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.

#### 3.14 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收益或虧損即時計入損益表，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。

#### 3.15 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。

#### 3.16 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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.17 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.

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

#### 3.18 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, tax authorities relating to the current or prior reporting period, that are unpaid at the balance sheet dates. 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.

#### 3.17 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，於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。

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。

#### 3.18 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，根據有關財務期間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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.18 Accounting for income taxes (Continued)

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 of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, 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.

#### 3.18 所得稅會計處理(續)

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。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會確認遞延稅項資產，惟以能抵銷該可扣稅暫時差額、未動用稅項虧損及未動用稅項抵免之可能出現未來應課稅溢利為限。

因商譽或初步確認交易之資產及負債(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。

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、聯營公司及合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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.19 Revenue recognition 3.19 收入確認

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 applicable value-added tax ("VAT"), 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:

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.

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，扣減適用增值稅(「增值稅」)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：

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

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

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution staff retirement scheme (the “ORSO Scheme”) for certain 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.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees in Hong Kong 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.

### 3. 主要會計政策概要(續)

#### 3.20 退休福利成本及短期僱員福利

僱員退休福利透過定額供款計劃撥備。

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。

本集團亦為合資格參與強制性公積金退休福利計劃(「強積金計劃」)而之前無參與職業退休計劃之香港僱員根據強制性公積金計劃條例設有定額供款計劃。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。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

##### 3.20 Retirement benefit costs and short term employee benefits (Continued)

According to the relevant regulations in the PRC, the subsidiaries of the Group operating in the PRC are required to participate in central pension schemes (the "Scheme") operated by the respective local municipal governments, whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Scheme to fund their retirement benefits. The Scheme is responsible for the entire pension obligations payable to the retired employees and the Group has no further obligations for the actual pension payments or other post-retirement benefits beyond the employer contributions. Contributions under the Scheme are charged to the income statement as they become payable in accordance with the rules of the PRC Scheme.

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

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

##### 3.21 Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

##### 3.20 退休福利成本及短期僱員福利(續)

根據中國有關規例，本集團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。中國計劃負責向已退休僱員支付全部退休金之責任，除僱主供款外，本集團就實際退休款項或其他退休後福利並無責任。中國計劃供款於根據中國計劃規則應付時在損益表扣除。

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未支取年假須作出撥備。

病假及產假等非累積有薪假期於提取假期時方予確認。

##### 3.21 以股份為基礎的僱員補償

本集團為其僱員設立以股本結算之股份付款補償計劃。

就所有僱員提供服務而授出之任何以股份為基礎之補償按其公平值計算。該等補償乃參考獲授出購股權間接釐定。其價值於授出日評估，並不包括任何非市場歸屬條件之影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

#### 3.21 Share-based employee compensation (Continued)

All share-based compensation is recognised as an expense in income statement with a corresponding credit to share option reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the share issued are reallocated to share capital with any excess being recorded as share premium. When the vested share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

#### 3.22 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. 主要會計政策概要(續)

#### 3.21 以股份為基礎的僱員補償(續)

所有以股份為基礎之補償於損益表確認為開支，並扣除遞延稅項(如適用)相應計入優先認購股份權儲備。倘歸屬期或其他歸屬條件適用，則根據預期歸屬之優先認購股份權最佳估計數目按歸屬期確認開支。就預期可予行使優先認購股份權數目作出之假設包括非市場歸屬條件。倘有跡象顯示預期歸屬之優先認購股份權數目與先前估計有別，則會於其後修訂估計。倘最終獲行使之優先認購股份權較已歸屬者為少，則不會對於前期確認之開支作出調整。

行使優先認購股份權後，所收取款項扣除以已發行股份面值為限之任何直接應佔交易成本重新分配至股本，任何剩餘金額則記錄為股份溢價。倘已歸屬優先認購股份權於到期日失效、被沒收或仍未行使，之前於優先認購股份權儲備確認之款額將轉撥至保留溢利。

#### 3.22 借貸成本

收購、建設或生產任何合資格資產產生之借貸成本，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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 3. 主要會計政策概要(續)

#### 3.23 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 are recognised in the income statement.

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. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates.

Other exchange differences arising from the translation of the net investment are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

#### 3.23 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當時之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。結算此類交易及於結算日重新換算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。

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。於二零零五年一月一日或之後收購海外業務產生之商譽及公平值調整已當作海外業務之資產及負債，並按收市匯率換算為港元。

換算投資淨額產生之其他匯兌差額計入股東權益。出售海外業務時，該等匯兌差額於損益表確認為部份出售收益或虧損。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

#### 3.24 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.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the income statement on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

#### 3.25 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 include corporate expenses and other expenses that cannot be allocated on a reasonable basis to the reportable segments. 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 corporate borrowings and other liabilities that are incurred for financing rather than operating purpose.

### 3. 主要會計政策概要(續)

#### 3.24 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。

當本集團發出財務擔保時，財務擔保之公平值會於應付款項及其他應付款項初步確認為遞延收入。如就發出擔保收取或應收取代價，則該代價將根據適用於該項資產類別之本集團政策確認。倘並無已收或應收代價，即時開支會於初步確認任何遞延收入時於損益表確認。

初步確認為遞延收入之擔保款額會於擔保期內在損益表攤銷，列作已發出之財務擔保收入。此外，當擔保持有人有可能要求本集團履行擔保責任，而其向本集團索取之款額預期將超過擔保當時之賬面值(即初步確認之款額減累計攤銷，如適用)，則會確認撥備。

#### 3.25 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，未分配成本包括企業開支以及其他未能按合理基準分配至申報分類之開支。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，而不包括如公司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. 主要會計政策概要(續)

#### 3.25 Segment reporting (Continued)

Capital expenditure comprises additions to property, plant and equipment, including additions resulting from additions through acquisition of subsidiaries.

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.

#### 3.26 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.

#### 3.27 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.

#### 3.28 Share capital

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

#### 3.25 分類報告(續)

資本開支包括添置物業、廠房及設備之開支，包括另行透過收購附屬公司產生之添置。

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。

#### 3.26 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。

#### 3.27 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。

#### 3.28 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(扣除任何相關所得稅利益)內扣減，惟以該權益交易應佔遞增成本為限。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 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, rarely 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 tests on an annual basis whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.6. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. Details in impairment assessment are set out in note 20 to the financial statements.

##### *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.

### 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*

本集團每年根據附註3.6所述會計政策測試商譽有否減值。現金產生單位之可收回金額按所計算之使用值釐定。該等計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。減值評估詳情載於財務報表附註20。

##### *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。

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

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

##### *Depreciation*

The Group depreciates the property, plant and equipment using the straight-line method over the estimated useful lives of 3 to 40 years, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the directors' estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

##### *Estimated impairment of trade receivables*

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. Allowances for impairment of receivables are determined by management of the Group based on the repayment history of its debtors and the current market conditions. 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. Management reassesses the amount of impairment allowances of receivables, if any, at each balance sheet date.

##### *Income taxes*

The Group is subject to income taxes in Hong Kong and 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)

##### *折舊*

本集團採用直線法按3至40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。

##### *應收賬款之估計減值*

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。應收款項之減值撥備由本集團管理層按債務人還款記錄以及現行市況釐定。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。管理層於各結算日重新評估應收款項之減值撥備金額(如有)。

##### *所得稅*

本集團須繳納香港及中國所得稅。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。

# NOTES TO THE FINANCIAL STATEMENTS

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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 Group's investment properties are stated at fair value (note 18) 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. 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.

##### *Valuation of share options granted*

The fair value of share options granted was calculated using the Black-Scholes valuation model based on the Group management's significant inputs into calculation including an estimated life of share options granted to be five years, based on exercise restrictions and behavioural consideration, the volatility of share price, weighted average share prices and exercise price of the share options granted. Furthermore, the calculation assumes no future dividends.

### 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(附註18)呈列。投資物業之公平值由獨立專業認可估值師衡量行及資產評估有限公司釐定。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。

##### *已授出優先認購股份權估值*

已授出優先認購股份權之公平值乃按「柏力克-舒爾斯」估值模式計算，並按本集團管理層於計算時之重大進項(包括授出優先認購股份權之五年估計年期)，以行使限制及行動代價、股價波幅、加權平均股價及已授出優先認購股份權之行使價計算。此外，有關計算並無計入未來股息之假設。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 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); and
- (c) property investment.

Manufacture and distribution of timber products, carried out by the 2007 Discontinued Timber Business as mentioned in note 1, have been classified as discontinued operations for the year (note 11) since 2007.

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)；及
- (c) 物業投資。

如附註1所提述，由二零零七年已終止木材業務進行之木材產品製造及分銷，自二零零七年起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 2008 截至二零零八年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

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

#### 2008

### 5. 分類資料(續)

#### 主要呈報方式 – 業務分類(續)

二零零八年

		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	2007 Discontinued Timber Business 二零零七年 已終止 木材業務 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	270,319	589,869	5,116	865,304	31,958
Other income and financial income	其他收入及財務收入	659	24,965	1	25,625	8,108
<b>Total</b>	<b>總計</b>	<b>270,978</b>	<b>614,834</b>	<b>5,117</b>	<b>890,929</b>	<b>40,066</b>
Segment results	分類業績	72,247	464	11,034	83,745	293,312
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額				(19,763)	-
Share of profit of an associate	應佔一家聯營公司溢利				63,982	293,312
Finance costs	財務費用				241	-
					(8,637)	(2,279)
Profit before income tax	除所得稅前溢利				55,586	291,033
Income tax expense	所得稅開支				(16,082)	(39,221)
<b>Profit for the year</b>	<b>年度溢利</b>				<b>39,504</b>	<b>251,812</b>
Segment assets	分類資產	367,490	215,455	70,898	653,843	636,336
Unallocated assets	未分配資產				1,113,516	-
					1,767,359	636,336
Segment liabilities	分類負債	163,015	43,279	13,308	219,602	67,238
Borrowings	借貸				144,983	28,410
Due to related companies	應付有關連公司欠款				769	255,519
Unallocated liabilities	未分配負債				19,527	-
					384,881	351,167
Other segment information:	其他分類資料：					
Depreciation and amortisation of prepaid land lease payments	預付土地租賃款項折舊及攤銷	3,164	6,250	1,973	11,387	10,073
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	(9,348)	(9,348)	-
Capital expenditure	資本開支	11,215	12,796	-	24,011	856

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八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			Total 總計 千港元
		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	2006 Discontinued Property Development Business 二零零六年 已終止 物業發展業務 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		
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	10,616	10,715
Total	總計	166,352	421,081	4,278	591,711	3,449	115,503	118,952
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 profit of an associate	應佔一家聯營公司溢利				113,754			337,170
Finance costs	財務費用				2,212			-
Profit before income tax	除所得稅前溢利				108,809			325,566
Income tax expense	所得稅開支				(7,168)			-
Profit for the year	年度溢利				101,641			325,566
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	預付土地租賃款項 折舊及攤銷	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 2008 截至二零零八年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

#### Secondary reporting format – geographical segments

Over 90% of the Group's revenue was derived in the PRC and over 90% of the segment assets were located in the PRC. In this regard, no separate analysis of segment information by geographical segment is presented.

### 6. REVENUE

Revenue on continuing operations, which is also the Group's 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:

### 5. 分類資料(續)

#### 次要呈報方式－地區分類

本集團超過90%之收入源自中國，而超過90%之分類資產則位於中國。就此，並無呈列按地區分類之獨立分類資料分析。

### 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：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Revenue on continuing operations</b>	<b>持續經營業務之收入</b>		
Sales of goods	貨品銷售	860,188	571,809
Gross rental income	租金收入總額	5,116	4,249
		<b>865,304</b>	<b>576,058</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 7. OTHER INCOME AND FINANCIAL INCOME

#### 7. 其他收入及財務收入

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
(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	24,526	14,599
Others	其他	610	4,763
		25,136	19,362
(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	523	1,549
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	1,139	374
		1,662	1,923

#### 8. FINANCE COSTS

#### 8. 財務費用

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest charged 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	8,637	7,157

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 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：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<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	696,597	468,903
Impairment losses on trade receivables (included in administrative expenses)	應收賬款減值虧損 (計入行政費用)	80	86
Depreciation (note)	折舊(附註)	11,145	5,455
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	242	72
Unrealised loss on derivative financial instruments	衍生金融工具未變現虧損	2,571	5,017
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	13,887	7,236
Auditors' remuneration	核數師酬金	1,280	1,200
Gross rental income	租金收入總額	(5,116)	(4,249)
Less: direct operating expenses	減：直接經營開支	1,777	787
Net rental income	租金收入淨額	(3,339)	(3,462)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備 之虧損	74	112
Written-off of obsolete inventories (included in cost of sales)	撇銷陳舊存貨 (計入銷售成本)	5,050	-

Note: Depreciation expense of HK\$6,345,000 (2007: HK\$1,398,000) has been included in cost of sales, HK\$543,000 (2007: HK\$593,000) in selling and distribution expenses and HK\$4,257,000 (2007: HK\$3,464,000) in administrative expenses.

附註：6,345,000港元之折舊開支(二零零七年：1,398,000港元)已計入銷售成本；543,000港元(二零零七年：593,000港元)計入銷售及分銷成本以及4,257,000港元(二零零七年：3,464,000港元)計入行政費用。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 10. INCOME TAX EXPENSE

During the year, no provision for Hong Kong profits tax has been provided in the financial statements as the Group had no assessable profit arising in Hong Kong in 2008. For the year ended 31 December 2007, Hong Kong Profits Tax was provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong.

Pursuant to the PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007, the PRC New Corporate Income Tax Law was approved and become effective on 1 January 2008. The PRC New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the corporate income tax rates for domestic-invested and foreign-invested enterprises at 25%. As a result, the applicable income tax rate of all PRC subsidiaries within the Group has changed to 25% with effect from 1 January 2008. The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 18% and 25% (2007: 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

年內，由於本集團於二零零八年並無於香港產生應課稅溢利，故無於財務報表作出香港利得稅撥備。於截至二零零七年十二月三十一日止年度，於香港產生之估計應課稅溢利按稅率17.5%作出香港利得稅撥備。

根據第十屆全國人民代表大會於二零零七年三月十六日通過之中國企業所得稅法，中國新企業所得稅法獲批准並於二零零八年一月一日起生效。中國新企業所得稅法引入多項變動，包括但不限於統一國內和外資企業之企業所得稅率為25%。因此，自二零零八年一月一日起，本集團內所有中國附屬公司之適用所得稅率改為25%。於中國成立之附屬公司須按介乎18%至25%（二零零七年：15%至33%）之所得稅率繳稅。

海外溢利之所得稅按年內估計應課稅溢利以本集團經營所在國家之現行稅率計算。

		2008 二零零八年		2007 二零零七年	
		Continuing operations 持續經營業務 HK\$'000 千港元	Discontinued operations 已終止經營業務 HK\$'000 千港元	Continuing operations 持續經營業務 HK\$'000 千港元	Discontinued operations 已終止經營業務 HK\$'000 千港元
Current tax for the year	年內即期稅項				
Hong Kong	香港	-	-	951	-
PRC	中國	15,910	39,221	6,217	-
Under-provision in respect of prior years	過往年度撥備不足				
Hong Kong	香港	172	-	-	-
Total income tax expense	所得稅開支總額	16,082	39,221	7,168	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 10. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit 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對賬如下：

		2008 二零零八年		2007 二零零七年	
		Continuing operations 持續經營業務	Discontinued operations 已終止經營業務	Continuing operations 持續經營業務	Discontinued operations 已終止經營業務
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Profit before income tax	除所得稅前溢利	55,586	291,033	108,809	325,566
Tax calculated at the rates applicable to the tax jurisdictions concerned	按有關稅項司法權區之適用稅率計算之稅項	11,801	52,386	18,053	56,974
Tax effect of income not taxable	毋須課稅收入之稅務影響	(15,692)	-	(15,712)	(64,922)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	9,667	2,004	2,857	7,948
Under-provision in respect of prior years	過往年度撥備不足	172	-	-	-
Tax effect of other temporary differences not recognised	其他未確認臨時差額之稅務影響	-	-	(72)	-
Utilisation of unused tax losses not recognised	動用未確認未使用稅項虧損	-	(15,169)	-	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	10,134	-	2,042	-
Total income tax expense	所得稅開支總額	16,082	39,221	7,168	-

The Hong Kong SAR Government enacted a reduction in the Profit Tax Rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Accordingly, the relevant current and deferred tax liabilities have been calculated using the new tax rate of 16.5%.

香港特區政府實施利得稅稅率寬減，自二零零八年／二零零九年評稅年度起由17.5%減至16.5%。因此，相關即期及遞延稅項負債已採用新稅率16.5%計算。

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### 財務報表附註

For the year ended 31 December 2008 截至二零零八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

##### 11.1 2007 Discontinued Timber Business

As described in note 1, in December 2007, Seti, a PRC wholly-owned subsidiary of 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 resumed the land in Shenzhen that was currently leased to Seti (the "PRC Land") and Seti ceased its production activities. In this regard, Seti significantly scaled down its operations in manufacture and distribution of timber products in December 2007.

According to the Land Resumption Agreement, the Shenzhen Municipal Government retained 50% of the PRC Land (the "Government Retained Land") and arranged for the remaining 50% of the PRC Land (the "Auction PRC Land") for the auction sale at an open auction (the "Open Auction") in 2008. The compensation payable 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.

On 26 November 2008, Shenzhen Seti Trading Development Company Limited ("Seti Trading"), a wholly owned subsidiary of the Company, and Suzhou Citychamp Hongye Property Development Company Limited ("Suzhou Citychamp"), a wholly-owned subsidiary of Citychamp Dartong Company Limited ("Citychamp"), jointly won the bid at the Open Auction to acquire the Auction PRC Land. Citychamp is the joint venturer of the Group's jointly controlled entity and a Company listed in the Shanghai Stock Exchange in the PRC.

On the same date, Shenzhen Municipal Bureau of Land Resources and Housing Management, the Shenzhen Municipal Government, Seti Trading and Suzhou Citychamp entered into a document which confirms the results of the Open Auction and the Shenzhen Municipal Government, Seti Trading and Suzhou Citychamp entered into a project agreement setting out the terms of the acquisition of the Auction PRC Land (the "Project Agreement").

#### 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，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」），而森帝則已終止其生產活動。有鑑於此，於二零零七年十二月，森帝已大幅縮減其木材產品製造及分銷業務之規模。

根據收回土地協議，深圳市政府保留中國土地面積50%（「政府保留土地」），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。

於二零零八年十一月二十六日，本公司全資附屬公司深圳市森帝貿易發展有限公司（「森帝貿易」）與冠城大通股份有限公司（「冠城」）全資附屬公司蘇州冠城宏業房地產有限公司（「蘇州冠城」）於公開拍賣共同投得拍賣中國土地。冠城為本集團共同控制實體之合營方，並為於中國上海證券交易所上市之公司。

同日，深圳市國土資源和房產管理局、深圳市政府、森帝貿易及蘇州冠城訂立文件，確認公開拍賣結果；而深圳市政府、森帝貿易及蘇州冠城則訂立項目改造合同，當中載列收購拍賣中國土地之條款（「項目改造合同」）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八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)

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

According to the Project Agreement, the Auction PRC Land was acquired at RMB800,000,000 (the "Consideration") which shall be settled in cash. The total compensation to be payable to Seti by the Shenzhen Municipal Government, as a result of the land resumption, shall be RMB716,000,000 (being 89.5% of RMB800,000,000). Accordingly, the considerations for the Government Retained Land (50% of the PRC Land) and the Auction PRC Land (50% of the PRC Land) are both RMB358,000,000.

The first instalment of RMB240,000,000 had been already paid by Seti Trading and Suzhou Citychamp to the Shenzhen Municipal Government in December 2008 and the remaining Consideration shall be paid in 2009.

As a result of the success of the Auction PRC Land, Seti Trading and Suzhou Citychamp entered into a joint venture agreement on 26 November 2008, pursuant to which Seti Trading and Suzhou Citychamp shall procure to establish a joint venture company (the "New JV Company") to develop the Auction PRC Land. Under this joint venture agreement, the New JV Company shall be 30% and 70% owned by Seti Trading and Suzhou Citychamp respectively. As at 31 December 2008, Seti Trading and Suzhou Citychamp were still in the process of obtaining approvals by the government authorities for the establishment of the New JV Company. Details of establishment of the New JV Company have been set out in the Company's circular dated 19 December 2008.

The restoration of the Auction PRC Land shall be completed in 2009. Prior to the resumption of the Auction PRC Land, Seti is required to, among other things; demolish the buildings on the Auction PRC Land and dispose of the property, plant and equipment of the Discontinued Timber Business. 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. 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)

根據項目改造合同，拍賣中國土地以人民幣800,000,000元(「代價」)購入，並以現金支付。由於收回土地，深圳市政府須向森帝支付賠償合共人民幣716,000,000元(即人民幣800,000,000元之89.5%)。因此，政府保留土地(即中國土地面積50%)及拍賣中國土地(即中國土地面積50%)之代價均為人民幣358,000,000元。

首期人民幣240,000,000元已由森帝貿易及蘇州冠城於二零零八年十二月向深圳市政府支付。餘下代價將於二零零九年支付。

由於成功拍賣中國土地，森帝貿易與蘇州冠城於二零零八年十一月二十六日訂立聯營合同，據此，森帝貿易與蘇州冠城將促使成立合營公司(「新合營公司」)，以開發拍賣中國土地。根據此新聯營合同，新合營公司將由森帝貿易與蘇州冠城分別擁有30%及70%。於二零零八年十二月三十一日，森帝貿易與蘇州冠城就成立新合營公司向政府機關獲取之批文仍在處理中。成立新合營公司之詳情載於本公司日期為二零零八年十二月十九日之通函。

重整拍賣中國土地將於二零零九年完成。收回拍賣中國土地前，森帝須(其中包括)拆卸於拍賣中國土地之樓宇以及出售已終止木材業務之物業、廠房及設備。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。

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八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)

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

As described in note 1, in September 2006, a shareholders' resolution was passed to dispose of the entire paid-up capital of the 2006 Disposal Group to Citychamp. 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. The disposal of the 2006 Disposal Group was completed on 22 May 2007 (note 43).

In 2007, the 2006 Discontinued Property Development Business was consistently presented as discontinued operations in accordance with HKFRS 5.

#### 11.3 Profit 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)

#### 11.2 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，於二零零六年九月通過股東決議案，向冠城出售二零零六年出售組別之全部繳足股本。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元作為代價。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43)。

於二零零七年，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。

#### 11.3 已終止經營業務之本年度溢利分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit/(Loss) of the 2007 Discontinued Timber Business and 2006 Discontinued Property Development Business (Note 11.4)	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溢利／(虧損)(附註11.4)	251,812	(41,240)
Gain on disposals of the 2006 Disposal Group (Note 43)	出售二零零六年出售組別之收益(附註43)	-	366,806
Profit for the year from the discontinued operations	已終止經營業務之年內溢利	<u>251,812</u>	<u>325,566</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 for the year ended 31 December 2008, 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 截至二零零八年十二月三十一日止年度，二零零七年已終止木材業務之業績分析及用作說明之比較數字載列如下：

		2008 二零零八年	2007 二零零七年		
		2007 Discontinued Timber Business 二零零七年 已終止 木材業務 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	31,958	104,887	3,350	108,237
Cost of sales	銷售成本	(35,762)	(95,953)	(9,551)	(105,504)
<b>Gross (loss)/profit</b>	<b>(毛損)／毛利</b>	<b>(3,804)</b>	8,934	(6,201)	2,733
Other income	其他收入	8,088	10,600	22	10,622
Selling and distribution expenses	銷售及分銷成本	(277)	(2,751)	(508)	(3,259)
Administrative expenses	行政費用	(27,942)	(10,021)	(3,175)	(13,196)
Redundancy expense	遣散開支	-	(26,629)	-	(26,629)
Gain on disposals of non-current assets held for sale	出售持作出售非流動資產之收益	317,227	-	-	-
<b>Operating profit/(loss)</b>	<b>經營溢利／(虧損)</b>	<b>293,292</b>	(19,867)	(9,862)	(29,729)
Financial income	財務收入	20	16	77	93
Finance costs – interest on bank and other loans wholly repayable within five years	財務費用－五年內悉數償還之銀行及其他貸款利息	(2,279)	(11,604)	-	(11,604)
Profit/(Loss) before income tax	除所得稅前溢利／(虧損)	291,033	(31,455)	(9,785)	(41,240)
Income tax expense	所得稅開支	(39,221)	-	-	-
<b>Profit/(Loss) for the year</b>	<b>年內溢利／(虧損)</b>	<b>251,812</b>	<b>(31,455)</b>	<b>(9,785)</b>	<b>(41,240)</b>
Operating cash flows	經營現金流量	(8,094)	(6,805)	12,340	5,535
Investing cash flows	投資現金流量	(82,226)	-	-	-
Financing cash flows	融資現金流量	89,290	52,622	117,649	170,271
Total cash (outflows)/inflows	現金(流出)／流入總額	<b>(1,030)</b>	45,817	129,989	175,806

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八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 for the year ended 31 December 2008, 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\$10,073,000 (2007: HK\$10,678,000) were charged to the income statement of the discontinued operations for the year.

Employee benefit expense of the discontinued operations for the year of HK\$6,985,000 (2007: HK\$33,772,000) included wages and salaries of HK\$6,422,000 (2007: HK\$6,858,000), pension cost of HK\$563,000 (2007: HK\$285,000).

As described in note 11.1, the Shenzhen Municipal Government retained the Government Retained Land (50% of the PRC Land). As a result of the bid on the Open Action and pursuant to the written confirmation from the Shenzhen Municipal Government, the resumption of the Government Retained Land was completed on 26 November 2008 and title and ownership of the Government Retained Land had been passed to the Shenzhen Municipal Government on that date. The receivable consideration for this land is HK\$406,818,000 (equivalent to RMB358,000,000) as at 31 December 2008. In these regards, for the year ended 31 December 2008, the Group had recognised the gain on disposals of non-current assets held for sale 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 截至二零零八年十二月三十一日止年度，二零零七年已終止木材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10,073,000港元(二零零七年：10,678,000港元)之物業、廠房及設備折舊及預付土地租賃款項攤銷，於年內已終止經營業務之損益表內扣除。

年內已終止經營業務之僱員福利開支為6,985,000港元(二零零七年：33,772,000港元)，包括工資及薪金6,422,000港元(二零零七年：6,858,000港元)以及退休金成本563,000港元(二零零七年：285,000港元)。

誠如附註11.1所述，深圳市政府保留政府保留土地(即中國土地面積50%)。由於公開拍賣之投標及根據深圳市政府之書面確認，政府保留土地收回已於二零零八年十一月二十六日完成，而政府保留土地之業權及擁有權亦已於當日交予深圳市政府。於二零零八年十二月三十一日，就此土地應收代價406,818,000港元(相當於人民幣358,000,000元)。就此，於截至二零零八年十二月三十一日止年度，本集團就出售持作出售非流動資產確認之收益如下：

		HK\$'000 千港元
Proceeds from disposals of non-current assets held for sale	出售持作出售非流動資產之所得款項	406,818
Carrying amounts of non-current assets held for sale	持作出售非流動資產之賬面值	(87,481)
Other relevant income and expenses related to the disposal, net	有關出售之其他相關收入及開支淨額	(2,110)
		317,227

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## 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 (Continued)

#### 11.4 An analysis of the results of the 2007 Discontinued Timber Business for the year ended 31 December 2008, with the comparatives for illustrative purpose, is as follows: (Continued)

Sale of the Auction PRC Land, being the remaining 50% of the PRC Land, shall be recognised in the income statement when the Shenzhen Municipal Government sends the notifications to allow the New JV Company to apply for the title of the land use right certificate.

#### 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 classified as held for sale:	分類為持作出售之非流動資產：
Property, plant and equipment	物業、廠房及設備
Prepaid land lease payments	預付土地租賃款項

At 31 December 2008, no buildings and prepaid land lease payments classified as held for sale have been pledged to secure banking facilities granted to the Group.

At 31 December 2007, buildings and prepaid land lease payments of the 2007 Discontinued Timber Business with carrying values of HK\$84,722,000 and HK\$43,885,000 in the PRC respectively have been pledged to secure certain banking facilities granted to the Group.

### 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 截至二零零八年十二月三十一日止年度，二零零七年已終止木材業務之業績分析及用作說明之比較數字載列如下：(續)

銷售拍賣中國土地(即中國土地面積餘下50%)須於深圳市政府發出通知書，批准新合營公司申請土地業權使用權證時，於損益表確認。

#### 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：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Property, plant and equipment	89,671	150,759
Prepaid land lease payments	27,222	50,230
	<b>116,893</b>	<b>200,989</b>

於二零零八年十二月三十一日並無已分類為持作出售之樓宇及預付土地租賃款項已抵押，作為取得本集團獲授銀行融資之擔保。

於二零零七年十二月三十一日，於中國賬面值分別為84,722,000港元及43,885,000港元之二零零七年已終止木材業務之樓宇及預付土地租賃款項已抵押，作為取得本集團獲授若干銀行融資之擔保。

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### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

Of the consolidated profit attributable to the equity holders of the Company of HK\$290,213,000 (2007: HK\$427,467,000), a loss of HK\$75,817,000 (2007: HK\$16,805,000) has been dealt with in the financial statements of the Company.

#### 13. DIVIDENDS

Dividend attributable to:	應佔股息：
Proposed final dividend of	擬派末期股息
HK2.50 cents per share	每股2.50港仙

The final dividend declared after the balance sheet date has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of retained earnings for the year ended 31 December 2008. The board of directors did not recommend any payment of dividends for the year ended 31 December 2007.

#### 14. EARNINGS PER SHARE

The calculations of basic earnings per share from continuing and discontinued operations are based on the profit from continuing operations attributable to equity holders of the Company of HK\$38,401,000 (2007: HK\$101,641,000) and the profit from discontinued operations attributable to equity holders of the Company of HK\$251,812,000 (2007: HK\$325,826,000) and on the weighted average of 2,160,200,000 (2007: 1,792,031,000) ordinary shares in issue during the year.

For the year ended 31 December 2008, the share options had no dilutive effect as the average market price of the ordinary shares was below the exercise price of the options. Diluted earnings per share for the year ended 31 December 2007 were not disclosed as no dilutive events existed during that year.

#### 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290,213,000港元(二零零七年：427,467,000港元)中，虧損75,817,000港元(二零零七年：16,805,000港元)已於本公司財務報表內處理。

#### 13. 股息

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>88,551</b>	—

於結算日後宣派之末期股息並無於結算日確認為負債，惟已反映為截至二零零八年十二月三十一日止年度之保留盈利撥款。董事會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。

#### 14. 每股盈利

持續經營業務及已終止經營業務之每股基本盈利乃根據本公司權益持有人應佔持續經營業務溢利38,401,000港元(二零零七年：101,641,000港元)及本公司權益持有人應佔已終止經營業務溢利251,812,000港元(二零零七年：325,826,000港元)及年內已發行普通股加權平均數2,160,200,000股(二零零七年：1,792,031,000股)計算。

截至二零零八年十二月三十一日止年度，由於普通股平均市價低於優先認購股份權行使價，故優先認購股份權不具攤薄影響。由於截至二零零七年十二月三十一日止年度並無出現攤薄事件，故並無披露該年內每股攤薄盈利。

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) 15. 僱員福利開支(包括董事酬金)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Continuing operations	持續經營業務		
Wages and salaries	工資及薪金	56,816	28,863
Pension costs – defined contribution plans	退休金成本—定額供款計劃	3,737	1,465
Equity-settled share-based compensation	以股本結算之股份補償	695	—
		<u>61,248</u>	<u>30,328</u>

### 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 薪金、津貼及實物福利 HK\$'000 千港元	Contributions to pension scheme 退休計劃供款 HK\$'000 千港元	Equity-settled share-based compensation 以股本結算之股份補償 HK\$'000 千港元	Total 總額 HK\$000 千港元
<b>2008</b>	<b>二零零八年</b>				
<b>Executive directors</b>	<b>執行董事</b>				
Mr. Hon Kwok Lung	韓國龍先生	—	1,690	12	19
Mr. Wang Shaolan (Resigned on 29 December 2008)	王少蘭先生 (於二零零八年十二月二十九日辭任)	—	992	—	—
Mr. Shang Jianguang	商建光先生	—	2,135	60	43
Mr. Shi Tao	石濤先生	—	1,690	—	27
Mr. Lam Toi Man	林代文先生	—	1,430	12	19
<b>Non-executive director</b>	<b>非執行董事</b>				
Ms. Sit Lai Hei	薛黎曦女士	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	—	—	19
Dr. Kwong Chun Wai, Michael	鄭俊偉博士	100	—	—	19
Mr. Li Qiang	李強先生	100	—	—	19
		<u>450</u>	<u>7,937</u>	<u>84</u>	<u>165</u>
				<u>165</u>	<u>8,636</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 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
	Directors' fees	薪金、津貼及實物福利	退休計劃供款	總額
	袍金	薪金、津貼及實物福利	退休計劃供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
<b>2007</b>	<b>二零零七</b>			
<b>Executive directors</b>	<b>執行董事</b>			
Mr. Hon Kwok Lung	韓國龍先生	–	12	1,702
Mr. Wang Shaolan	王少蘭先生	–	–	1,580
Mr. Shang Jianguang	商建光先生	–	60	1,780
Mr. Shi Tao	石濤先生	–	–	1,690
Mr. Lam Toi Man	林代文先生	–	12	1,442
<b>Non-executive director</b>	<b>非執行董事</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>84</u>	<u>8,644</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2007: Nil).

年內並無董事豁免或同意豁免任何酬金安排(二零零七年：無)。

#### 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 (2007: Nil).

#### 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(二零零七年：無)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT

#### Group

### 17. 物業、廠房及設備

#### 本集團

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	CIP	Total
		樓宇	租賃物業裝修	廠房及機器	傢具、裝置及辦公室設備	汽車	在建工程	總計
		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
At 31 December 2007	於二零零七年十二月三十一日							
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
Reclassifications	重新分類	-	-	15,069	-	-	(15,069)	-
Disposals	出售	-	-	-	(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)	-	(33,090)
Net carrying amount	賬面淨值	47,516	770	55,490	2,654	7,115	11,849	125,394
Year ended 31 December 2008	截至二零零八年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	47,516	770	55,490	2,654	7,115	11,849	125,394
Acquisition of subsidiaries (note 42)	收購附屬公司(附註42)	959	176	4,941	1,087	1,493	-	8,656
Additions	添置	3	2,242	4,861	6,619	5,005	9,957	28,687
Reclassifications	重新分類	-	-	10,382	157	-	(10,539)	-
Disposals	出售	-	(186)	(68)	(29)	(154)	-	(437)
Depreciation	折舊	(1,656)	(758)	(4,938)	(1,659)	(2,134)	-	(11,145)
Exchange realignment	匯兌調整	3,214	13	3,667	90	193	815	7,992
Closing net book amount	年終賬面淨值	50,036	2,257	74,335	8,919	11,518	12,082	159,147
At 31 December 2008	於二零零八年十二月三十一日							
Cost	成本	56,702	6,413	89,586	21,226	16,278	12,082	202,287
Accumulated depreciation	累計折舊	(6,666)	(4,156)	(15,251)	(12,307)	(4,760)	-	(43,140)
Net carrying amount	賬面淨值	50,036	2,257	74,335	8,919	11,518	12,082	159,147

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八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 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	890	504	4,966	6,360
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	539	459	3,883	4,881
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	539	459	3,883	4,881
Year ended 31 December 2008	截至二零零八年 十二月三十一日 止年度				
Opening net book amount	年初賬面淨值	539	459	3,883	4,881
Additions	添置	1,606	410	2,659	4,675
Disposals	出售	(186)	(19)	–	(205)
Depreciation	折舊	(446)	(250)	(1,267)	(1,963)
Closing net book amount	年終賬面淨值	1,513	600	5,275	7,388
At 31 December 2008	於二零零八年 十二月三十一日				
Cost	成本	3,187	1,474	8,490	13,151
Accumulated depreciation	累計折舊	(1,674)	(874)	(3,215)	(5,763)
Net carrying amount	賬面淨值	1,513	600	5,275	7,388

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八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 all situated in the PRC and are held under the following lease terms:

At cost:	成本值：
Short-term leases	短期租約
Medium-term lease	中期租約
Long-term lease	長期租約

At 31 December 2008, certain of the Group's buildings with carrying amount of HK\$906,000 have been pledged to secure certain banking facilities granted to the Group (2007: Nil) (note 33) and certain of the Group's buildings with carrying amount of HK\$44,485,000 have been pledged to secure banking facilities granted to the joint venturer (2007: Nil).

At 31 December 2008, the Group has not yet obtained the title certificates for certain leasehold buildings in the PRC with an aggregate carrying value of approximately HK\$562,000 (2007: HK\$1,135,000). 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 title certificates from the relevant government authorities.

### 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全部位於中國大陸，並按下列租期持有：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	2,415	2,640
	53,031	49,537
	1,256	—
	<b>56,702</b>	<b>52,177</b>

於二零零八年十二月三十一日，本集團賬面值為906,000港元之若干樓宇已抵押，以為本集團取得若干銀行融資(二零零七年：無)(附註33)；而本集團賬面值44,485,000港元之若干樓宇亦已抵押，以為合營方取得銀行融資(二零零七年：無)。

於二零零八年十二月三十一日，本集團尚未就其於中國賬面總值約562,000港元(二零零七年：1,135,000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業權證明。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

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#### 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:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	60,258	159,748
Additions	添置	–	10,332
Disposals	出售	–	(120,000)
Net surplus on revaluation of investment properties	重估投資物業之 盈餘淨額	9,348	10,178
Carrying amount at 31 December	於十二月三十一日之賬面值	69,606	60,258

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:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	12,450	12,832
The PRC	中國	57,156	47,426
		69,606	60,258

Investment properties were revalued at 31 December 2008 by Asset Appraisal Limited and Chung, Chan & Associates, independent, professionally qualified valuers, at HK\$69,606,000 in aggregate on market approach by reference to market prices for similar properties. Asset Appraisal Limited is a member of Hong Kong Institutes of Surveyors, and Chung, Chan & Associates is a member of Royal Institution of Chartered Surveyors. Both have appropriate qualifications and recent experiences in the valuation of similar properties.

#### 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：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	60,258	159,748
Additions	添置	–	10,332
Disposals	出售	–	(120,000)
Net surplus on revaluation of investment properties	重估投資物業之 盈餘淨額	9,348	10,178
Carrying amount at 31 December	於十二月三十一日之賬面值	69,606	60,258

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分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	12,450	12,832
The PRC	中國	57,156	47,426
		69,606	60,258

投資物業於二零零八年十二月三十一日由獨立專業認可估值師資產評值顧問有限公司及衡量行參考同類物業市價後採用市場法重估為合共69,606,000港元。資產評值顧問有限公司為香港測量師學會成員，衡量行則為英國皇家特許測量師學會成員。兩者均於同類物業估值方面具備適當資格及近期經驗。

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

At 31 December 2008, certain investment properties with an aggregate carrying value of HK\$12,450,000 (2007: HK\$12,832,000) have been pledged to secure banking facilities granted to the Group (note 33).

In 2007, 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 of HK\$22,853,000 was recognised in the income statement in 2007. The sale proceeds of HK\$142,853,000 had been collected in 2007.

### 19. PREPAID LAND LEASE PAYMENTS – GROUP

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

Carrying amount at 1 January	於一月一日之賬面值		
Additions	添置		
Acquisition of subsidiaries (note 42)	收購附屬公司 (附註42)		
Amortisation during the year	年內攤銷		
Exchange realignment	匯兌調整		
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)		
Carrying amount at 31 December	於十二月三十一日之賬面值		
Less: Current portion	減：即期部分		
Non-current portion	非即期部分		

At 31 December 2008, certain of the Group's prepaid land lease payments with carrying value of HK\$10,914,000 (2007: Nil) have been pledged to secure the banking facilities granted to the joint venturer.

### 18. 投資物業－本集團(續)

於二零零八年十二月三十一日，賬面總值12,450,000港元(二零零七年：12,832,000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33)。

於二零零七年，賬面值為120,000,000港元之投資物業以代價142,853,000港元售予一名獨立第三方。因此，於二零零七年損益表確認22,853,000港元之收益。銷售所得款項142,853,000港元已於二零零七年收取。

### 19. 預付土地租賃款項－本集團

此等款項代表於中國根據中期租約持有之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：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	10,437	50,309
	9,565	10,511
	706	–
	(242)	(3,952)
	720	3,799
	–	(50,230)
	21,186	10,437
	(444)	(210)
	20,742	10,227

於二零零八年十二月三十一日，賬面值為10,914,000港元(二零零七年：無)之本集團若干預付土地租賃款項已抵押，以為合營方取得銀行融資。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

At 31 December 2008, the Group had prepaid land lease payments located in the PRC with an aggregate carrying value of HK\$9,565,000 (2007: Nil). The Group has not yet obtained the relevant land use right certificates for these prepaid land lease payments. The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these prepaid land lease payments.

#### 20. GOODWILL – GROUP

Goodwill of HK\$621,382,000 arose during the year relates to the Acquisition (note 1) and is allocated to the CGUs that are expected to benefit from that acquisition. The carrying amount of goodwill is allocated to the cash generating units for manufacturing and distribution of watches and timepieces. The net carrying amount of goodwill can be summarised as follows:

#### 19. 預付土地租賃款項－本集團(續)

於二零零八年十二月三十一日，本集團於中國之預付土地租賃款項賬面總值為9,565,000港元(二零零七年：無)。本集團並未就該等預付土地租賃款項取得相關土地使用權證書。本集團法律顧問確認，本集團為該等預付土地租賃款項之公平合法擁有人。

#### 20. 商譽－本集團

年內產生之商譽621,382,000港元與收購事項有關(附註1)，並分配至預期可自該項收購獲益之現金產生單位。商譽賬面值已分配至製造及分銷鐘錶及時計之現金產生單位。商譽賬面淨值分析概述如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日		
Gross carrying amount	賬面總值	4,816	4,816
Accumulated impairment	累計減值	(4,816)	(4,816)
Net carrying amount	賬面淨值	–	–
Net carrying amount at 1 January	於一月一日之賬面淨值	–	–
Acquisition of subsidiaries during the year (note 42)	年內收購附屬公司(附註42)	621,382	–
<b>Net carrying amount at 31 December</b>	<b>於十二月三十一日之賬面淨值</b>	<b>621,382</b>	<b>–</b>
At 31 December	於十二月三十一日		
Gross carrying amount	賬面總值	626,198	4,816
Accumulated impairment	累計減值	(4,816)	(4,816)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>621,382</b>	<b>–</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 20. GOODWILL – GROUP (Continued)

A valuation of the business enterprise value was carried out by Asset Appraisal Limited to assess the recoverable amount of the Acquisition. As described in note 4.2, the recoverable amounts for the above CGU have been determined based on the value-in-use calculations, covering a detailed five-year budget plan, followed by an extrapolation of expected cash flow at the growth rates stated below.

The growth rates reflect the long-term average growth rates for the product lines of the CGU. The discount rates used are pre-tax and reflect specific risk relating to the relevant business segments. The key assumptions used for value in use calculations are:

Growth rate	17.00%
Discount rate	13.72%

The Group's management's key assumptions for the Group include stable profit margins, which have been determined based on the past performance and its expectations for the market share after taking into consideration published market forecasts included in industry reports. The discount rate used is pre-tax and reflect specific risks relating to the relevant segments. On the other hand, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimated recoverable amount of the Group's newly acquired subsidiary is sensitive to the discount rate applied. Had the discount rate for the Group's newly acquired subsidiary been increased by 1%, an impairment loss of HK\$25,017,000 would be recognised and written off against the goodwill.

Goodwill with gross amount of HK\$4,816,000 and carrying forward from previous year was attributable to the 2007 Discontinued Timber Business. This had been fully impaired in the previous years.

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 (2007: HK\$15,300,000) as at 31 December 2008.

### 20. 商譽—本集團(續)

資產評估顧問有限公司進行商業企業價值估值，以評估收購事項之可收回款額。誠如附註4.2所述，上述現金產生單位之可收回款額按使用值計算釐定，涵蓋一項詳盡五年預算計劃，再按下述增長率推斷預期現金流量。

增長率反映現金產生單位生產線之長期平均增長率。所用貼現率為反映相關業務分部特定風險之除稅前比率。計算使用值之主要假設如下：

增長率	17.00%
貼現率	13.72%

本集團管理層就本集團之主要假設包括穩定邊際溢利，乃經計及於業內報告所公佈市場預測後，按過往表現及其市場佔有率預測釐定。所用貼現率為反映相關分部特定風險之除稅前比率。另一方面，本集團管理層現時並不知悉有任何其他可能變動需要對其主要估計作出變動。然而，本集團新購入附屬公司之估計可收回款額對所應用之貼現率敏感。倘本集團新購入附屬公司之貼現率增加1%，將確認減值虧損25,017,000港元，並於商譽中沖銷。

自去年結轉之總值為4,816,000港元之商譽由二零零七年已終止木材業務產生。有關商譽已於過往年度全數減值。

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零零八年十二月三十一日，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(二零零七年：15,300,000港元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 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

### 21. 所佔附屬公司權益－本公司

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	793,174	128,174
	445,438	456,554
	<b>1,238,612</b>	584,728
	<b>(303,703)</b>	(303,703)
	<b>934,909</b>	281,025

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.

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。

Particulars of the principal subsidiaries at 31 December 2008 are as follows:

於二零零八年十二月三十一日主要附屬公司詳情如下：

Name 名稱	Place/ country of incorporation 註冊地點/ 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 所持已發行普通/ 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 晴嘉投資有限公司	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 中國海澱商業網絡服務有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業
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 港益管理有限公司	Hong Kong 香港	HK\$1 1港元	100	–	Property investment in Hong Kong 於香港投資物業

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 21. INTERESTS IN SUBSIDIARIES – COMPANY (Continued) 21. 所佔附屬公司權益 – 本公司(續)

Particulars of the principal subsidiaries at 31 December 2008 are as follows: (Continued)

於二零零八年十二月三十一日主要附屬公司詳情如下：(續)

Name 名稱	Place/ country of incorporation 註冊地點/ 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 所持已發行普通/ 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	
EBOHR Luxuries International Co., Ltd. 依波精品(深圳)有限公司	PRC 中國	HK\$36,000,000 36,000,000港元	–	100	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及時計產品
Seti Timber Industry (Shenzhen) Co., Ltd. 森帝木業(深圳)有限公司	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
Seti Trading Development Co., Ltd. 深圳市森帝貿易發展有限公司	PRC 中國	RMB500,000 人民幣500,000元	–	100	Investment holding in the PRC 於中國投資控股
Jia Cheng Investment Limited 佳城投資有限公司	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
Actor Investments Limited 安達投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	–	100	Investment holding in Hong Kong 於香港投資控股
Zhuihai Rossini Watch Industry Ltd. 珠海羅西尼錶業有限公司	PRC 中國	RMB7,800,000 人民幣7,800,000元	–	91	Manufacture and distribution of watches and timepieces in the PRC 於中國製造及分銷鐘錶及時計產品
PAMA Precision Manufacturing Limited 深圳市帕瑪精品製造有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	–	100	Not yet commence business 尚未展開業務
Ocean Montres SA	Switzerland 瑞士	CHF100,000 100,000瑞士法郎	–	89	Manufacture and distribution of watches and timepieces in Switzerland 於瑞士製造及分銷鐘錶及時計產品

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

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

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.

The Group also holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Limited (“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 Sunto was 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 Sunto.

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

Unlisted investments, at cost 非上市投資，成本值  
Due from 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)

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。

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。由於順通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，本集團於順通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。本集團不會對順通作出任何進一步投資。

#### 22. 所佔一家共同控制實體權益－本公司

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted investments, at cost	64,215	64,215
Due from jointly-controlled entity	227	210
	<u>64,442</u>	<u>64,425</u>

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 22. INTERESTS IN JOINTLY-CONTROLLED ENTITY – COMPANY (Continued) 22. 所佔一家共同控制實體權益—本公司(續)

Particulars of the jointly-controlled entity at 31 December 2008 are as follows:

於二零零八年十二月三十一日，共同控制實體之詳情如下：

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") 福州大通機電有限公司 (「福州大通」)	PRC 中國	49	50	49	Manufacture and distribution of enamelled copper wire in the PRC 於中國製造及分銷 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.

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。

The aggregate amounts relating to Fuzhou Dartong that have been included in the Group's consolidated financial statements are as follows:

有關已計入本集團綜合財務報表之福州大通之總額如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets	非流動資產	130,484	116,107
Current assets	流動資產	84,971	84,864
Current liabilities	流動負債	(118,171)	(126,681)
Non-current liabilities	非流動負債	(25,614)	—
Net assets	資產淨值	71,670	74,290
Revenue	收入	589,869	406,482
Other income and financial income	其他收入及 財務收入	24,965	14,599
Total costs and expenses	總成本及開支	(622,453)	(421,786)
Income tax expense	所得稅開支	(153)	—
Loss for the year	本年度虧損	(7,772)	(705)

As at 31 December 2008, Fuzhou Dartong provided a guarantee of HK\$43,182,000 (2007: HK\$26,596,000) for a bank loan granted to Citychamp, the joint venturer.

於二零零八年十二月三十一日，福州大通就銀行向合營方冠城授出貸款提供擔保43,182,000港元(二零零七年：26,596,000港元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 23. INTERESTS IN ASSOCIATES

### 23. 所佔聯營公司權益

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	31,484	29,272	24,244	24,244
Acquisition of an associate (note 42)	收購一家聯營公司 (附註42)	154	-	-	-
Additional investment in an associate	於一家聯營公司增加 投資	5,092	-	5,092	-
Dividend income received from an associate	自一家聯營公司收取之 股息收入	(2,389)	-	-	-
Share of profit of an associate	應佔一家聯營公司溢利	241	2,212	-	-
At 31 December	於十二月三十一日	34,582	31,484	29,336	24,244

Particulars of the associates at 31 December 2008 are as follows:

於二零零八年十二月三十一日，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 M&E Co., Ltd. 江蘇大通機電有限公司	Paid up capital of RMB29,475,000 繳入股本 人民幣29,475,000元	PRC 中國	25.58 (2007: 25) (二零零七年：25)
Changzhou Zhongxing Department Store Co., Ltd. 常州中興百貨有限公司	Paid up capital of RMB182,000 繳入股本 人民幣182,000元	PRC 中國	36.40 (2007: Nil) (二零零七年：零)

The summarised financial information of the Group's associates extracted from their management accounts for the year ended 31 December 2008 are as follows:

以下為摘錄自本集團聯營公司截至二零零八年十二月三十一日止年度之管理賬目之財務資料概要：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Assets	資產	305,892	392,858
Liabilities	負債	(167,450)	(266,649)
Revenue	收入	1,307,540	1,414,020
Profit for the year	本年度溢利	965	8,848

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 24. AVAILABLE-FOR-SALE FINANCIAL ASSETS – 24. 可供出售金融資產 – 本集團 GROUP

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 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）	412,936	853,380
Unlisted equity investment, at cost	非上市股本投資，成本值		
– 合肥光大木材工業有限公司 （“Hefei Everbright”）(note b)	– 合肥光大木材工業有限公司 （「合肥光大」）(附註b)	3,477	3,477
– Others (note c)	– 其他(附註c)	74	–
Less: Provision for impairment	減：減值撥備	(3,477)	(3,477)
		74	–
Total	總計	413,010	853,380

Notes:

- (a) In 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 paid RMB36,000 to the Group as the consideration (note 11.2).

In July 2007, Citychamp declared a bonus issue of 0.836 share together with a cash dividend of RMB0.1 for every 10 shares. In August 2007, 6,079,392 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.

In 14 April 2008, Citychamp declared a bonus issue of 1.5 shares together with a cash dividend of RMB0.167 for every 10 shares. In April 2008, 11,819,909 bonus shares and cash dividends of RMB1,316,000 were received by the Group. A dividend income totalling HK\$73,624,000 was recognised in the income statement for the year ended 31 December 2008.

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二零零六年出售組別。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，冠城就每10股股份宣派0.836股紅股及現金股息人民幣0.1元。於二零零七年八月，本集團已收取6,079,392股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港元之股息收入已於損益表確認。

於二零零八年四月十四日，冠城就每10股股份宣派1.5股紅股及現金股息人民幣0.167元。於二零零八年四月，本集團已收取11,819,909股紅股及現金股息人民幣1,316,000元。於截至二零零八年十二月三十一日止年度，總數為73,624,000港元之股息收入已於損益表確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 24. AVAILABLE-FOR-SALE FINANCIAL ASSETS – 24. 可供出售金融資產 – 本集團(續)

#### GROUP (Continued)

Notes: (Continued)

- (a) All 90,619,301 (2007: 78,799,392) Citychamp shares held by the Group are subject to a three-year lock up period to May 2010.

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	
			2008	2007
			二零零八年	二零零七年
Citychamp Dartong Co., Ltd 冠城大通股份有限公司	PRC 中國	Ordinary A Share A股普通股	14.78%	16.39%

- (b) The Group held an equity interest of 25.5% in Hefei Everbright, a joint venture company established in the PRC in 2003. In 2006, the investment in Hefei Everbright was designated as available-for-sale financial assets 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 was charged to consolidated income statement in 2005. As the financial position of Hefei Everbright continued deteriorating during the year, there was no change in the accumulated impairment as at 31 December 2008. The fair value information has not been disclosed for the investment in Hefei Everbright because its fair value cannot be measured reliably.

- (c) These are investments in unlisted equity securities of private entities incorporated in the PRC (note 42). The fair value information has not been disclosed for this unlisted equity investment because its fair value cannot be measured reliably.

附註:(續)

- (a) 本集團所持全部90,619,301(二零零七年: 78,799,392)股冠城股份之禁售期至二零一零年五月止為期三年。

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) 本集團持有合肥光大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。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金融資產。

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，故於二零零八年十二月三十一日之累計減值並無變動。由於合肥光大投資之公平值未能可靠計量，故並無披露其公平值資料。

- (c) 此為於中國成立之私人公司之非上市股本證券投資(附註42)。由於非上市股本投資之公平值未能可靠計量，故並無披露其公平值資料。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 25. 預付款項、按金及其他應收款

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Other receivables	其他應收款	43,846	70,678	10,218	29,592
Receivable from disposals of the Auction PRC Land (note a)	出售拍賣中國土地之應收款(附註a)	406,818	-	-	-
Prepayments for acquisition of the Auction PRC Land (note b)	收購拍賣中國土地之預付款項(附註b)	81,818	-	-	-
Other prepayments	其他預付款項	15,299	10,416	53	1,081
Deposits	按金	5,902	8,577	1,674	6,872
Carrying amount at 31 December	於十二月三十一日之賬面值	553,683	89,671	11,945	37,545
Less: Current portion	減：即期部分	(469,323)	(87,277)	(11,945)	(37,545)
Non-current portion	非即期部分	84,360	2,394	-	-

Notes:

- (a) Pursuant to the Land Resumption Agreement as described in note 1 and 11, the Shenzhen Municipal Government will pay Seti 89.5% of the Consideration as compensation for resumption of the PRC Land, being RMB716,000,000. The Shenzhen Municipal Government has confirmed in writing that the resumption of the Government Retained Land (being 50% of the PRC Land) was completed in 2008 and the compensation for the Government Retained Land of HK\$406,818,000 (equivalent to RMB358,000,000) was receivable by the Group as at 31 December 2008.
- (b) As described in note 11, pursuant to the Project Agreement, the Consideration for the acquisition of the Auction PRC Land was RMB800,000,000. In 2008, the first instalment of the consideration of RMB240,000,000 was paid by Seti Trading and Suzhou Citychamp to the Shenzhen Municipal Government of which the amount of HK\$81,818,000 (equivalent to RMB72,000,000, being 30% of the first instalment), had been paid by Seti Trading.

附註：

- (a) 誠如附註1及附註11所述，根據收回土地協議，深圳政府將向森帝支付89.5%代價作為收回中國土地之補償，即人民幣716,000,000元。於二零零八年十二月三十一日，深圳政府已書面確認政府保留土地(即中國土地50%)於二零零八年完成收回，而本集團就政府保留土地應收補償406,818,000港元(相當於人民幣358,000,000元)。
- (b) 誠如附註11所述，根據項目改造合同，收購拍賣中國土地之代價為人民幣800,000,000元。於二零零八年，森帝貿易及蘇州冠城已向深圳政府支付首期代價人民幣240,000,000元，其中81,818,000港元(相當於人民幣72,000,000元，即首期30%)已由森帝貿易支付。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 26. INVENTORIES – GROUP

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

#### 26. 存貨 – 本集團

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
80,543	40,014
12,612	12,891
124,794	89,121
<b>217,949</b>	<b>142,026</b>

#### 27. TRADE AND BILL RECEIVABLES – GROUP

Trade and bill receivables	應收賬款及票據
Less : Provision for impairment	減：減值撥備
Trade and bill receivables – net	應收賬款及票據 – 淨額

#### 27. 應收賬款及票據 – 本集團

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
180,074	114,864
(76,423)	(70,812)
<b>103,651</b>	<b>44,052</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 (2007: 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.

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（二零零七年：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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 27. TRADE AND BILL RECEIVABLES – GROUP (Continued)

Impairment losses in respect of trade and bill 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.

The carrying amount of trade and bill receivables is considered a reasonable approximation of fair value at this financial asset, which is measured at amortised cost, is expected to be paid within a short timescale, such that the time value of money impact is not significant. Movement in the provision for impairment of trade and bill receivables is as follows:

At 1 January	於一月一日
Acquisition of subsidiaries	收購附屬公司
Impairment loss charged to the income statement	於損益表扣除之減值虧損
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日

At each balance sheet date, the Group reviews trade and bill receivables for evidence of impairment on both an individual and collective basis. 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 of HK\$76,423,000 (2007: HK\$70,812,000) is recognised. The Group does not hold any collateral over these balances.

### 27. 應收賬款及票據—本集團(續)

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。

應收賬款及票據之賬面值被視為是項金融資產公平值之合理約數，該公平值乃按攤銷成本計量，預期於短時間內支付，而有關金錢時間價值之影響並不重大。應收賬款及票據之減值撥備變動如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
70,812	66,480
704	—
80	86
4,827	4,246
<b>76,423</b>	<b>70,812</b>

於各結算日，本集團按個別及集體基準審閱應收賬款及票據之減值證據。個別已減值應收款項與財務有困難之客戶有關，管理層估計，預期僅可收回部分應收款項。因此，已確認特別減值撥備76,423,000港元(二零零七年：70,812,000港元)。本集團並無就該等結餘持有任何抵押品。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 27. TRADE AND BILL RECEIVABLES – GROUP (Continued)

Ageing analysis of trade and bill receivables (including amounts due from related party of trading in nature as disclosed in note 41.1(iv)) as at the balance sheet date, based on invoice date, and net of provisions, is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1 to 3 months	1至3個月	99,779	41,914
4 to 6 months	4至6個月	2,998	2,138
Over 6 months	超過6個月	874	–
		<b>103,651</b>	<b>44,052</b>

Ageing analysis of trade receivables that are not impaired is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Neither past due nor impaired	尚未逾期或減值	96,235	41,914
1 – 90 days past due	已逾期1–90日	4,884	2,138
91 – 180 days past due	已逾期91–180日	2,532	–
		<b>7,416</b>	<b>2,138</b>
		<b>103,651</b>	<b>44,052</b>

#### 27. 應收賬款及票據—本集團(續)

應收賬款及票據(包括附註41.1(iv)所披露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:

並無減值之應收賬款賬齡分析如下:

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 27. TRADE AND BILL 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 independent customers that have a good track record with the Group. Based on past experience, management believes that no additional 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.

Included in trade receivables are the amount (net of impairment losses) of RMB90,446,000 (2007: RMB41,409,000) denominated in a currency other than the functional currency of the entity to which it relates.

### 27. 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獨立客戶有關。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額外減值撥備。

應收賬款(扣除減值虧損)包括人民幣90,446,000元(二零零七年：人民幣41,409,000元)以有關實體之功能貨幣以外之貨幣為單位。

### 28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 28. 按公平值計入溢利或虧損之金融資產

	Group 本集團		Company 本公司	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Listed equity investments in Hong Kong, at market value	香港上市股票投資，市值			
	<u>29,059</u>	<u>44,178</u>	<u>16,706</u>	<u>20,130</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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 29. CASH AND CASH EQUIVALENTS

### 29. 現金及現金等價物

	Group 本集團		Company 本公司	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cash at bank and in hand 銀行結存及現金	<b>62,340</b>	82,362	<b>221</b>	29,905

Cash at bank earns interest at the floating rates based on the daily bank deposits rates.

銀行現金按每日銀行存款利率計算之浮動利率計息。

Included in cash and cash equivalents of the Group are the following amounts denominated in a currency other than the functional currency of the entity to which it relates:

現金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：

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
RMB 人民幣	<b>50,117</b>	46,686

All the above bank balances denominated in RMB were placed with the banks in the PRC. RMB is not freely convertible into other currencies. 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 into foreign currencies through the banks authorised to conduct foreign exchange business.

以上之銀行結存以人民幣為單位存於中國之銀行。人民幣不得自由兌換為其他貨幣。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外幣。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 30. TRADE PAYABLES – GROUP

Ageing analysis of trade payables (including amounts due to related parties with trading in nature) as at the balance sheet dates, based on the invoice dates, is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1 to 3 months	1至3個月	83,552	19,135
4 to 6 months	4至6個月	988	14,350
Over 6 months	超過6個月	1,778	12
		<b>86,318</b>	<b>33,497</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:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
RMB	人民幣	<b>75,783</b>	<b>31,487</b>

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

### 30. 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)按照發票日期於結算日之賬齡如下:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1 to 3 months	1至3個月	83,552	19,135
4 to 6 months	4至6個月	988	14,350
Over 6 months	超過6個月	1,778	12
		<b>86,318</b>	<b>33,497</b>

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:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
RMB	人民幣	<b>75,783</b>	<b>31,487</b>

應付賬款並不計息，一般須於60日限期內支付。

### 31. OTHER PAYABLES AND ACCRUALS

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Accruals	應計費用	23,889	56,061	3,134	1,265
Other payables	其他應付款	92,931	39,706	10,930	13,587
Dividend payable to minority interests	應付少數股東權益之股息	33,649	-	-	-
		<b>150,469</b>	<b>95,767</b>	<b>14,064</b>	<b>14,852</b>

### 31. 其他應付款及應計費用

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Accruals	應計費用	23,889	56,061	3,134	1,265
Other payables	其他應付款	92,931	39,706	10,930	13,587
Dividend payable to minority interests	應付少數股東權益之股息	33,649	-	-	-
		<b>150,469</b>	<b>95,767</b>	<b>14,064</b>	<b>14,852</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 31. OTHER PAYABLES AND ACCRUALS (Continued)

Dividend of HK\$33,649,000 is payable to a minority shareholder of Rossini, namely Fujian Fengrong Investment Company Limited, which was incorporated in the PRC and is beneficially owned by Ms. Sit Lai Hei, one of the non-executive director of the Company.

Other payables are non-interest bearing and repayable on demand.

### 32. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP

The balance at the balance sheet dates related to the forward contracts entered for the purpose of purchases and sales of copper. As the balance is due within the next twelve months, the balance is classified as a currently liability. These forward contracts recorded an unrealised loss of HK\$2,571,000 (2007: HK\$5,017,000) during 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.

### 31. 其他應付款及應計費用(續)

應付羅西尼一名少數股東福建豐榕投資有限公司之股息為33,649,000港元，該公司於中國註冊成立，由本公司一名非執行董事薛黎曦女士實益擁有。

其他應付款並不計息，須按要求償還。

### 32. 衍生金融工具—本集團

於結算日之結餘與就買賣銅訂立之遠期合約有關。由於有關結餘將於下一個十二個月到期，故有關結餘分類為流動負債。年內，該等遠期合約錄得未變現虧損2,571,000港元(二零零七年：5,017,000港元)。衍生金融工具之公平值乃參考於結算日之工具所報市價釐定。

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Copper cathodes</b>	<b>電解銅</b>		
Purchase	購入		
– tonne	– 噸	440	1,800
– average price (RMB/tonne)	– 平均價(人民幣元/噸)	<b>RMB54,112</b>	RMB62,150
		人民幣54,112元	人民幣62,150元
– maturity	– 到期日	<b>January 2009 to July 2009</b>	February 2008 to November 2008
		二零零九年一月至 二零零九年七月	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)	–	RMB55,565
		–	人民幣55,565元
– maturity	– 到期日	–	March 2008 to May 2008
		–	二零零八年三月至 二零零八年五月

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 33. BORROWINGS

### 33. 借貸

		Effective interest rate 實際利率	Group 本集團		Company 本公司	
			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Non-current</b>						
<b>非即期</b>						
Bank borrowings 銀行借貸	<b>Floating</b> 浮息	7.74%	<b>25,614</b>	–	–	–
<b>Current</b>						
<b>即期</b>						
Bank overdrafts 銀行透支	<b>Floating</b> 浮息	5.0%-5.3%	<b>7,660</b>	–	–	–
Bank borrowings 銀行借貸	<b>Floating</b> 浮息	6.1%-7.5%	<b>65,227</b>	26,272	<b>12,660</b>	–
Bank borrowings 銀行借貸	<b>Fixed</b> 定息	5.6%-7.8%	<b>74,892</b>	86,543	–	–
			<b>147,779</b>	112,815	<b>12,660</b>	–
Total borrowings 總借貸			<b>173,393</b>	112,815	<b>12,660</b>	–

As at 31 December 2008, the Group's bank borrowings were secured by:

- (i) a legal charge over certain of the Group's prepaid land lease payments and buildings situated in the PRC (notes 17 and 19);
- (ii) a legal charge over certain of the Group's investment properties (note 18); and
- (iii) guarantees granted by a director of the Company, a joint venturer, a related party and certain independent third parties.

於二零零八年十二月三十一日，本集團銀行借貸以下列各項作抵押：

- (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17及19)；
- (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、一名合營方、一名有關連方以及若干獨立第三方作出之擔保。

## NOTES TO THE FINANCIAL STATEMENTS

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#### 33. BORROWINGS (Continued)

The carrying amounts of the borrowings approximate to their fair value. As at 31 December 2008, the borrowings were repayable as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	147,779	112,815	12,660	—
In the second year	第二年	7,796	—	—	—
In the third to fifth year	第三年至第五年	17,818	—	—	—
Repayable within five years	五年內償還	173,393	112,815	12,660	—

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:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
RMB	人民幣	141,445	106,046

#### 34. DUE TO RELATED COMPANIES

As at 31 December 2008, amounts due to related companies are unsecured, interest-free and repayable on demand. One of the related companies has already confirmed not to demand repayments of the amount of HK\$204,545,000 (2007: HK\$191,490,000) due to it from the Group until such time when repayment will not affect the Group's ability to repay other creditors.

#### 33. 借貸(續)

借貸之賬面值與其公平值相若。於二零零八年十二月三十一日，本集團之借貸須於以下年期償還：

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：

#### 34. 應付有關連公司欠款

於二零零八年十二月三十一日，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確認，在不影響本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204,545,000港元(二零零七年：191,490,000港元)之欠款。

# NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 35. DEFERRED TAX

Deferred taxation is calculated in full on temporary differences under the liability method using the principal taxation rate of 16.5% (2007: 17.5%).

Movement on the deferred tax assets is as follows:

At 1 January	於一月一日
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日

As at 31 December 2008, the Group has tax losses arising in Hong Kong of HK\$149,307,000 (2007: HK\$87,891,000), 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.

Under the PRC New Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared in respect of profits earned by the PRC subsidiaries to the foreign investors, where there is no tax treaty with the PRC, from 1 January 2008 onwards. The Group is therefore subject to withholding taxes on dividends distributed by its PRC subsidiaries in respect of profits from which generated from 1 January 2008 and thereafter. Deferred taxation has not been provided in the financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries amounted to HK\$59,142,000 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

### 35. 遞延稅項

遞延稅項就暫時差額按負債法採用主要稅率16.5%(二零零七年：17.5%)作全數撥備。

遞延稅項資產變動載列如下：

#### Provision for inventories 存貨撥備

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1,130	1,062
77	68
1,207	1,130

於二零零八年十二月三十一日，本集團於香港產生稅項虧損149,307,000港元(二零零七年：87,891,000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，原因為倘匯款已匯出，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匯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。

根據新中國企業所得稅法，中國附屬公司就所賺取溢利於二零零八年一月一日後向並無與中國訂立稅務條約地區之海外投資者宣派之股息徵收10%預扣稅。本集團因而須就中國附屬公司自二零零八年一月一日起及其後產生之溢利所分派之股息繳付預扣稅。財務報表並無就中國附屬公司所賺取溢利應佔之暫時差額59,142,000港元作出遞延稅項撥備，原因為本集團能夠控制撥回暫時差額之時間，加上暫時差額很可能不會於可見將來撥回。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 36. SHARE CAPITAL

### 36. 股本

		2008 二零零八年		2007 二零零七年	
		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				
At 1 January	於一月一日	4,000,000	400,000	2,000,000	200,000
Increase in authorised ordinary shares	增加法定普通股	—	—	2,000,000	200,000
At 31 December	於十二月三十一日	4,000,000	400,000	4,000,000	400,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	1,792,031	179,203	1,792,031	179,203
Issuance of new shares	發行新股	1,750,000	175,000	—	—
At 31 December	於十二月三十一日	3,542,031	354,203	1,792,031	179,203

The Company issued 1,750,000,000 new shares of HK\$0.1 each at the price of at HK\$0.38 per share on 15 October 2008 to the shareholders of Full Day Limited as the purchase consideration for the Acquisition (note 1). The ordinary shares issued have the same rights as the other ordinary shares in issue. The fair value of the ordinary shares issued at the date of acquisition amounted to HK\$665,000,000 (note 42) and therefore an amount of HK\$490,000,000 was credited to share premium account. As the shares are issued in exchange of the cost of investment in the Acquisition, the issue of the shares are non-cash transaction and therefore are not reflected as in the cash flow statement for the year ended 31 December 2008.

於二零零八年十月十五日，本公司按每股0.38港元之價格向朝豐有限公司股東發行1,750,000,000股每股面值0.1港元之新股份，作為收購之購買代價（附註1）。所發行普通股與其他已發行普通股具有相同權利。於收購日期，已發行普通股之公平值為665,000,000港元（附註42）。因此，有關款額490,000,000港元已計入股份溢價賬。由於發行股份以交換作收購事項之投資成本，故發行股份為非現金交易，因此，並無於截至二零零八年十二月三十一日止年度之現金流量表中反映。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 37. SHARE-BASED EMPLOYEE COMPENSATION

At the general meeting held on 30 May 2008, the shareholders of the Company terminated the option scheme adopted on 25 May 2001 and adopted a new share option scheme (the "New Scheme") for a period of 10 years commencing on the adoption date.

The directors may, at their discretion, invite the eligible participants to take up options to subscribe for shares. The eligible participants include (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any directors (including executive directors, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

Under the New Scheme, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the New Scheme if the grant of such option will result in the limit being exceeded. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme shall not exceed 30% of the Company's shares in issue from time to time.

#### 37. 以股份為基礎的僱員補償

於二零零八年五月三十日舉行之股東大會上，本公司股東終止於二零零一年五月二十五日採納之優先認購股份權計劃，並採納新優先認購股份權計劃（「新計劃」），自採納日期起計為期十年。

董事可酌情邀請合資格參與者承購優先認購股份權，以認購股份。合資格參與者包括(i)本公司或其任何附屬公司之任何全職或兼職僱員、行政人員或高級人員；(ii)本公司或其任何附屬公司之任何董事（包括執行董事、非執行董事及獨立非執行董事）；及(iii)本公司或其任何附屬公司之任何顧問、諮詢人士、供應商、客戶及代理。

根據新計劃，根據新計劃授出及有待行使之所有尚未行使優先認購股份權在行使時可予發行之最高股份數目，於任何時間均不得超過本公司不時已發行股本之30%。倘授出之優先認購股份權導致超出有關上限，則不得根據新計劃授出優先認購股份權。除經本公司股東批准外，根據新計劃授出及有待行使之所有尚未行使優先認購股份權在行使時可予發行之本公司股份總數，於任何時間均不得超過本公司不時已發行股份之30%。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 37. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

The total number of shares issued and which may fall to be issued upon exercise of the options and the options granted under the New Scheme (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company. Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Scheme in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant requires approval of the shareholders of the Company in general meeting with such grantee and his associates abstaining from voting.

The maximum number of shares issued and to be issued upon exercise of the options granted under the New Scheme to each of any eligible persons (including those cancelled, exercised and outstanding options), in any 12 months period up to the date of the latest grant shall not exceed 1% of the Company's shares in issue provided that the number of shares issued and to be issued upon exercise of all options granted and to be granted to each of the independent non-executive directors or substantial shareholders of the Company or any of their respective associates in the 12 months period up to the date of such grant in excess of 0.1% of the Company's shares in issue and with a value in excess of HK\$5 million must be approved in advance by the Company's independent shareholders. Any further grant of options in excess of such limit requires the approval of the shareholders in general meeting in accordance with the requirements of the Listing Rules.

The exercise period of the share options granted is determinable by the directors, and should not be later than 10 years from the date of the acceptance of the share options (the "Option Period").

#### 37. 以股份為基礎的僱員補償(續)

在任何十二個月期間根據新計劃向每名承授人授出之優先認購股份權(包括已行使或尚未行使之優先認購股份權)行使時已發行及將予發行之股份總數不得超過本公司已發行股份之1%。倘向一名承授人進一步授出優先認購股份權，導致該名人士根據新計劃於十二個月期間直至進一步授出日期(包括當日)行使獲授及建議獲授之所有優先認購股份權(包括已行使、註銷及尚未行使優先認購股份權)後，已發行及將發行股份之數目合共超過已發行股份1%，有關進一步授出優先認購股份權必須於股東大會獲本公司股東批准，而有關承授人及彼之聯繫人士須放棄表決。

在任何十二個月期間直至最後授出日期根據新計劃向每名合資格人士授出之優先認購股份權(包括已註銷、行使及尚未行使之優先認購股份權)行使時已發行及將予發行之股份最高數目，不得超過本公司已發行股份之1%，惟於截至有關授出日期止十二個月期間向本公司各獨立非執行董事或主要股東或彼等各自之任何聯繫人士授出及將予授出之所有優先認購股份權(包括已行使、已註銷及尚未行使優先認購股份權)獲行使時發行及將發行之股份數目合共超過本公司已發行股份0.1%及價值超過5,000,000港元，有關授予必須事先獲本公司獨立股東批准。任何進一步授出超過有關限額之優先認購股份權必須根據上市規則之規定獲股東於股東大會上批准。

所授出優先認購股份權之行使期由董事釐定，且不應超過優先認購股份權接納日期後十年(「優先認購股份權期間」)。

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### 37. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

The subscription price is equal to the higher of (i) the nominal value of the share of the Company; (ii) the closing price per share of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant.

The fair value of share options granted is recognised in the income statement taking into account the probability that the options will vest over the vesting period. Upon the exercise of the options the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account. At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits. Lapsed options, prior to their exercise date, are deleted from the outstanding options. All equity-settled share-based payment expense will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The grantees may exercise the options in whole or in part by giving exercise notice to the grantor at any time during the Option Period provided that the grantees shall exercise the options to acquire the option shares in accordance with the following vesting schedule:

#### Vesting schedule 歸屬時間表

One year after the grant date	授出日期後一年
Two years after the grant date	授出日期後兩年
Three years after the grant date	授出日期後三年

### 37. 以股份為基礎的僱員補償(續)

認購價相當於下列各項之最高者：(i)本公司股份面值；(ii)本公司股份於授出日期於聯交所每日報價表所示之每股收市價；及(iii)緊接授出日期前五個營業日股份於聯交所每日報價表所示之平均收市價。

優先認購股份權之公平值於計及優先認購股份權於歸屬期歸屬之可能性後在損益表確認。於本公司優先認購權獲行使時，所引伸之已發行股份按股份面值記入額外股本，而每股行使價超出股份面值之差額則記入股份溢價賬。優先認購股份權行使時，先前於優先認購股份權儲備中確認之款額會轉撥至股份溢價。當優先認購股份權被沒收或於屆滿日期仍未行使，先前於優先認購股份權儲備中確認之款額會轉撥至保留溢利。於行使日期前已失效優先認購股份權會自尚未行使優先認購股份權中剔除。所有以股本結算之股份付款開支將以權益結算。本集團並無法定或推定責任以現金購回或結算優先認購股份權。

承授人可於優先認購股份權期間任何時間向授予人發出行使通知，行使全部或部分優先認購股份權，惟承授人將根據下列歸屬期時間表行使優先認購股份權購入優先認購股份權股份：

#### Maximum percentage of option shares comprised in an option which may be exercised 可行使優先認購股份權所包含 優先認購股份權最高百分比

One year after the grant date	授出日期後一年	30%
Two years after the grant date	授出日期後兩年	35%
Three years after the grant date	授出日期後三年	35%

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### 37. SHARE-BASED EMPLOYEE COMPENSATION (Continued) 37. 以股份為基礎的僱員補償(續)

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

Date of grant: 9 December 2008  
 Exercisable period: 9 December 2009 to 7 January 2019  
 Exercise price: HK\$0.325

年內已授出優先認購股份權詳情如下：

授出日期：二零零八年十二月九日  
 行使期：二零零九年十二月九日至二零一九年一月七日  
 行使價：0.325港元

There were 179,000,000 (2007: Nil) share options outstanding as at 31 December 2008. Detailed movements of the New Scheme during the year are as follows:

於二零零八年十二月三十一日，尚未行使之優先認購股份權為179,000,000份(二零零七年：無)。新計劃之變動詳情如下：

Name or category of participants 參與者姓名或所屬類別	At 1 January 2008 於二零零八年一月一日	Number of options granted 已授出優先認購股份權數目	At 31 December 2008 於二零零八年十二月三十一日
<b>Executive directors 執行董事</b>			
Mr. Hon Kwok Lung 韓國龍先生	–	3,500,000	3,500,000
Mr. Shang Jianguang 商建光先生	–	8,000,000	8,000,000
Mr. Shi Tao 石濤先生	–	5,000,000	5,000,000
Mr. Lam Toi Man 林代文先生	–	3,500,000	3,500,000
<b>Independent non-executive directors 獨立非執行董事</b>			
Mr. Fung Tze Wa 馮子華先生	–	3,500,000	3,500,000
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	–	3,500,000	3,500,000
Mr. Li Qiang 李強先生	–	3,500,000	3,500,000
Sub-total 小計：	–	30,500,000	30,500,000
<b>Other eligible employees 其他合資格僱員</b>			
In aggregate 合計	–	98,000,000	98,000,000
<b>Other eligible persons 其他合資格人士</b>			
In aggregate 合計	–	50,500,000	50,500,000
Total 總計	–	179,000,000	179,000,000

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 37. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

The following significant assumptions were used to derive the fair value of share options granted in 2008, using the Black-Scholes Option Pricing Model:

Expected volatility	54.21%
Expected option life (year)	5
Risk-free interest rate	1.65%
Expected dividend yield	0%

The expected volatility is based on the historical volatility of the Company's share price, adjusted for any expected changes to future volatility based on publicly available information. The expected option life used in the model has been adjusted based on management's best estimate.

Equity-settled share-based compensation of HK\$968,000, comprising HK\$165,000 (2007: Nil) to directors and HK\$803,000 (2007: Nil) to employees and other eligible persons, has been included in the consolidated income statement during the year. The corresponding amount has been credited to share options reserve (note 38). No liabilities were recognised on the equity-settled share-based compensation transactions.

### 38. 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 established 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 subsidiaries, 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.

### 37. 以股份為基礎的僱員補償(續)

以柏力克－舒爾斯期權定價模式計算於二零零八年授出之優先認購股份權公平值已使用以下主要假設：

預期波幅	54.21%
優先認購股份權預計年期(年)	5
無風險利率	1.65%
預期股息回報	0%

預期波幅乃按本公司股份價格之過往波幅釐定，並已根據公開資料就未來波幅之任何預期變動作出調整。優先認購股份權預計年期已按管理層最佳估算作出調整。

以股本結算之股份補償為968,000港元，包括董事開支165,000港元(二零零七年：無)、僱員及其他合資格人士開支803,000港元(二零零七年：無)，有關開支已計入年內綜合損益表。相應款額已計入優先認購股份權儲備(附註38)。概無就以股本結算之股份賠償交易確認負債。

### 38. 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，若干於中國成立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。轉撥款額須由該等附屬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 2008 截至二零零八年十二月三十一日止年度

### 38. RESERVES (Continued)

#### Company

### 38. 儲備(續)

#### 本公司

		Share premium account 股份溢價賬 HK\$'000 千港元 (note a) (附註a)	Share options reserve 優先認購股份 權儲備 HK\$'000 千港元 (note b) (附註b)	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2007	於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)
At 31 December 2007 and 1 January 2008	於二零零七年 十二月三十一日及 二零零八年一月一日	23,700	-	244,400	268,100
Issuance of new shares (note 36)	發行新股份 (附註36)	490,000	-	-	490,000
Equity-settled share based compensation	以股本結算之 股份賠償	-	968	-	968
Net loss for the year (note 12)	本年度虧損淨額 (附註12)	-	-	(75,817)	(75,817)
Proposed final dividend (note 13)	擬派末期股息 (附註13)	-	-	(88,551)	(88,551)
<b>At 31 December 2008</b>	<b>於二零零八年 十二月三十一日</b>	<b>513,700</b>	<b>968</b>	<b>80,032</b>	<b>594,700</b>

Notes:

- (a) Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- (b) This represents the fair value of share options granted as further explained in the accounting policy adopted for share-based compensation in note 3.21.

附註：

- (a) 根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。
- (b) 此指所授出優先認購股份權之公平值，進一步詳情載於附註3.21就以股份為基礎補償所採納會計政策內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 39. OPERATING LEASE COMMITMENTS

39.1 At 31 December 2008, the total future minimum sublease payments expected to be received by the Group under non-cancellable subleases by the Group is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	5,657	4,795
In the second to fifth years	第二年至第五年	26,920	26,709
After five years	五年後	47,613	39,812
		<b>80,190</b>	<b>71,316</b>

The Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. None of the leases include contingent rentals.

39.2 At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	6,289	3,379	5,444	2,506
In the second to fifth years	第二年至第五年	16,635	24,075	16,570	22,029
Total	總計	<b>22,924</b>	<b>27,454</b>	<b>22,014</b>	<b>24,535</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. None of the leases include contingent rentals.

39.3 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\$463,000 (2007: HK\$432,000) was charged to the consolidated income statement of the Group.

### 39. 經營租賃承擔

39.1 於二零零八年十二月三十一日，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：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	5,657	4,795
In the second to fifth years	第二年至第五年	26,920	26,709
After five years	五年後	47,613	39,812
		<b>80,190</b>	<b>71,316</b>

本集團根據經營租約安排出租其若干投資物業，該等租約之議定期期介乎一年至二十年不等。有關租約不包括或然租金。

39.2 於二零零八年十二月三十一日，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	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	6,289	3,379	5,444	2,506
In the second to fifth years	第二年至第五年	16,635	24,075	16,570	22,029
Total	總計	<b>22,924</b>	<b>27,454</b>	<b>22,014</b>	<b>24,535</b>

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。有關租約不包括或然租金。

39.3 本集團自一九九二年至二零四二年止，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463,000港元(二零零七年：432,000港元)已於綜合損益表扣除。

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### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 40. CAPITAL COMMITMENTS

##### Group

<b>Contracted, but not provided for</b>	<b>已訂約但未撥備</b>
Investment in New JV Company	於新合營公司之投資
Acquisition of Auction PRC Land	收購拍賣中國土地
Purchases of property, plant and equipment	購買物業、廠房及設備

#### 40. 資本承擔

##### 本集團

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
34,091	—
190,909	—
<b>3,229</b>	13,934
<b>228,229</b>	13,934

At 31 December 2008, the Company did not have any capital commitments (2007: Nil).

於二零零八年十二月三十一日，本公司並無任何資本承擔(二零零七年：無)。

#### 41. RELATED PARTY TRANSACTIONS

41.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(i) Sales of goods

#### 41. 有關連人士交易

41.1 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

Sales of goods to joint venturer	向合營方銷售貨物
----------------------------------	----------

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>549,256</b>	310,319

Sales to joint venturer of the Group's jointly-controlled entity, of which certain directors of the Company is also directors.

本公司若干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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 41. RELATED PARTY TRANSACTIONS (Continued)

41.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (Continued):

(ii) Purchases of goods

Purchases of goods from joint venturer 向合營方購買貨物

Purchases from the joint venturer of the Group's jointly controlled entity, of which certain directors of the Company are also directors.

(iii) Rental income

Rental income received 已收租金收入

This was received from a company of which a director of the Company is also director and this was charged at HK\$82,000 per month on average (2007: HK\$64,000).

(iv) Outstanding balances arising from sales of goods included in trade receivables:

Due from joint venturer 應收合營方欠款

### 41. 有關連人士交易(續)

41.1 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)：

(ii) 購買貨物

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Purchases of goods from joint venturer 向合營方購買貨物	-	761

本公司若干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。

(iii) 租金收入

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Rental income received 已收租金收入	980	771

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82,000港元(二零零七年：64,000港元)。

(iv) 銷售貨物之未償付結餘已計入應收賬款：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Due from joint venturer 應收合營方欠款	43,536	14,080

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 41. RELATED PARTY TRANSACTIONS (Continued)

41.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (Continued):

(v) *Outstanding balances included in other receivables:*

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Due from a subsidiary of joint venturer	應收合營方一家 附屬公司之欠款	5,117	5,117

(vi) *Interest paid by the 2007 Discontinued Timber Business for the loan from related companies*

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loan interest paid to related companies	向有關連公司支付之 貸款利息	-	9,756

(vii) *Outstanding balances included in other payables*

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Due to a subsidiary of joint venturer	應付合營方一家 附屬公司之欠款	5,114	4,787

(viii) *Acquisition of investment properties*

In 2007, 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).

### 41. 有關連人士交易(續)

41.1 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)：

(v) 已計入其他應收款之未償付結餘：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Due from a subsidiary of joint venturer	應收合營方一家 附屬公司之欠款	5,117	5,117

(vi) 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

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loan interest paid to related companies	向有關連公司支付之 貸款利息	-	9,756

(vii) 已計入其他應付款之未償付結餘

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Due to a subsidiary of joint venturer	應付合營方一家 附屬公司之欠款	5,114	4,787

(viii) 收購投資物業

於二零零七年，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 2008 截至二零零八年十二月三十一日止年度

### 41. RELATED PARTY TRANSACTIONS (Continued)

#### 41.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (Continued):

(ix) *Acquisition of subsidiaries*

During the year, the Group completed the Acquisition (note 1) from a company controlled by a director at a consideration of HK\$665,000,000. Upon the Acquisition, the Company indirectly holds 91% equity interest in Rossini through Jia Cheng. Further details of the transaction are included in note 42 to the financial statements.

#### 41.2 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
Equity-settled share-based compensation	以股本結算之股份補償

The key management represents the executive directors of the Group. Further details of directors' emoluments are included in note 16 to the financial statements.

### 41. 有關連人士交易(續)

#### 41.1 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)：

(ix) *收購附屬公司*

年內，本集團由一名董事控制之公司完成收購事項(附註1)，代價為665,000,000港元。收購事項後，本公司透過佳城間接持有羅西尼91%股權。該項交易之進一步詳情載於財務報表附註42。

#### 41.2 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：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Short-term employee benefits	7,522	8,110
Post-employment benefits	84	84
Equity-settled share-based compensation	108	—
	<u>7,714</u>	<u>8,194</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 2008 截至二零零八年十二月三十一日止年度

#### 42. ACQUISITION OF SUBSIDIARIES

On 15 October 2008, the Group completed the Acquisition for a consideration of HK\$665,000,000, which was all satisfied by the allotment and issue of 1,750,000,000 new ordinary shares at HK\$0.38 per share, being the market price of the ordinary shares at the date of acquisition. Details of the net assets acquired and goodwill as at the date of acquisition are as follows:

#### 42. 收購附屬公司

於二零零八年十月十五日，本集團已完成收購事項，代價為665,000,000港元，全數以配發及發行1,750,000,000股每股面值0.38港元（即普通股於收購日期之市價）之新普通股償付。於收購日期，所收購資產淨值及商譽詳情如下：

		HK\$'000 千港元
Purchase consideration:	購買代價：	
Fair value of ordinary shares issued (note a)	已發行普通股公平值(附註a)	665,000
Less: Fair value of net assets acquired shown below	減：按以下所示所收購資產 淨值之公平值	<u>(43,618)</u>
Goodwill (note b)	商譽(附註b)	<u>621,382</u>
Notes:	附註：	
(a) The fair value of the shares issued was based on the published share price on the date of acquisition.	(a) 已發行股份之公平值乃根據於收購日期已公佈股份價格計算。	
(b) The goodwill is attributable to the high profitability expected to arise after the Acquisition and the synergies expected to arise after the Acquisition.	(b) 為預期於收購後產生之高溢利水平及預期於收購後產生之協同效益應佔之商譽。	

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 42. ACQUISITION OF SUBSIDIARIES (Continued)

The fair values of the identifiable assets and liabilities arising from the Acquisition as at the date of acquisition and the corresponding carrying amounts immediately prior to the Acquisition are as follows:

### 42. 收購附屬公司(續)

於收購日期，自收購事項產生之可資識別資產及負債公平值以及緊接收購事項前之相應賬面值如下：

		Fair value 公平值 HK\$'000 千港元	Acquirees' carrying amount 被收購公司之 賬面值 HK\$'000 千港元
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	8,656	8,656
Prepaid land lease payments (note 19)	預付土地租賃款項(附註19)	706	706
Interests in an associate (note 23)	應佔一家聯營公司權益(附註23)	154	154
Available-for-sale financial assets (note 24)	可供出售金融資產 (附註24)	74	74
Inventories	存貨	75,760	75,760
Trade and bill receivables	應收賬款及票據	47,096	47,096
Prepayment, deposits and other receivables	預付款項、按金及 其他應收款	2,948	2,948
Cash and cash equivalents	現金及現金等價物	23,598	23,598
Trade payables	應付賬款	(37,628)	(37,628)
Dividend payable (note 31)	應付股息(附註31)	(33,649)	(33,649)
Other payables and accruals	其他應付款及應計費用	(36,039)	(36,039)
Tax payables	應付稅項	(3,743)	(3,743)
Net assets	資產淨值	47,933	47,933
Minority interests	少數股東權益	(4,315)	
Net assets attributed to the Group	本集團應佔資產淨值	43,618	
Cash and cash equivalents in subsidiaries acquired	所收購附屬公司現金及 現金等價物		23,598
Purchase consideration settled in cash	以現金結算購買代價		-
Net cash inflow	現金流入淨額		23,598

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 42. ACQUISITION OF SUBSIDIARIES (Continued)

Since the Acquisition, the newly acquired subsidiaries contributed revenue of approximately HK\$45,886,000 and net profit of approximately HK\$11,165,000 to the Group for the year ended 31 December 2008.

Had the business combination taken place on 1 January 2008, the revenue and the profit of the Group for the year ended 31 December 2008 would have been approximately HK\$1,088,155,000 and HK\$352,268,000 respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had the Acquisition been completed on 1 January nor are they intended to be a projection of future results.

There were no acquisitions for the year ended 31 December 2007.

#### 42. 收購附屬公司(續)

收購事項後，新購入附屬公司於截至二零零八年十二月三十一日止年度為本集團帶來收入約45,886,000港元及純利約11,165,000港元。

倘業務合併已於二零零八年一月一日進行，本集團於截至二零零八年十二月三十一日止年度之收入及溢利應分別約1,088,155,000港元及352,268,000港元。備考資料僅供闡釋之用，並非假設收購已於一月一日完成後本集團實際應取得之收入及經營業績之指標，亦不擬作未來業績之預測。

於截至二零零七年十二月三十一日止年度，並無進行任何收購。

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 43. 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:

### 43. 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、按金及其他應收款	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)
Amounts 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 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:	以下列方式支付：	
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	<u>(304,725)</u>
		<u>(304,688)</u>

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## 財務報表附註

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### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings and cash and cash equivalents. 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 and bill receivables, other receivables, trade payables, other payables, amounts due to related companies, financial assets at fair value through profit or loss, available-for-sale financial assets and derivatives financial instruments, 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.

#### 44.1 Summary of financial assets and liabilities by category

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. Its treasury department works under the policies approved by the board of directors and identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the board of directors.

### 44. 財務風險管理目標及政策

本集團之主要金融工具包括借貸以及現金及現金等價物。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，例如應收賬款及票據、其他應收款、應付賬款、其他應付款、應付有關連公司欠款、按公平值計入溢利或虧損之金融資產、可供出售金融資產及衍生金融工具。

本集團金融工具所產生主要風險為利率風險、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。

#### 44.1 金融資產及負債分類概要

本集團之政策並非就投機目的積極買賣金融工具。其庫務部門根據經董事會批准之政策行事，並確定涉足金融市場之方法及監察本集團所面對財務風險，並定期向董事會提供報告。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 44. 財務風險管理目標及政策(續)

#### 44.1 Summary of financial assets and liabilities by category (Continued) 44.1 金融資產及負債分類概要(續)

##### 44.1.1 Categories of financial assets and liabilities

The carrying amounts presented in the balance sheet relate to the following categories of financial assets and financial liabilities.

##### 44.1.1 金融資產及負債分類

於資產負債表呈列之賬面值與下列金融資產及金融負債有關。

(i) Financial assets

(i) 金融資產

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Available-for-sale financial assets 可供出售金融資產	413,010	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	29,059	44,178
Loans and receivables: 貸款及應收款：		
– Trade and bill receivables 一應收賬款及票據	103,651	44,052
– Other receivables 一其他應收款	450,664	70,678
– Cash and cash equivalents 一現金及現金等價物	62,340	82,362
	<b>616,655</b>	<b>197,092</b>
	<b>1,058,724</b>	<b>1,094,650</b>

(ii) Financial liabilities

(ii) 金融負債

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 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 一衍生金融工具	7,588	5,017
Financial liabilities measured at amortised cost 按攤銷成本計量之金融負債		
– Trade payables 一應付賬款	86,318	33,497
– Other payables 一其他應付款	126,580	39,706
– Borrowings 一借貸	173,393	112,815
– Due to related companies 一應付關連公司欠款	256,288	209,311
	<b>642,579</b>	<b>395,329</b>
	<b>650,167</b>	<b>400,346</b>

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## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 44.2 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 approximately 40%–70% of its interest-bearing borrowings at fixed interest rates. 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 2008, 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 income tax and retained profits by approximately HK\$493,000 (2007: HK\$131,000).

The sensitivity analysis above was 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 points 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 was performed on the same basis for 2007.

#### 44.3 Foreign currency risk

The Group is exposed to foreign currency risk arising from 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.

### 44. 財務風險管理目標及政策(續)

#### 44.2 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40%至70%計息借貸保持為定息借貸。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。

於二零零八年十二月三十一日，假設所有其他因素維持不變，估計假如利率整體上調／下調50基點，將導致本集團之除所得稅後溢利及保留溢利減少／增加約493,000港元(二零零七年：131,000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。二零零七年之分析已採納相同基準進行。

#### 44.3 外匯風險

本集團面對貨幣外匯風險，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。

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### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 44.3 Foreign currency risk (Continued)

Substantial portion of the Group's revenue and costs are denominated in RMB. Thus, when RMB strengthens in value against HK\$, as has occurred in 2008 and 2007, 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.

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade and bill receivables	應收賬款及票據	90,446	41,409
Other receivables	其他應收款	372,924	36,595
Cash and cash equivalents	現金及現金等價物	50,117	46,686
Trade payables	應付賬款	(75,783)	(31,487)
Other payables	其他應付款	(89,248)	(22,433)
Borrowings	借貸	(141,445)	(106,046)
Due to related companies	應付關連公司欠款	(229,357)	(196,752)
		<b>(22,346)</b>	<b>(232,028)</b>

A 5% strengthening/weakening of HK\$ against RMB as at the 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.

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 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%	<b>1,270</b>	12,342
5% weakening in HK\$	港元匯率下跌5%	<b>(1,270)</b>	(12,342)

### 44. 財務風險管理目標及政策(續)

#### 44.3 外匯風險(續)

本集團大部分收入及成本以人民幣為單位。因此，倘人民幣兌港元如二零零八年及二零零七年般升值，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。

假如港元兌人民幣匯率於結算日上升或下跌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。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 44.4 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\$21,159,000 (2007: HK\$13,032,000).

#### 44.5 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.

### 44. 財務風險管理目標及政策(續)

#### 44.4 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21,159,000港元(二零零七年：13,032,000港元)。

#### 44.5 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。

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### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 44. 財務風險管理目標及政策(續)

#### 44.5 Liquidity risk (Continued) 44.5 流動資金風險(續)

As at 31 December 2008 and 31 December 2007, the Group's financial liabilities have contractual maturities which are summarised below:

於二零零八年十二月三十一日及二零零七年十二月三十一日，本集團之金融負債按合約於下列期間到期：

		Repayable on demand or within 3 months 按要求償還 或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 2008	於二零零八年 十二月三十一日				
Trade payables	應付賬款	86,318	-	-	-
Other payables	其他應付款	126,580	-	-	-
Derivative financial instruments (on net settlement basis)	衍生金融工具 (按淨結算基準)	4,112	3,067	409	-
Borrowings	借貸	7,660	-	140,119	25,614
Due to related companies	應付有關連公司欠款	256,288	-	-	-
		<u>480,958</u>	<u>3,067</u>	<u>140,528</u>	<u>25,614</u>
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	-	-	-
Other payables	其他應付款	39,706	-	-	-
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>331,860</u>	<u>6,286</u>	<u>62,200</u>	<u>-</u>

#### 44.6 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.

#### 44.6 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。

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For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 44.7 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 and sale of copper (note 32). All forward commodity contracts can only be carried out at the approval of management. In addition, the price range of the forward commodity contracts was closely monitored by management.

At 31 December 2008, a reasonably possible increase/decrease of 30% (2007: 10%) in commodity price, with all other variables held constant, would increase/decrease the Group's profit after income tax and retained profits by approximately HK\$1,762,000 (2007: HK\$3,592,000).

#### 44.8 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 investments 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 are based on their longer term growth potential and are monitored regularly for performance against expectations.

The following table indicates the approximate change in the Group's profit after income 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.

### 44. 財務風險管理目標及政策(續)

#### 44.7 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。

本集團就買賣銅訂立遠期合約(附註32)。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。

於二零零八年十二月三十一日，假設所有其他變數不變，如商品價格合理上升/下跌30%(二零零七年：10%)，本集團之除所得稅後溢利及保留溢利將增加/減少約1,762,000港元(二零零七年：3,592,000港元)。

#### 44.8 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。

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，對本集團之除所得稅後溢利及綜合權益之概約影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 44. 財務風險管理目標及政策(續)

#### 44.8 Equity price risk (Continued) 44.8 股價風險(續)

		2008 二零零八年		2007 二零零七年	
		Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響 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 溢利之影響 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 30% (2007: 5%)	上市投資之股價上升30% (二零零七年：5%)	8,718	-	2,209	-
Decrease in the share prices of the listed investments by 30% (2007: 5%)	上市投資之股價下跌30% (二零零七年：5%)	(8,718)	-	(2,209)	-
Available-for-sale financial assets :	可供出售金融資產：				
Increase in share price of the listed investment by 30% (2007: 5%)	上市投資之股價上升30% (二零零七年：5%)	-	123,881	-	42,669
Decrease in share price of the listed investment by 30% (2007: 5%)	上市投資之股價下跌30% (二零零七年：5%)	-	(123,881)	-	(42,669)

### 45. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to provide an adequate return to shareholders;
- to support the Group's sustainable growth; and
- to provide capital for the purpose of potential mergers and acquisitions.

### 45. 資金管理

本集團之資金管理目標為：

- 確保本集團能夠持續經營；
- 為股東提供充足回報；
- 支持本集團持續增長；及
- 為潛在合併及收購提供資金。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

#### 45. CAPITAL MANAGEMENT (Continued)

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. 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:

#### 45. 資金管理(續)

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：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Capital</b>	<b>資本</b>		
Total equity	權益總額	<u>1,667,647</u>	<u>1,215,766</u>
<b>Overall financing</b>	<b>整體融資</b>		
Borrowings	借貸	<u>173,393</u>	112,815
Due to related companies	應付有關連公司欠款	<u>256,288</u>	<u>209,311</u>
		<u>429,681</u>	<u>322,126</u>
Capital-to-overall financing ratio	資本佔整體融資比率	<u>3.88</u>	<u>3.77</u>

#### 46. FINANCIAL GUARANTEE CONTRACTS

The Group's jointly controlled entity executed guarantees amounting to approximately HK\$43,182,000 (2007: HK\$26,596,000) with respect to the bank loans to the joint venturer (note 22) as at 31 December 2008. Under the guarantee, the Group's jointly controlled entity is liable to the bank if the bank is unable to recover the loan. At 31 December 2008 and 2007, 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.

#### 46. 財務擔保合約

於二零零八年十二月三十一日，本集團之共同控制實體就銀行授予合營方貸款簽立合約43,182,000港元(二零零七年：26,596,000港元)之擔保(附註22)。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。於二零零八年及二零零七年十二月三十一日，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。

# FIVE YEAR FINANCIAL SUMMARY

## 五年財務資料摘要

## RESULTS

## 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2008	2007	2006	2005	2004
		二零零八年	二零零七年	二零零六年	二零零五年	二零零四年
		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
<b>Continuing operations</b>	<b>持續經營業務</b>					
Revenue	收入	865,304	576,058	330,774	144,847	108,182
Cost of sales	銷售成本	(696,597)	(468,903)	(251,462)	(78,713)	(53,368)
<b>Gross profit</b>	<b>毛利</b>	<b>168,707</b>	107,155	79,312	66,134	54,814
Other income and financial income	其他收入及財務收入	26,798	21,285	14,922	7,821	40,732
Selling and distribution expenses	銷售及分銷成本	(78,518)	(54,708)	(45,602)	(36,259)	(29,054)
Administrative expenses	行政費用	(99,009)	(66,021)	(51,906)	(48,800)	(41,945)
(Loss)/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(虧損)/收益淨額	(36,968)	24,629	38,589	13,335	2,214
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	9,348	10,178	22,031	996	-
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	73,624	48,383	-	-	-
Gain on disposal of an investment property	出售一項投資物業收益	-	22,853	-	-	-
Finance costs	財務費用	(8,637)	(7,157)	(2,880)	-	-
Share of profit of an associate	應佔一家聯營公司溢利	241	2,212	5,028	-	-
Gain on disposals of subsidiaries	出售附屬公司收益	-	-	-	-	59
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>55,586</b>	108,809	59,494	3,227	26,820
Income tax expense	所得稅開支	(16,082)	(7,168)	(7,815)	(3,362)	(2,458)
Profit/(loss) after income tax from continuing operations	持續經營業務除所得稅後溢利/(虧損)	<b>39,504</b>	101,641	51,679	(135)	24,362

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務資料摘要

#### RESULTS (Continued)

#### 業績(續)

		Year ended 31 December 截至十二月三十一日止年度				
		2008	2007	2006	2005	2004
		二零零八年	二零零七年	二零零六年	二零零五年	二零零四年
		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
<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)	251,812	325,566	(29,612)	(43,576)	(12,945)
<b>Profit/(loss) for the year</b>	<b>本年度溢利/(虧損)</b>	<b>291,316</b>	<b>427,207</b>	<b>22,067</b>	<b>(43,711)</b>	<b>11,417</b>
Attributable to:	以下人士應佔:					
Equity holders of the Company	本公司權益持有人	290,213	427,467	22,347	(43,275)	11,373
Minority interests	少數股東權益	1,103	(260)	(280)	(436)	44
<b>Profit/(loss) for the year</b>	<b>本年度溢利/(虧損)</b>	<b>291,316</b>	<b>427,207</b>	<b>22,067</b>	<b>(43,711)</b>	<b>11,417</b>

#### ASSETS, LIABILITIES AND MINORITY INTERESTS

#### 資產、負債及少數股東權益

		As at 31 December 於十二月三十一日				
		2008	2007	2006	2005	2004
		二零零八年	二零零七年	二零零六年	二零零五年	二零零四年
		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	2,403,695	1,685,361	2,077,710	1,546,256	1,137,547
Total liabilities	總負債	(736,048)	(469,595)	(1,507,072)	(1,066,361)	(636,533)
Minority interests	少數股東權益	(7,947)	(2,392)	(32,703)	(20,877)	(2,121)
		<b>1,659,700</b>	<b>1,213,374</b>	<b>537,935</b>	<b>459,018</b>	<b>498,893</b>

# SCHEDULE OF PRINCIPAL INVESTMENT PROPERTIES

## 主要投資物業附表

31 December 2008 二零零八年十二月三十一日

Description 詳情	Group interest 集團權益	Use 用途	Tenure 年期
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	Medium term lease 中期租約
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