



中國海澱集團有限公司 CHINA HAI DIAN 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

Interim Report 中期報告

2008





CORPORATE INFORMATION

Board of Directors

Executive Directors

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

Non-Executive Director

SIT Lai Hei

Independent Non-executive Directors

FUNG Tze Wa
KWONG Chun Wai, Michael
LI Qiang

Qualified Accountant & 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

公司資料

董事會

執行董事

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

非執行董事

薛黎曦

獨立非執行董事

馮子華
鄭俊偉
李強

合資格會計師及公司秘書

方志華

核數師

均富會計師行

主要往來銀行

中國銀行(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



Share Registrar in Hong Kong

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

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

Registered Office

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

註冊辦事處

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

Principal Office

Units 1902 – 4, Level 19
International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

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 – 4室

Website

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

網站

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



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Operating results

For the six months ended 30 June 2008, the Group recorded an unaudited revenue (continuing and discontinued operations) of approximately HK\$446,921,000 (for the six months ended 30 June 2007: HK\$313,047,000), representing an increase of HK\$133,874,000 compared with the corresponding period last year. Net Profit attributable to equity holders for the period was approximately HK\$45,869,000, representing a decrease of HK\$346,702,000 from a profit of HK\$392,571,000 for the corresponding period last year. Having set apart the financial impact of the discontinued operations for the six months ended 30 June 2007 of HK\$366,806,000, the Group should have had an increase of net profit of HK\$20,104,000 compared with the corresponding period last year.

Business review

(1) Watches and timepieces business

EBOHR Luxuries International Company Limited (“EBOHR”), a wholly-owned subsidiary of the Group, achieved satisfactory result in the first half of 2008. Revenue for the first half of 2008 was HK\$91,047,000, an increase of HK\$12,463,000, or 16%, from HK\$78,584,000 for the same period last year. Net profit after tax for the first half of 2008 was HK\$20,620,000 compared with HK\$18,438,000 for the same period in 2007, an increase of HK\$2,182,000, or 12%.

The gross margins in 2008 improved slightly because of increased prices and decreased costs. The retailed prices were increased due to greater brand awareness of EBOHR and higher disposal income of customers. Purchase on batch basis reduced the cost of materials.

經營業績

截至二零零八年六月三十日止六個月，本集團錄得未經審核持續經營業務及已終止經營業務收入約446,921,000港元（截至二零零七年六月三十日止六個月：313,047,000港元），較去年同期增加133,874,000港元。期內權益持有人應佔純利約為45,869,000港元，較去年同期溢利392,571,000港元減少346,702,000港元。倘不計及已終止經營業務截至二零零七年六月三十日止六個月之財務影響366,806,000港元，本集團應較去年同期錄得純利增長20,104,000港元。

業務回顧

(1) 鐘錶及時計產品業務

於二零零八年上半年，本集團之全資附屬公司依波精品（深圳）有限公司（「依波精品」）業績理想。二零零八年上半年之收入為91,047,000港元，較去年同期78,584,000港元增加12,463,000港元或16%。二零零八年上半年之除稅後純利為20,620,000港元，較二零零七年同期18,438,000港元增加2,182,000港元或12%。

二零零八年的毛利由於價格提升及成本下降而微升。零售價格上升乃由於依波精品之品牌知名度提升及客戶之可動用收入增加所致，而大批採購則令原料成本降低。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Business review (continued)

(1) Watches and timepieces business (continued)

EBOHR has put more efforts into development, production and sale of expensive metal luxurious watches in 2008. Revenue from such watches has been generated in the first half of 2008.

On 20 August 2008, the Company acquired 100% of the issued capital of Jia Cheng Investment Limited (“Jia Cheng”) for a consideration of HK\$525 million to be 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”). Rossini is engaged in manufacture and sale of watches mainly in the PRC. Having established an extensive network in the PRC, its brand is well recognized by customers and was awarded China Top Brand Products by the Central Administration of Quality Supervision, Inspection and Quarantine of the PRC.

業務回顧(續)

(1) 鐘錶及時計產品業務(續)

依波精品於二零零八年加大發展、生產及銷售名貴金屬手錶之力度。該等手錶業務已於二零零八年上半年錄得收益。

於二零零八年八月二十日，本公司收購佳城投資有限公司(「佳城」)100%已發行股本，代價525,000,000港元，將按每股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。佳城擁有珠海羅西尼錶業有限公司(「羅西尼」)之91%權益。羅西尼主要於中國從事手錶製造及銷售，該公司已於中國建立廣泛網絡，其品牌贏得客戶垂青，並榮獲國家質量監督檢驗檢疫總局頒授「中國名牌產品」榮銜。

Business review (continued)

(2) Termination of timber plant in Shenzhen

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

Upon completion of the land resumption, Seti Timber will cease to own the land. The gain expected to accrue to Seti Timber is 89.5% of the proceeds from the sale of 50% of the land area minus the net asset value of the land and the relevant land restoration costs. As the auction is expected to be executed in the fourth quarter, the one-off gain from the land resumption will be fully reflected in the financial statements as at 31 December 2008.

業務回顧(續)

(2) 終止深圳的木材廠

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

完成收回土地後，森帝木業將不再擁有該土地。預期森帝木業將收取的收益為銷售該50%土地所得款項的89.5%，扣除該土地的資產淨值及相關土地重整成本。由於預期拍賣於二零零八年第四季方會舉行，故自收回土地錄得的一次性收益將於二零零八年十二月三十一日之財務報表內全面反映。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Business review (continued)

(3) Enamelled copper wires business

Fuzhou Dartong M&E Co. Ltd. (“Fuzhou Dartong”), a 49% owned joint venture of the Group contributed revenue and net profit after tax of approximately HK\$333,265,000 and HK\$7,109,000 respectively in the first half of 2008. Revenue and net profit after tax increased in line with the expanded production capacity and the established reputation.

Jiangsu Dartong M&E Co. Ltd. (“Jiangsu Dartong”), a 25% owned associated company of the Group recorded contributions of approximately HK\$1,655,000 in the first half of 2008.

Both companies managed to improve their product quality and decrease the sale return rates. The flat enamelled copper wires were developed satisfactorily. Such wires are expected to generate higher gross margins. The Group has imposed increasingly strong internal control on the trading of derivatives related to copper.

(4) 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 period under review.

業務回顧(續)

(3) 漆包銅線業務

於二零零八年上半年，本集團持有49%權益之合營企業福州大通機電有限公司(「福州大通」)帶來分別約333,265,000港元及7,109,000港元收入及除稅後純利。收入及除稅後純利隨著生產能力擴充及建立聲譽而提升。

於二零零八年上半年，本集團持有25%權益之聯營公司江蘇大通機電有限公司(「江蘇大通」)錄得貢獻約1,655,000港元。

兩家公司均能夠提升產品質素及降低退貨率。扁平漆包銅線之開發進展理想。該等銅線預期將產生較高毛利。本集團已就買賣與銅相關之衍生產品加強內部監控。

(4) 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，並於回顧期間為本集團帶來穩定租金回報。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Business review (continued)

(5) Investment in Citychamp Dartong

During the half year under review, the Group recorded dividend income of HK\$73,624,000 from Citychamp Dartong which consisted of the dividend income from 11,820,000 bonus shares of HK\$72,128,000 and a cash dividend of HK\$1,496,000.

As at 30 June 2008, the Group has evaluated the fair value of its holding of 78,799,000 shares and 11,820,000 bonus shares of Citychamp Dartong with reference to various parameters including, inter alia, historical price volatility, closing price on 30 June 2008 and the time prior to expiry of the lock-up period as on 22 May 2010.

On 29 August 2008, Citychamp Dartong announced its results under PRC GAAP for the period ended 30 June 2008. Earnings per share for the period was RMB0.19, an increase of 6% over the last period.

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

業務回顧(續)

(5) 於冠城大通的投資

於回顧之上半年度，本集團自冠城大通錄得股息收入73,624,000港元，當中包括來自11,820,000股紅股之股息收入72,128,000港元及現金股息1,496,000港元。

於二零零八年六月三十日，本集團參考(其中包括)過往股價波幅、於二零零八年六月三十日的收市價及於二零一零年五月二十二日禁售期屆滿前之時間等多種因素，評估其於冠城大通所持78,799,000股股份及11,820,000股紅股的公平值。

於二零零八年八月二十九日，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六月三十日止期間的業績。期內每股盈利為人民幣0.19元，較去年同期增加6%。

自冠城大通收取的年度股息將提供經常性溢利及營運資金。

Financial position

(1) Liquidity, financial resources and capital structure

As at 30 June 2008, the Group had non-pledged cash and bank balances of approximately HK\$31,919,000. Based on the bank loans of HK\$138,770,000 and shareholders' equity of HK\$890,368,000, the Group's gearing ratio (being loans divided by Shareholders' equity) was 16%.

The Group's bank loans were all denominated in Reminbi. As at 30 June 2008, the Group's bank loans amount to HK\$138,770,000.

(2) Charge on Assets

Bank loans of HK\$28,409,000 and other banking facilities of Seti Timber were secured by land and buildings in Nanshan District, Shenzhen, the PRC, owned by the Group with a net book value amounting to approximately HK\$132,531,000 as at 30 June 2008.

(3) Capital commitments

The Group had no capital commitment as at 30 June 2008.

(4) Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2008.

財務狀況

(1) 流動資金、財務資源及資本結構

於二零零八年六月三十日，本集團無抵押現金及銀行結存約為31,919,000港元。根據銀行貸款138,770,000港元及股東權益890,368,000港元計算，本集團之資本負債率(借貸除股東權益)為16%。

本集團的銀行貸款全部以人民幣為單位。於二零零八年六月三十日，本集團的銀行貸款為138,770,000港元。

(2) 資產抵押

於二零零八年六月三十日，森帝木業的28,409,000港元銀行貸款及其他銀行信貸，以本集團位於中國深圳市南山區賬面淨值約132,531,000港元的土地及樓宇作抵押。

(3) 資本承擔

本集團於二零零八年六月三十日並無資本承擔。

(4) 或然負債

本集團於二零零八年六月三十日並無重大或然負債。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Prospects

Our Group extended its marketing efforts to Swiss as well as the US and other locations through participation in exhibitions organized by international market intermediaries. As part of our efforts to co-operate with overseas watch companies, our management visited leading cities in Switzerland and met with a number of watch companies in Switzerland in the first half of 2008. The Group has evaluated a number of watch companies, both overseas and local. It is the intention of the Group to grow by mergers and acquisitions of the overseas and local watch companies and to own a portfolio of watch companies with different products and markets.

The acquisition of Rossini on 20 August 2008 will not only generate increasing revenue and profit but also strengthen the leading position of the Group in the watches and timepieces industry. A portion of the funds to be received from the auction of land by Seti Timber will be applied for further mergers and acquisitions of watch companies while the remaining portion for other purposes.

2008 might be challenging for the Mainland. The Central Government's stated commitment to tighten monetary policy to curb overheating will have an impact on the consumption, investment and performance of the Mainland stock market. Nevertheless, the management remains optimistic of the economic growth of the Mainland and is confident of the long term steady growth of the watches and timepieces business, enamelled copper wires business and real estate development business of Citychamp Dartong.

展望

本集團透過參與由國際市場中介機構主辦之展覽會，將其市場拓展至瑞士、美國及其他地方。為加強與海外鐘錶公司之合作，管理層於二零零八年上半年造訪瑞士多個主要城市，與多家瑞士鐘錶公司會面。本集團已評估多家本地及海外鐘錶公司，擬藉併購海外及本地鐘錶公司壯大本身規模，擁有以不同產品及市場為對象的鐘錶公司組合。

於二零零八年八月二十日收購羅西尼不僅可提升收入及溢利，同時亦可鞏固本集團於鐘錶及時計產品業務之領導地位。森帝木業拍賣土地所得資金部分將用作進一步併購鐘錶公司，餘下部分則用作其它用途。

二零零八年對中國大陸而言或會充滿挑戰。中央政府銳意收緊貨幣政策以壓抑經濟過熱，將會對消費、投資以及內地股市表現構成影響。儘管如此，管理層對內地經濟增長仍抱樂觀態度，並對鐘錶及時計產品業務、漆包銅線業務及冠城大通的房地產發展業務的長遠穩定增長充滿信心。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2008, the Group had approximately 1,000 full-time staff in Hong Kong and the PRC. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market 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.

僱員及薪酬政策

本集團於二零零八年六月三十日僱有約1,000名香港及中國內地全職員工。僱員之薪酬乃本著公平原則，參考市場情況及根據個別員工表現制定及檢討。本集團並為員工提供其他福利，包括：年終雙糧、醫療保險及退休福利，並視集團的經營業績及員工個人的工作表現給僱員發放獎金花紅。本集團在香港之全體僱員均已參加公積金計劃。

FOREIGN EXCHANGE RISK

Majority of the Group's sales and purchases are mainly denominated in RMB. Since the Group's bank borrowings are also denominated in RMB and the Group has retained surplus funds in the currency, such foreign exchange exposure is immaterial and could be effectively monitored.

外匯風險

本集團買賣交易主要以人民幣結算。由於本集團之銀行貸款為人民幣，本集團盈餘資金亦為人民幣，有關外匯風險為屬微不足道，並可有效監控。

INTERIM DIVIDEND

The Board has resolved not to distribute an interim dividend for the six months ended 30 June 2008 (Six months ended 30 June 2007: nil).

中期股息

董事會決議不派發截至二零零八年六月三十日止六個月之中期股息(二零零七年六月三十日止六個月：無)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

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

As at 30 June 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:

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零零八年六月三十日，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：

Name of director	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
董事姓名	身份及權益性質	所持普通股數目	
Hon Kwok Lung 韓國龍	Through a controlled corporation 透過受控制公司	683,441,515 (note)(附註)	38.14%

Note: Mr. Hon Kwok Lung holds 80% and his wife, Ms. Lam Suk Ying holds 20% interests in Sincere View International Limited ("Sincere View") which is the controlling shareholder of the Company holding 683,441,515 shares of the Company.

附註：韓國龍先生及彼之妻子林淑英女士分別持有信景國際有限公司(「信景」)80%及20%權益，而該公司為本公司控股股東，持有本公司683,441,515股股份。

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of share of 683,441,515 held by Sincere View.

韓國龍先生及林淑英女士被視作於信景所持同一批683,441,515股股份中擁有權益。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

董事及主要行政人員於股份及相關股份之權益及淡倉(續)

Save as disclosed above, as at 30 June 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.

除上文披露者外，於二零零八年六月三十日，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須根據證券及期貨條例第352條記錄之任何權益或淡倉，或須根據標準守則知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份之權益

As at 30 June 2008, the following persons hold interests of 5% or more of the issued share capital of the Company, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

於二零零八年六月三十日，按照本公司須根據證券及期貨條例第336條存置之權益登記冊所記錄，下列人士持有本公司已發行股本5%或以上權益：

Long Position:

好倉：

Name of Shareholder	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
股東姓名	身份及權益性質	所持普通股數目	佔本公司已發行股本百分比
Sincere View International Limited 信景國際有限公司	Directly beneficially owned 直接實益擁有	683,441,515	38.14%



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

Save as disclosed above, as at 30 June 2008, no other person, other than those 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 the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with all the code provisions in the Code on Corporate Governance Practices, 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 six months ended 30 June 2008, except with the details disclosed below:

Code E.1.2

Code E.1.2 stipulates that the Chairman of the board of directors should attend the annual general meeting of the Company. The Chairman of the Board was unable to attend the annual general meeting of the Company held on 25 May 2008 due to his business trip outside Hong Kong.

主要股東於股份及相關股份之權益 (續)

除上文披露者外，於二零零八年六月三十日，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」一節之人士外，概無任何人士於本公司股份及相關股份中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。

企業管治常規守則

董事認為，除下文詳盡披露者外，本公司於截至二零零八年六月三十日止六個月期間一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14載列之《企業管治常規守則》所有守則條文：

守則第E.1.2

守則第E.1.2訂明董事會主席須出席本公司股東週年大會。由於董事會主席離港公幹，故無法出席本公司於二零零八年五月二十五日舉行之股東週年大會。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of 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 six months ended 30 June 2008.

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 and are consistent with the requirements of the Code on Corporate Governance Practices. The Remuneration Committee currently comprises 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.

AUDIT COMMITTEE

The audit committee comprises the three existing independent non-executive directors of the Company. The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2008.

董事進行證券交易的標準守則

本公司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。按向本公司董事作出之特定查詢，本公司確定所有董事在截至二零零八年六月三十日止六個月均一直遵照標準守則所載列的規定準則。

薪酬委員會

本公司於二零零五年八月二十三日根據上市規則成立薪酬委員會(「薪酬委員會」)。本公司董事會就薪酬委員會所採納之職權範圍與企業管治常規守則之規定一致。現有之薪酬委員會成員包括三名獨立非執行董事馮子華先生(委員會主席)、鄺俊偉博士、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。

審核委員會

審核委員會由本公司三名現任獨立非執行董事組成。本公司審核委員會已審閱本集團採納的會計原則及慣例並討論內部監控及財務報告事宜，包括審閱截至二零零八年六月三十日止六個月之未經審核中期財務報表。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period under review.

APPRECIATION

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

By order of the Board

Hon Kwok Lung

Chairman

Hong Kong 25 September 2008

管理層討論及分析(續)

購回、出售或贖回股份

本公司或其任何附屬公司於回顧期間內概無購買、出售或贖回本公司任何上市股份。

致意

本集團於過去期間表現優異，全賴管理層和全體員工竭誠工作。本人謹此對本集團僱員、客戶、各往來銀行、專業顧問及股東的鼎力支持衷心致謝。

承董事會命

主席

韓國龍

香港，二零零八年九月二十五日

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

簡明綜合損益表

截至二零零八年六月三十日止六個月

		Six months ended 30 June	
		六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年 (Restated)
		(重列)	
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
Continuing operations:			
	持續經營業務：		
	Revenue 收入	5 426,596	264,512
	Cost of sales 銷售成本	(350,500)	(204,047)
Gross profit			
	毛利	76,096	60,465
	Other income 其他收入	6 1,479	38
	Selling and distribution expenses 銷售及分銷成本	(26,993)	(24,003)
	Administrative expenses 行政費用	(43,713)	(26,355)
	(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	(24,815)	15,687
	Net surplus on revaluation of an investment property 重估一項投資物業盈餘淨額	-	22,853
	Dividend income from available-for-sale financial assets 可供出售金融資產之股息收入	15 73,624	-
	Other operating income, net 其他經營收入淨額	8,548	3,410
	Operating profit 經營溢利	64,226	52,095
	Financial income 財務收入	6 983	853
	Finance costs 財務費用	7 (3,380)	(4,097)
	Share of results of an associate 應佔一家聯營公司業績	1,655	830
	Profit before income tax 除所得稅前溢利	8 63,484	49,681
	Income tax expense 所得稅開支	9 (4,866)	(3,140)
	Profit after income tax from continuing operations 持續經營業務除所得稅後溢利	58,618	46,541
Discontinued operations:			
	已終止經營業務：		
	(Loss)/Profit for the period from discontinued operations 已終止經營業務之本期間(虧損)/溢利	12.1 (12,749)	345,770
	Profit for the period 本期間溢利	45,869	392,311

CONDENSED CONSOLIDATED INCOME STATEMENT (continued)

For the six months ended 30 June 2008

簡明綜合損益表(續)

截至二零零八年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 (Unaudited) (未經審核) Notes 附註	2007 二零零七年 (Restated) (重列) (Unaudited) (未經審核) HK\$'000 千港元
Attributable to:	以下人士應佔：		
Equity holders of the Company	本公司權益持有人	45,869	392,571
Minority interest	少數股東權益	-	(260)
Profit for the period	本期間溢利	45,869	392,311
Earnings per share from continuing operations attributable to equity holders of the Company	本公司權益持有人應佔持續經營業務之每股盈利	11 HK cents 3.27	HK cents 2.60
Basic	基本	港仙	港仙
Diluted	攤薄	N/A 不適用	N/A 不適用
(Loss)/Earnings per share from discontinued operations attributable to equity holders of the Company	本公司權益持有人應佔已終止經營業務之每股(虧損)/盈利	11 HK cents (0.71)	HK cents 19.31
Basic	基本	港仙	港仙
Diluted	攤薄	N/A 不適用	N/A 不適用

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

簡明綜合資產負債表

於二零零八年六月三十日

		30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2007 二零零七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	物業、廠房及設備	13 135,825	125,394
Investment properties	投資物業	14 60,258	60,258
Prepaid land lease payments	預付土地租賃款項	13 10,808	10,227
Interests in an associate	所佔一家聯營公司權益	35,843	31,484
Available-for-sale financial assets	可供出售金融資產	15 552,984	853,380
Prepayments and deposits	預付款項及訂金	2,536	2,394
Deferred tax assets	遞延稅項資產	1,207	1,130
		799,461	1,084,267
Current assets			
Inventories	存貨	16 152,289	142,026
Trade and bills receivables	應收賬款及票據	17 81,729	44,052
Prepaid land lease payments	預付土地租賃款項	13 225	210
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	58,425	87,277
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	55,192	44,178
Cash and cash equivalents	現金及現金等價物	18 31,919	82,362
		379,779	400,105
Non-current assets held for sale	持作出售之非流動資產	12.3 211,085	200,989
		590,864	601,094
Current liabilities			
Trade payables	應付賬款	19 68,105	33,497
Other payables and accruals	其他應付款及應計費用	72,773	95,767
Tax payables	應付稅項	13,195	13,188
Derivative financial instruments	衍生金融工具	14	5,017
Borrowings	借貸	20 114,270	112,815
Due to a related company	應付一家有關連公司欠款	204,545	209,311
		472,902	469,595

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

As at 30 June 2008

簡明綜合資產負債表(續)

於二零零八年六月三十日

		30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2007 二零零七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Net current assets	流動資產淨值	117,962	131,499
Total assets less current liabilities	總資產減流動負債	917,423	1,215,766
Non-current liabilities	非流動負債		
Borrowings	借貸	20 24,500	-
Net assets	資產淨值	892,923	1,215,766
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	179,203	179,203
Reserves	儲備	711,165	1,034,171
Minority interests	少數股東權益	890,368 2,555	1,213,374 2,392
Total equity	權益總額	892,923	1,215,766

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008

簡明綜合權益變動表

截至二零零八年六月三十日止六個月

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益									
		Share premium account*	Goodwill arising on consolidation*	Statutory reserves*	Exchange fluctuation reserve*	Investment revaluation reserves*	Retained profits*	Total	Minority interest	Total equity	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
		股本	股份溢價*	綜合賬目所產生之商譽*	儲備基金*	波動儲備*	投資重估儲備*	保留溢利*	總計	權益	
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	
		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	
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	-	-	-	-	4,979	-	4,979	70	5,049	
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	5,814	5,814	-	5,814	
Total income and expense for the period recognised directly in equity	期內直接於權益確認之收入及開支總額	-	-	-	-	4,979	5,814	10,793	70	10,863	
Profit/(Loss) for the period	期內溢利/(虧損)	-	-	-	-	-	392,571	392,571	(260)	392,311	
Total recognised income and expense for the period	期內已確認之收入及開支總額	-	-	-	-	4,979	5,814	403,364	(190)	403,174	
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	(30,195)	(30,195)	
At 30 June 2007	於二零零七年六月三十日	179,203	23,700	(15,300)	17,819	19,932	5,814	710,131	941,299	2,318	943,617
At 1 January 2008	於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	-	-	-	-	3,650	-	3,650	163	3,813	
Change in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	(372,525)	(372,525)	-	(372,525)	
Total income and expense for the period recognised directly in equity	期內直接於權益確認之收入及開支總額	-	-	-	-	3,650	(372,525)	(368,875)	163	(368,712)	
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	3,756	-	(3,756)	-	-	-	
Profit/(Loss) for the period	期內溢利/(虧損)	-	-	-	-	-	45,869	45,869	-	45,869	
Total recognised income and expense for the period	期內已確認之收入及開支總額	-	-	-	3,756	3,650	(372,525)	42,113	(323,006)	163	(322,843)
At 30 June 2008	於二零零八年六月三十日	179,203	23,700	(15,300)	23,549	24,778	(130,728)	785,166	690,368	2,555	892,923

* These reserve accounts comprise the consolidated reserves of HK\$711,165,000 (31 December 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711,165,000港元(二零零七年十二月三十一日: 1,034,171,000港元)。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

簡明綜合現金流量表

截至二零零八年六月三十日止六個月

		Six months ended 30 June 六月三十日止六個月	
		2008 二零零八年 (Unaudited) (未經審核) HK\$' 000 千港元	2007 二零零七年 (Unaudited) (未經審核) HK\$' 000 千港元
Net cash (outflow)/inflow from operating activities of continuing and discontinued operations	持續經營及已終止經營業務之經營業務產生之現金(流出)/流入淨額	(73,517)	44,843
Net cash inflow/(outflow) from investing activities of continuing and discontinued operations	從持續經營業務及已終止經營業務之投資活動產生之現金流入/(流出)淨額	16,676	(326,620)
Net cash inflow from financing activities of continuing and discontinued operations	從持續經營業務及已終止經營業務之融資活動產生之現金流入淨額	18,263	91,234
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(38,578)	(190,543)
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	82,362	234,616
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(11,865)	9,718
Cash and cash equivalents at end of the period	期末之現金及現金等價物	31,919	53,791
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash at banks and in hand	銀行結存及庫存現金	31,919	44,602
Non-pledged time deposits with original maturity of less than three months when acquired	購入時原定三個月內到期之無抵押定期存款	-	9,189
		31,919	53,791



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2008

未經審核簡明綜合中期財務報表 附註

截至二零零八年六月三十日止六個月

1. GENERAL INFORMATION

As disclosed in note 1 and 11 to the financial statements of the Company for the year ended 31 December 2007 (the “2007 Annual Financial Statements”), Seti Timber Industry (Shenzhen) Co. Ltd. (“Seti”), a wholly-owned subsidiary of the Company, entered into a land resumption agreement with the Shenzhen Municipal Government (the “Land Resumption Agreement”), under which in 2008, the Shenzhen Municipal Government would resume a piece of the land in Shenzhen that was leased to Seti (the “PRC Land”) and Seti ceased its production operation.

Seti was incorporated in the People’s Republic of China (the “PRC”) and was principally engaged in manufacture and distribution of timber products in Shenzhen in the PRC. In this regard, Seti has significantly scaled down its operations in manufacture and distribution of timber products (the “2007 Discontinued Timber Business”) as at 31 December 2007. Please refer to the 2007 Annual Financial Statements for details. The Company and its subsidiaries are referred to as the Group hereinafter.

1. 一般資料

誠如本公司截至二零零七年十二月三十一日止年度之財務報表(「二零零七年年度財務報表」)附註1及附註11所披露，本公司全資附屬公司森帝木業(深圳)有限公司(「森帝」)與深圳市政府訂立收回土地協議(「收回土地協議」)，據此，深圳市政府於二零零八年收回一幅位於深圳已租予森帝之土地(「中國土地」)，而森帝已終止其生產業務運作。

森帝於中華人民共和國(「中國」)註冊成立，其主要業務為於中國深圳製造及分銷木材產品。就此，於二零零七年十二月三十一日，森帝已大幅縮減其木材產品製造及分銷業務之規模(「二零零七年已終止木材業務」)。詳情請參閱二零零七年年度財務報表，本公司及其附屬公司於下文統稱為本集團。

1. GENERAL INFORMATION (continued)

As at 30 June 2008, the title of the PRC Land has not yet been passed, Seti is still occupying the PRC Land although the timber operations have been significantly scaled down. As the 2007 Discontinued Timber Business carried out by Seti represented components of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represented the separate major lines of businesses, the Group presented, in its unaudited condensed consolidated interim financial statements for the six months ended 30 June 2008 (the "Interim Financial Statements"), the operations of the 2007 Discontinued Timber Business as discontinued operations in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 5 – Discontinued Operations. The Company and other subsidiaries not engaged in the 2007 Discontinued Timber Business are referred to as the "Remaining Group".

For the six months ended 30 June 2007, 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"). The disposals of the 2006 Discontinued Property Development Business carried out by Jing Guan and Xin Yang were completed on 22 May 2007.

The Interim 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.

1. 一般資料(續)

於二零零八年六月三十日，中國土地之所有權尚未轉讓，儘管木材業務之規模已大幅縮減，惟森帝仍然佔用中國土地。由於森帝從事之二零零七年已終止木材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，故集團根據香港財務申報準則（「香港財務申報準則」）第5號 – 已終止業務，在其截至二零零八年六月三十日止六個月之未經審核簡明綜合中期財務報表（「中期財務報表」）中，將二零零七年已終止木材業務呈列為已終止經營業務。本公司及其他並無從事二零零七年已終止木材業務之附屬公司統稱為「餘下集團」。

於截至二零零七年六月三十日止六個月，一項股東決議案獲通過，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」）。出售京冠及鑫陽之二零零六年已終止物業發展業務已於二零零七年五月二十二日完成。

中期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」）。



2. BASIS OF PREPARATION

The Interim Financial Statements of the Group have been prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Accounting Standard (the “HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2.1 Going concern

The Interim Financial Statements have been prepared on a going concern basis notwithstanding the Remaining Group had net current liabilities (after excluding the non-current assets held for sale) of HK\$93,123,000 as at 30 June 2008 (31 December 2007: HK\$69,490,000). The Group has taken and will continue the following measures to ensure the Group will have adequate cash flows for the operations of the Group:

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

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

2. 編製基準

本集團之中期財務報表已根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。

2.1 持續經營

儘管於二零零八年六月三十日，餘下集團錄得流動負債淨額(扣除持作出售之非流動資產後)93,123,000港元(二零零七年十二月三十一日：69,490,000港元)，中期財務報表乃按持續經營基準編製。本集團已採取並將繼續採取以下措施確保本集團具備充足經營現金流量：

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

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



2. BASIS OF PREPARATION (continued)

2.1 Going concern (continued)

In addition, a related company has agreed not to demand repayment of the amount of HK\$204,545,000 due to it from the Group until such time when repayment will not affect the Remaining Group's ability to repay other creditors and the directors do not foresee any circumstances that the banks will not continue the bank loan facilities for the Group. Accordingly, the directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the next twelve months from 30 June 2008 without significant curtailment of operations and are satisfied that it is appropriate to prepare the Interim Financial Statements on a going concern basis. The Interim Financial Statements do not include any adjustments relating to the carrying amounts and reclassifications of assets and liabilities that might be necessary should the Remaining Group be unable to continue as a going concern.

3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical costs basis except investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss which are measured at fair values.

The accounting policies used in the Interim Financial Statements are consistent with those of the 2007 Annual Financial Statements of the Group for the year ended 31 December 2007 except as described below.

In the current interim period, the Group has applied, the following new standards, amendments and interpretations (collectively referred to as "new HKFRSs") issued by the HKICPA, which are effective for current accounting period.

2. 編製基準(續)

2.1 持續經營(續)

此外，一家有關連公司同意，直至還款不會影響餘下集團向其他債權人還款之能力時，方會要求本集團償還204,545,000港元之應付欠款，而董事預測不會出現任何銀行終止向本集團提供貸款之情況。因此，董事對本集團能夠在毋須大幅縮減營運之情況下承擔本身於二零零八年六月三十日起未來十二個月期間之全部到期財務責任，並認為按持續經營基準編製中期財務報表屬恰當。中期財務報表不包括倘餘下集團無法按持續基準經營時可能需作出與資產和負債賬面值及重新分類有關之調整。

3. 主要會計政策

中期財務報表乃根據歷史成本基準編製，除若干投資物業、可供出售金融資產及按公平值計入溢利或虧損之金融資產，乃按公平值計量。

中期財務報表採用之會計政策與本集團截至二零零七年十二月三十一日止年度之二零零七年度財務報表所用者一致，惟以下所述者除外。

於本中期期間，本集團已應用以下由香港會計師公會頒佈於本會計期間生效之新準則、修訂及詮釋(統稱「新香港財務申報準則」)。

3. PRINCIPAL ACCOUNTING POLICIES

(continued)

HK(IFRIC) – Int 11	HKFRS 2 “Group and Treasury Share Transactions”
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

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

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 1 (Revised) (Amendments)	Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 32 (Amendments)	Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations ¹

3. 主要會計政策(續)

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(國際財務報告詮釋委員會) — 詮釋第12號	服務特許權安排
香港(國際財務報告詮釋委員會) — 詮釋第14號	香港會計準則第19號 — 界定福利資產限額、最低資金規定及其相互關係

採納新香港財務申報準則對本期間或過往會計期間已編製及呈報之業績及財務狀況並無重大影響，因此毋須作出過往期間調整。

本集團並無提早採納以下已頒佈但尚未生效之香港財務申報準則。本公司董事現正評估該等香港財務申報準則之影響，惟未能指出會否對本集團中期財務報表造成重大財務影響。

香港會計準則第1號 (經修訂)	財務報表之呈報 ¹
香港會計準則第23號 (經修訂)	借款成本 ¹
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ²
香港會計準則第1號 (經修訂)(修訂本)	財務報表之呈報 — 可沽售金融工具及清盤產生之責任 ¹
香港會計準則第32號 (修訂本)	金融工具：呈報 — 可沽售金融工具及清盤產生之責任 ¹
香港會計準則第39號 (修訂本)	金融工具：確認及計量—可沽售金融工具及清盤產生之責任 ¹
香港財務申報準則第2號(修訂本)	歸屬條件及註銷 ¹

3. PRINCIPAL ACCOUNTING POLICIES

(continued)

HKFRS 3 (Revised)	Business Combinations ²
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 2 (Amendments)	Members' Shares in Co-operative Entities and Similar Instruments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³

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

3. 主要會計政策(續)

香港財務申報準則 第3號(經修訂)	業務合併 ²
香港財務申報準則 第7號(修訂本)	金融工具：披露 – 可沽售金融工具及 清盤產生之責任 ¹
香港財務申報準則 第8號	經營分部 ¹
香港(國際財務報告 詮釋委員會)– 詮釋 第2號(修訂本)	股東於合作實體之股份及 類似工具 ¹
香港(國際財務報告 詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ³

¹ 於二零零九年一月一日或之後開始的年度期間生效

² 於二零零九年七月一日或之後開始的年度期間生效

³ 於二零零八年七月一日或之後開始的年度期間生效

4. SEGMENT INFORMATION

The Group's segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

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

- (a) manufacture and distribution of watches and timepieces;
- (b) manufacture and distribution of enamelled copper wires (carried out by the Group's jointly controlled entity);
- (c) property investment; and
- (d) manufacture and distribution of timber products carried out by the 2007 Discontinued Timber Business which has been classified as discontinued operations for the period (note 12).

Inter-segment sales are charged at prevailing market prices.

4. 分類資料

本集團之分類資料乃按兩個分類形式呈列：(i)主要分類匯報基準按業務分類；及(ii)次要分類匯報基準按地區分類。

本集團經營之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，所提供之產品及服務之風險及回報與其他業務分類不同。業務分類之詳情概述如下：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 漆包銅線製造及分銷(由本集團共同控制實體經營)；
- (c) 物業投資；及
- (d) 二零零七年已終止木材業務經營之木材產品製造及分銷已分類為期內已終止經營業務(附註12)。

分類間之銷售按現時市場價格進行交易。

4. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments

For the six months ended 30 June 2008

4. 分類資料(續)

(a) 主要呈報方式 – 業務分類

截至二零零八年六月三十日止六個月

		Continuing operations			Discontinued operations
		持續經營業務			已終止經營業務
		Watches and timepieces	Enamelled copper wires	Property investment	2007 Discontinued Timber Business
		鐘錶及時計產品	漆包銅線	物業投資	二零零七年已終止木材業務
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	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	91,047	333,265	2,284	426,596
Other income and financial income	其他收入及財務收入	187	1,400	1	1,588
Total	總計	91,234	334,665	2,285	428,184
Segment results	分類業績	25,277	10,644	779	36,700
Unallocated corporate income, net	未分配公司收入淨額				28,509
Share of results of an associate	應佔一家聯營公司業績				65,209
Finance costs	財務費用				1,655
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)				(3,380)
Income tax expense	所得稅開支				63,484
Profit/(Loss) for the period	期內溢利/(虧損)				(4,866)
					58,618
					(12,749)
					(12,749)
					-
					-

4. SEGMENT INFORMATION (continued)

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

For the six months ended 30 June 2007
(Restated)

4. 分類資料(續)

(a) 主要呈報方式 – 業務分類(續)

截至二零零七年六月三十日止六個月(重列)

	Continuing operations 持續經營業務				Discontinued operations 已終止經營業務		
	Watches and timepieces	Enamelled copper wires	Property investment	Total	2006 Discontinued Property Development 二零零六年已終止 物業發展業務 (Unaudited)	2007 Discontinued Business 二零零七年已終止 木材業務 (Unaudited)	Total
	鐘錶及時計產品 (Unaudited) (未經審核) HK\$'000 千港元	漆包銅線 (Unaudited) (未經審核) HK\$'000 千港元	物業投資 (Unaudited) (未經審核) HK\$'000 千港元	總計 (Unaudited) (未經審核) HK\$'000 千港元	物業發展業務 (Unaudited) (未經審核) HK\$'000 千港元	木材業務 (Unaudited) (未經審核) HK\$'000 千港元	總計 (Unaudited) (未經審核) HK\$'000 千港元
Segment revenue and gains:	分類收入及收益:						
Sales to external customers	78,584	183,583	2,345	264,512	3,350	45,185	48,535
Other income and financial income	496	-	-	496	99	2,335	2,434
Total	79,080	183,583	2,345	265,088	3,449	47,520	50,969
Segment results	21,577	5,289	23,386	50,252	(9,785)	(3,897)	(13,682)
Unallocated corporate income, net	未分配公司收入淨額			2,696	366,806		
Share of results of an associate	應佔一家聯營公司業績			52,948	353,124		
Finance costs	財務費用			(4,097)	(7,354)		
Profit before income tax	除所得稅前盈利			49,681	345,770		
Income tax expense	所得稅開支			(3,140)	-		
Profit for the period	期內溢利			46,541	345,770		

4. SEGMENT INFORMATION (continued)

(b) Secondary reporting format – geographical segments

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

Sales revenue by geographical markets:

Continuing operations	持續經營業務
Hong Kong	香港
PRC	中國
Discontinued operations	已終止經營業務
PRC	中國

4. 分類資料(續)

(b) 次要呈報方式 – 地區分類

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

按地區市場劃分之銷售收入：

Six months ended 30 June		
六月三十日止六個月		
2008		2007
二零零八年		二零零七年
		(Restated)
		(重列)
(Unaudited)		(Unaudited)
(未經審核)		(未經審核)
HK\$'000		HK\$'000
千港元		千港元
	1,607	988
	424,989	263,524
	426,596	264,512
	20,325	48,535
	446,921	313,047

5. 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 period is as follows:

Continuing operations	持續經營業務
Sale of goods	貨品銷售
Gross rental income	租金收入總額

5. 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。期內確認之收入如下：

Six months ended 30 June	
六月三十日止六個月	
2008	2007
二零零八年	二零零七年
	(Restated)
	(重列)
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元
	262,168
424,312	2,344
2,284	
426,596	264,512

6. OTHER INCOME AND FINANCIAL INCOME

6. 其他收入及財務收入

Six months ended 30 June

六月三十日止六個月

2008

2007

二零零八年

二零零七年

(Restated)

(重列)

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

HK\$'000

HK\$'000

千港元

千港元

Continuing operations

持續經營業務

Other income

其他收入

Unrealised gain on
derivative financial
instruments

衍生金融工具之
未變現收益

Others

其他

1,077

—

402

38

1,479

38

Financial income

財務收入

Interest income
Dividend income from
financial assets at
fair value through
profit or loss

利息收入
按公平值計入溢利或
虧損之金融資產之
股息收入

121

704

862

149

983

853

7. FINANCE COSTS

7. 財務費用

Six months ended 30 June

六月三十日止六個月

2008 2007

二零零八年 二零零七年
(Restated)
(重列)

(Unaudited) (Unaudited)
(未經審核) (未經審核)

HK\$'000 HK\$'000

千港元 千港元

Continuing operations

Interests on bank and
other loans wholly
repayable within
five years

持續經營業務

須於五年內悉數償付之
銀行及其他貸款利息

3,380

4,097

8. PROFIT BEFORE INCOME TAX

The Group's profit before income tax was
arrived at after charging:

8. 除所得稅前溢利

本集團之除所得稅前溢利已扣除下列
各項：

Six months ended 30 June

六月三十日止六個月

2008 2007

二零零八年 二零零七年
(Restated)
(重列)

(Unaudited) (Unaudited)
(未經審核) (未經審核)

HK\$'000 HK\$'000

千港元 千港元

Continuing operations

Depreciation
Amortisation of prepaid
land lease payments

持續經營業務

折舊
預付土地租賃款項攤銷

4,518

3,404

114

-

9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (Six months ended 30 June 2007: Nil). The subsidiaries and jointly controlled entity established in the PRC are subject to income taxes ranging between 18% and 25% (Six months ended 30 June 2007: between 15% and 33%).

Pursuant to relevant laws and regulations in the PRC, the jointly controlled entity enjoyed a 50% deduction in income tax rate for the six months ended 30 June 2008.

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

9. 所得稅開支

由於本集團於期內並無在香港產生任何應課稅溢利，故並無就香港利得稅作出撥備(二零零七年六月三十日止六個月：無)。於中國成立之附屬公司及共同控制實體須按介乎18%至25%(二零零七年六月三十日止六個月：介乎15%至33%)之稅率繳納所得稅。

根據中國之相關法律及法規，共同控制實體於截至二零零八年六月三十日止六個月內享有50%所得稅率減免。

海外溢利之所得稅乃就期內估計應課稅溢利按本集團經營業務之國家之現行稅率計算。

Six months ended 30 June

六月三十日止六個月

2008	2007
二零零八年	二零零七年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元

Continuing operations 持續經營業務

Current tax for the period
– the PRC 期內即期稅項
– 中國

4,866

3,140

10. INTERIM DIVIDEND

The board of directors did not recommend the payment of an interim dividend for the six months ended 30 June 2008 (Six months ended 30 June 2007: Nil).

10. 中期股息

董事會不建議就截至二零零八年六月三十日止六個月派付中期股息(二零零七年六月三十日止六個月：無)。

11. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) from continuing and discontinued operations per share are based on the unaudited profit from continuing operations attributable to the equity holders of the Company for the period of HK\$58,618,000 (Six months ended 30 June 2007: HK\$46,541,000) and the loss from discontinued operations attributable to equity holders of the Company of HK\$12,749,000 (Six months ended 30 June 2007: profit of HK\$346,030,000) on the weighted average of 1,792,031,000 (Six months ended 30 June 2007: 1,792,031,000) ordinary shares in issue during the period.

Diluted earnings/(loss) per share for the periods ended 30 June 2008 and 2007 have not been disclosed as no dilutive events existed during these periods.

12. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

12.1 The (loss)/profit for the periods from discontinued operations was analysed as follows:

Loss of the 2007 Discontinued Timber Business and 2006 Discontinued Property Development Business (note 12.2)	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虧損 (附註: 12.2)
Gain on disposal of the 2006 Discontinued Property Development Business	二零零六年已終止物業發展業務之出售收益

11. 每股盈利/(虧損)

持續經營業務及已終止經營業務之每股基本盈利/(虧損)乃根據本公司權益持有人應佔持續經營業務之期內未經審核溢利 58,618,000 港元(二零零七年六月三十日止六個月: 46,541,000 港元)及本公司權益持有人應佔已終止經營業務虧損 12,749,000 港元(二零零七年六月三十日止六個月: 溢利 346,030,000 港元)及期內已發行加權平均普通股 1,792,031,000 股(二零零七年六月三十日止六個月: 1,792,031,000 股)計算。

由於截至二零零八年及二零零七年六月三十日止期間並無出現攤薄事件，故並無披露該等期間之每股攤薄盈利/(虧損)。

12. 已終止經營業務及持作出售之非流動資產

12.1 期內已終止經營業務之(虧損)/溢利分析如下:

Six months ended 30 June 六月三十日止六個月	
2008 二零零八年 (Unaudited) (未經審核) HK\$'000 千港元	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元
(12,749)	(21,036)
-	366,806
(12,749)	345,770

12. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE (continued)

12.2 The unaudited results of discontinued operations for the periods were as follows:

12. 已終止經營業務及持作出售之非流動資產(續)

12.2 期內已終止經營業務之未經審核業績如下：

		Six months ended 30 June 2008 (Unaudited) 二零零八年 六月三十日止 六個月 (未經審核)	Six months ended 30 June 2007 (Restated) (Unaudited) 二零零七年六月三十日止六個月 (重列) (未經審核)		
		2007 Discontinued Timber Business 二零零七年 已終止本材業務 HK\$'000 千港元	2007 Discontinued Timber Business 二零零七年 已終止本材業務 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	收益	20,325	45,185	3,350	48,535
Cost of sales	銷售成本	(22,718)	(41,293)	(9,551)	(50,844)
Gross (loss)/profit	(毛損) / 毛利	(2,393)	3,892	(6,201)	(2,309)
Other income	其他收入	1,650	2,327	22	2,349
Selling and distribution expenses	銷售及分銷成本	(145)	(1,382)	(508)	(1,890)
Administrative expenses	行政費用	(10,817)	(9,481)	(2,899)	(12,380)
Other operating (expenses)/ income, net	其他經營(開支) / 收入淨額	(64)	739	(276)	463
Operating loss	經營虧損	(11,769)	(3,905)	(9,862)	(13,767)
Financial income	財務收入	12	8	77	85
Finance costs – interest on bank and other loans wholly repayable within five years	財務費用—須於五年內 悉數償還之銀行及 其他貸款利息	(992)	(7,354)	-	(7,354)
Loss for the period	期內虧損	(12,749)	(11,251)	(9,785)	(21,036)

12. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE (continued)

12.3 An analysis of the non-current assets of the 2007 Discontinued Timber Business classified as held for sale as at 30 June 2008 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

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2007 二零零七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
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158,642	150,759
52,443	50,230
211,085	200,989

At 30 June 2008, certain buildings of the 2007 Discontinued Timber Business with carrying value of HK\$87,699,000 (31 December 2007: HK\$84,722,000), situated in the PRC had been pledged to secure certain banking facilities granted to the Group (note 20).

At 30 June 2008, certain prepaid land lease payments of the 2007 Discontinued Timber Business in the PRC with carrying value of HK\$44,832,000 (31 December 2007: HK\$43,885,000), have been pledged to secure certain banking facilities granted to the Group (note 20).

12. 已終止經營業務及持作出售之非流動資產(續)

12.3 於二零零八年六月三十日，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：

於二零零八年六月三十日，二零零七年已終止木材業務位於中國賬面值為87,699,000港元（二零零七年十二月三十一日：84,722,000港元）之若干樓宇已抵押，作為本集團獲授若干銀行融資之擔保（附註20）。

於二零零八年六月三十日，二零零七年已終止木材業務位於中國賬面值為44,832,000港元（二零零七年十二月三十一日：43,885,000港元）之若干預付土地租賃款項已抵押，作為本集團獲授若干銀行融資之擔保（附註20）。

13. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LAND LEASE PAYMENTS

At 30 June 2008 and 31 December 2007, no buildings and prepaid land lease payments of the Remaining Group are pledged to secure banking facilities granted to the Group.

14. INVESTMENT PROPERTIES

At 30 June 2008, the Group had certain investment properties located in Dongguan, the PRC, with an aggregate carrying value of HK\$30,240,000 (31 December 2007: HK\$30,240,000). The Group has not yet obtained the relevant title certificate for these properties. The Group's legal advisors have confirmed that, the Group is the rightful and equitable owner of these properties.

At 30 June 2008, certain of the Group's investment properties with carrying value of HK\$12,832,000 (31 December 2007: HK\$12,832,000) have been pledged to secure banking facilities granted to the Group.

15. AVAILABLE- FOR- SALE FINANCIAL ASSETS

13. 物業、廠房及設備以及預付土地租賃款項

於二零零八年六月三十日及二零零七年十二月三十一日，餘下集團之樓宇及預付土地租賃款項並無抵押以取得銀行融資。

14. 投資物業

於二零零八年六月三十日，本集團於中國東莞市擁有若干投資物業，賬面總值合共30,240,000港元（二零零七年十二月三十一日：30,240,000港元）。本集團仍未取得該等物業之相關業權證明。本集團之法律顧問已確認，本集團是該等物業之公平合法擁有人。

於二零零八年六月三十日，本集團賬面值12,832,000港元（二零零七年十二月三十一日：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。

15. 可供出售金融資產

	30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2007 二零零七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Listed equity investment in the PRC, at fair value	552,984	853,380
Unlisted equity investment in the PRC, at cost	4,193	3,477
Provision for impairment	(4,193)	(3,477)
	—	—
	552,984	853,380

15. AVAILABLE- FOR- SALE FINANCIAL ASSETS (continued)

As at 30 June 2008, the listed equity investment in the PRC represented 16.39% equity interest in Citychamp Dartong Company Ltd (“Citychamp”) which is listed in the Shanghai Stock Exchange in the PRC.

On 14 April 2008, Citychamp declared a bonus issue of 1.5 shares together with a cash dividend of RMB0.167 for every 10 Citychamp shares. In April 2008, 11,819,909 Citychamp 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 six months ended 30 June 2008 (Six months ended 30 June 2007: Nil).

15. 可供出售金融資產(續)

於二零零八年六月三十日，於中國之上市股本投資指於中國上海證券交易所上市之冠城大通股份有限公司(「冠城」)之16.39%股本權益。

於二零零八年四月十四日，冠城就每10股冠城股份宣派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股冠城紅股及現金股息人民幣1,316,000元。於截至二零零八年六月三十日止六個月，總數為73,624,000港元(二零零七年六月三十日止六個月：無)之股息收入已於損益表確認。

16. INVENTORIES

16. 存貨

		30 June 2008	31 December 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		(Unaudited)	(Audited)
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	60,588	40,014
Work in progress	在製品	8,572	12,891
Finished goods	製成品	83,129	89,121
		<u>152,289</u>	<u>142,026</u>

17. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is normally required. The credit period is generally for a period of 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.

Ageing analysis of trade and bills receivables (including amounts due from related parties of trading in nature as disclosed in note 24.1(iii)) as at the balance sheet dates, based on invoice date, and net of provisions, is as follows:

1 to 3 months	1至3個月
4 to 6 months	4至6個月
7 to 12 months	7至12個月

17. 應收賬款及票據

除若干客戶一般需要預先付款外，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。

應收賬款及票據（包括附註24.1(iii)所述應收有關連人士之貿易性質款項）於結算日按照發票日期及扣減撥備後之賬齡分析如下：

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2007 二零零七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
77,924	41,914
3,737	2,138
68	-
81,729	44,052

18. CASH AND CASH EQUIVALENTS

Included in the cash and cash equivalents of the Group are RMB24,528,000 denominated in a currency other than the functional currency of the entity to which it relates (31 December 2007: RMB46,686,000). All the bank balances denominated in RMB were placed with banks in the PRC. RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business in the PRC.

19. TRADE PAYABLES

Ageing analysis of trade payables as at the balance sheet date, based on invoice dates is as follows:

1 to 3 months	1至3個月
4 to 6 months	4至6個月
7 to 12 months	7至12個月
Over one year	超過1年

18. 現金及現金等價物

本集團現金及現金等價物包括按有關實體功能貨幣外之其他貨幣為單位之人民幣24,528,000元(二零零七年十二月三十一日：人民幣46,686,000元)。以人民幣為單位之銀行結存已全部存於中國多家銀行。人民幣不得自由兌換為其他貨幣。然而，根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權於中國進行外匯業務之銀行將人民幣兌換為其他貨幣。

19. 應付賬款

應付賬款於結算日按發票日期計算之賬齡分析如下：

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2007 二零零七年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
55,745	19,135
11,778	14,350
569	—
13	12
68,105	33,497

20. BORROWINGS

20. 借貸

		30 June 2008	31 December 2007
		二零零八年 六月三十日 (Unaudited) (未經審核)	二零零七年 十二月三十一日 (Audited) (經審核)
		HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	114,270	112,815
In the second year	第二年	6,682	-
In the third to fifth year	第三至第五年	17,818	-
		138,770	112,815
Portion due within one year included under current liabilities	於一年內到期並計入 流動負債之部分	(114,270)	(112,815)
Non-current portion included under non-current liabilities	計入非流動負債之 非即期部分	24,500	-

At the balance sheet dates, the Group's bank loans were secured by:

- (i) a legal charge over certain of the Group's buildings and prepaid land lease payments situated in the PRC with carrying value of approximately HK\$87,699,000 and HK\$44,832,000 (31 December 2007: HK\$84,722,000 and HK\$43,885,000) respectively (note 12.3); and
- (ii) guarantees granted by a director of the Company and certain independent third parties.

於結算日，本集團銀行貸款以下列各項作抵押：

- (i) 本集團賬面值分別約87,699,000港元及44,832,000港元(二零零七年十二月三十一日：84,722,000港元及43,885,000港元)位於中國之若干樓宇及預付土地租賃款項之法定押記(附註12.3)；及
- (ii) 本公司一名董事及若干獨立第三方作出的擔保。



21. CONTINGENT LIABILITIES

At 30 June 2008, the Group had no material contingent liabilities (31 December 2007: Nil).

22. CAPITAL COMMITMENTS

At 30 June 2008, the Group had no capital commitment (31 December 2007: HK\$13,934,000).

23. FINANCIAL GUARANTEE CONTRACTS

At 30 June 2008, the Group's jointly controlled entity executed guarantees amounting to approximately HK\$28,409,000 (31 December 2007: HK\$26,596,000) with respect to bank loans to the joint venturer. Under these guarantees, the Group's jointly controlled entity shall be liable to the bank if the bank is unable to recover the loan. At 30 June 2008 and 31 December 2007, no provision for the obligation of the Group's jointly controlled entity under the guarantee contracts has been made as the directors considered that it is not probable that the repayments of the loan will be in default.

21. 或然負債

於二零零八年六月三十日，本集團並無重大或然負債（二零零七年十二月三十一日：無）。

22. 資本承擔

於二零零八年六月三十日，本集團並無資本承擔（二零零七年十二月三十一日：13,934,000港元）。

23. 財務擔保合約

於二零零八年六月三十日，本集團之共同控制實體就銀行授予合營方銀行貸款簽立金額約28,409,000港元（二零零七年十二月三十一日：26,596,000港元）擔保。根據該等擔保，倘銀行無法收回貸款，則本集團之共同控制實體須還款給銀行。於二零零八年六月三十日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會拖欠償還貸款，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。

24. RELATED PARTY TRANSACTIONS

24.1 Other than those disclosed elsewhere in the interim financial statements, the following material transactions were carried out with related parties during the periods:

24. 有關連人士交易

24.1 除本中期財務報表其他部分所披露外，本集團於期內曾與有關連人士進行以下重大交易：

		Six months ended 30 June	
		六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
	Sales of goods to the joint venturer	向合營方銷售貨物	
(i)		290,948	133,954
	Purchases of goods from the joint venturer	向合營方購入貨物	
(i)		-	455
	Rental income received from a related company	已收一家有關連公司之租金收入	
(ii)		746	457
	Loan interest paid to related companies	向有關連公司支付之貸款利息	
		-	4,878

Notes:

- (i) A director of the Company is also a director of the joint venturer of the Group's jointly-controlled entity.
- (ii) The rental income was received from a company of which a director of the Company is also a director and it was charged at HK\$124,000 per month on average during the period (Six months ended 30 June 2007: HK\$76,000).

附註：

- (i) 本公司一名董事亦為本集團共同控制實體之合營方之董事。
- (ii) 期內，來自本公司一名董事亦為其董事之公司之平均租金收入為每月124,000港元（二零零七年六月三十日止六個月：76,000港元）。

24. RELATED PARTY TRANSACTIONS

(continued)

24.1 Other than those disclosed elsewhere in the interim financial statements, the following material transactions were carried out with related parties during the periods: (continued)

Notes: (continued)

(iii) Outstanding balances with related parties:

- (a) At 30 June 2008, amounts due from joint venturer arising from the sales of goods and included in trade and bills receivables are approximately HK\$59,493,000 (31 December 2007: HK\$14,080,000).
- (b) At 30 June 2008, amount due from subsidiaries of the joint venturer included in other receivables are approximately HK\$5,117,000 (31 December 2007: HK\$5,117,000).
- (c) At 30 June 2008, amounts due to a subsidiary of the joint venturer included in other payables are approximately HK\$5,114,000 (31 December 2007: HK\$4,787,000).
- (d) At 30 June 2008, amount due to a related company of HK\$204,545,000 (31 December 2007: HK\$209,311,000) are unsecured, interest-free and repayable on demand. This related company has agreed not to demand repayment of the amount of HK\$ 204,545,000 due to it from the Group until such time when repayment will not affect the Remaining Group's ability to repay other creditors.

24. 有關連人士交易(續)

24.1 除本中期財務報表其他部分所披露外，本集團於期內曾與有關連人士進行以下重大交易：(續)

附註：(續)

(iii) 與有關連人士之未償還結餘：

- (a) 於二零零八年六月三十日，就銷售貨物而計入應收賬款及票據之應收合營方款項約為59,493,000港元(二零零七年十二月三十一日：14,080,000港元)。
- (b) 於二零零八年六月三十日，已計入其他應收款之應收合營方附屬公司款項約為5,117,000港元(二零零七年十二月三十一日：5,117,000港元)。
- (c) 於二零零八年六月三十日，已計入其他應付款之應付合營方附屬公司款項約為5,114,000港元(二零零七年十二月三十一日：4,787,000港元)。
- (d) 於二零零八年六月三十日，應付一間有關連公司欠款204,545,000港元(二零零七年十二月三十一日：209,311,000港元)乃無抵押、免息及須按要求償還。此有關連公司同意直至還款不會影響餘下集團向其他債權人還款之能力時，方會要求本集團償還204,545,000港元之應付欠款。

24. RELATED PARTY TRANSACTIONS

(continued)

24.2 Compensation of key management personnel of the Group:

24. 有關連人士交易(續)

24.2 本集團主要管理人員之補償：

		Six months ended 30 June	
		六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Short term employee benefits	短期僱員福利	3,764	3,764
Post-employment benefits	離職後福利	48	42
		<hr/>	<hr/>
		3,812	3,806
		<hr/>	<hr/>



25. POST BALANCE SHEET EVENTS

On 20 August 2008, the Company entered into a conditional agreement in respect of the acquisition of the entire issued share capital of Jia Cheng Investment Limited (“Jia Cheng”) at a consideration of HK\$525,000,000, which will be satisfied by allotment and issue of 1,750 million consideration shares of the Company at HK\$0.3 each to Full Day Limited (the “Vendor”). The Vendor is ultimately beneficially wholly-owned by Mr. Hon Kwok Lung, an executive director and major shareholder of the Company. Upon completion of the transaction, the Company will indirectly hold 91% interest in Zhuhai Rossini Watch Industry Ltd. (“Rossini”) through Jia Cheng. Rossini is principally engaged in manufacture and sale of watches mainly in the PRC. Details of this transaction have been set out in the Company’s announcement dated 25 August 2008 and the Company’s circular dated 12 September 2008. This transaction has not yet been completed up to the date of this report and, among other things, is subject to the approval of the shareholders.

26. APPROVAL OF THE INTERIM FINANCIAL REPORT

The Interim Financial Statements were approved and authorised for issue by the board of directors on 25 September 2008.

25. 結算日後事項

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」）全部已發行股本訂立有條件協議，代價為525,000,000港元，將按每股0.3港元之價格配發及發行1,750,000,000股代價股份之方式支付予朝豐有限公司（「賣方」）。賣方由執行董事兼本公司主要股東韓國龍先生最終全資實益擁有。交易完成後，本公司將透過佳城間接持有珠海羅西尼錶業有限公司（「羅西尼」）之91%權益。羅西尼主要業務為主要於中國從事手錶製造及銷售。有關交易詳情已載於本公司日期為二零零八年八月二十五日之公佈及二零零八年九月十二日之通函。截至本報告日期，此交易尚未完成，須待股東批准。

26. 批准中期財務報告

中期財務報表於二零零八年九月二十五日獲董事會批准及授權刊發。