



Burwill Holdings Limited

寶威控股有限公司

(於百慕達註冊成立之有限公司)

股份代號：24

寶

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年

報

2007



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Corporate Information 公司資料

DIRECTORS

CHAN Shing, *Chairman & Managing Director*
SIT Hoi Tung, *Executive Director & Deputy General Manager*
YANG Da Wei, *Executive Director*
LAU Ting, *Executive Director*
TUNG Pui Shan, *Virginia, Executive Director*
KWOK Wai Lam, *Executive Director*
YIN Mark, *Executive Director*
CUI Shu Ming, *Independent Non-Executive Director*
SONG Yufang, *Independent Non-Executive Director*
HUANG Shenglan, *Independent Non-Executive Director*
SZE Tsai Ping, *Michael, Non-Executive Director*

COMPANY SECRETARY

KWOK Wai Lam

QUALIFIED ACCOUNTANT

KWOK Wai Lam

AUDIT COMMITTEE

CUI Shu Ming
SONG Yufang
HUANG Shenglan

REMUNERATION COMMITTEE

CUI Shu Ming
HUANG Shenglan
SIT Hoi Tung

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

LEGAL ADVISERS

Appleby
Baker & McKenzie
Haiwen & Partners

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

董事

陳城 (主席兼董事總經理)
薛海東 (執行董事兼副總經理)
楊大偉 (執行董事)
劉婷 (執行董事)
董佩珊 (執行董事)
郭偉霖 (執行董事)
尹虹 (執行董事)
崔書明 (獨立非執行董事)
宋玉芳 (獨立非執行董事)
黃勝藍 (獨立非執行董事)
史習平 (非執行董事)

公司秘書

郭偉霖

合資格會計師

郭偉霖

審核委員會

崔書明
宋玉芳
黃勝藍

薪酬委員會

崔書明
黃勝藍
薛海東

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師

法律顧問

Appleby
貝克•麥堅時律師行
海問律師事務所

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda



Corporate Information 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Convention Plaza
1 Harbour Road
Wanchai, Hong Kong
Tel: (852) 2877 7368
Fax: (852) 2877 7037

PRINCIPAL SHARE REGISTRARS

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH SHARE REGISTRARS IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shop Nos.1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

SHARE TRANSFER AGENT IN SINGAPORE

Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub
Singapore 049483

PRINCIPAL BANKERS

Bangkok Bank Public Company Limited
BNP Paribas
DBS Bank (Hong Kong) Limited
Fortis Bank
HSH Nord Bank
Indover Bank (Asia) Limited
Natixis
Societe Generale
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

www.burwill.com

總辦事處及主要營業地點

香港灣仔
港灣道1號
會議展覽廣場
辦公大樓14樓
電話: (852) 2877 7368
傳真: (852) 2877 7037

股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17樓
1712-1716號舖

新加坡股份過戶代理

Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub
Singapore 049483

主要往來銀行

盤谷銀行
法國巴黎銀行
星展銀行(香港)有限公司
富通銀行
德國北方銀行
Indover Bank (Asia) Limited
法國外貿銀行
法國興業銀行
渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司

互聯網址

www.burwill.com



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

In the year ended 31 December 2007 (the "Year"), the Group had achieved satisfactory results; turnover reached HK\$5,450 million, representing an increase of 14%. Overall gross profit reached HK\$143 million, representing an increase of 75%; profit attributable to equity holders decreased by 42% to HK\$86.31 million. Excluding the dilution gain resulted from the issue of new shares by an associate in 2006 and during the Year, the operating profit of the Group increased by HK\$57 million as compared with last year.

Steel Business

International Steel Trading

During the Year, the Group's core international steel trading business had achieved remarkable results. Turnover increased by 16% from HK\$4,320 million to HK\$5,000 million. Operating profit amounted to HK\$71 million.

Prices for upstream steel production resources, including iron ore, have persistently increased during the Year. There was a severe supply shortage due to the limited production volume in major markets such as the United States, Europe, Middle East and East Asia, coupled with the low level of steel inventories. China has imposed stringent control on the approval of new steel investment projects, concurrently ordered the closure of steel mills with serious pollution and high energy consumption, and adopted a tighter credit policy to contain inflation. It has also implemented a series of measures to limit the export of steel products, such as reducing tax rebate or even increasing custom duty, resulting in a fundamental and significant change in the global supply-demand relations, causing steel price to surge by a high margin throughout the year.

The Group's trading department adhered to its prudent operation strategies and seized every market opportunity brought by surging steel prices. During the Year, the Group made remarkable achievements in acquiring and exporting mainland resources and in areas such as expanding procurement and sales network to other countries.

業務回顧與展望

截至二零零七年十二月三十一日止之全年（「年內」），本集團主營業務表現良好，營業額較去年上升14%，至54.5億港元；整體毛利增長75%，至1.43億港元；股東應佔盈利下跌42%，至8,631萬港元；若撇除去年和今年因聯營公司配發新股所錄得的攤薄收益，本集團主營業務經營盈利較去年上升0.57億港元。

鋼鐵業務

鋼鐵國際貿易

年內，本集團的主營業務鋼鐵國際貿易表現良好，營業額較去年之約43.2億港元上升16%至50億港元。經營盈利7.1千萬港元。

年內，鐵礦石等鋼鐵上游材料價格持續上漲。美國、歐洲、中東、東亞等主要市場的產量受到抑制，鋼材庫存處於低位，供應不足以應付上升需求；中國則對鋼鐵新建投資項目的審批加緊控制，禁止污染大、能耗高的煉鋼企業繼續經營，為壓抑通脹採取信貸緊縮政策，並實施了一系列調減出口退稅甚至加徵關稅以限制鋼鐵出口的措施，從而使得全球供需關係發生結構性的重大變化，鋼材價格因供需不平衡而大幅攀升。

本集團的鋼鐵貿易部門緊守審慎的經營策略，積極把握鋼材價格上升所帶來的市場機會，於年內在致力獲取並出口中國資源、向第三國擴展採購銷售等領域取得理想的進展。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Steel Business (continued)

International Steel Trading (continued)

Leveraging on the long-established business relationship with certain sizable steel manufacturers in China, the Group managed to secure steady supplies of raw materials under the volatility of market prices and shortage of resources. In order to strengthen its overseas sales network, the Group has cooperated closely with its trading partners in Europe and Middle East and had either set up new representative corporations or appointed business representatives in Spain, Italy, Turkey, United Arab Emirates and India while reinforcing sales in traditional markets within the Asian region. By consolidating its procurement network in different countries, the Group has started trading business in other countries in addition to the import and export business in China. The Group has successfully begun bulk procurement in the fourth quarter of the Year and started the sales in the market in the first quarter in 2008. It is expected to achieve satisfactory return.

Looking forward, in early 2008, the iron ore strike price for the year has increased significantly by 65% as compared with last year. In the midst of highly-globalized world economy, shipping fees remain high, spot iron ore and coal prices continue to surge and China will keep exports under control. Global production is hence less likely to increase in the short term, coupled with the supply-demand imbalance in all major steel consumption markets, steel prices will be pushed further to a record high level. The increase in inflation pressure will lead to vigorous fluctuations in the international steel market including China. Under such circumstance, the Group's trading department will keep abreast of market changes, strengthen their risk awareness and adjust its business structure. Whilst the Group will continue to well maintain its China import and export trading business, it will devote more efforts to building up its overseas sales network, as well as further develop trading with other countries such as the Euro Zone and the Middle East markets, in order to enable the healthy and balanced development of the business.

業務回顧與展望 (續)

鋼鐵業務 (續)

鋼鐵國際貿易 (續)

本集團長期與中國多家大中型鋼鐵企業維持良好的業務關係，在市場價格變動、資源緊張的局面下，仍能夠保持穩定的貨源供應。為加強海外營銷網絡建設，本集團在鞏固傳統周邊亞洲市場營銷的基礎上，致力加強與歐洲、中東等地區貿易夥伴的緊密合作。於年內，本集團分別於西班牙、意大利、土耳其、阿聯酋、印度等國新設代表機構或聘請業務代表，通過整合不同國別的採購銷售，開闢了中國進出口業務以外的第三國貿易。於年內第四季度，本集團成功進行批量的貨源採購，並在二零零八年第一季度開始推出市場銷售，預期將能夠取得理想的收益。

展望未來，在二零零八年初，鐵礦砂年度協議價格已較去年大幅提升65%。在全球經濟一體化的市場環境中，海運費高企，現貨礦石、焦炭價格持續上漲，中國仍將限制出口，全球難以在短期內形成新增產能，各主要鋼鐵消費市場供需不平衡等，均將進一步將鋼材價格推至歷史高位。通脹壓力的增加將造成包括中國在內的世界鋼鐵市場劇烈波動。在這種情況下，本集團貿易部門將密切注意市場變化，強化風險意識，調整業務結構，在做好對中國進出口業務的基礎上，將更加著力於海外營銷網絡建設，以歐元區和中東市場為目標，進一步拓展第三國貿易，使鋼鐵貿易業務能夠更穩健、均衡地發展。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Steel Business (continued)

Exploration of Mineral Resources

During the Year, the Group had entered into a letter of intent with the Institute of Geology and Geophysics, Chinese Academy of Sciences. The parties will cooperate in mining exploration, extraction and investment in relevant projects in China and overseas. This intent of cooperation will bring synergy to the Group's exploration of mineral resources; the Group is not only able to gain technical support in areas such as mineral resources exploration, but is also allowed to obtain the right of first refusal to participate in relevant mineral resource projects.

The Group has concurrently commenced pre-exploration drilling in mining areas of approximately 63.5 square kilometers and 51 square kilometers in the Philippines and Turkey respectively for nickel oxide and manganese mine.

As a major part of the long term development strategies for the Group's steel business, the Group will continue to make investments in natural mineral resources and engage in its related exploration, exploitation, downstream processing and sales business in the next five years. Currently, the Group is actively exploring other investment opportunities involving precious metal resources such as nickel, chromium, copper and manganese.

Steel Processing Business

During the Year, the operating performance of the plant located in Jiangsu Province, a joint venture between the Group and Maanshan Iron & Steel Company Limited, was satisfactory. The second phase of expansion plan was completed at the end of the Year and operations were commenced immediately. With the fast-growing local economy, the joint venture plant equipped with strengthened logistics and steel plate slitting and cutting functions, production capacity has been in multi-folds and profitability is expected to be significantly enhanced.

業務回顧與展望 (續)

鋼鐵業務 (續)

開拓礦產資源

年內，本集團與中國科學院地質與地球物理研究所簽約，雙方將在中國境內外開展礦業勘探、開採及相關項目之投資進行合作。此項合作協定為集團開發礦產資源帶來協同效應，除了可獲得礦產勘探等方面的技術支持，更有利集團獲得在相關礦產資源項目上的優先權。

同時，本集團已展開對位於菲律賓的一片面積達63.5平方公里以及位於土耳其的一片面積達51平方公里的區塊進行氧化鎳和錳礦的前期勘探工作。

本集團鋼鐵業務長期發展策略之重要部分，是在未來五年不斷拓展在天然礦產資源的投資和相關的勘探、開採以及下游加工銷售業務。目前，本集團仍在物色其他鎳、鉻、銅、錳等貴金屬資源的投資項目。

鋼鐵加工業務

年內，本集團與馬鞍山鋼鐵股份有限公司在江蘇省的合營工廠生產經營狀況理想。第二期擴建工程在年底竣工後立即投入生產。當地經濟增長勢頭良好，配合合營工廠加強物流配送及增加鋼板剪切設備等經營策略，年內產量倍增，預計盈利水平將獲得明顯的提升。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Steel Business (continued)

Steel Processing Business (continued)

On the other hand, despite a loss still being recorded in the Group's two steel processing plants in Dongguan, their performance was slightly improved owing to the Group's implementation of effective cost control measures. The Group sees long term prospects in the business. We expect that after the industry consolidation in the Pearl River Delta region which eliminates the weak, the operation environment tends to be stable in 2008. By leveraging on experience and improved management, the two plants plan to employ and adopt more proactive marketing strategies, and will prudently launch domestic sales and processing business settled in Renminbi with an aim to improve the operating performance.

Property Development and Investment

The operation and management of Yangzhou Times Square, the management of the Group's property investment in China, has become more sophisticated and full occupancy was maintained. As a quality Renminbi asset of the Group, it will be held as a long-term investment and the Group expects that it will bring stable rental returns and asset appreciation to the Group.

Long-Term Investment – Lottery Business of Associated Corporation

The Group maintains long-term equity interest in China LotSynergy Holdings Limited (Stock code: 8161) ("China LotSynergy"). China LotSynergy is a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, and is principally engaged in the investment, project development and the provision of technologies and equipment and consultancy services in public welfare lottery business and related sectors in China. During the Year, China LotSynergy had made substantial progress in related businesses with a turnover of approximately HK\$310 million.

The Group believes that with the continuing development of public welfare lottery in China and the progression of its various projects, China LotSynergy will bring good investment returns to the Group in the long run. For further details of the financial results and business outlook of China LotSynergy, please refer to its 2007 Annual Report or visit its website at www.chinalotsynergy.com.

業務回顧與展望 (續)

鋼鐵業務 (續)

鋼鐵加工業務 (續)

另一方面，本集團東莞兩家鋼鐵加工廠雖仍錄得經營虧損，但在本集團實施有效成本控制措施後已見改善。本集團認為長遠而言，該業務仍具有發展前景。我們預期在珠江三角洲地區經過一輪汰弱留強的行業整合後，二零零八年經營環境將趨向穩定。在總結經驗、提升管理水平的基礎上，上述工廠將推行積極的市場營銷策略，踏實地開展以人民幣結算的內銷、加工業務，致力改善經營表現。

房地產開發和投資

本集團於中國投資興建的揚州時代廣場經營管理更趨成熟，繼續維持全面出租。該項目為優質的人民幣資產，本集團將長期持有，相信能夠為本集團帶來穩定的租金回報和資產增值。

長期投資 – 聯營公司彩票業務

本集團長期持有權益的聯營公司華彩控股有限公司 (股份代號: 8161) (「華彩」) 為一家於香港聯交所創業板上市，主要從事中國公益彩票及相關行業的投資及項目開發以及提供技術支援、設備供應及顧問服務的公司。年內，華彩於相關業務領域取得實質進展，入賬營業收入達約3.1億港元。

本集團相信，隨著中國公益性彩票業的不斷發展以及華彩有關項目的逐步推進，將為本集團帶來理想的長期投資回報。有關華彩的業績及業務展望詳情，可參閱其2007年報或瀏覽其互聯網址 www.chinalotsynergy.com。



Management Discussion and Analysis 管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

To broaden the Group's capital base, the Company issued and allotted 80,000,000 new shares at a subscription price of HK\$1.50 per share in June 2007, receiving net proceeds of approximately HK\$118,000,000. The issue of shares enhanced the capital structure of the Group. As at 31 December 2007, the Group's total equity increased to HK\$1,251,968,000 (2006: HK\$1,004,219,000) and the gearing ratio, as a ratio of total borrowings net of total cash and cash equivalents to total equity, decreased to 0.32 (2006: 0.39).

As at 31 December 2007, the Group had cash and bank balances of approximately HK\$394,778,000 (2006: HK\$275,995,000) and the current ratio, as a ratio of current assets to current liabilities, was 1.29 (2006: 1.29).

As at 31 December 2007, the total borrowings of the Group was approximately HK\$686,000,000 (2006: HK\$666,000,000) and their maturity profile was as follows:

		2007 HK\$ million 港幣百萬元	2006 HK\$ million 港幣百萬元
Within one year	一年內	642	539
In the second year	第二年	16	112
In the third to fifth year	第三年至第五年	28	15
		686	666

The Group's borrowings were principally denominated in US Dollar, Renminbi and Hong Kong Dollar, and were charged interest at prevailing market rates.

FOREIGN EXCHANGE RISK EXPOSURE

The Group considers that its operations are of minimal exchange risk as its receipts, payments, assets and liabilities are principally denominated in US Dollar, Renminbi and HK Dollar. Forward exchange contracts are used for hedging purposes when required.

資產流動性及財務資源

為擴闊本集團的資本基礎，本公司於二零零七年六月以每股認購價港幣1.50元發行及配發80,000,000股新股份，集資淨額約港幣118,000,000元。本集團的資本結構藉這次股份發行得以進一步優化。於二零零七年十二月三十一日，本集團之總權益增加至港幣1,251,968,000元（二零零六年：港幣1,004,219,000元）及借貸比率（總貸款扣除總現金及現金等價物之淨額與總權益相比）降低至0.32（二零零六年：0.39）。

於二零零七年十二月三十一日，本集團持有現金及銀行結餘約港幣394,778,000元（二零零六年：港幣275,995,000元）及流動比率（流動資產與流動負債相比）為1.29（二零零六年：1.29）。

於二零零七年十二月三十一日，集團之總貸款約為港幣686,000,000元（二零零六年：港幣666,000,000元），其還款期如下：

本集團貸款主要以美元、人民幣及港元為貨幣單位，支付市場息率利息。

外匯兌換風險

本集團之收入、支出、資產及負債均主要為美元、人民幣或港元。因此，本集團認為其經營之業務的外匯風險極低。於有需要時，會利用遠期外匯合約作對沖用途。



Management Discussion and Analysis 管理層討論與分析

CORPORATE GUARANTEES

As at 31 December 2007, the Group had the following outstanding corporate guarantees:

Guarantee for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保
Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭貸款而向銀行作出之擔保

2007	2006
HK\$'000	HK\$'000
港幣千元	港幣千元

21,730	21,730
3,200	3,372
24,930	25,102

公司擔保

於二零零七年十二月三十一日，本集團有以下未撤銷的公司擔保：

CONTINGENT LIABILITIES

As at 31 December 2007, the Group had contingent liabilities relating to Mainland China land appreciation tax amounted to approximately HK\$28,989,000 (2006: HK\$26,960,000).

CAPITAL COMMITMENTS

As at 31 December 2007, the Group had capital commitments contracted but not provided for as follows:

Capital contribution to an associate	應繳聯營公司資本
Machinery	機器

2007	2006
HK\$'000	HK\$'000
港幣千元	港幣千元

-	22,620
48	510
48	23,130

或然負債

於二零零七年十二月三十一日，本集團有關中國土地增值稅的或然負債約港幣28,989,000元（二零零六年：港幣26,960,000元）。

資本承擔

於二零零七年十二月三十一日，本集團有以下已簽約但未撥備之資本承擔：



Management Discussion and Analysis 管理層討論與分析

CHARGE ON ASSETS

As at 31 December 2007, the following assets were pledged: (i) certain leasehold land, land use rights and buildings with a net book amount of approximately HK\$116,623,000 (2006: HK\$118,734,000); (ii) certain motor vehicles and machinery with a net book amount of approximately HK\$8,676,000 (2006: HK\$10,052,000); (iii) certain investment properties of approximately HK\$91,224,000 (2006: HK\$77,309,000); (iv) certain properties held for sale of approximately HK\$20,049,000 (2006: HK\$24,691,000); (v) certain financial assets at fair value through profit or loss of equity securities listed in Hong Kong with market value of approximately HK\$48,301,000 (2006: HK\$9,184,000); (vi) certain bank deposits of approximately HK\$750,000 (2006: HK\$839,000); and (vii) shares and equity interests in certain subsidiaries.

STAFF

As at 31 December 2007, the Group employed 605 staff. Staff remuneration packages are structured and reviewed by reference to market terms and individual merits. The Group also provides other staff benefits which include year end double pay, contributory provident fund and medical insurance. Share options and discretionary bonus may also be granted to eligible staff based on individual and Group performances. Training programmes for staff are provided as and when required.

資產抵押

於二零零七年十二月三十一日，以下資產已予抵押：(i)部份租賃土地、土地使用權及樓宇帳面淨值約港幣116,623,000元（二零零六年：港幣118,734,000元）；(ii)部份車輛及機器帳面淨值約港幣8,676,000元（二零零六年：港幣10,052,000元）；(iii)部份投資物業約港幣91,224,000元（二零零六年：港幣77,309,000元）；(iv)部份待售物業約港幣20,049,000元（二零零六年：港幣24,691,000元）；(v)部份按公平值透過損益列帳的財務資產的香港上市證券市值約港幣48,301,000元（二零零六年：港幣9,184,000元）；(vi)部份銀行存款約港幣750,000元（二零零六年：港幣839,000元）；及(vii)部份附屬公司股份及股本權益。

僱員

於二零零七年十二月三十一日，本集團共僱用605名員工。僱員薪酬一般乃參考市場條件及根據個別表現制定及檢討。本集團並為僱員提供其他福利，包括年終雙糧、需供款之公積金及醫療保險。此外，本集團亦根據公司經營業績按員工個別表現而授出購股權及發放花紅，並會視乎需要為僱員提供培訓計劃。



Biographies of Directors 董事簡歷

Mr. CHAN Shing, aged 52

Chairman and Managing Director

Mr. CHAN joined the Group as Chairman and Managing Director in 1998. Mr. CHAN has over 18 years of experience in international trading of metal, the processing and manufacturing of related products, the management of industrial enterprises, the investment in industrial and commercial properties, the investment in marketable securities and corporate planning and management. Mr. CHAN is also the chairman of China LotSynergy Holdings Limited. Ms. LAU Ting is the spouse of Mr. CHAN.

Mr. SIT Hoi Tung, aged 42

Executive Director and Deputy General Manager

Mr. SIT joined the Group in 1998 and was appointed as an Executive Director in 2000. He was promoted to Deputy General Manager in 2006. Mr. SIT is also a Director of Burwill Resources Limited in-charge of contracts and import/export bills operation for metal trading. He graduated from the Finance Department of Jinan University in Guangzhou. He had worked for banking sector and metal trading companies and has over 14 years' experience in international metal trading and import/export bills operation.

Mr. YANG Da Wei, aged 55

Executive Director

Mr. YANG joined the Group in March 2001 and is an Executive Director. Mr. YANG is a Senior Economist of the PRC. In mid-1980's, he was employed as the Head of Changzhou Tractor Company, Jiangsu Province; the Chairman of Changzhou City Labor Union and the Head of Liyang City, Jiangsu Province. In mid 1990's, he was elected as Routing Deputy Mayor of Changzhou City Government, Jiangsu Province. He is currently the Chairman of the Jiangsu Overseas Group Corp. and the Chairman and President of Zhong Shan Company Limited, the window company of the Jiangsu Province in Hong Kong. He has got over 20 years of experience in corporate planning and management, international trade, corporate finance and project investment, international economic and technology cooperation.

Ms. LAU Ting, aged 51

Executive Director

Ms. LAU joined the Group as an Executive Director in 1998. Ms. LAU has over 15 years of experience in business development and strategic planning, project investment and financial management. She is the spouse of Mr. CHAN Shing. Ms. LAU is also the Deputy Chairman of China LotSynergy Holdings Limited.

陳城先生，五十二歲

主席兼董事總經理

陳先生於一九九八年加入本集團為主席兼董事總經理。陳先生在國際金屬貿易及加工製造相關之產品，以及工業企業管理、工商物業投資、有價證券投資及企業策劃與管理方面擁有逾十八年經驗。陳先生亦為China LotSynergy Holdings Limited (華彩控股有限公司) 之主席。劉婷女士為陳先生之配偶。

薛海東先生，四十二歲

執行董事兼副總經理

薛先生於一九九八年加入本集團，並於二零零零年獲委任為執行董事。二零零六年獲晉升為副總經理。薛先生亦為寶威物料供應有限公司董事，主管金屬貿易的合同及出入口票據結算運作。彼於廣州暨南大學金融系畢業，曾任職銀行界及金屬貿易公司，彼在國際金屬貿易及出入口票據結算方面擁有逾十四年經驗。

楊大偉先生，五十五歲

執行董事

楊先生於二零零一年三月加入本集團為執行董事。楊先生為高級經濟師，於八十年代中曾任江蘇省常州市拖拉機公司負責人、常州市總工會主席、江蘇省溧陽市負責人，於九十年代中起任常州市人民政府常務副市長，現任江蘇省海外企業集團有限公司董事長，江蘇省駐香港窗口公司鍾山有限公司董事長兼總裁。楊先生在企業策劃、經營管理及國際貿易、融資投資、國際經濟技術合作等多方面擁有近二十年的經驗。

劉婷女士，五十一歲

執行董事

劉女士於一九九八年加入本集團為執行董事。劉女士在企業發展策劃、項目投資、金融及財務管理方面擁有逾十五年經驗。劉女士乃陳城先生之配偶。劉女士同時為China LotSynergy Holdings Limited (華彩控股有限公司) 之副主席。



Biographies of Directors 董事簡歷

Ms. TUNG Pui Shan, Virginia, aged 41

Executive Director

Ms. TUNG joined the Group in 1988 and is an Executive Director. Ms. TUNG is currently in-charge of the Investment Division. She holds a bachelor's degree in Management Sciences from the University of Manchester, United Kingdom.

Mr. KWOK Wai Lam, aged 45

Executive Director

Mr. KWOK joined the Group in 1994 and is an Executive Director. He is also the Company Secretary, the Qualified Accountant of the Company and the Group's Financial Controller. Mr. KWOK has over 20 years' experience in the areas of auditing, finance and accounting. He is a Fellow of The Association of Chartered Certified Accountants.

Mr. YIN Mark, aged 50

Executive Director

Mr. YIN joined the Group in 1998 and was appointed as an Executive Director in 1999. He graduated from Guangzhou Foreign Language University and worked for China National Metals and Minerals Import and Export Corporation (renamed China Minmetals Corporation) and European multinational steel manufacturing and trading company. He is currently the President of Burwill Steel Pipes Limited, and is in-charge of the Group's steel processing division and responsible for its daily management, business planning and development. He has over 20 years of experience in international metal trading.

Mr. CUI Shu Ming, aged 71

Independent Non-Executive Director

Mr. CUI joined the Group as an Independent Non-Executive Director in 1998. Mr. CUI graduated from People's University of China. He was the Deputy Head of the Bank of China, Jiangsu branch, the Executive Director of The National Commercial Bank, Ltd. and the General Manager of its Hong Kong branch, and a Director and the Executive Vice President of The Ka Wah Bank Ltd. He has 40 years' experience in international finance and corporate planning and management.

董佩珊女士，四十一歲

執行董事

董女士於一九八八年加入本集團，現任執行董事。董女士現時主管投資部門。彼持有英國 University of Manchester 頒發之管理學學士學位。

郭偉霖先生，四十五歲

執行董事

郭先生於一九九四年加入本集團，現任執行董事。彼為本公司公司秘書、合資格會計師及集團財務總監。郭先生具有逾二十年之核數、財務及會計經驗。彼乃英國特許公認會計師公會資深會員。

尹虹先生，五十歲

執行董事

尹先生於一九九八年加入本集團，並於一九九九年獲委任為執行董事。彼於廣州外國語學院畢業，曾於中國五金礦產進出口總公司（現稱中國五礦集團公司）及歐洲鋼鐵製造、跨國貿易機構任職，現任寶威鋼管有限公司董事長，負責集團鋼鐵加工部門之日常統籌、業務策劃及發展。彼在國際金屬貿易方面擁有逾二十年經驗。

崔書明先生，七十一歲

獨立非執行董事

崔先生於一九九八年加入本集團為獨立非執行董事。崔先生於中國人民大學畢業。彼曾任中國銀行江蘇省分行副行長、浙江興業銀行常務董事兼香港分行總經理，以及香港嘉華銀行董事兼執行副總裁。彼在國際金融、企業策劃及管理等方面擁有逾四十年經驗。



Biographies of Directors 董事簡歷

Mr. SONG Yufang, aged 51

Independent Non-Executive Director

Mr. SONG joined the Group as an Independent Non-Executive Director in 1998. Mr. SONG graduated from Guangzhou Foreign Language University. He is currently the Senior Vice President of China Minmetals Corporation. He has over 20 years' experience in international trade, international finance and corporate management.

Mr. HUANG Shenglan, aged 56

Independent Non-Executive Director

Mr. HUANG joined the Group as an Independent Non-Executive Director in September 2004. Mr. HUANG was an executive director and the deputy governor of China Everbright Bank, Head Office and was an executive director and the general manager of China Everbright Technology Limited. Mr. HUANG holds a diploma in Arts from Huazhong Normal University and in International Economics from Huadong Normal University and a certificate in International Economic Law from Xiamen University and in Advanced Management Programme from the Business School of Harvard University, USA. Mr. HUANG is also an Independent Non-Executive Director of China LotSynergy Holdings Limited and Chongqing Road & Bridge Co. Ltd.

Mr. SZE Tsai Ping, Michael, aged 62

Non-Executive Director

Mr. SZE Tsai Ping, Michael, was appointed as a Non-Executive Director of the Company in 2000. Mr. SZE has over 30 years of experience in the financial and securities field. He graduated with a Master of Laws (LLM) Degree from the University of Hong Kong. He is currently a Member of the Disciplinary Appeals Committee of the Stock Exchange of Hong Kong Limited and a Member of the Market Misconduct Tribunal. He was a former Council Member, Member of the Main Board Listing Committee of the Stock Exchange of Hong Kong Limited, Member of the Cash Market Consultative Panel of Hong Kong Exchanges & Clearing Limited and Member of the Securities and Futures Appeals Panel. Mr. SZE is an Independent Non-Executive Director of GOME Electrical Appliances Holding Limited, Greentown China Holdings Limited, Harbour Centre Development Limited, C Y Foundation Group Limited and Walker Group Holdings Limited all of which are listed on the Stock Exchange. Mr. SZE is a Fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also a Fellow of the Hong Kong Institute of Directors Limited.

宋玉芳先生，五十一歲

獨立非執行董事

宋先生於一九九八年起任本集團獨立非執行董事。宋先生於廣州外國語學院畢業。宋先生現任中國五礦集團公司副總裁，彼在國際貿易、國際金融及企業管理方面擁有逾二十年經驗。

黃勝藍先生，五十六歲

獨立非執行董事

黃先生於二零零四年九月加入本集團為獨立非執行董事。黃先生曾任中國光大銀行總行執行董事兼副行長及中國光大科技有限執行董事兼總經理。黃先生持有華中師範大學文學、華東師範大學國際經濟學文憑和廈門大學國際經濟法學及美國哈佛大學商學院高級管理課程證書。黃先生同時為 China LotSynergy Holdings Limited (華彩控股有限公司) 及重慶路橋股份有限公司之獨立非執行董事。

史習平先生，六十二歲

非執行董事

史習平先生於二零零零年獲委任為本集團之非執行董事。史先生在財經及證券界逾三十年經驗，持有香港大學法律碩士學位。彼現時為香港聯合交易所有限公司紀律上訴委員會委員，及市場失當行為審裁處的成員。史先生曾出任香港聯合交易所有限公司理事及主板上市委員會委員、香港交易及結算有限公司現貨市場諮詢小組委員會委員，他亦曾擔任證券及期貨事務上訴委員會委員。現時，史先生為國美電器控股有限公司、綠城中國控股有限公司、海港企業有限公司、中青基業集團有限公司及盈進集團控股有限公司之獨立非執行董事，以上皆為香港之上市公司。史先生為英格蘭及威爾斯會計師公會、香港會計師公會及英國特許公認會計師公會之資深會員。他同時亦為香港董事學會之資深會員。



Report of Directors 董事局報告

The Directors have pleasure in presenting to the shareholders their report together with the audited financial statements of Burwill Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2007.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 43.

The respective state of affairs of the Group and the Company as at 31 December 2007 are set out in the balance sheets on pages 41 and 42.

The Group's cash flows are set out in the consolidated cash flow statement on pages 46 and 47.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Group are international steel trading, warehousing and distribution, steel manufacturing and processing, and property development and investment.

Analysis of the Group's turnover and operating profit by business and geographical segments for the year are set out in note 5 to the consolidated financial statements.

DIVIDEND

No interim dividend was paid during the year.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil).

董事局欣然向各股東提呈Burwill Holdings Limited(寶威控股有限公司)(「本公司」)及其附屬公司(合稱「本集團」)截至二零零七年十二月三十一日止年度之董事局報告及經審核財務報表。

財務業績

本集團截至二零零七年十二月三十一日止年度之業績載列於第43頁之綜合損益表內。

本集團及本公司於二零零七年十二月三十一日之財務狀況已分別載列於第41頁及第42頁之資產負債表內。

本集團之現金流動情況載列於第46頁及第47頁之綜合現金流量表內。

主要業務及營運分類分析

本公司之主要業務為投資控股公司。

本集團之主要業務為鋼鐵國際貿易及倉儲物流分銷、鋼鐵加工製造和房地產開發及投資。

本集團於年度內分別按業務及地區分部之營業額及經營盈利分析載列於綜合財務報表附註5。

股息

本年度並無派付中期股息。

董事局不擬就截至二零零七年十二月三十一日止年度派付末期股息(二零零六年:無)。



Report of Directors 董事局報告

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases attributable to the Group's major suppliers are as follows:

- the largest supplier
- five largest suppliers combined

The percentage of sales attributable to the Group's five major customers combined is less than 30%.

None of the Directors, their respective associates nor shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the above suppliers or customers at any time during the year.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The movements in property, plant and equipment and investment properties during the year are set out in notes 7 and 8 to the consolidated financial statements.

The particulars of properties held by the Group for sale and for investment as at 31 December 2007 are set out on page 135.

SUBSIDIARIES AND ASSOCIATES

The particulars of the Company's principal subsidiaries and associates as at 31 December 2007 are set out in notes 9 and 10 to the consolidated financial statements.

BANK LOANS

The particulars of the Group's bank loans are set out in note 18 to the consolidated financial statements.

Most of the Group's bank loans were denominated in Hong Kong Dollar and US Dollar except for certain bank loans of approximately HK\$79,570,000 (2006: HK\$78,510,000) which were denominated in Renminbi and were made to finance the Group's operations in China. All the bank loans bear interest at prevailing market rates.

主要供應商及客戶

本集團之主要供應商所佔購貨額之百分比如下：

	%
	百分比
- 最大供應商	17
- 五大供應商合併購貨額	43

本集團之五大主要客戶合併佔營業額之百分比少於30%。

各董事、其各自聯繫人或據董事局所知擁有本公司股本中5%以上權益之股東，於本年度內任何時間概無擁有上述供應商或客戶之任何權益。

物業、機器及設備及投資物業

本年度內物業、機器及設備及投資物業之變動情況載列於綜合財務報表附註7及8。

本集團於二零零七年十二月三十一日持有之待售及投資物業資料載列於第135頁。

附屬公司及聯營公司

本公司於二零零七年十二月三十一日之主要附屬公司及聯營公司資料載列於綜合財務報表附註9及10。

銀行貸款

本集團之銀行貸款之資料載於綜合財務報表附註18。

除部份借予集團於中國營運單位之銀行貸款約港幣79,570,000元(二零零六年:港幣78,510,000元)乃以人民幣為貨幣單位外，本集團大部份銀行貸款均為港元及美元貸款。所有銀行貸款均按目前市場息率支付利息。



Report of Directors 董事局報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 16 to the consolidated financial statements.

RESERVES

Details of movements in reserves during the year are set out in note 17 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2007, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$139,665,000 (2006: HK\$138,796,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no statutory restriction against the granting of such rights under the laws of Bermuda.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2007.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") at the 2002 Annual General Meeting of the Company held on 6 June 2002 in order to comply with the requirements of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

(I) Summary of terms of the Scheme

(i) Purpose of the Scheme

The purpose of the Scheme is to provide incentives to Participants (as stated in paragraph (ii)) to contribute to the Group and to enable the Group to recruit high-calibre employees and attract resources that are valuable to the Group.

股本

本公司股本於本年度之變動情況詳列於綜合財務報表附註16。

儲備

本年度內儲備之變動情況詳列於綜合財務報表附註17。

可分派儲備

於二零零七年十二月三十一日，按照百慕達一九八一年公司法所計算，本公司可分派予股東之儲備為港幣139,665,000元（二零零六年：港幣138,796,000元）。

股份優先購買權

百慕達法律對授出股份優先購買權並無法定限制，本公司之章程細則亦無就授出該等權利作出規定。

購買、出售或贖回本公司上市證券

截至二零零七年十二月三十一日止年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

購股權計劃

於二零零二年六月六日舉行之二零零二年度股東週年大會上，本公司股東已批准通過採納購股權計劃（「購股權計劃」），藉以符合香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第十七章之修訂。

(I) 購股權計劃主要條款

(i) 購股權計劃之目的

購股權計劃旨在鼓勵參與者（見本文(ii)段）為本集團作出貢獻，及讓本集團得以羅致具才幹之僱員，以及吸納對本集團具價值之資源。



Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

(I) Summary of terms of the Scheme (continued)

(ii) Participants

Any person being an employee, officer, buying agent, selling agent, consultant, sales representative or marketing representative of, or supplier or provider of goods or services to, the Group, including any executive or non-executive director of the Group.

(iii) Maximum number of shares

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of any member of the Group must not exceed 30 per cent. of the number of issued shares from time to time. The total number of shares available for issue under the Scheme as at the date of this report is 94,164,430 shares, representing approximately 8.47 per cent. of the issued share capital of the Company as of that date.

(iv) Maximum entitlement of each Participant

Unless approved by shareholders in general meeting, no Participant shall be granted an option which would result in the total number of shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such Participant in any 12-month period up to and including the proposed date of grant for such options would exceed 1 per cent. of the number of shares in issue as at the proposed date of grant.

(v) Option period

An option may be exercised in accordance with the terms of the Scheme at any time during a period of not exceeding 10 years to be notified by the Board to the grantee, such period to commence on the date of grant or such later date as the Board may determine and expiring on the last day of the said period. Under the Scheme, the Board may, at its discretion, prescribe a minimum period for which an option must be held before it can be exercised.

購股權計劃 (續)

(I) 購股權計劃主要條款 (續)

(ii) 參與者

本集團僱員(包括本集團之執行董事或非執行董事)、主管、採購代理、銷售代理、顧問、銷售代表或市場代表或貨品及服務供應商或提供商。

(iii) 股份數目上限

根據購股權計劃及本集團任何成員公司之任何其他購股權計劃授出而有待行使之全部尚未行使購股權獲行使後發行之股份總數限額,不可超逾不時已發行股份數目30%。於本報告日期,根據購股權計劃可予發行之股份數量為94,164,430股,相等於當日本公司已發行股本約8.47%。

(iv) 每位參與者可獲授權益上限

除獲股東在股東大會上批准外,倘參與者於行使所有其已獲授予及將獲授予的購股權(包括已行使、已註銷及尚未行使的購股權)後,將令致其於截至及包括建議授出購股權之日止十二個月期間內已獲發行及可能發行之股份數目超逾建議授出該購股權當日已發行股份數目之1%,則不得向該參與者授出購股權。

(v) 購股權期限

任何購股權均可於董事局通知承授人在不超過十年之期限內任何時間根據購股權計劃之條款予以行使,該段期限由授出購股權日期或董事局決定之較後日期起計,並於該期限最後一日終止。根據購股權計劃,董事局可酌情訂定購股權獲行使前須持有之最短期限。



Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

(I) Summary of terms of the Scheme (continued)

(vi) Payment on acceptance of option

HK\$1.00 in cash is payable by the Participant who accepts the grant of an option in accordance with the terms of the Scheme on acceptance of the grant of an option.

(vii) Subscription price

The subscription price for the shares under the options to be granted under the Scheme will be a price determined by the Board and notified to a Participant at the time the grant of the options is made to (and subject to acceptance by) the Participant and will be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of the grant (subject to acceptance) of the option, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and (c) the nominal value of the shares.

(viii) The life of the Scheme

The Scheme shall be valid and effective for a period of ten years commencing on 6 June 2002, after which period no further options will be granted or accepted but the provisions of the Scheme shall remain in full force and effect in all other respects.

(II) No options had been granted, exercised nor cancelled since the adoption of the Scheme on 6 June 2002.

購股權計劃 (續)

(I) 購股權計劃主要條款 (續)

(vi) 接納購股權須付款額

根據購股權計劃條款接納獲授購股權之參與者，在接納購股權時，須繳付現金港幣1元。

(vii) 認購價

根據購股權計劃授出之購股權項下股份之認購價，將由董事局釐定及於授予(有待接受)參與者該購股權時知會各參與者，並最少為下列價格中之最高者：(a)股份在授出(有待接受)購股權當日(必須為營業日)在聯交所每日報價表所列之收市價；(b)股份在緊接授出(有待接受)購股權之日期前五個營業日，在聯交所每日報價表所列之平均收市價；及(c)股份之面值。

(viii) 購股權計劃之限期

購股權計劃之有效期將由二零零二年六月六日起計，為期十年，其後將不得再授出或接納任何購股權，惟購股權計劃之條文在其他各方面將仍具有十足效力。

(II) 自二零零二年六月六日購股權計劃採納後概無授出購股權，亦無購股權獲行使或被註銷。



Report of Directors 董事局報告

DIRECTORS

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

Executive Directors:

Mr. CHAN Shing
Mr. SIT Hoi Tung
Mr. YANG Da Wei
Ms. LAU Ting
Ms. TUNG Pui Shan, Virginia
Mr. KWOK Wai Lam
Mr. YIN Mark

Non-Executive Director:

Mr. SZE Tsai Ping, Michael

Independent Non-Executive Directors:

Mr. CUI Shu Ming
Mr. SONG Yufang
Mr. HUANG Shenglan

In accordance with bye-law 85 of the Bye-laws of the Company and in compliance with the code provision A.4.2 of the Code on Corporate Governance Practices, Mr. KWOK Wai Lam, Mr. YIN Mark, Mr. CUI Shu Ming and Mr. HUANG Shenglan shall retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Biographical details of the Directors of the Company are set out on pages 11 to 13.

董事

本公司於本年度內至本報告刊行日期止之董事詳列如下：

執行董事：

陳城先生
薛海東先生
楊大偉先生
劉婷女士
董佩珊女士
郭偉霖先生
尹虹先生

非執行董事：

史習平先生

獨立非執行董事：

崔書明先生
宋玉芳先生
黃勝藍先生

依據本公司之章程細則第85條及為了符合企業管治常規守則的守則條文第A.4.2條之規定，郭偉霖先生、尹虹先生、崔書明先生及黃勝藍先生於即將舉行之股東週年大會上告退，惟彼等均願意膺選連任。

本公司董事之簡歷載於第11頁至第13頁。



Report of Directors 董事局報告

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

As at 31 December 2007, the interests and short positions of the Directors and chief executive of the Company (including those interests and short positions which were taken or deemed to have interests and short positions under the provisions of the Securities and Futures Ordinance (the "SFO") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(1) Interests in Shares*(A) The Company*

Name of Director 董事姓名	Number of ordinary shares 普通股股份數目			Total 總數	Approximate percentage interest in the Company's issued share capital 約佔本公司已發行股本百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益		
CHAN Shing 陳城	37,999,472	37,158,072 (Note 1) (附註1)	438,304,701 (Notes 2&3) (附註2及3)	513,462,245 (Note 3) (附註3)	46.17%
SIT Hoi Tung 薛海東	1,576,382	–	–	1,576,382	0.14%
LAU Ting 劉婷	37,158,072	37,999,472 (Note 4) (附註4)	438,304,701 (Notes 2&3) (附註2及3)	513,462,245 (Note 3) (附註3)	46.17%
TUNG Pui Shan, Virginia 董佩珊	7,861,996	110,000	5,104,000 (Note 5) (附註5)	13,075,996	1.18%

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉

於二零零七年十二月三十一日，根據本公司按照證券及期貨條例（「證券及期貨條例」）第352條所規定須予備存的登記冊所載，或如依據上市公司董事進行證券交易的標準守則通知本公司及聯交所，本公司各董事及行政總裁於本公司或其任何聯營公司（定義見證券及期貨條例第XV部）股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有的權益及淡倉，詳情如下：

(1) 股份權益*(A) 本公司*



Report of Directors 董事局報告

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

(1) Interests in Shares (continued)

(A) The Company (continued)

Notes:

1. These shares were owned by Ms. LAU Ting, the spouse of Mr. CHAN Shing.
2. 226,403,853 shares were held by Hang Sing Overseas Limited ("Hang Sing") which is owned as to 51% by Orient Strength Limited ("Orient Strength"), a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 211,900,848 shares were held by Strong Purpose Corporation ("Strong Purpose"), a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting.
3. As the interests of each of Mr. CHAN Shing and Ms. LAU Ting are deemed to be the interests of each other, the figures referred to the same shares.
4. These shares were owned by Mr. CHAN Shing.
5. 5,104,000 shares were owned by Focus Cheer Consultants Limited ("Focus Cheer"), a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉 (續)

(1) 股份權益 (續)

(A) 本公司 (續)

附註:

1. 此等股份由劉婷女士擁有。劉婷女士為陳城先生之配偶。
2. 226,403,853股由 Hang Sing Overseas Limited (「Hang Sing」) 持有，Orient Strength Limited (「Orient Strength」) 持有 Hang Sing 51% 權益，而陳城先生及劉婷女士則全資擁有 Orient Strength。211,900,848股由 Strong Purpose Corporation (「Strong Purpose」) 持有，陳城先生及劉婷女士全資擁有 Strong Purpose。
3. 由於陳城先生及劉婷女士之權益被視為彼此的權益，故所列數字指相同的股份。
4. 此等股份由陳城先生擁有。
5. 5,104,000股由董佩珊女士全資擁有之公司 Focus Cheer Consultants Limited (「Focus Cheer」) 持有。



Report of Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)**董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉** (續)**(1) Interests in Shares** (continued)**(1) 股份權益** (續)

(B) Associated Corporation – China LotSynergy Holdings Limited (“China LotSynergy”)

(B) 聯營公司 – China LotSynergy Holdings Limited (華彩控股有限公司) (「華彩控股」)

Name of Director 董事姓名	Number of ordinary shares of HK\$0.0025 each 每股港幣0.0025元之普通股股份數目				Approximate percentage interest in the issued share capital of China LotSynergy 約佔華彩控股已發行股本百份比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Total 總數	
CHAN Shing 陳城	341,407,092	213,155,212 (Note 1) (附註1)	1,629,617,232 (Notes 2&3) (附註2及3)	2,184,179,536 (Note 3) (附註3)	28.53%
SIT Hoi Tung 薛海東	11,115,276	–	–	11,115,276	0.15%
LAU Ting 劉婷	213,155,212	341,407,092 (Note 4) (附註4)	1,629,617,232 (Notes 2&3) (附註2及3)	2,184,179,536 (Note 3) (附註3)	28.53%
TUNG Pui Shan, Virginia 董佩珊	8,454,440	22,000	1,020,800 (Note 5) (附註5)	9,497,240	0.12%
KWOK Wai Lam 郭偉霖	8,800,000	–	–	8,800,000	0.11%
YIN Mark 尹虹	4,067,600	–	–	4,067,600	0.05%
HUANG Shenglan 黃勝藍	4,000,000	–	–	4,000,000	0.05%



Report of Directors 董事局報告

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

(1) Interests in Shares (continued)

(B) Associated Corporation – China LotSynergy (continued)

Notes:

1. These shares were owned by Ms. LAU Ting, the spouse of Mr. CHAN Shing.
2. 45,280,768 shares were held by Hang Sing which is owned as to 51% by Orient Strength, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 42,380,168 shares were held by Strong Purpose, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 1,541,956,296 shares were held by the Company.
3. As the interests of each of Mr. CHAN Shing and Ms. LAU Ting are deemed to be the interests of each other, the figures referred to the same shares.
4. These shares were owned by Mr. CHAN Shing.
5. 1,020,800 shares were owned by Focus Cheer, a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉 (續)

(1) 股份權益 (續)

(B) 聯營公司－華彩控股 (續)

附註:

1. 此等股份由劉婷女士擁有。劉婷女士為陳城先生之配偶。
2. 45,280,768股由Hang Sing持有，Orient Strength持有Hang Sing 51%權益，而陳城先生及劉婷女士則全資擁有Orient Strength。42,380,168股由Strong Purpose持有，陳城先生及劉婷女士全資擁有Strong Purpose。1,541,956,296股由本公司持有。
3. 由於陳城先生及劉婷女士之權益被視為彼此的權益，故所列數字指相同的股份。
4. 此等股份由陳城先生擁有。
5. 1,020,800股由董佩珊女士全資擁有之公司Focus Cheer持有。



Report of Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)**董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉** (續)**(2) Interests in Share Options of China LotSynergy Holdings Limited****(2) 於China LotSynergy Holdings Limited之購股權權益**

Name of Director	Date of grant	Exercise period	Number of China LotSynergy shares of HK\$0.0025 each to be issued upon exercise of the share options 因行使購股權而發行之華彩控股每股港幣0.0025元之股份數目	Exercise price per China LotSynergy share 每股華彩控股股份行使價 HK\$ 港元
董事姓名	授予日期	行使期		
CHAN Shing 陳城	8/6/2006	08/06/2007 - 07/06/2011	2,400,000	0.305
LAU Ting 劉婷	8/6/2006	08/06/2007 - 07/06/2011	2,400,000	0.305
HUANG Shenglan 黃勝藍	8/6/2006	08/06/2007 - 07/06/2011	2,400,000	0.305

Save as otherwise disclosed above, as at 31 December 2007, none of the Directors or chief executive of the Company had, or were deemed under the SFO to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

除上文所披露者外，於二零零七年十二月三十一日，本公司各董事或行政總裁概無於本公司或其任何聯營公司（定義見證券及期貨條例第XV部）之股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有任何權益或淡倉記錄在按照證券及期貨條例第352條所規定須備存之登記冊內，或須如依據上市公司董事進行證券交易的標準守則通知本公司及聯交所。



Report of Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2007, according to the register required to be kept by the Company under Section 336 of the SFO, the following persons (other than the Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company:

Interests in Shares

Name of shareholder	Nature of interest	Number of shares held	Approximate percentage interest in the Company's issued share capital 約佔本公司已發行股本百分比	Note
股東名稱	權益性質	持股數目		附註
Hang Sing	Beneficiary 實益	226,403,853	20.36%	1
Orient Strength	Corporate 法團	226,403,853	20.36%	1
Zhong Shan Company Limited 鍾山有限公司	Corporate 法團	226,403,853	20.36%	1
Superior Quality Assets Limited	Corporate 法團	226,403,853	20.36%	1
Strong Purpose	Beneficiary 實益	211,900,848	19.05%	2
Credit Suisse Group	Corporate 法團	134,258,000	12.07%	3

Notes:

- 51% of the issued share capital of Hang Sing was owned by Orient Strength, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, and 49% of the issued share capital of Hang Sing was owned by Superior Quality Assets Limited, a company which is wholly-owned by Zhong Shan Company Limited. Zhong Shan Company Limited was wholly-owned by the Jiangsu Provincial People's Government of the PRC. These 226,403,853 shares held by Hang Sing formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.
- These 211,900,848 shares held by Strong Purpose, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting herein disclosed respectively.
- These Shares were held by Credit Sussie (Hong Kong) Limited, a company which is 94.75% owned by Credit Sussie (International) Holding AG ("CS International") and 5.25% owned by Credit Sussie First Boston International (Guernsey) Limited ("CS First Boston"). CS First Boston is wholly-owned by CS International, a company which is wholly-owned by Credit Sussie. Credit Sussie is wholly-owned by Credit Sussie Group.

主要股東於股份及相關股份中擁有的權益及淡倉

於二零零七年十二月三十一日，根據本公司按照證券及期貨條例第336條所規定須予備存之登記冊所載，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有權益及淡倉：

股份權益

Name of shareholder	Nature of interest	Number of shares held	Approximate percentage interest in the Company's issued share capital 約佔本公司已發行股本百分比	Note
股東名稱	權益性質	持股數目		附註
Hang Sing	Beneficiary 實益	226,403,853	20.36%	1
Orient Strength	Corporate 法團	226,403,853	20.36%	1
Zhong Shan Company Limited 鍾山有限公司	Corporate 法團	226,403,853	20.36%	1
Superior Quality Assets Limited	Corporate 法團	226,403,853	20.36%	1
Strong Purpose	Beneficiary 實益	211,900,848	19.05%	2
Credit Suisse Group	Corporate 法團	134,258,000	12.07%	3

附註：

- Hang Sing之51%已發行股本乃由陳城先生及劉婷女士全資擁有之Orient Strength所擁有，另外Hang Sing之49%已發行股本則由鍾山有限公司全資擁有之Superior Quality Assets Limited所擁有。鍾山有限公司乃中國江蘇省人民政府全資擁有之公司。Hang Sing持有之226,403,853股乃本文所分別披露陳城先生及劉婷女士之權益之一部份。
- Strong Purpose（由陳城先生及劉婷女士全資擁有之公司）所持有之211,900,848股，為本文所分別披露陳城先生及劉婷女士之權益之一部份。
- 此等股份由Credit Sussie (Hong Kong) Limited持有，其94.75%權益由Credit Sussie (International) Holding AG（「CS International」）持有及5.25%權益則由Credit Sussie First Boston International (Guernsey) Limited（「CS First Boston」）持有。CS First Boston由CS International全資擁有，彼亦由Credit Sussie全資擁有。Credit Sussie由Credit Sussie Group全資擁有。



Report of Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

(continued)

Interests in Shares (continued)

Save as disclosed above, as at 31 December 2007, there was no person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SERVICE CONTRACTS WITH DIRECTORS

Each of the Executive Directors of the Company has entered into a service contract with the Company with no specific term of office or for an initial term of two years (subject to individual contract) from the date of appointment and will continue thereafter, until terminated by not less than one to six months (subject to individual contract) notice in writing served by either party on the other. The term of office of Non-Executive Director and Independent Non-Executive Directors are the period up to their retirement by rotation in accordance with the Bye-laws of the Company.

Save as disclosed above, none of the Directors offering themselves for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

主要股東於股份及相關股份中擁有的權益及淡倉 (續)

股份權益 (續)

除上文所披露者外，於二零零七年十二月三十一日，概無任何人士（本公司董事或行政總裁除外）於本公司股份及相關股份中擁有權益或淡倉記錄於按照證券及期貨條例第336條所存置的登記冊內，及／或直接或間接地持有已發行股本面值的5%或以上權益，並可於任何情況下，有權在本集團任何其他成員公司的股東大會上投票的權益。

認購股份或債券之安排

除本公司購股權計劃外，本年內本公司、其控股公司、或其附屬公司或同系附屬公司並無作出任何安排使本公司董事從認購本公司或其他機構之股份或債券獲取利益。

董事之服務合約

本公司各執行董事均已與本公司訂立服務合約，合約無指定任期或自委任日期起初步為期兩年（視乎其個別合約），其後將一直生效直至任何一方向另一方發出不少於一至六個月（視乎其個別合約）書面通知終止為止。非執行董事及獨立非執行董事之任期須根據本公司章程細則按時輪值告退。

除以上所披露者外，於即將舉行之股東週年大會上擬重選連任之董事，概無與本公司訂立任何本公司不可於一年內免付賠償（法定賠償除外）予以終止之服務合約。



Report of Directors 董事局報告

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the consolidated financial statements, there was no contracts of significance (as defined in Note 15.2 of Appendix 16 of the Listing Rules) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

EMPLOYEES RETIREMENT BENEFIT

Details of the retirement benefit schemes of the Group and the employees' retirement benefit costs charged to the consolidated income statement for the year are set out in note 23 to the consolidated financial statements.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 136.

PLACING OF SHARES

Pursuant to the placing and subscription agreement dated 1 June 2007 and the supplemental agreement dated 4 June 2007, the Company allotted and issued a total of 80,000,000 new shares of the Company at a subscription price of HK\$1.50 each to Hang Sing Overseas Limited as the vendor on 15 June 2007, following the completion of the placing of a total of 80,000,000 existing shares to the three placees, Credit Suisse (Hong Kong) Limited, Keywise Greater China Master Fund and Legg Mason International Equities (Singapore) Pte Limited, at a placing price of HK\$1.50 each (the "2007 Top-up Placing"). The closing price per share on 1 June 2007 (being the last trading day prior to the entering into of the placing and subscription agreement) as quoted on the Stock Exchange was HK\$1.69 and the net price of shares issued by the Company was approximately HK\$1.4774 each. The Company raised a net proceeds of approximately HK\$118,000,000 through the 2007 Top-up Placing and the fund was used for general working capital purposes and for investments in ore companies.

The above subscription shares were issued pursuant to the general mandate to allot, issue and deal with shares granted to the directors of the Company by resolution of the shareholders at the annual general meeting of the Company held on 28 May 2007.

董事於合約之權益

除於綜合財務報表所披露者外，本公司董事或管理層成員概無於本公司或任何其附屬公司於年終時或於年內訂立，且對本集團業務而言屬重大合約（定義見上市規則附錄十六第15.2條），直接或間接擁有任何重大權益。

管理合約

於年度內並無訂立或存有任何與本公司業務全部或主要部份相關之行政及管理合約。

僱員退休福利

本集團退休福利計劃詳情及計入年度內綜合損益帳之僱員退休福利費用，載於綜合財務報表附註23。

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要刊載於第136頁。

配售股份

根據於二零零七年六月一日訂立之配售及認購協議及於二零零七年六月四日訂立之補充協議，繼以配售價每股港幣1.50元向三名承配人Credit Suisse (Hong Kong) Limited、Keywise Greater China Master Fund及Legg Mason International Equities (Singapore) Pte Limited完成配售合共80,000,000股現有股份後，本公司於二零零七年六月十五日按認購價每股港幣1.50元向賣方Hang Sing Overseas Limited配發及發行合共80,000,000股新股份（「二零零七年先舊後新配售股份」）。本公司股份於二零零七年六月一日（於訂立配售及認購協議前最後交易日）在聯交所所報收市價為每股港幣1.69元，而本公司發行之每股所得淨價為港幣1.4774元。本公司透過二零零七年先舊後新配售股份集資淨額約港幣118,000,000元，有關資金已用作一般營運資金及投資於合適的礦業公司。

上述認購股份乃根據本公司於二零零七年五月二十八日舉行之股東週年大會上通過股東決議案授予本公司董事以配發、發行及處理股份的一般授權而發行。



Report of Directors 董事局報告

ENGAGEMENT IN BUSINESS OF EXPLORATION AND MINING OF NICKEL OXIDE IN THE PHILIPPINES

On 7 July 2007, Burwill Minerals Limited (“Burwill Minerals”), a wholly-owned subsidiary of the Company, entered into an agreement with HPT Industries, Inc. (“HPT”) in the Philippines whereby Burwill Minerals agreed with HPT to establish a joint venture company in Manila, the Philippines for the purpose of developing the commercial exploration and exploitation of nickel oxide in a nickel oxide mining district in the Province of Palawan, the Philippines. The agreement is unconditional and legally binding on the parties. The parties intended that another joint venture company would be set up in the PRC for the purpose of carrying on the transportation of the ores extracted from the above exploitation to the PRC for the downstream smelting as well as the commercial sale.

On 24 July 2007, the Company entered into the letter of intent with The Institute of Geology and Geophysics, Chinese Academy of Sciences (“IGGCAS”), whereby Burwill Minerals and HPT will join efforts in pursuing mining exploration, extraction and related project investments in as well as outside of China. Pursuant to the letter of intent, the parties will select appropriate mining projects for cooperation and IGGCAS will provide professional consultancy and technical services to the Company on its overseas mining projects. The Company had engaged Mr. Qin Kezhang, Deputy Director of the Division of Mineral Resources Research of IGGCAS, as its Professional Consultant.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 1 March 2005, Fordwell Investment Limited (“Fordwell”), a wholly-owned subsidiary of the Company, entered into a facility agreement (the “Facility Agreement”) with a syndicate of financial institutions whereby Fordwell was granted a 3-year transferable term loan facility of up to US\$39,000,000 (the “Facility”). The Facility Agreement includes an undertaking on procuring that Mr. Chan Shing, the Chairman and Managing Director of the Company, and Ms. Lau Ting, the spouse of Mr. Chan Shing and an Executive Director of the Company, shall remain as the combined single largest shareholder of the Company and own (directly or indirectly) in the aggregate 30% or more of the ordinary issued shares of the Company at all times during the term of the Facility Agreement. A breach of such undertaking will constitute an event of default under the Facility, upon the occurrence of which all amounts outstanding and owing under the Facility may become immediately due and payable.

於菲律賓從事氧化鎳勘探及開採

於二零零七年七月七日，本公司全資附屬公司寶威礦業有限公司（「寶威礦業」）與菲律賓 HPT Industries, Inc.（「HPT」）簽訂協議，就位於菲律賓Palawan島內一氧化鎳礦區從事發展氧化鎳的商業勘探及開採，於菲律賓馬尼拉註冊成立一合營公司，協議為無條件，而相關條款具法律約束力。同時，為將上述開採出的礦石付運中國進行下游冶煉和商業銷售，訂約雙方擬於中國註冊成立另一合營公司。

於二零零七年七月二十四日，與中國科學院地質與地球物理研究所（「中科地質所」）就雙方聯合在中國境內外開展礦業勘探、開採及相關項目投資事宜簽訂合作意向書。根據意向書，雙方將選擇適當的礦產項目進行合作；同時，中科地質所將為本公司在海外的礦業項目提供專業諮詢和技術服務。本公司已聘請中科地質所礦產資源研究室副主任秦克章先生為專業顧問。

根據上市規則第13.21條之披露

於二零零五年三月一日，本公司全資附屬公司偉福投資有限公司（「偉福投資」）與一組金融機構簽立貸款協議（「貸款協議」），據此，偉福投資獲得一項為期三年數額達3,900萬美元之可轉讓定期貸款（「貸款」）。貸款協議載有一項有關促使本公司主席兼董事總經理陳城先生及本公司執行董事劉婷女士（彼為陳城先生之配偶），在貸款協議期內須維持是本公司單一最大股東，並直接或間接合共擁有本公司不時已發行股本總額的30%以上的承諾。倘違反該承諾，則將構成貸款項下的違約事項。一旦發生有關違約事項，在貸款項下尚未償還的結欠金額即立即到期並須即時清還。



Report of Directors 董事局報告

CHANGE OF COMPANY SECRETARY

On 1 December 2007, Ms. NG Lai Ping, Grace resigned and Mr. KWOK Wai Lam was appointed as the Company Secretary of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules.

AUDIT COMMITTEE

The Company has established an Audit Committee which comprises the three Independent Non-Executive Directors of the Company, Mr. CUI Shu Ming, Mr. SONG Yufang and Mr. HUANG Shenglan. The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2007 have been reviewed by the Audit Committee.

AUDITORS

PricewaterhouseCoopers ("PWC") were auditors of the Company for the year ended 31 December 2005.

HLB Hodgson Impey Cheng, who was appointed as auditors of the Company by the Company in 2006 upon the resignation of PWC, will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
CHAN Shing
Chairman

Hong Kong, 11 April 2008

公司秘書變更

於二零零七年十二月一日，吳麗屏女士辭任本公司公司秘書職務及郭偉霖先生獲委任為本公司公司秘書。

公眾持股量之足夠性

根據本公司可從公開途徑取得之資料，並據董事所知，本公司維持上市規則所定之公眾持股量。

審核委員會

本公司已成立審核委員會，由三位獨立非執行董事崔書明先生、宋玉芳先生及黃勝藍先生組成。審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零零七年十二月三十一日止年度本集團經審核財務報表已經由審核委員會審閱。

核數師

羅兵咸永道會計師事務所（「羅兵咸永道」）於截至二零零五年十二月三十一日止年度為本公司核數師。

繼羅兵咸永道辭去本公司核數師，國衛會計師事務所於二零零六年獲董事局聘任為本公司核數師，其將任滿告退，有關續聘其為本公司核數師之決議案將於應屆股東週年大會上提呈。

董事局代表
主席
陳城

香港，二零零八年四月十一日



Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Directors believe that good corporate governance is an essential element in enhancing the confidence of shareholders, investors, employees, business partners and the community as a whole and also the performance of the Group. The board of Directors of the Company (the "Board") will review the corporate governance structure and practices from time to time and shall make necessary arrangements to ensure business activities and decision making processes are made in a proper and prudent manner.

In the opinion of the Directors, the Company has complied with all the applicable code provisions of 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") for the year ended 31 December 2007, except for the deviations as disclosed in this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

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

Executive Directors

Mr. Chan Shing (*Chairman and Managing Director*)
Mr. Sit Hoi Tung (*Deputy General Manager*)
Mr. Yang Da Wei
Ms. Lau Ting
Ms. Tung Pui Shan, Virginia
Mr. Kwok Wai Lam
Mr. Yin Mark

企業管治常規

董事相信，優秀的企業管治是對加強股東、投資者、員工、業務夥伴及公眾人士對公司的信心及提升集團表現的重要元素。本公司董事局（「董事局」）將不時審閱企業管治架構及措施，確保業務及決策過程適當及審慎地進行。

除本報告所述有關偏離外，董事認為，本公司於截至二零零七年十二月三十一日止年度內一直遵守香港聯合交易所有限公司（「聯交所」）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」）所有適用守則條文。

董事的證券交易

本公司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」）為本公司之董事證券交易行為守則。在向所有董事作出特定查詢後，所有董事均確認彼等於年度內已遵守標準守則所載之規定標準。

董事局

於本年度內及至本報告刊行日期止，本公司董事包括：

執行董事

陳城先生（主席兼董事總經理）
薛海東先生（副總經理）
楊大偉先生
劉婷女士
董佩珊女士
郭偉霖先生
尹虹先生



Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

Independent Non-Executive Directors

Mr. Cui Shu Ming
Mr. Song Yufang
Mr. Huang Shenglan

Non-Executive Director

Mr. Sze Tsai Ping, Michael

As at the date of this report, the Board comprised eleven Directors, seven of whom are Executive Directors (including the Chairman), three of whom are Independent Non-Executive Directors and one of whom is Non-Executive Director. Details of backgrounds and qualifications of each Director are set out in the section headed "Biographies of Directors" of this annual report. The Company has arranged appropriate insurance cover in respect of legal actions against the Directors.

The Board is responsible for the overall strategic development of the Group. It also monitors the financial performance and the internal controls of the Group's business operations. Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The day-to-day running of the Company is delegated to the management with department heads responsible for different aspects of the business/functions.

The Non-Executive Directors (including the Independent Non-Executive Directors) serve the relevant function of bringing independent judgement on the development, performance and risk management of the Group through their contributions in board meetings.

The Board considers that each Independent Non-Executive Director of the Company is independent in character and judgement. The Company has received from each Independent Non-executive Director a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules.

董事局 (續)

獨立非執行董事

崔書明先生
宋玉芳先生
黃勝藍先生

非執行董事

史習平先生

於本報告日期，董事局由十一名董事組成，七名為執行董事（包括主席）、三名為獨立非執行董事及一名為非執行董事。有關各董事之背景及資歷於本年報標題為「董事簡歷」一段中載述。本公司已就向董事提供適當的法律訴訟保險安排。

董事局負責本集團的整體發展策略，同時並監察集團財務表現及業務營運之內部監控。執行董事負責集團之運作及執行董事局採納之政策。本公司日常營運則授權管理層管理，各部門主管負責不同範疇之業務／職能。

非執行董事（包括獨立非執行董事）擔當相關職能，透過參與董事局會議為董事局在集團發展、表現及風險管理方面給予獨立意見。

董事局認為各獨立非執行董事之行動及判斷均屬獨立。本公司已接獲各獨立非執行董事之確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。



Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

The Board meets regularly to discuss the Group's business development, operation and financial performance. Notice of at least 14 days is given to all Directors for all regular board meetings to give all Directors an opportunity to attend. All regular board meetings adhere to a formal agenda in which a schedule of matters is addressed to the Board. All Directors have access to board papers and related materials, and are provided with adequate information which enable the Board to make an informed decision on the matters to be discussed and considered at the board meetings. Minutes of board meetings are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

To the best knowledge of the Directors, there is no financial, business and family relationship among the members of the Board except that Ms. Lau Ting is the spouse of Mr. Chan Shing.

As stipulated in Code provision A.1.1, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals with active participation, either in person or through other electronic means of communication, of a majority of directors entitled to be present. As the Company did not announce its quarterly results, two regular board meetings were held during the year for reviewing and approving the interim and annual financial performance of the Group, which did not fully comply with the relevant Code provision. Board meetings will be held on other occasions when board decisions are required.

董事局 (續)

董事局定期舉行會議，討論本集團的發展、營運表現及財務狀況。就董事局所有定期會議，全體董事均會獲發最少十四天通知，以讓所有董事皆有機會騰空出席。所有定期董事局會議均設有正式議程，具體列出待議事項。所有董事均有權查閱董事局文件及有關素材，並會及時獲提供充分資料，使董事局可就提呈會議的事項作出知情決定。董事局會議記錄由公司秘書備存，任何董事可在發出合理通知下於任何合理時段查閱董事局會議記錄。

據董事所知悉，除劉婷女士為陳城先生之配偶外，董事局各成員之間並無財務、業務及親屬關係。

根據守則條文第A.1.1條規定，董事局應定期開會，董事局會議應每年召開至少四次，大約每季一次，並有大部份有權出席會議的董事親身出席，或透過其他電子通訊方法積極參與。由於本公司並無宣佈其季度業績，年內召開了兩次董事局定期會議，以審閱及批准本集團中期及年度財務表現，故此本公司未完全遵守有關守則條文。董事局將會按其需要董事局作出決定的事宜召開董事局會議。



Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

During the year under review, twelve board meetings (including two regular board meetings) were held. Details of the attendance of the Directors are as follows:-

董事局 (續)

於年度內，董事局共舉行十二次會議（包括兩次定期會議）。董事之出席記錄詳情如下：

Executive Directors
執行董事

Mr. Chan Shing (Chairman and Managing Director)

陳城先生 (主席兼董事總經理)

10/12

Mr. Sit Hoi Tung (Deputy General Manager)

薛海東先生 (副總經理)

12/12

Mr. Yang Da Wei

楊大偉先生

0/12

Ms. Lau Ting

劉婷女士

11/12

Ms. Tung Pui Shan, Virginia

董佩珊女士

7/12

Mr. Kwok Wai Lam

郭偉霖先生

12/12

Mr. Yin Mark

尹虹先生

2/12

Independent Non-Executive Directors
獨立非執行董事

Mr. Cui Shu Ming

崔書明先生

2/12

Mr. Song Yufang

宋玉芳先生

0/12

Mr. Huang Shenglan

黃勝藍先生

2/12

Non-Executive Director
非執行董事

Mr. Sze Tsai Ping, Michael

史習平先生

2/12

Directors' Attendance
董事出席次數



Corporate Governance Report 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman and chief executive officer were not performed by separate individuals as is stipulated in Code provision A.2.1. The Chairman and Managing Director of the Company, Mr. Chan Shing, currently assumes the role of the chairman and also the chief executive officer responsible for overseeing the function of the Board and formulating overall strategies of and organising the implementation structure for the Company and also managing the Group's overall business operations. Given the nature of the Group's businesses which require considerable market expertise, the Board believed that the vesting of the two roles provides the Group with stable and consistent leadership and allows for more effective planning and implementation of long term business strategies. The Board will continuously review the effectiveness of the structure to balance the power and authority of the Board and the management.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Company are not appointed for a specific term as is stipulated in Code provision A.4.1, but are subject to retirement by rotation in accordance with the Bye-laws of the Company (the "Bye-laws"). The Directors have not been required by the Bye-laws to retire by rotation at least once every three years. However, in accordance with Bye-law 85 of the Bye-laws, at each annual general meeting of the Company one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation save any Director holding office as Chairman or Managing Director. The Board will ensure the retirement of each Director, other than the one who holds the office as Chairman or Managing Director, by rotation at least once every three years in order to comply with Code provisions. The Chairman will not be subject to retirement by rotation as is stipulated in Code provision A.4.2, as the Board considered that the continuity of office of the Chairman provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group. Mr. Kwok Wai Lam, Mr. Yin Mark, Mr. Cui Shu Ming and Mr. Huang Shenglan are subject to retirement by rotation at the forthcoming annual general meeting in accordance with the Company's Bye-laws and in compliance with Code provision A.4.2.

主席及行政總裁

本公司並未按守則條文第A.2.1條所定，主席及行政總裁之職務由不同人擔任。本公司主席兼董事總經理陳城先生現兼任主席及行政總裁之職務，負責監管董事局事務，並為本公司制定整體發展策略及組織架構實施及管理本集團整體業務營運。鑑於本集團之業務性質要求相當的市場專門認知，董事局認為陳先生同時兼任兩職可為本集團提供更穩健及一貫的領導，利於集團更有效率地策劃及推行長遠商業策略。董事局將不時檢討此架構之成效，以確保董事局及管理層間之權力及權責之平衡。

非執行董事

本公司非執行董事的委任並未按守則條文第A.4.1條所定指定任期，惟彼等需按本公司之章程細則（「章程細則」）規定輪值告退。本公司之章程細則並無規定董事最少每三年輪值告退一次。然而，根據章程細則第85條，於每屆股東週年大會上，按當時在任董事人數計三分之一董事（或倘數目並非三之倍數，則為最接近但不超過三分之一之數目）必須輪值告退，惟主席或董事總經理者則無須輪值告退。董事局將會確保每位董事（惟擔任主席或董事總經理職務者除外）至少每三年輪值告退一次，以符合守則條文之規定。主席並未按守則條文第A.4.2條所定輪值告退，因董事局認為主席任期之連續性可予集團強而穩定的領導方向，乃對集團業務之順暢經營運作極為重要。根據本公司之章程細則及為了符合守則條文第A.4.2條之規定，郭偉霖先生、尹虹先生、崔書明先生及黃勝藍先生須於即將舉行之股東週年大會輪值告退。



Corporate Governance Report 企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was established on 12 September 2006 with specific written terms of reference which deal with its authority and duties. The Remuneration Committee comprises three members, Mr. Cui Shu Ming, Mr. Huang Shenglan and Mr. Sit Hoi Tung. The chairman of the Remuneration Committee is Mr. Cui Shu Ming. The Remuneration Committee will meet at least once a year to determine the policy for the remuneration of Directors and the senior management, and consider and review the terms of service contract of the Directors and the senior management.

In determining the emolument payable to Directors, the Remuneration Committee took into consideration factors such as time commitment and responsibilities of the Directors, abilities, performance and contribution of the Directors to the Group, the performance and profitability of the Group, the remuneration benchmark in the industry, the prevailing market/employment conditions and the desirability of performance-based remuneration.

One meeting of the Remuneration Committee was held during the year ended 31 December 2007. Details of the attendance of the Remuneration Committee Meeting are as follows:

Mr. Cui Shu Ming (*Chairman of Remuneration Committee*)
 崔書明先生 (薪酬委員會主席)
 Mr. Huang Shenglan
 黃勝藍先生
 Mr. Sit Hoi Tung
 薛海東先生

薪酬委員會

本公司於二零零六年九月十二日成立具有特定成文權責範圍的薪酬委員會，薪酬委員會由崔書明先生、黃勝藍先生及薛海東先生三位成員組成。薪酬委員會主席為崔書明先生。薪酬委員會每年最少舉行一次會議以釐定董事及高層管理人員之薪酬政策及考慮和審閱董事及高層管理人員服務合約之條款。

在釐定董事薪酬時，薪酬委員會會考慮多項因素，例如董事付出的時間及其職務、董事之能力、表現及對集團之貢獻、集團之業績表現及盈利能力，以及業界薪酬基準、當時市場狀況/招聘情況及按表現發放酬金之可行性等因素而釐定。

截至二零零七年十二月三十一日，薪酬委員會曾舉行一次會議，該薪酬委員會會議之出席記錄詳情如下：

Members' Attendance 委員出席次數

Mr. Cui Shu Ming (<i>Chairman of Remuneration Committee</i>) 崔書明先生 (薪酬委員會主席)	1/1
Mr. Huang Shenglan 黃勝藍先生	1/1
Mr. Sit Hoi Tung 薛海東先生	1/1



Corporate Governance Report 企業管治報告

NOMINATION OF DIRECTORS

The Board is responsible for considering the suitability of a candidate to act as a director, and approving and terminating the appointment of a director. During the year under review, the Company had not established a nomination committee with specific written terms of reference which deal clearly with its authority and duties. The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to the Board for consideration and the Board will review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of his qualifications, experience and background.

During the year under review, no meeting was held by the Board for nomination of new director.

AUDIT COMMITTEE

The Audit Committee was established in 2001 and provides the Board with advice and recommendations. As at the date of this report, the Audit Committee comprised three members, Mr. Cui Shu Ming, Mr. Song Yufang and Mr. Huang Shenglan. All of them are Independent Non-Executive Directors. The chairman of the Audit Committee is Mr. Cui Shu Ming. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, legal, accounting and financial management in the Audit Committee.

The Audit Committee's functions includes:

- to review and monitor financial reporting and the reporting judgement contained in them; and
- to review financial and internal controls, accounting policies and practices with management, internal and external auditors.

董事提名

董事局負責考慮出任董事合適人選以及批准及終止董事委任事宜。於年度內，本公司並未成立以書面明確界定職權及職責等職權範圍的提名委員會。主席主要負責於董事局有空缺或認為需要增聘董事時，物色合適人選加入董事局。主席將向董事局建議委任有關人選，董事局將按候選人之資歷、經驗及背景審閱有關人選之資格，決定是否適合加入本集團。

於年度內，董事局並無就提名新董事舉行會議。

審核委員會

審核委員會於二零零一年成立，為董事局提供意見及建議。於本報告日期，審核委員會由三名成員組成，分別為崔書明先生、宋玉芳先生及黃勝藍先生，全部均為獨立非執行董事。審核委員會主席為崔書明先生。董事局認為各審核委員會成員均具有廣泛的商務經驗，而委員會內適當地融合了營運、法律、會計及財務管理等方面的專業知識。

審核委員會的功能包括：

- 審議及監察財務報告，以及報告所包含的申報判斷；及
- 與管理層、內部及外聘核數師審議財務、內部監控及會計政策及常規。



Corporate Governance Report 企業管治報告

AUDIT COMMITTEE (continued)

The Audit Committee held two meetings during the year under review, one of which was attended by the external auditors, HLB Hodgson Impey Cheng. Details of the attendance of the Audit Committee meetings are as follows:

Mr. Cui Shu Ming	崔書明先生
Mr. Song Yufang	宋玉芳先生
Mr. Huang Shenglan	黃勝藍先生

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2007 have been reviewed by the Audit Committee.

AUDITORS' REMUNERATION

For the year ended 31 December 2007, the Group had engaged the Group's external auditors, HLB Hodgson Impey Cheng, to provide the following service and their fee charged is set out as below:

Type of Service	服務類別
Audit for the Group	集團審計

審核委員會 (續)

審核委員會於年度內共舉行兩次會議，外聘核數師國衛會計師事務所曾出席其中一次會議。審核委員會會議之出席記錄詳情如下：

Members' Attendance 委員出席次數

2/2
2/2
2/2

審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零零七年十二月三十一日止年度之經審核財務報表已經審核委員會審閱。

核數師酬金

截至二零零七年十二月三十一日止年度，集團委聘本公司外聘核數師國衛會計師事務所提供以下服務，並收取費用如下：

Fee Charged for the year ended 31 December 收取費用 截至十二月三十一日 止年度

2007	2006
HK\$	HK\$
港元	港元

820,000	750,000
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Corporate Governance Report 企業管治報告

DIRECTORS' AND AUDITORS RESPONSIBILITIES FOR ACCOUNTS

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on pages 39 and 40.

INTERNAL CONTROL

During the year under review, the Board has conducted a review of the effectiveness of the internal controls system of the Group.

The internal controls system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risk. The Board is committed to implementing an effective and sound internal control system to safeguard the interests of shareholders and the assets of the Group. The Board has delegated to the management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management functions.

INVESTOR RELATIONS

The Company is committed to maintain an open and effective investor relations policy and to update investors on relevant information/developments in a timely manner, subject to relevant regulatory requirements. Briefings and meetings with institutional investors and analysts are conducted from time to time. The Company also replied the enquiries from shareholders timely. The Directors host the annual general meeting each year to meet the shareholders and answer their enquiries.

The corporate website of the Company has provided a communication platform via which the public and investor community can access to up-to-date information regarding the Group.

董事及核數師對帳目之責任

董事對帳目之責任及外聘核數師對股東之責任載於第39頁及第40頁內。

內部監控

董事局於年度內已對本集團內部監控系統之有效性作出檢討。

本集團內部監控制度的設計能使公司更有效地和有效率地運作，並確保財務報告的可靠性及遵守適用法例和規條，識別和管理潛在性的風險。董事局致力落實有效及良好的內部監控制度，以保障股東投資及集團資產。董事局已委派管理層落實內部監控系統及檢討所有相關財務、營運、規管監控及風險管理的效能。

投資者關係

本公司致力按照有關監管規定，維持公開及有效的投資者關係政策，並適時向投資者提供最新的業務資料/發展。本公司不時與機構投資者及分析員會面及簡報，亦及時回應股東查詢。董事每年主持股東週年大會，會見股東及回應彼等之提問。

本公司的公司網址亦提供了溝通平台，為公眾和投資者提供渠道查閱的最新集團訊息。



Independent Auditors' Report 獨立核數師報告



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF BURWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Burwill Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 134, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated 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.

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The Landmark
11 Pedder Street
Central
Hong Kong

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

致寶威控股有限公司

(於百慕達註冊成立之有限公司)

全體股東

本核數師(以下簡稱「我們」)已審核列載於第41至134頁寶威控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)之綜合財務報表。此財務報表包括於二零零七年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》之披露規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。



Independent Auditors' Report 獨立核數師報告

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

OPINION

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

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 11 April 2008

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照《百慕達一九八一年公司法》第90條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零七年十二月三十一日的事務狀況及貴集團截至該日止年度的盈利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

國衛會計師事務所
英國特許會計師
香港執業會計師

香港，二零零八年四月十一日



Balance Sheets

At 31 December 2007

資產負債表

於二零零七年十二月三十一日

		Note 附註	Consolidated 綜合		Company 公司	
			2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
ASSETS	資產					
Non-current assets	非流動資產					
Leasehold land and land use rights	租賃土地及土地使用權	6	81,001	82,568	-	-
Property, plant and equipment	物業、機器及設備	7	105,210	105,746	-	-
Investment properties	投資物業	8	286,501	237,857	-	-
Intangible assets	無形資產		170	188	-	-
Investments in subsidiaries	附屬公司投資	9	-	-	42,415	42,415
Due from subsidiaries	附屬公司欠款	9	-	-	448,000	291,614
Investments in associates	聯營公司投資	10	475,321	356,624	10,766	10,766
Available-for-sale financial assets	可供出售財務資產	11	1,509	7,772	90	90
Other receivables	其它應收款	14	-	181	-	-
Deferred tax assets	遞延稅項資產	19	10,722	9,673	-	-
Total non-current assets	總非流動資產		960,434	800,609	501,271	344,885
Current assets	流動資產					
Inventories	存貨	12	167,340	157,742	-	-
Properties held for sale	待售物業		31,611	29,398	-	-
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產	13	48,610	10,076	1	1
Bills and accounts receivable	應收票據及應收帳項	14	894,707	1,082,091	-	-
Deposits, prepayments and other receivables	按金、預付款及其它應收款	14	134,679	97,097	248	28
Due from subsidiaries	附屬公司欠款	9	-	-	457,028	640,245
Due from associates	聯營公司欠款	10	4,032	1,050	-	-
Pledged bank deposits	已抵押銀行存款	15	750	839	-	-
Other cash and bank balances	其它現金及銀行結餘	15	394,028	275,156	834	1,015
Total current assets	總流動資產		1,675,757	1,653,449	458,111	641,289
Total assets	總資產		2,636,191	2,454,058	959,382	986,174



Balance Sheets

At 31 December 2007

資產負債表

於二零零七年十二月三十一日

	Note 附註	Consolidated 綜合		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
EQUITY					
權益					
Capital and reserves attributable to the Company's equity holders					
本公司權益持有人應佔股本及儲備					
Share capital	16	111,213	103,213	111,213	103,213
股本					
Other reserves	17	644,300	503,297	713,670	603,980
其它儲備					
Retained profits	17	440,237	353,930	10,833	9,964
保留盈利					
Minority interests		1,195,750	960,440	835,716	717,157
少數股東權益		56,218	43,779	-	-
Total equity		1,251,968	1,004,219	835,716	717,157
總權益					
LIABILITIES					
負債					
Non-current liabilities					
非流動負債					
Due to a subsidiary	9	-	-	94,366	252,187
欠附屬公司款項					
Borrowings	18	44,376	127,261	-	-
貸款					
Deferred tax liabilities	19	42,552	42,899	-	-
遞延稅項負債					
Total non-current liabilities		86,928	170,160	94,366	252,187
總非流動負債					
Current liabilities					
流動負債					
Borrowings	18	642,030	538,974	-	-
貸款					
Due to subsidiaries	9	-	-	27,152	15,085
欠附屬公司款項					
Due to associates	10	24,906	22,787	-	-
欠聯營公司款項					
Bills and accounts payable	20	529,078	648,995	-	-
應付票據及應付帳項					
Other payables and accruals		100,998	68,661	2,148	1,745
其它應付帳項及應計費用					
Taxation payable		283	262	-	-
應付稅項					
Total current liabilities		1,297,295	1,279,679	29,300	16,830
總流動負債					
Total liabilities		1,384,223	1,449,839	123,666	269,017
總負債					
Total equity and liabilities		2,636,191	2,454,058	959,382	986,174
總權益及負債					
Net current assets		378,462	373,770	428,811	624,459
流動資產淨值					
Total assets less current liabilities		1,338,896	1,174,379	930,082	969,344
總資產減流動負債					

CHAN SHING
陳城
Chairman
主席

KWOK WAI LAM
郭偉霖
Director
董事



Consolidated Income Statement 綜合損益表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Note 附註	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Sales	銷售	5	5,452,012	4,793,364
Cost of sales	銷售成本	22	(5,308,779)	(4,711,292)
Gross profit	毛利		143,233	82,072
Other gains, net	其它收益淨額	21	101,808	256,099
Selling and distribution expenses	銷售及分銷費用	22	(46,710)	(38,964)
General and administrative expenses	一般及行政費用	22	(77,792)	(75,527)
Operating profit	經營盈利		120,539	223,680
Finance costs	融資成本	24	(59,499)	(61,017)
Share of profits/(losses) of associates	所佔聯營公司盈利/ (虧損)	10	30,211	(3,597)
Profit before taxation	除稅前盈利		91,251	159,066
Taxation	稅項	25	4,020	(7,391)
Profit for the year	年度盈利		95,271	151,675
Attributable to:	歸屬:			
Equity holders of the Company	本公司權益持有人	26	86,307	149,380
Minority interests	少數股東權益		8,964	2,295
			95,271	151,675
Earnings per share for profit attributable to the equity holders of the Company during the year	年內本公司權益持有人應佔盈利的每股盈利	27		
- basic and diluted	- 基本及攤薄		8.02 HK cents港仙	14.47 HK cents港仙



Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Note 附註	Attributable to the equity holders of the Company 本公司權益持有人應佔				Total 總額 HK\$'000 港幣千元
			Share capital 股本 HK\$'000 港幣千元	Other reserves 其它儲備 HK\$'000 港幣千元	Retained profits 保留盈利 HK\$'000 港幣千元	Minority interests 少數股東 權益 HK\$'000 港幣千元	
Balance at 1 January 2006	二零零六年一月一日 結餘		103,213	487,006	235,514	49,505	875,238
Currency translation differences	貨幣匯兌差額	17	-	9,987	-	1,939	11,926
Profit for the year	年度盈利		-	-	149,380	2,295	151,675
Total recognised income for 2006	二零零六年確認的 總收入		-	9,987	149,380	4,234	163,601
Share of reserves of associates	應佔聯營公司儲備	17	-	5,187	-	-	5,187
Capital contribution from minority shareholders	少數股東投入資本		-	-	-	324	324
Fair value gains on available-for- sale financial assets	可供出售財務資產的 公平值收益	17	-	1,767	-	-	1,767
Transfer to profit or loss on disposal of available-for-sale financial assets	出售可供出售財務 資產轉出 至損益帳	17	-	(650)	-	-	(650)
Acquisition of additional equity interests in subsidiaries	購入附屬公司 新增權益		-	-	-	(4,522)	(4,522)
Dividend of the Company	本公司股息	17	-	-	(30,964)	-	(30,964)
Dividend of a subsidiary	附屬公司股息		-	-	-	(5,762)	(5,762)
Balance at 31 December 2006	二零零六年十二月 三十一日結餘		103,213	503,297	353,930	43,779	1,004,219



Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Attributable to the equity holders of the Company 本公司權益持有人應佔					
		Share capital	Other reserves	Retained profits	Minority interests	Total	
		股本	其它儲備	保留盈利	少數股東權益	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Balance at 1 January 2007	二零零七年一月一日 結餘	103,213	503,297	353,930	43,779	1,004,219	
Currency translation differences	貨幣匯兌差額	-	24,196	-	3,655	27,851	
Profit for the year	年度盈利	-	-	86,307	8,964	95,271	
Total recognised income for 2007	二零零七年確認的 總收入	-	24,196	86,307	12,619	123,122	
Issue of shares	發行股份	8,000	109,769	-	-	117,769	
Share issue expenses	股份發行開支	-	(79)	-	-	(79)	
Share of reserves of associates	應佔聯營公司儲備	-	8,234	-	-	8,234	
Fair value gains on available-for-sale financial assets	可供出售財務資產的 公平值收益	-	523	-	-	523	
Transfer to profit or loss on disposal of available-for-sale financial assets	出售可供出售財務 資產轉出 至損益帳	-	(1,640)	-	-	(1,640)	
Capital distribution to minority shareholders	分派資金予 少數股東	-	-	-	(180)	(180)	
Balance at 31 December 2007	二零零七年十二月 三十一日結餘	111,213	644,300	440,237	56,218	1,251,968	



Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

	Note	2007	2006
	附註	HK\$'000	HK\$'000
		港幣千元	港幣千元
Cash flows from operating activities			
營運活動的現金流量			
Cash generated from operations	29(a)	97,728	172,350
Interest paid		(56,244)	(56,851)
Hong Kong profits tax paid		-	(35)
Overseas tax paid		(626)	(763)
Overseas tax refunded		243	-
Net cash generated from operating activities		41,101	114,701
Cash flows from investing activities			
投資活動的現金流量			
Acquisition of property, plant and equipment		(2,755)	(6,789)
Acquisition of investment properties		-	(150)
Acquisition of available-for-sale financial assets		-	(5,146)
Acquisition of intangible assets		-	(193)
Net cash inflow in respect of disposal of a subsidiary	29(b)	2,161	44,151
Capital contribution to an associate		(22,663)	-
Capital distribution to minority shareholders		(180)	-
Acquisition of additional equity interests in subsidiaries		-	(1,652)
Acquisition of shares in an associate		-	(2,693)
Proceeds from disposal of property, plant and equipment		240	780
Proceeds from disposal of available-for-sale financial assets		6,786	651
Capital contribution from minority shareholders		-	324
Increase in short-term bank deposits		(110,567)	-
Funds (applied to)/realised on financial assets, net		(39,911)	54,251
Repayment of loans to third parties		2,000	29,000
Interest received		5,355	5,494
Increase in amounts due from associates		(2,982)	(40)
Dividends received from an associate		1,900	2,800
Dividends received from financial assets at fair value through profit or loss		86	806
Net cash (used in)/generated from investing activities		(160,530)	121,594



Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

	Note	2007	2006
	附註	HK\$'000 港幣千元	HK\$'000 港幣千元
Cash flows from financing activities	融資活動的現金流量		
Issue of shares	發行股份	117,769	-
Share issue expenses	股份發行開支	(79)	-
Increase/(decrease) in trust receipts bank loans	信託提貨貸款增加/ (減少)	24,702	(91,173)
Additions of other bank loans	新增其它銀行貸款	170,680	60,292
Repayment of other bank loans	償還其它銀行貸款	(207,146)	(95,859)
Additions of other loans	新增其它貸款	22,251	-
Repayment of other loans	償還其它貸款	-	(28)
Increase in amounts due to associates	欠聯營公司款項增加	2,119	6,729
Interest element of finance lease rental payments	付融資租賃 利息部份	(442)	(838)
Capital element of finance lease rental payments	付融資租賃 資本部份	(3,826)	(5,203)
Dividends paid	已付股息	-	(36,726)
Net cash generated from/(used in) financing activities	融資活動產生/(所用) 淨現金	126,028	(162,806)
Decrease in pledged bank deposits	已抵押銀行存款減少	89	592
Increase in cash and cash equivalents	現金及現金等價物增加	6,688	74,081
Cash and cash equivalents at 1 January	於一月一日之現金及 現金等價物	275,156	200,193
Effect of exchange rate changes	匯率變動之影響	1,617	882
Cash and cash equivalents at 31 December	於十二月三十一日之 現金及現金等價物	283,461	275,156

29(c)



Notes to the Consolidated Financial Statements 綜合財務報表附註

1 GENERAL INFORMATION

Burwill Holdings Limited (the "Company") is an investment holding company. Its subsidiaries are principally engaged in steel trading, warehousing and distribution, steel manufacturing and processing, property development and investment.

The Company was incorporated in Bermuda as an exempted company with limited liability. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1983, and have a secondary listing on Singapore Exchange Securities Trading Limited since 1990.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 11 April 2008.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

1 一般資料

寶威控股有限公司(「本公司」)為一間投資控股公司。其附屬公司主要業務為鋼鐵貿易、倉儲及分銷、鋼鐵加工製造、房地產開發及投資。

本公司於百慕達註冊成立為獲豁免有限公司。本公司股份自一九八三年起於香港聯合交易所有限公司(「聯交所」)上市，及一九九零年起於新加坡證券交易所有限公司作第二上市。

除另有說明外，綜合財務報表以港幣千元列報。綜合財務報表已經由董事局在二零零八年四月十一日批准刊發。

2 重要會計政策摘要

編製本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本綜合財務報表乃按照香港會計師公會所頒佈香港財務報告準則(「香港財務報告準則」)編製。此外，本綜合財務報表亦包括聯交所證券上市規則及香港公司條例規定之適用披露資料。

綜合財務報表已按照歷史成本法編製，並就部份按公平值列帳的投資物業、可供出售財務資產、按公平值透過損益列帳的財務資產和財務負債(包括衍生工具)的重估而作出修訂。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) *Standards, amendment and interpretations effective in 2007*

HKFRS 7, "Financial Instruments: Disclosures", and the complementary amendment to HKAS 1, "Presentation of Financial Statements – Capital Disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's financial instruments, or the disclosures relating to taxation and trade and other payables.

HK(IFRIC) – Int 8, "Scope of HKFRS 2", requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This standard does not have any impact on the Group's financial statements.

HK(IFRIC) – Int 10, "Interim Financial Reporting and Impairment", prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group's financial statements.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

根據香港財務報告準則編撰之財務報表須應用若干重大會計評估。管理層亦須於應用本集團會計政策時作出判斷。需涉及較大幅度判斷、較為複雜事項或對綜合財務報表所作重大之假設及評估於附註4披露。

(a) 於二零零七年生效之準則、修訂及詮釋

香港財務報告準則第7號 – 「金融工具:披露」及香港會計準則第1號(修訂本) – 「財務報表之呈列方式 – 資本披露」, 引入有關金融工具之新披露要求, 該準則不會對本集團金融工具之分類及估值或有關稅項以及應付帳項及其它應付帳項之披露構成重大影響。

香港(國際財務報告詮釋委員會) – 詮釋第8號 – 「香港財務報告準則第2號之範圍」, 規定涉及發行股本工具交易之代價 – 倘所收取可識別代價少於所發行股本工具之公平值 – 確定是否屬香港財務報告準則第2號之範圍內。該準則不會對本集團財務報表構成重大影響。

香港(國際財務報告詮釋委員會) – 詮釋第10號 – 「中期財務報告及減值」, 禁止於及後結算日撥回於中期就商譽、股本工具投資及按成本列帳之財務資產投資確認之減值虧損。該準則不會對本集團財務報表構成重大影響。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (b) *Standards, amendments and interpretations effective in 2007 but not relevant*

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- HK(IFRIC) – Int 7, "Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies".
- HK(IFRIC) – Int 9, "Reassessment of Embedded Derivatives".

- (c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods, but the Group has not early adopted them:

- HKAS 23 (Revised), "Borrowing Costs" (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Revised) from 1 January 2009 but is currently not applicable to the Group as there are no qualifying assets.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

- (b) 於二零零七年生效惟不適用之準則、修訂及詮釋

以下準則以及已頒佈準則之修訂及詮釋，須於本集團於二零零七年一月一日或以後開始之會計期間強制應用，惟不適用於本集團業務：

- 香港（國際財務報告詮釋委員會）－詮釋第7號－「應用香港會計準則第29號嚴重通脹經濟之財務報告下重列法」。
- 香港（國際財務報告詮釋委員會）－詮釋第9號－「重新評估嵌入式衍生工具」。

- (c) 本集團並未提早採納之尚未生效準則以及現有準則之修訂及詮釋

以下準則以及現有準則之修訂及詮釋已頒佈，須於本集團於二零零八年一月一日或以後開始或較後期間之會計期間強制應用，惟本集團並無提早採納有關準則以及現有準則之修訂及詮釋：

- 香港會計準則第23號（經修訂）－「借貸成本」（於二零零九年一月一日起生效）。該修訂本規定一家實體將收購、建造或生產合資格資產（即需一段長時間方能達致其用途或可供銷售之資產）的直接應佔借貸成本撥充資本，作為該資產成本其中部份。可就有關借貸成本即時支銷之選擇權將予剔除。本集團將由二零零九年一月一日起應用香港會計準則第23號（經修訂），惟現時並不適用於本集團，因本集團並無合資格資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.1 Basis of preparation (continued)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group* (continued)

- HKFRS 8, "Operating Segments" (effective from 1 January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.
- HK(IFRIC) – Int 11, "HKFRS 2 – Group and Treasury Share Transactions" (effective from 1 March 2007). HK(IFRIC) – Int 11 provides guidance on classifying share-based payment transactions involving an entity's own equity instruments or the equity instruments of the parent. The Group will apply HK(IFRIC) – Int 11 from 1 January 2008, but it is not expected to have a significant impact on the Group's financial statements.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(c) 本集團並未提早採納之尚未生效準則以及現有準則之修訂及詮釋 (續)

- 香港財務報告準則第8號－「經營分部」(於二零零九年一月一日起生效)。香港財務報告準則第8號取代香港會計準則第14號，並將分部申報方式符合美國財務會計準則(US standard SFAS)第131號「企業之分部披露及相關資料」之規定。新準則規定遵從「管理方針」，據此，分部資料按就內部申報目的採用者相同之基準呈列。本集團將由二零零九年一月一日起應用香港財務報告準則第8號。預期影響現仍由管理層詳細評估中，惟可申報分部及分部申報之方式似乎將與向營運總決策人所提供內部申報所採用者貫徹一致。
- 香港(國際財務報告詮釋委員會)－詮釋第11號－「香港財務報告準則第2號－集團及庫存股份交易」(由二零零七年三月一日起生效)。香港(國際財務報告詮釋委員會)－詮釋第11號就涉及實體本身股本工具或母公司股本工具之股份付款交易分類提供指引。本集團將由二零零八年一月一日起應用香港(國際財務報告詮釋委員會)－詮釋第11號，惟預期不會對本集團之財務報表構成重大影響。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HK(IFRIC) – Int 13, “Customer Loyalty Programmes” (effective from 1 July 2008). HK(IFRIC) – Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. The Group will apply HK(IFRIC) – Int 13 from 1 January 2009, but it is not expected to have a significant impact on the Group’s financial statements.

(d) *Interpretations to existing standards that are not yet effective and not relevant*

The following interpretations to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Group’s operations:

- HK(IFRIC) – Int 12, “Service Concession Arrangements” (effective from 1 January 2008). HK(IFRIC) – Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. HK(IFRIC) – Int 12 is not relevant to the Group’s operations because none of the Group’s companies provide for public sector services.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(c) 本集團並未提早採納之尚未生效準則以及現有準則之修訂及詮釋(續)

- 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」(於二零零八年七月一日起生效)。該準則闡明，倘貨品或服務連同消費者長期支持優惠(如長期支持積分或贈品)售出，有關安排屬多元安排，而應收客戶代價按公平值於安排元素間分配。本集團將由二零零九年一月一日起應用香港(國際財務報告詮釋委員會)－詮釋第13號，惟預期不會對本集團之財務報表構成重大影響。

(d) 尚未生效且不適用于現有準則之詮釋

以下現有準則詮釋已頒佈，須於本集團於二零零八年一月一日或以後開始或較後期間之會計期間強制應用，惟不適用於本集團業務：

- 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」(於二零零八年一月一日起生效)。該準則適用於私人營運商據此參與公用服務基礎建設之開發、融資、營運及維護之合約安排。香港(國際財務報告詮釋委員會)－詮釋第12號不適用於本集團業務，因本集團的公司概無參與公用服務。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.1 Basis of preparation (continued)

(d) Interpretations to existing standards that are not yet effective and not relevant (continued)

- HK(IFRIC) – Int 14, “HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (effective from 1 January 2008). HK(IFRIC) – Int 14 provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply HK(IFRIC) – Int 14 from 1 January 2008, but it is not expected to have any impact on the Group’s financial statements.

2.2 Consolidation

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

(a) *Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(d) 尚未生效且不適用之現有準則之詮釋 (續)

- 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－限制界定福利資產、最低資金要求及兩者之互動關係」（於二零零八年一月一日起生效）。香港（國際財務報告詮釋委員會）－詮釋第14號就評估香港會計準則第19號內有關可確認為資產之盈餘金額限制提供指引，另解釋退休金資產或負債如何受法定或合約最低資金需求影響。本集團將由二零零八年一月一日起應用香港（國際財務報告詮釋委員會）－詮釋第14號，惟預期將不會對集團財務報告構成任何影響。

2.2 綜合帳目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。

(a) *附屬公司*

附屬公司指本集團有權管控其財政及營運政策而控制之所有實體（包括特殊目的實體），一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.2 Consolidation *(continued)*

(a) Subsidiaries (continued)

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(a) 附屬公司 (續)

附屬公司在控制權轉移至本集團之日起全面綜合入帳。附屬公司在控制權終止之日起停止綜合入帳。

會計收購法乃用作本集團收購附屬公司的入帳方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公平值計算，另加該收購直接應佔的成本。在企業合併中所收購的可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期的公平值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購的可識別資產淨值公平值的數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值的公平值，該差額直接在損益表確認。

集團內公司之間的交易、結餘及未實現交易收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列帳。附屬公司之業績由本公司按已收及應收股息入帳。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.2 Consolidation *(continued)*

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(b) 與少數股東權益交易

集團採用處理與少數股東權益交易如同與集團以外人士交易的政策。因出售予少數股東權益而產生的集團盈虧在綜合損益表記帳。採購自少數股東權益所產生的商譽為已付代價及所佔購入附屬公司淨資產帳面值的差額。

(c) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%－50%投票權的股權。聯營公司投資以權益會計法入帳，初始以成本確認。本集團於聯營公司之投資包括收購時已識辨的商譽（扣除任何累計減值虧損）。

本集團應佔收購後聯營公司的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備帳內確認。投資帳面值會根據累計之收購後變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其它無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(c) Associates (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Diluted gains and losses in associates are recognised in the consolidated income statement.

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

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(c) 聯營公司 (續)

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

於聯營公司之攤薄損益於綜合損益表確認。

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列帳。聯營公司之業績由本公司按已收及應收股息入帳。

2.3 分部報告

業務分部指從事提供產品或服務的一組資產和業務，其產品或服務的風險和回報與其它業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其風險和回報與在其它經濟環境中營運的分部不同。

2.4 外幣匯兌

(a) 功能和列帳貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以港幣呈報，港幣為本公司的功能及列帳貨幣。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.4 Foreign currency translation (continued)

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation difference on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2 重要會計政策摘要 (續)

2.4 外幣匯兌 (續)

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。除了符合在權益中遞延入帳的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

分類為可供出售之外幣列值貨幣證券之公平值變動分析為證券攤銷成本變動產生之匯兌差額及證券帳面值之其它變動。有關攤銷成本變動之匯兌差額於損益確認，而帳面值其它變動則於權益中確認。

非貨幣財務資產及負債之匯兌差額列為公平值收益或虧損之一部分。非貨幣財務資產及負債之匯兌差額，例如按公平值透過損益列帳的股本，均列報為損益帳中作為公平值收益或虧損。至於歸類為可供出售權益等非貨幣財務資產之匯兌差異，列入權益中可供出售儲備內。

(c) 集團公司

功能貨幣與列帳貨幣不同的所有集團實體（當中沒有嚴重通脹經濟體系貨幣）的業績和財務狀況按如下方法換算為列帳貨幣：

- 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies (continued)

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2 重要會計政策摘要 (續)

2.4 外幣匯兌 (續)

(c) 集團公司 (續)

- 每份損益表內的收入和費用按平均匯率換算(除非此平均匯率非為計及各交易日期匯率累計影響的合理約數;在此情況下,收支按各交易日期的匯率換算);及
- 所有由此產生的匯兌差額確認為權益的獨立組成項目。

綜合帳目時,換算海外實體投資淨額和換算指定為此等投資之對沖項目的借貸及其它貨幣工具所產生匯兌差額,均列入股東權益內。當出售部分或出售海外業務時,已列入權益之匯兌差額會於損益表確認為出售收益或虧損的一部分。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。

2.5 物業、機器及設備

物業、機器及設備按歷史成本減折舊和減值虧損列帳。歷史成本包括收購該項目直接應佔的開支。成本可包括從權益中轉撥的有關該物業、機器及設備利用外幣購買的合資格現金流量對沖產生的任何收益/損失。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.5 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated, using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

– Buildings	20 to 50 years
– Leasehold improvements	2 to 10 years (over the period of leases)
– Machinery	10 years
– Furniture and equipment	4 to 10 years
– Motor vehicles	4 to 10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained profits.

2 重要會計政策摘要 (續)

2.5 物業、機器及設備 (續)

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，且該項目的成本能可靠計量時，才包括在資產的帳面值或確認為獨立資產（按適用）。已更換零件的帳面值從帳上剔除。所有其它維修及保養在產生的財政期間內於損益表支銷。

物業、機器及設備的折舊採用以下的估計可使用年期將成本按直線法分攤至剩餘價值計算：

– 樓宇	20至50年
– 租賃樓宇裝修	2至10年 (按租約 年期)
– 機器	10年
– 傢具及設備	4至10年
– 車輛	4至10年

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

若資產的帳面值高於其估計可收回價值，其帳面值即時撇減至可收回金額（附註2.8）。

出售盈虧乃按所得款與帳面值比較，並於損益表確認。當出售經重估資產，包括在其它儲備的金額將轉撥至保留盈利。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.6 Intangible assets

(a) *Domain names and trademarks*

Acquisition costs of domain names and legal costs related to the registration of trademarks are capitalised and amortised on a straight-line basis over their estimated useful lives of ten years.

(b) *Computer software*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of ten years.

2.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

2 重要會計政策摘要 (續)

2.6 無形資產

(a) *域名及商標*

包括購買域名之成本及有關商標登記之律師費，以成本列帳並按直線法於估計可使用年期十年期內攤銷。

(b) *電腦軟件*

購買電腦軟件版權乃根據購買和達至使用之成本會撥充資本，此成本列帳於估計可使用年期十年期內攤銷。

2.7 投資物業

為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由綜合集團內的公司佔用的物業列為投資物業。

投資物業包括以營運租賃持有的土地及以融資租賃持有之樓宇。

以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記帳。營運租賃猶如其為融資租賃而記帳。

投資物業初步按其成本計量，包括相關的交易成本。

在初步確認後，投資物業按公平值列帳。公平值根據活躍市場價格計算，如有需要，將就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此等資料，本集團利用其它估值方法，例如較不活躍市場的近期價格或貼現現金流量預測法。此等估值每年由外部估值師檢討。為繼續用作投資物業而正在重建或市場已變得不活躍的投資物業，繼續按公平值計量。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment properties (continued)

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

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

Changes in fair values are recognised in the income statement as part of other gain.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value reverses a previous impairment loss, the gain is recognised in the income statement.

2 重要會計政策摘要 (續)

2.7 投資物業 (續)

投資物業的公平值反映(包括其它)來自現有租賃的租金收入,及在現時市場情況下未來租賃的租金收入假設。

公平值亦反映,在類似基準下物業預期的任何現金流出。此等現金流出部份確認為負債,包括列為投資物業的土地有關的融資租賃負債;而其它,包括或然租金款項,不在財務報表列帳。

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團,而該項目的成本能可靠計量時,才計入在資產的帳面值中。所有其它維修及保養成本在產生的財政期間內於損益表支銷。

公平值變動在損益表列帳為其它收益的一部份。

若投資物業變成業主自用,會被重新分類為物業、機器及設備,其於重新分類日期的公平值,就會計目的而言變為其成本。現正興建或發展供日後用作投資物業的物業,被分類為物業、機器及設備,並按成本列帳,直至建築或發展完成為止,屆時重新分類為投資物業並其後按投資物業記帳。

根據會計準則第16號,若物業、機器及設備的某個項目因其用途改變而成為投資物業,該項目於轉撥日期的帳面值與公平值的任何差額在權益中確認為物業、機器及設備的重估。然而,若公平值收益將以往的減值虧損撥回,該收益於損益表確認。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity financial assets, and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

2 重要會計政策摘要 (續)

2.8 附屬公司、聯營公司及非財務資產投資之減值

可無限期使用或未可使用之資產不予攤銷，並每年進行減值檢測。須予攤銷之資產於發生可能無法收回帳面值之事件或狀況變動時，須進行減值檢討。減值虧損乃就資產帳面值超出其可收回金額之差額確認。可收回金額為資產公平值減出售成本與使用價值之較高者。就評估減值，資產乃按可個別識別現金流量之最低層分類（現金產生單位）。商譽以外已減值之非財務資產於每個報告日期檢討撥回減值之可能性。

2.9 財務資產

本集團將其財務資產分類如下：按公平值透過損益列帳、貸款及應收款、持至到期日財務資產及可供出售財務資產。分類方式視乎購入財務資產目的而定。管理層在初步確認時釐定其財務資產的分類。

(a) *按公平值透過損益列帳的財務資產*

按公平值透過損益列帳的財務資產為持作買賣的財務資產。財務資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為對沖，否則亦分類為持作買賣用途。在此類別的資產則分類為流動資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.9 Financial assets (continued)

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as accounts receivable and other receivables in the balance sheet (Note 2.11).

(c) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date; these are classified as current assets.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular way purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset). Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

2 重要會計政策摘要 (續)

2.9 財務資產 (續)

(b) *貸款及應收款*

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款列在資產負債表中應收帳項及其它應收款內(附註2.11)。

(c) *持至到期日財務資產*

持至到期日財務資產為有固定或可釐定付款以及固定到期日的非衍生財務資產，而管理層有明確意向及能力持有至到期日。若本集團出售其持至到期日財務資產中多於不重大部份，則整個資產類別將受影響並需重新分類為可供出售。持至到期日財務資產包括在非流動資產內，除卻在結算日起12個月內到期的財務資產分類為流動資產。

(d) *可供出售財務資產*

可供出售財務資產為非衍生工具，被指定為此類別或未被分類為任何其它類別。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

財務資產的購入及出售在交易日確認—交易日指本集團承諾購入或出售該資產之日。對於所有並非按公平值透過損益列帳的財務資產，初步按公平值加交易成本確認。按公平值透過損益列帳的財務資產，初步按公平值確認並將交易成本支銷在損益表。當從投資收取現金流量的權利經已屆滿或經已轉讓，而本集團亦已將擁有權的所有風險和回報實際轉讓時，財務資產即終止確認。可供出售財務資產及按公平值透過損益列帳的財務資產其後按公平值列帳。貸款及應收款以及持至到期日財務資產利用實際利息法按攤銷成本列帳。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2 重要會計政策摘要 (續)

2.9 財務資產 (續)

因為「按公平值透過損益列帳的財務資產」類別的公平值變動而產生的盈虧，列入產生期間的損益表內。按公平值透過損益列帳之財務資產之股息收入於本集團收取有關款項之權利確立時於損益表確認為其它收入一部分。

以外幣計值並分類為可供出售的貨幣證券的公平值變動將分解至因證券的攤銷成本轉變而產生的匯兌差額及證券帳面值的其它變動。貨幣證券之匯兌差額計入損益，非貨幣證券之匯兌差額則計入權益帳內。分類為可供出售之貨幣及非貨幣證券之公平值變動於權益中確認。

當分類為可供出售的證券被售出或減值時，在權益確認的累計公平值調整，將現列入損益表作為投資證券的盈虧。

可供出售證券按實際利息法計算的利息在損益表確認為其它收入一部分。當集團就收款的權利確立時，可供出售股權工具的股息在損益表確認為其它收入一部分。

有報價投資的公平值根據當時的買盤價計算。若某項財務資產的市場並不活躍（及就非上市證券而言），本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同的其它工具、貼現現金流量分析和期權定價模式，使用市場數據的最大化及依賴最少的實體特殊數據。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

2.11 Accounts and other receivables

Accounts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When an account is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited against to the income statement.

2 重要會計政策摘要 (續)

2.9 財務資產 (續)

本集團在每個結算日評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。對於分類為可供出售的股權證券，證券公平值大幅或長期跌至低於其成本值被視為證券減值的信號。若可供出售財務資產存在此等證據，累計虧損（按收購成本與當時公平值的差額，減該財務資產之前在損益表確認的任何減值虧損計算）自權益中剔除並在損益表記帳。在損益表確認的股權工具減值虧損不會透過損益表撥回。

2.10 存貨

存貨按成本及可變現淨值兩者的較低者列帳。成本利用先進先出法釐定。製成品及在製品的成本包括原材料、直接勞工、其它直接成本和相關的生產經常開支（依據正常營運能力）。這不包括貸款成本。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。存貨成本包括自權益轉撥的與購買原材料有關的合資格現金流量對沖的任何收益／損失。

2.11 應收帳項及其它應收款

應收帳項及其它應收款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款的原有條款收回所有款項時，即就應收帳項及其它應收款設定減值撥備。撥備金額為資產帳面值與按原實際利率貼現的估計未來現金流量的現值兩者的差額。資產的帳面值透過使用備付帳戶削減，而有關的虧損數額則在損益表中確認。如一項應收帳項無法收回，其會與應收帳項內的備付帳戶撇銷。之前已撇銷的款項如其後收回，將撥回損益表。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.14 Accounts payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

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

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

2 重要會計政策摘要 (續)

2.12 現金及現金等價物

現金及現金等價物包括現金、銀行通知存款、原到期日為三個月或以下的其它短期高流動性投資，以及銀行透支。銀行透支在資產負債表的流動負債內貸款中列示。

2.13 股本

普通股被列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

如任何集團公司購入本公司的權益股本，所支付的代價，包括任何直接所佔的新增成本(扣除所得稅)，自本公司權益持有人應佔的權益中扣除，直至股份被註銷或重新發行。如股份其後被重新發行，任何已收取的代價，扣除任何直接所佔的新增交易成本及相關的所得稅影響，包括在本公司權益持有人的應佔權益內。

2.14 應付帳項

應付帳項初步按公平值確認，其後以實際利率法按攤銷成本計量。

2.15 貸款

貸款初步按公平值並扣除產生的交易成本確認。貸款其後按攤銷成本列帳；所得款(扣除交易成本)與贖回價值的任何差額利用實際利息法於貸款期間內在損益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(continued)**2.16 Current and deferred income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 重要會計政策摘要 (續)**2.16 本年及遞延所得稅項**

本年所得稅開支乃按本公司之附屬公司經營及產生應課稅收入之國家於結算日已實行或大致已實行之稅務法律計算。管理層就需作詮釋適用稅項法規下所作稅務申報定期評估，並按預期將支付稅務機關的款項基準計提適當撥備。

遞延所得稅項利用負債法就資產和負債的稅基與資產和負債在綜合財務報表的帳面值之差產生的暫時差異全數撥備。然而，若遞延所得稅項來自在交易（不包括企業合併）中對資產或負債的初步確認，而又卻在交易時不影響會計損益或應課稅盈虧，則不作確認。遞延所得稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延所得稅項負債結算時預期將會適用之稅率（及法例）而釐定。

遞延所得稅項資產是就可能未來應課稅盈利而就此可使用暫時差異而確認。

遞延所得稅項就附屬公司及聯營公司投資產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.17 Employee benefits

(a) *Employee leave entitlements*

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

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

(b) *Bonus plans*

Provisions for bonus plans due wholly within 12 months after balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(c) *Pension obligations*

The Group operates a number of defined contribution plans, the assets of which are generally held in separate trustee – administered funds.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 重要會計政策摘要 (續)

2.17 僱員福利

(a) *僱員應享假期*

僱員在年假和長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假。

(b) *獎金計劃*

當本集團為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將在結算日後12個月內應付之獎金計劃作撥備入帳。

(c) *退休金責任*

集團營運多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。

對於界定供款計劃，本集團以強制性、合約性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，即無進一步付款責任。供款在應付時確認為僱員福利開支，且可由供款全數歸屬前離開計劃的僱員所放棄的供款而減少。預付供款按照現金退款或可減少未來付款而確認為資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 重要會計政策摘要 (續)

2.17 僱員福利 (續)

(d) 以股份為基礎的補償

本集團設有一項以權益償付、以股份為基礎的補償計劃。僱員為獲取授予購股權而提供的服務的公平值確認為費用。在歸屬期間內將予支銷的總金額參考授予的購股權的公平值釐定，不包括任何非市場既定條件（例如盈利能力和銷售增長目標）的影響。非市場既定條件包括在有關預期歸屬的購股權數目的假設中。在每個結算日，本集團修訂其對預期歸屬購股權數目的估計。本集團在損益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

在購股權行使時，收取的所得款扣除任何直接應佔的交易成本後，撥入股本（面值）和股份溢價。

2.18 撥備

當本集團因已發生之事件須承擔現有法律或推定責任，而解除責任時有可能消耗資源，且並在責任金額能夠可靠地作出估算的情況下，需確認撥備。

如有多項類似責任，其需要在償付中流出資源的可能性，是根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備按預期需要的開支以償付責任的貼現值衡量，並採用稅前比率反映當時市場對金錢的時間值及該責任的相關風險。因時間的流逝而增加的撥備以利息支出確認。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, business tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- (a) Sale of goods – income from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.
- (b) Sale of properties – sale of completed properties held for sale is recognised when a legally-binding agreement has been executed and the risks and rewards of ownerships of the properties have been passed to the customers.
- (c) Rental income – rental income is recognised on a straight line basis over the lease term.
- (d) Service income – service income is recognised in the accounting periods in which the services are rendered.
- (e) Interest income – interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2 重要會計政策摘要 (續)

2.19 收益確認

收益包括在集團通常活動過程中出售貨品及服務已收或應收代價的公平值。收益在扣除增值稅、營業稅、退貨、回扣和折扣，以及對銷集團內部銷售後呈示。收益確認如下：

- (a) 銷貨 – 銷貨收益在擁有權之重大風險及回報轉移至客戶時確認。
- (b) 出售物業 – 出售已完工的待售物業之收益於已經簽立具法律效力的協議及在物業擁有權之風險及回報轉移至客戶時確認。
- (c) 租金收入 – 租金收入按租約年期以直線法確認。
- (d) 服務收入 – 服務收入在服務提供的會計期內確認。
- (e) 利息收入 – 利息收入採用實際利息法按時間比例基準確認。倘應收款出現減值，本集團會將帳面值減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款之利息收入按原實際利率確認。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.20 Leases

(a) *Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(b) *Finance leases*

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2 重要會計政策摘要 (續)

2.20 租賃

(a) *營運租賃*

擁有權的重大部份風險和回報由出租人保留的租賃分類為營運租賃。根據營運租賃支付的款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法在損益表支銷。

(b) *融資租賃*

如本集團持有租賃物業、機器及設備擁有權的近乎所有風險及回報，分類為融資租賃。融資租賃在租賃開始時按租賃資產之公平值及最低租賃付款現值兩者之較低者入帳。

每筆租金均分攤為負債及財務開支，使財務費用佔融資結欠額為常數比率。相應租賃責任在扣除財務開支後計入流動及非流動貸款內。財務費用的利息部份於租約期內在損益表支銷，使財務費用與每個期間的負債餘額之比為常數定期利率。根據融資租賃取得的物業、機器及設備按資產之可用年期或租期兩者的較低者折舊。

2.21 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。



3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a treasury committee under policies approved by the board of directors. The committee identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 89% (2006: 93%) of the Group's sales are denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 7% (2006: 3%) of costs are denominated in the units' functional currency. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transactions locally. The management monitors foreign exchange exposure closely and forward exchange contracts are used for hedging purposes when required.

3 財務風險管理

3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險（包括外匯風險、公平值利率風險、現金流量利率風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

風險管理由財資委員會根據董事局批准之政策執行。財資委員會透過與集團內營運單位之緊密合作，負責確定、評估及對沖財務風險。董事局就整體風險管理制訂原則，並就外匯風險、利率風險、信貸風險、衍生金融工具與非衍生金融工具之應用及將剩餘流動資金作出投資等範疇制訂政策。

(a) 市場風險

(i) 外匯風險

本集團面對交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外的貨幣進行銷售或採購。本集團約89%（二零零六年：93%）之營業額以進行銷售的營運單位功能貨幣以外的貨幣列值，約7%（二零零六年：3%）的成本以該單位功能貨幣列值。本集團透過當地業務交易所產生之現金流為其當地營運及投資提供資金，以管理日常業務過程中及投資於海外業務產生之外匯風險。管理層密切監察外幣風險及於有需要時，會利用遠期外匯合約作對沖用途。



3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the United States dollars (US\$) and Chinese Renminbi (RMB) exchange rate, with all other variables held constant, of the Group's profit after tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

		Increase/ (decrease) in US\$	Increase/ (decrease) in profit after tax 除稅後 盈利增加/ (減少)	Increase/ (decrease) in equity
		美元上升/ (下降) %	HKS'000 港幣千元	HKS'000 港幣千元
2007	二零零七年			
If HK\$ weakens against US\$	倘港元兌美元轉弱	5	1,655	1,655
If HK\$ strengthens against US\$	倘港元兌美元轉強	(5)	(1,655)	(1,655)
2006	二零零六年			
If HK\$ weakens against US\$	倘港元兌美元轉弱	5	1,607	1,607
If HK\$ strengthens against US\$	倘港元兌美元轉強	(5)	(1,607)	(1,607)

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

下表呈列當所有其它變數保持不變時，本集團之除稅後盈利（因貨幣資產及負債公平值變動）及權益於結算日對美元及人民幣匯率的合理變動之敏感度。



Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

		Increase/ (decrease) in RMB	Increase/ (decrease) in profit after tax 除稅後 盈利增加/ (減少)	Increase/ (decrease) in equity
		人民幣上升/ (下降) %	HK\$'000 港幣千元	HK\$'000 港幣千元
2007	二零零七年			
If HK\$ weakens against RMB	倘港元兌人民幣轉弱	10	4,366	4,366
If HK\$ strengthens against RMB	倘港元兌人民幣轉強	(10)	(4,366)	(4,366)
2006	二零零六年			
If HK\$ weakens against RMB	倘港元兌人民幣轉弱	10	(3,767)	(3,767)
If HK\$ strengthens against RMB	倘港元兌人民幣轉強	(10)	3,767	3,767

(ii) Price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as trading equity investments (Note 13) as at 31 December 2007. The Group's listed investments are listed in Hong Kong and London are valued at quoted market prices at the balance sheet date.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

(ii) 價格風險

股票價格風險為股票指數水平及個別證券價值變動導致股本證券公平值下降之風險。於二零零七年十二月三十一日，本集團面對之股票價格風險來自列為買賣股本投資(附註13)之個別股本投資。本集團之上市投資乃於香港及倫敦上市，按結算日所報市場價格估值。



3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The following table demonstrates the sensitivity to 5% increase/decrease in the fair values of the equity investments with all other variables held constant and after any impact on tax, based on their carrying amounts at the balance sheet date.

		Increase/ (decrease) in carrying amount of equity investment 股本投資 帳面值增加/ (減少) HK\$'000 港幣千元	Increase/ (decrease) in profit after tax 除稅後 盈利增加/ (減少) HK\$'000 港幣千元	Increase/ (decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元
2007	二零零七年			
5% increase in equity price	股本價格上升5%	2,431	2,005	2,005
5% decrease in equity price	股本價格下降5%	(2,431)	(2,005)	(2,005)
2006	二零零六年			
5% increase in equity price	股本價格上升5%	504	416	416
5% decrease in equity price	股本價格下降5%	(504)	(416)	(416)

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險 (續)

下表呈列按於結算日股本投資之帳面值，當所有其它變數保持不變時，及計及任何稅項影響後股本投資公平值增加／減少5%之敏感度。



3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) *Market risk (continued)*

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. During 2007 and 2006, the Group's borrowings at variable rate were denominated in US\$, RMB and HK\$.

The Group has not hedged its exposure to cash flow and fair value interest rate risk, as the management considers the risk is insignificant to the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit after tax (through the impact on floating rate borrowings) and the Group's equity.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) *市場風險 (續)*

(iii) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團的收入和營運現金流量基本上不受市場利率波動的影響。

本集團的利率風險來自長期貸款。按變動利率發行的貸款令本集團承受現金流量利率風險。按固定利率發行的貸款令本集團承受公平值利率風險。二零零七年及二零零六年本集團變動利率的貸款為美元、人民幣及港元。

由於管理層認為有關風險對本集團並不重大，故本集團並無對沖其現金流量及公平值利率風險。

下表呈列當所有其它變數不變時，本集團之除稅後盈利（透過浮動利率貸款變動之影響）及本集團權益對合理利率變動之敏感度。



Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

- (iii) Cash flow and fair value interest rate risk (continued)

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

- (iii) 現金流量及公平值利率風險 (續)

		Increase/ (decrease) in basis points	Increase/ (decrease) in profit after tax 除稅後 盈利增加/ (減少)	Increase/ (decrease) in equity
		利率基點 增加/(減少) %	盈利增加/ (減少) HK\$'000 港幣千元	權益增加/ (減少) HK\$'000 港幣千元
2007	二零零七年			
US\$	美元	1	(1,406)	(1,406)
RMB	人民幣	1	(437)	(437)
HK\$	港元	1	(418)	(418)
US\$	美元	(1)	1,406	1,406
RMB	人民幣	(1)	437	437
HK\$	港元	(1)	418	418
2006	二零零六年			
US\$	美元	1	(2,455)	(2,455)
HK\$	港元	1	(296)	(296)
US\$	美元	(1)	2,455	2,455
HK\$	港元	(1)	296	296



3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. 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, pledged bank deposits, due from associates and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in Note 14 to the consolidated financial statements.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

本集團定期檢討其財務資產之可收回金額，以確保及早對交易對方的信貸風險作出管理，並在有需要時作充足之減值虧損撥備。此外，本集團持續監察應收結餘情況，而本集團並無重大壞帳風險。

就有關本集團其它財務資產（其中包括現金及現金等價物、已抵押銀行存款、聯營公司欠款及其它應收款）的信貸風險，本集團因對方違約所產生的信貸風險，上限相等於該等工具的帳面值。

就本集團應收帳項信貸風險之其它量化數據，已於綜合財務報表附註14披露。

(c) 流動資金風險

本集團董事局就流動資金風險管理承擔最終責任，並已為本集團之短期、中期及長期資金融資及流動資金需求的管理建立一個合適之流動資金風險管理藍圖。本集團藉不斷監察預測及實際現金流、財務資產及負債之年期配對，及維持充足儲備及信貸額，管理流動資金風險。



3 FINANCIAL RISK MANAGEMENT (continued)

3 財務風險管理 (續)

3.1 Financial risk factors (continued)

3.1 財務風險因素 (續)

(c) Liquidity risk (continued)

(c) 流動資金風險 (續)

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contractual undiscounted payments, was as follows:

根據已立約而未貼現之付款計算，本集團於結算日財務負債之年期如下：

		Carrying amount as per consolidated balance sheet 按綜合資產負債表之帳面值 HK\$'000 港幣千元	Total contractual undiscounted cash flows 已立約而未貼現之現金流量總額 HK\$'000 港幣千元	On demand or within 1 year 應要求或一年內償還 HK\$'000 港幣千元	More than 1 year but less than 5 years 一年以上但於五年內 HK\$'000 港幣千元
2007	二零零七年				
Borrowings	貸款	686,406	710,506	666,062	44,444
Due to associates	欠聯營公司款項	24,906	24,906	24,906	-
Bills and accounts payables	應付票據及應付帳項	529,078	529,078	529,078	-
		1,240,390	1,264,490	1,220,046	44,444
2006	二零零六年				
Borrowings	貸款	666,235	680,831	553,529	127,302
Due to associates	欠聯營公司款項	22,787	22,787	22,787	-
Bills and accounts payables	應付票據及應付帳項	648,995	648,995	648,995	-
		1,338,017	1,352,613	1,225,311	127,302

**3 FINANCIAL RISK MANAGEMENT (continued)****3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (including share capital, reserves, retained profits, minority interests and other loans from minority shareholders of subsidiaries as shown in the consolidated balance sheet).

During 2007, the Group's strategy, which was unchanged from 2006, was to maintain a debt-to-adjusted capital ratio below 90%. The debt-to-adjusted capital ratios at 31 December 2007 and 2006 are as follows:

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Total debts	總債務	686,406	666,235
Less: Cash and cash equivalents	減：現金及現金等價物結餘	(283,461)	(275,156)
Net debt	淨債務	402,945	391,079
Total equity	總權益	1,251,968	1,004,219
Adjusted capital	經調整股本	1,256,243	1,008,294
Debt-to-adjusted capital ratio	債務對經調整股本比率	32%	39%

3 財務風險管理 (續)**3.2 資金風險管理**

本集團管理資金之目標為保障本集團持續經營之能力，以為股東帶來回報、為其它權益持有人帶來利益，及維持理想資金結構以減低資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息之金額，向股東返還資金或發行新股份。

本集團按債務與經調整股本比率監察股本。此比率按債務淨額除以經調整股本計算。債務淨額按總貸款（包括綜合資產負債表所列示之流動或非流動貸款）減現金及現金等價物結餘計算。經調整股本包括所有權益部分（包括綜合資產負債表所列示的股本、儲備、保留盈利、少數股東權益及附屬公司少數股東的其它貸款）。

於二零零七年，本集團之策略為維持債務與經調整股本比率低於90%，與二零零六年相同。於二零零七年及二零零六年十二月三十一日之債務與經調整股本比率如下：



3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management (continued)

The decrease in the debt-to-adjusted capital ratio during 2007 resulted primarily from the issue of new shares pursuant to the placing and subscription agreement (Note 16 (b)) and repayment of certain portion of syndicated loan.

3.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying values less impairment provision of accounts receivable and payable are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 財務風險管理 (續)

3.2 資金風險管理 (續)

二零零七年債務與經調整股本比率降低主要是因為根據配售及認購協議發行新股份(附註16(b))及償還部份銀團貸款。

3.3 公平值估計

在活躍市場買賣之金融工具(如買賣及可供出售證券)之公平值乃按結算日之市場報價計算。就本集團所持財務資產所用市場報價為現行買價。

並非在活躍市場買賣之金融工具之公平價值採用估值技術釐定。本集團採用多種方法，並根據每個結算日當時之市況作出假設。長期債務採用類似工具之市場報價或交易商報價。其它技術，例如估計折現現金流量，用以釐定其餘金融工具之公平價值。

應收及應付帳項之帳面值減去減值撥備與其公平值合理相若。就披露而言，財務負債公平值按未來訂約現金流量按本集團同類金融工具之現有市場利率貼現估計。



Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3 財務風險管理 (續)

3.4 Financial instruments by category

3.4 按類別劃分之金融工具

The carrying amounts of each of the categories of financial instruments at the balance sheet date are as follows:

於結算日，各類金融工具之帳面值如下：

Group 集團

Financial assets as per consolidated balance sheet	按綜合資產負債表的財務資產	Loans and receivables	Financial assets	Available-	Total
			at fair value through profit or loss (held for trading)	for-sale financial assets	
			按公平值透過損益列帳的財務資產 (作買賣用途)	可供出售財務資產	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
2007	二零零七年				
Available-for-sale financial assets	可供出售財務資產	-	-	1,509	1,509
Other receivables	其它應收款	9,505	-	-	9,505
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產	-	48,610	-	48,610
Bills and accounts receivable	應收票據及應收帳項	894,707	-	-	894,707
Due from associates	聯營公司欠款	4,032	-	-	4,032
Pledged bank deposits	已抵押銀行存款	750	-	-	750
Other cash and bank balances	其它現金及銀行結餘	394,028	-	-	394,028
		1,303,022	48,610	1,509	1,353,141



Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3 財務風險管理 (續)

3.4 Financial instruments by category (continued)

3.4 按類別劃分之金融工具 (續)

Group 集團

Financial liabilities as per consolidated balance sheet	按綜合資產負債表的財務負債	Financial liabilities at amortised costs 按攤銷成本入帳的財務負債 HK\$'000 港幣千元
2007	二零零七年	
Borrowings	貸款	686,406
Due to associates	欠聯營公司款項	24,906
Bills and accounts payable	應付票據及應付帳項	529,078
		1,240,390

Group 集團

Financial assets as per consolidated balance sheet	按綜合資產負債表的財務資產	Loans and receivables	Financial assets at fair value through profit or loss (held for trading) 按公平值透過損益列帳的財務資產 (作買賣用途)	Available-for-sale financial assets	Total
		貸款及應收款 HK\$'000 港幣千元	財務資產 HK\$'000 港幣千元	可供出售 財務資產 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
2006	二零零六年				
Available-for-sale financial assets	可供出售財務資產	-	-	7,772	7,772
Other receivables	其它應收款	11,747	-	-	11,747
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產	-	10,076	-	10,076
Bills and accounts receivable	應收票據及應收帳項	1,082,091	-	-	1,082,091
Due from associates	聯營公司欠款	1,050	-	-	1,050
Pledged bank deposits	已抵押銀行存款	839	-	-	839
Other cash and bank balances	其它現金及銀行結餘	275,156	-	-	275,156
		1,370,883	10,076	7,772	1,388,731



Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)**3 財務風險管理 (續)****3.4 Financial instruments by category (continued)****3.4 按類別劃分之金融工具 (續)****Group 集團**

		Financial liabilities at amortised costs 按攤銷成本入帳 的財務負債 HK\$'000 港幣千元
Financial liabilities as per consolidated balance sheet	按綜合資產負債表 的財務負債	
2006	二零零六年	
Borrowings	貸款	666,235
Due to associates	欠聯營公司款項	22,787
Bills and accounts payable	應付票據及應付帳項	648,995
		1,338,017

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**4 關鍵會計估算及判斷**

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.

估算和判斷會被持續評估，並根據過往經驗和其它因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

4.1 Critical accounting estimates and assumptions**4.1 關鍵會計估算及假設**

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

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的帳面值作出重大調整的估算和假設討論如下。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

- (a) *Estimated impairment of property, plant and equipment, leasehold land and land use rights*

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment, leasehold land and land use rights have been determined based on value-in-use calculations, taking into account latest market information and past experience. These calculations and valuations require the use of judgements and estimates.

- (b) *Estimate of fair value of investment properties*

The best evidence of fair value of properties is normally the current prices in an active market for comparable properties. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, by reference to independent valuations; and
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

4 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

- (a) 物業、機器及設備和租賃土地及土地使用權減值估算

當有事件出現或情況改變顯示帳面值可能無法收回時，須就物業、機器及設備和租賃土地及土地使用權進行減值檢討。在考慮近期市況及過往經驗，物業、機器及設備、租賃土地及土地使用權的可收回金額按照使用價值計算而釐定。此等計算及估價需要利用判斷及估算。

- (b) 投資物業公平值的估計

物業的公平值的最佳憑證普遍為可與相比的物業在活躍市場的當時價格。若沒有此等資料，本集團在一系列合理的公平值估計範圍內釐定有關金額。在作出判斷時，本集團會考慮多方面的資料，包括：

- (i) 以獨立估價作為參考，不同性質、狀況或地點的物業在活躍市場的當時價格（或受限於不同租賃或其它合約），經調整以反映此等差別；及
- (ii) 相類似物業在較不活躍市場的近期價格，附帶調整以反映該等價格出現的交易日期後經濟狀況的任何變動。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) *Estimate of fair value of investment properties* (continued)

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(c) *Current taxation and deferred taxation*

The Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 periods in which such determination are made.

4 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

(b) 投資物業公平值的估計 (續)

如未能取得當時或近期價格的資料，投資物業的公平值利用貼現現金估值技術釐定。本集團利用的假設主要根據結算日當時的市場情況釐定。

管理層對公平值估計的主要假設涉及：合約租金的收取；預期未來市場租金；無效期；維修規定；及適當的貼現率。此等估值定期與實際的市場收益數據以及本集團的實際交易和市場報告作出比較。

預期未來市場租金按照相類似物業在同一地點和狀況的當時市場租金釐定。

(c) 本年稅項及遞延稅項

本集團需要在中國及香港繳納稅項。在釐定稅項撥備金額及繳付相關稅項的時間時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延稅撥備。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) Current taxation and deferred taxation (continued)

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

4.2 Critical judgements in applying the Group's accounting policies

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

4 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

(c) 本年稅項及遞延稅項 (續)

當管理層認為未來可能存在應課稅盈利，令暫時差異或稅損得以被利用，有關該暫時差異及稅損的遞延稅項資產會被確認。在預期情況有別於原估計時，該差異會在情況變更的期間內影響遞延稅項資產和稅項的確認。

4.2 應用本集團會計政策的關鍵判斷

投資物業與業主自用物業的分別

本集團釐定一項物業是否符合資格為投資物業。在作出判斷時，本集團會考慮該物業所產生的現金流量是否基本不受與實體持有的其它資產所影響。業主自用物業所產生的現金流量，不單只來自該物業，亦來自用於生產或供應流程的其它資產。

某些物業其中的一部份是用以賺取租金或作為資本增值用途而持有的，而另一部份則持有作生產或供應貨品或服務或作為行政用途。如該等部份可獨立出售（或按融資租賃獨立出租），本集團會對該等部份獨立記帳。如該等部份不可以獨立出售，該物業只會在其不重大部份用作生產或供應貨品或服務或作行政用途而持有時記帳為投資物業。在釐定附屬服務是否那樣重大以致某項物業不符合作為投資物業時，須作出判斷。本集團在作出判斷時會獨立研究每項物業。



Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION

(a) Primary reporting format – business segments

The Group is organised into three major operating units: (i) steel trading, warehousing and distribution; (ii) steel manufacturing and processing; and (iii) property development and investment.

Turnover recognised during the year is as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Sale of goods	銷貨	5,420,072	4,761,904
Sale of properties held for sale	出售待售物業	–	3,753
Rental income	租金收入	13,026	11,877
Service income	服務收入	18,914	15,830
		5,452,012	4,793,364

The segment results for the year ended 31 December 2006 are as follows:

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manufacturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Total segment sales	分部銷售總額	4,329,521	450,558	15,864	20,010	–	4,815,953
Inter-segment sales	分部間銷售	(14,180)	(6,002)	(234)	(2,173)	–	(22,589)
Sales	銷售	4,315,341	444,556	15,630	17,837	–	4,793,364
Operating profit/(loss)	經營盈利/(虧損)	5,208	(7,093)	22,780	47	202,738	223,680
Finance costs	融資成本						(61,017)
Share of losses of associates	應佔聯營公司虧損						(3,597)
Profit before taxation	除稅前盈利						159,066
Taxation	稅項						(7,391)
Profit for the year	年度盈利						151,675

5 分部資料

(a) 主要報告形式 – 業務分部

本集團由三個主要營運單位組成：(i)鋼鐵貿易、倉儲及分銷；(ii)鋼鐵加工製造；及(iii)房地產開發及投資。

本年度確認之營業額如下：

截至二零零六年十二月三十一日止年度的分部業績如下：



Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

5 分部資料 (續)

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

(a) 主要報告形式 – 業務分部 (續)

The segment results for the year ended 31 December 2007 are as follows:

截至二零零七年十二月三十一日止年度的分部業績如下：

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manufacturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Total segment sales	分部銷售總額	4,995,876	421,183	13,258	22,316	-	5,452,633
Inter-segment sales	分部間銷售	-	-	(232)	(389)	-	(621)
Sales	銷售	4,995,876	421,183	13,026	21,927	-	5,452,012
Operating profit/(loss)	經營盈利/(虧損)	71,125	(18,361)	30,867	1,004	35,904	120,539
Finance costs	融資成本						(59,499)
Share of profits of associates	應佔聯營公司盈利						30,211
Profit before taxation	除稅前盈利						91,251
Taxation	稅項						4,020
Profit for the year	年度盈利						95,271

Unallocated operating profit represents other gains (including dilution gain in an associate) and expenses at corporate level.

未分配經營盈利為其它收益(包括聯營公司攤薄收益)及企業性開支。



Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

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

The segment assets and liabilities as at 31 December 2006 and depreciation, amortisation and capital expenditures for the year ended 31 December 2006 are as follows:

5 分部資料 (續)

(a) 主要報告形式 – 業務分部 (續)

於二零零六年十二月三十一日的分部資產和負債以及截至二零零六年十二月三十一日止年度的折舊、攤銷及資本開支如下：

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Assets	資產	1,259,736	313,398	319,756	14,326	546,842	2,454,058
Liabilities	負債	761,109	250,562	73,375	30,166	334,627	1,449,839
Depreciation	折舊	686	8,816	1,122	1,193	848	12,665
Amortisation	攤銷	-	525	32	-	1,248	1,805
Capital expenditures	資本開支	96	9,085	828	672	236	10,917



Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

5 分部資料 (續)

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

(a) 主要報告形式 – 業務分部 (續)

The segment assets and liabilities as at 31 December 2007 and depreciation, amortisation and capital expenditures for the year ended 31 December 2007 are as follows:

於二零零七年十二月三十一日的分部資產和負債以及截至二零零七年十二月三十一日止年度的折舊、攤銷及資本開支如下：

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Assets	資產	1,102,369	493,916	368,112	14,686	657,108	2,636,191
Liabilities	負債	613,119	450,537	69,961	31,408	219,198	1,384,223
Depreciation	折舊	743	6,457	1,194	1,384	476	10,254
Amortisation	攤銷	-	368	33	-	1,261	1,662
Capital expenditures	資本開支	2,555	3,372	20	584	411	6,942

Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, inventories, receivables and operating cash. Deferred taxation and investments in associates are included as unallocated and excluded from segment assets.

分部資產主要包括租賃土地及土地使用權、物業、機器及設備、存貨、應收款及營運現金。遞延稅項及聯營公司投資包括在未分配類別而不包括在分部資產。

Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

分部負債由營運負債組成。此等負債不包括稅項和企業貸款。

Capital expenditures comprise additions to leasehold land and land use rights, property, plant and equipment and intangible assets.

資本開支包括對租賃土地及土地使用權、物業、機器及設備及無形資產的添置。



Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

5 分部資料 (續)

(b) Secondary reporting format – geographical segments

(b) 次要報告形式 – 地區分部

The Group's business segments operate in five main geographical areas, even though they are managed on a worldwide basis.

本集團的業務分部在五個主要地區經營，雖然此等業務是以全球方式管理。

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Sales (by location of customers)	銷售 (按顧客地區分類)		
– Mainland China	– 中國	2,244,590	2,156,189
– Hong Kong	– 香港	152,295	870
– Asia (other than Mainland China and Hong Kong)	– 亞洲 (不包括中國及香港)	1,546,468	1,937,669
– Europe	– 歐洲	1,029,267	585,182
– Others	– 其它	479,392	113,454
		5,452,012	4,793,364
Assets located in	資產位於		
– Mainland China	– 中國	835,086	621,223
– Hong Kong	– 香港	1,292,980	1,438,768
– Others	– 其它	32,804	37,443
		2,160,870	2,097,434
Associates	聯營公司	475,321	356,624
		2,636,191	2,454,058
Capital expenditures in	資本開支於		
– Mainland China	– 中國	2,837	9,434
– Hong Kong	– 香港	4,105	1,483
		6,942	10,917



Notes to the Consolidated Financial Statements 綜合財務報表附註

6 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

In Hong Kong, held on:	在香港持有：
Leases of over 50 years	五十年期以上租賃
Outside Hong Kong, held on:	在香港以外持有：
Leases of between 10 to 50 years	十至五十年期的租賃

6 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指預付營運租賃款，按其帳面淨值分析如下：

2007	2006
HK\$'000	HK\$'000
港幣千元	港幣千元

64,794	66,038
16,207	16,530
81,001	82,568

Leasehold land and land use rights with aggregate carrying amount of approximately HK\$70,489,000 as at 31 December 2007 (2006: HK\$71,887,000) were pledged to secure against certain of the Group's bank borrowings (see Note 18).

於二零零七年十二月三十一日，租賃土地及土地使用權總帳面值約港幣70,489,000元（二零零六年：港幣71,887,000元）已為部份集團銀行貸款作抵押（見附註18）。

Movement of the leasehold land and land use rights during the year is as follows:

租賃土地及土地使用權於年內的變動如下：

2007	2006
HK\$'000	HK\$'000
港幣千元	港幣千元

Opening	期初	82,568	92,526
Exchange differences	匯兌差額	77	288
Disposal of a subsidiary	出售附屬公司	-	(8,446)
Amortisation of prepaid operating lease payments	預付營運租賃款項攤銷	(1,644)	(1,800)
		81,001	82,568



Notes to the Consolidated Financial Statements 綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、機器及設備

		Buildings 樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租賃樓宇 裝修 HK\$'000 港幣千元	Machinery 機器 HK\$'000 港幣千元	Furniture and equipment 傢具 及設備 HK\$'000 港幣千元	Motor vehicles 車輛 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2006	於二零零六年一月一日						
Cost	成本	134,639	11,608	77,673	14,873	16,733	255,526
Accumulated depreciation	累計折舊	(24,516)	(6,130)	(47,639)	(9,994)	(11,979)	(100,258)
Net book amount	帳面淨值	110,123	5,478	30,034	4,879	4,754	155,268
Year ended 31 December 2006	截至二零零六年 十二月三十一日止年度						
Opening net book amount	期初帳面淨值	110,123	5,478	30,034	4,879	4,754	155,268
Exchange differences	匯兌差額	2,076	195	440	65	58	2,834
Additions	增添	1,384	503	5,678	1,485	1,674	10,724
Disposals	出售	(4,041)	(10)	(5)	(47)	(617)	(4,720)
Disposal of a subsidiary	出售附屬公司	(29,887)	-	(13,258)	(1,975)	(575)	(45,695)
Depreciation	折舊	(4,699)	(1,057)	(3,930)	(1,033)	(1,946)	(12,665)
Closing net book amount	期終帳面淨值	74,956	5,109	18,959	3,374	3,348	105,746
At 31 December 2006	於二零零六年 十二月三十一日						
Cost	成本	102,913	12,353	69,256	12,043	14,214	210,779
Accumulated depreciation	累計折舊	(27,957)	(7,244)	(50,297)	(8,669)	(10,866)	(105,033)
Net book amount	帳面淨值	74,956	5,109	18,959	3,374	3,348	105,746
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	期初帳面淨值	74,956	5,109	18,959	3,374	3,348	105,746
Exchange differences	匯兌差額	2,254	354	-	117	51	2,776
Additions	增添	-	839	3,125	619	2,359	6,942
Depreciation	折舊	(3,382)	(1,259)	(3,021)	(909)	(1,683)	(10,254)
Closing net book amount	期終帳面淨值	73,828	5,043	19,063	3,201	4,075	105,210
At 31 December 2007	於二零零七年 十二月三十一日						
Cost	成本	105,503	13,697	72,381	12,899	13,333	217,813
Accumulated depreciation	累計折舊	(31,675)	(8,654)	(53,318)	(9,698)	(9,258)	(112,603)
Net book amount	帳面淨值	73,828	5,043	19,063	3,201	4,075	105,210



Notes to the Consolidated Financial Statements 綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expense of approximately HK\$6,195,000 (2006: HK\$7,810,000) has been expensed in cost of sales, HK\$748,000 (2006: HK\$990,000) in selling and distribution expenses and HK\$3,311,000 (2006: HK\$3,865,000) in general and administrative expenses.

Buildings with carrying amount of approximately HK\$46,135,000 at 31 December 2007 (2006: HK\$46,847,000) were pledged to secure against certain of the Group's bank borrowings (see Note 18).

Motor vehicles and machinery include the following amounts where the Group is a lessee under finance leases:

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cost – capitalised finance leases	成本 – 資本化融資租賃	12,546	15,594
Accumulated depreciation	累計折舊	(3,870)	(5,542)
Net book amount	帳面淨值	8,676	10,052

8 INVESTMENT PROPERTIES

Beginning of the year	年初	237,857	209,480
Additions	增添	–	150
Fair value gains (included in other gains) (Note 21)	公平值收益 (包括在其它收益) (附註21)	31,243	20,155
Exchange differences	匯兌差額	17,401	8,072
End of the year	年末	286,501	237,857

The investment properties were revalued on an open market basis at 31 December 2007 by independent, professionally qualified valuers, Vigers Appraisal & Consulting Limited.

7 物業、機器及設備 (續)

折舊費用其中約港幣6,195,000元(二零零六年:港幣7,810,000元)在銷售成本中支銷,港幣748,000元(二零零六年:港幣990,000元)計入銷售及分銷費用,而港幣3,311,000元(二零零六年:港幣3,865,000元)則計入一般及行政費用。

於二零零七年十二月三十一日,樓宇帳面值約港幣46,135,000元(二零零六年:港幣46,847,000元)已為部份集團銀行貸款作抵押(見附註18)。

集團作為融資租賃承租方的車輛及機器包括下述金額:

8 投資物業

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Beginning of the year	年初	237,857	209,480
Additions	增添	–	150
Fair value gains (included in other gains) (Note 21)	公平值收益 (包括在其它收益) (附註21)	31,243	20,155
Exchange differences	匯兌差額	17,401	8,072
End of the year	年末	286,501	237,857

投資物業在二零零七年十二月三十一日由獨立專業合資格評估師威格斯資產評估顧問有限公司根據公開市值重估。



Notes to the Consolidated Financial Statements 綜合財務報表附註

8 INVESTMENT PROPERTIES (continued)

The Group's interests in investment properties at their net book amounts are analysed as follows:

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Mainland China	中國		
– held on leases of over 50 years	– 持有五十年期 以上的租賃	17,527	11,100
– held on leases of between 10 and 50 years	– 持有十至五十年期 的租賃	268,974	226,757
		286,501	237,857

At 31 December 2007, investment properties of approximately HK\$91,224,000 (2006: HK\$77,309,000) were pledged as collateral for the Group's banking facilities (see Note 18).

8 投資物業 (續)

本集團在投資物業的權益按其帳面淨值分析如下：

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Mainland China	中國		
– held on leases of over 50 years	– 持有五十年期 以上的租賃	17,527	11,100
– held on leases of between 10 and 50 years	– 持有十至五十年期 的租賃	268,974	226,757
		286,501	237,857

於二零零七年十二月三十一日，投資物業約港幣91,224,000元（二零零六年：港幣77,309,000元）已予抵押，作為本集團之銀行融資抵押品（見附註18）。

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES**(a) Investments in subsidiaries**

		Company	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份，按成本	42,415	42,415

9 附屬公司投資及結餘**(a) 附屬公司投資**



Notes to the Consolidated Financial Statements 綜合財務報表附註

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (continued)

(a) Investments in subsidiaries (continued)

The following is a list of the principal subsidiaries at 31 December 2007:

Name	Place of incorporation/ operations and kind of legal entity	Issued and fully paid capital	Percentage of equity interest/ voting capital attributable to the Group	Principal activities
名稱	註冊成立／經營地點及法定地位	已發行及已繳足股本	本集團擁有之權益／有投票權股本百分比	主要業務性質
Directly held: 直接持有：				
Burwill and Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$50,000,000 and £50,000 港幣50,000,000元及50,000英磅	100%	Investment holding 投資控股
Burwill China Portfolio Limited	The British Virgin Islands limited liability company 英屬處女群島有限責任公司	US\$1 1美元	100%	Investment holding 投資控股
Indirectly held: 間接持有：				
Burwill Resources Limited 寶威物料供應有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1,000,000 港幣1,000,000元	100%	Steel trading 鋼鐵貿易
Burwill Steel Company Limited	The British Virgin Islands limited liability company 英屬處女群島有限責任公司	US\$13 13美元	100%	Investment holding 投資控股

9 附屬公司投資及結餘 (續)

(a) 附屬公司投資 (續)

於二零零七年十二月三十一日之主要附屬公司如下：

Percentage of equity interest/ voting capital attributable to the Group	Principal activities
本集團擁有之權益／有投票權股本百分比	主要業務性質
100%	Investment holding 投資控股
100%	Investment holding 投資控股
100%	Steel trading 鋼鐵貿易
100%	Investment holding 投資控股



Notes to the Consolidated Financial Statements 綜合財務報表附註

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (continued)

9 附屬公司投資及結餘 (續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資 (續)

Name	Place of incorporation/ operations and kind of legal entity	Issued and fully paid capital	Percentage of equity interest/ voting capital attributable to the Group	Principal activities
名稱	註冊成立/經營地點及法定地位	已發行及已繳足股本	本集團擁有之權益/有投票權股本百分比	主要業務性質
Indirectly held: (continued) 間接持有: (續)				
Burwill Steel Pipes Limited 寶威鋼管有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$15,000,000 港幣15,000,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
Burwill Times Industrial Limited 寶威時代實業有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Investment holding 投資控股
Burwill Warehousing (Shanghai) Limited (i) 寶威倉儲(上海)有限公司(i)	Mainland China 中國	US\$1,200,000 1,200,000美元	100%	Steel warehousing and distribution 鋼鐵倉儲及分銷
Dongguan Hingwah Metals Factory Limited (i) 東莞謙華五金廠有限公司(i)	Mainland China 中國	HK\$72,000,000 港幣72,000,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
寶威鋼鐵製品(東莞)有限公司(i)	Mainland China 中國	HK\$28,500,000 港幣28,500,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
Hing Wah Metals Factory Limited 謙華五金廠有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$5,000,000 港幣5,000,000元	100%	Investment holding 投資控股
Hillot Limited	Hong Kong limited liability company 香港有限責任公司	HK\$500,000 港幣500,000元	100%	Securities investment 證券投資



Notes to the Consolidated Financial Statements 綜合財務報表附註

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (continued)

9 附屬公司投資及結餘 (續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資 (續)

Name	Place of incorporation/ operations and kind of legal entity	Issued and fully paid capital	Percentage of equity interest/ voting capital attributable to the Group	Principal activities
名稱	註冊成立/經營地點及法定地位	已發行及已繳足股本	本集團擁有之權益/有投票權股本百分比	主要業務性質
Indirectly held: (continued)				
間接持有: (續)				
Goldenbridge Services Limited 瑞僑服務有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業
揚州時代實業有限公司(ii)	Mainland China 中國	RMB60,000,000 人民幣60,000,000元	69%	Property holding and development 持有物業及房地產開發
Yinmain Industrial Limited 應鳴實業有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業

Notes:

- (i) Burwill Warehousing (Shanghai) Limited, Dongguan Hingwah Metals Factory Limited and 寶威鋼鐵製品(東莞)有限公司 are wholly foreign owned enterprises established in Mainland China to be operated for 50 years up to March 2050, 20 years up to July 2013 and 12 years up to December 2013, respectively.
- (ii) 揚州時代實業有限公司 is a Sino-foreign equity joint venture established in Mainland China to be operated for 40 years up to April 2039.

The above list includes only those subsidiaries which, in the opinion of the directors, are material to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附註:

- (i) 寶威倉儲(上海)有限公司、東莞謙華五金廠有限公司及寶威鋼鐵製品(東莞)有限公司均為於中國成立之外商獨資企業,營業期分別為五十年至二零五零年三月、二十年至二零一三年七月及十二年至二零一三年十二月。
- (ii) 揚州時代實業有限公司是於中國成立之中外合資企業,營業期為四十年至二零三九年四月。

以上所列僅包括董事認為對本集團具重要性之附屬公司。董事認為倘載列其它附屬公司之詳情,將會令篇幅過於冗長。



Notes to the Consolidated Financial Statements 綜合財務報表附註

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (continued)**(a) Investments in subsidiaries (continued)**

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2007.

(b) Balances with subsidiaries

Except for the amounts due from subsidiaries and due to a subsidiary amounting to approximately HK\$405,000,000 (2006: HK\$291,614,000) and approximately HK\$94,366,000 (2006: HK\$252,187,000) respectively which bear interest at commercial banks' lending rate of 6.75% to 7.75% (2006: 7.75% to 8%) per annum and are not repayable within one year, all the outstanding balances with subsidiaries are unsecured, non-interest bearing and repayable on demand.

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES**(a) Investments in associates – Group**

		Group 集團	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Beginning of the year	年初	356,624	118,929
Share of results of associates	所佔聯營公司業績		
– profits/(losses) before taxation	– 除稅前盈利/(虧損)	30,797	(3,023)
– taxation	– 稅項	(586)	(574)
		386,835	115,332
Dividends received	已收股息	(1,900)	(2,800)
Exchange differences	匯兌差額	6,458	1,377
Share of net assets arising from disposal of a subsidiary	因出售附屬公司應佔資產淨值	–	21,993
Share of reserves of associates	應佔聯營公司儲備	8,234	5,187
Additions	增添	22,663	2,693
Dilution gain in an associate	聯營公司攤薄收益	53,031	212,842
End of the year	年末	475,321	356,624

9 附屬公司投資及結餘 (續)**(a) 附屬公司投資 (續)**

於截至二零零七年十二月三十一日止年度間任何時間，附屬公司均沒有任何已發借貸資本。

(b) 附屬公司結餘

除附屬公司欠款及欠附屬公司款分別約為港幣405,000,000元(二零零六年:港幣291,614,000元)及約為港幣94,366,000元(二零零六年:港幣252,187,000元)之年息為商業銀行借貸利率年息由6.75厘至7.75厘(二零零六年:7.75厘至8厘)及不須於一年內還款外,所有其它與附屬公司結欠均無抵押、免利息及在要求時還款。

10 聯營公司投資及結餘**(a) 聯營公司投資 – 集團**



Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued)

10 聯營公司投資及結餘 (續)

(a) Investments in associates – Group (continued)

(a) 聯營公司投資 – 集團 (續)

The Group's interests in associates were as follows:

本集團在聯營公司的權益如下:

Name	Particulars of issued capital	Country of incorporation	Assets	Liabilities	Revenues	Profit/(loss)	% of interest held
名稱	已發行股本詳情	註冊成立國家	資產	負債	收入	盈利/ (虧損)	持有 權益%
			HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
2006							
China LotSynergy Holdings Limited 華彩控股有限公司	Ordinary shares of HK\$0.01 each, listed in Hong Kong 普通股·每股港幣0.01元·於香港上市	Bermuda 百慕達	325,471	33,029	17,111	(6,391)	21.65% (Direct) (直接) 0.10% (Indirect) (間接)
Indirectly held: 間接持有:							
Nam Wah Precision Product (BVI) Limited	Ordinary shares of US\$0.1 each, unlisted 普通股·每股0.1美元·非上市	The British Virgin Islands 英屬處女群島	62,467	22,040	112,243	1,999	20%
Masteel (Yangzhou) Processing & Distribution Co. Ltd. 馬鋼(揚州)鋼材加工有限公司	Paid up capital of US\$10,000,730 實繳資本 10,000,730美元	Mainland China 中國	33,912	10,865	2,915	817	29%
揚州世紀電影城有限公司	Paid up capital of RMB5,000,000 實繳資本人民幣 5,000,000元	Mainland China 中國	2,170	1,462	1,861	(22)	30%
			424,020	67,396	134,130	(3,597)	



Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued)

10 聯營公司投資及結餘 (續)

(a) Investments in associates – Group (continued)

(a) 聯營公司投資 – 集團 (續)

Name	Particulars of issued capital	Country of incorporation	Assets	Liabilities	Revenues	Profit/(loss)	% of interest held
名稱	已發行股本詳情	註冊成立國家	資產	負債	收入	盈利/虧損	持有權益%
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	
			港幣千元	港幣千元	港幣千元	港幣千元	
2007							
China LotSynergy Holdings Limited 華彩控股有限公司	Ordinary shares of HK\$0.0025 each, listed in Hong Kong 普通股·每股港幣0.0025元·於香港上市	Bermuda 百慕達	575,889	192,238	64,374	27,008	20.05% (Direct) (直接) 0.09% (Indirect) (間接)
Indirectly held: 間接持有:							
Nam Wah Precision Product (BVI) Limited	Ordinary shares of US\$0.1 each, unlisted 普通股·每股0.1美元·非上市	The British Virgin Islands 英屬處女群島	59,953	21,598	79,195	(534)	20%
Masteel (Yangzhou) Processing & Distribution Co. Ltd. 馬鋼(揚州)鋼材加工有限公司	Paid up capital of US\$19,997,570 實繳資本 19,997,570美元	Mainland China 中國	229,088	176,544	391,319	3,730	29%
揚州世紀電影城有限公司	Paid up capital of RMB5,000,000 實繳資本人民幣 5,000,000元	Mainland China 中國	2,558	1,787	2,148	7	30%
			867,488	392,167	537,036	30,211	



Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued)

(b) Investment in an associate – Company

		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Shares listed in Hong Kong – at cost	於香港上市股份 – 按成本	10,766	10,766
Market value of listed shares	上市股份市值	1,489,265	679,381

(c) Balances with associates

The outstanding balances with associates are unsecured, non-interest bearing and repayable on demand.

10 聯營公司投資及結餘 (續)

(b) 聯營公司投資 – 公司

		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Shares listed in Hong Kong – at cost	於香港上市股份 – 按成本	10,766	10,766
Market value of listed shares	上市股份市值	1,489,265	679,381

(c) 聯營公司結餘

與聯營公司結欠均無抵押、免利息及於要求時還款。

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		Group 集團		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Club debentures	會所債券	1,509	1,509	90	90
Equity securities listed overseas, at market value	於海外上市股本證券 按市值	–	6,263	–	–
		1,509	7,772	90	90

During the year ended 31 December 2006, the Group recognised a loss of approximately HK\$7,800,000 for impairment of its unlisted debt securities. The loss was included in other gains in the income statement (see Note 21).

11 可供出售財務資產

		Group 集團		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Club debentures	會所債券	1,509	1,509	90	90
Equity securities listed overseas, at market value	於海外上市股本證券 按市值	–	6,263	–	–
		1,509	7,772	90	90

於截至二零零六年十二月三十一日止年度內，本集團就其非上市債券的減值確認虧損約港幣7,800,000元。此項虧損已包括在損益表內其它收益(見附註21)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

12 INVENTORIES

12 存貨

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Raw materials	原材料	121,605	86,044
Work-in-progress	在製品	5,662	8,627
Finished goods	製成品	38,784	61,662
Consumables	消耗品	1,289	1,409
		167,340	157,742

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$5,021,398,000 (2006: HK\$4,505,149,000).

存貨成本中確認為費用並列入銷售成本的金額共計約港幣5,021,398,000元(二零零六年:港幣4,505,149,000元)。

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

13 按公平值透過損益列帳的財務資產

		Group 集團		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Financial assets at fair value through profit or loss:	按公平值透過損益列帳的財務資產:				
- Listed equity securities	- 上市股本證券				
- Hong Kong	- 香港	48,302	9,185	1	1
- Overseas	- 海外	308	227	-	-
Market value of listed securities	上市證券之市值	48,610	9,412	1	1
Derivative financial assets	衍生財務資產	-	664	-	-
		48,610	10,076	1	1

Changes in fair values of financial assets at fair value through profit or loss are recorded in other gains in the income statement (see Note 21).

按公平值透過損益列帳的財務資產的公平值變動·在損益表內其它收益中列帳(見附註21)。

At 31 December 2007, equity securities listed in Hong Kong with market value of approximately HK\$48,301,000 (2006: HK\$9,184,000) were pledged to secure margin facility of the Group (see Note 18).

於二零零七年十二月三十一日·於香港上市的股本證券市值約港幣48,301,000元(二零零六年:港幣9,184,000元)已為集團孖展融資作抵押(見附註18)。

The fair value of all equity securities is based on their current bid prices in an active market.

所有股本證券公平值乃根據其在活躍市場之現時出價計算。



Notes to the Consolidated Financial Statements 綜合財務報表附註

14 BILLS, ACCOUNTS AND OTHER RECEIVABLES

14 應收票據、應收帳項及其它應收款

		Group 集團		Company 公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Bills and accounts receivable	應收票據及應收帳項	898,780	1,088,091	-	-
Less: provision for impairment of receivables	減：應收款減值 撥備	(4,073)	(6,000)	-	-
Bills and accounts receivable - net (Note (a))	應收票據及應收帳項 - 淨額 (附註(a))	894,707	1,082,091	-	-
Loan to a director (Note 32)	董事借款 (附註32)	181	423	-	-
Deposits, prepayments and other receivables	按金、預付款及 其它應收款	134,498	96,855	248	28
		134,679	97,278	248	28
Less: non-current portion of loan to a director	減：董事借款 非流動部份	-	(181)	-	-
		134,679	97,097	248	28
		1,029,386	1,179,188	248	28

The Group has recognised a loss of approximately HK\$93,000 (2006: HK\$1,912,000) for impairment of its accounts receivable and other receivables for the year ended 31 December 2007. The loss has been included in general and administrative expenses in the income statement.

Notes:

- (a) The Group normally grants to its customers credit periods for sales of goods ranging from 30 days to 120 days. Consideration in respect of sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rentals in respect of leased properties are payable by the tenants on a monthly basis.

於截至二零零七年十二月三十一日止年度內，本集團就其應收帳項及其它應收款的減值確認虧損約港幣93,000元（二零零六年：港幣1,912,000元）。此項虧損已包括在損益表內一般及行政費用。

附註：

- (a) 本集團普遍就銷貨收入給予其客戶三十日至一百二十日之信用期。買家應付銷售物業的作價乃根據銷售合約中條款支付。租賃物業之租金收入由租戶按月支付。



Notes to the Consolidated Financial Statements 綜合財務報表附註

14 BILLS, ACCOUNTS AND OTHER RECEIVABLES
(continued)

Notes: (continued)

(a) (continued)

Ageing analysis of bills and accounts receivable as at 31 December 2007 is as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within three months	三個月內	886,363	1,071,436
Over three months but within six months	超過三個月而不超過六個月	8,492	4,686
Over six months but within twelve months	超過六個月而不超過十二個月	1,466	168
Over twelve months	超過十二個月	2,459	11,801
		898,780	1,088,091
Less: provision for impairment of receivables	減: 應收款減值撥備	(4,073)	(6,000)
		894,707	1,082,091

There is no significant concentration of credit risk with respect to bills and accounts receivable as the Group has a large number of customers, internationally dispersed.

- (b) Accounts receivable that are less than three months past due are generally not considered impaired. As of 31 December 2007, the following accounts receivable were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these accounts receivable is as follows:

		Group 集團	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within three months	三個月內	132,385	109,005
Over three months but within six months	超過三個月而不超過六個月	7,486	4,686
Over six months but within twelve months	超過六個月而不超過十二個月	-	168
Over twelve months	超過十二個月	390	5,802
		140,261	119,661

14 應收票據、應收帳項及其它應收款
(續)

附註: (續)

(a) (續)

於二零零七年十二月三十一日，應收票據及應收帳項帳齡分析如下：

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within three months	886,363	1,071,436
Over three months but within six months	8,492	4,686
Over six months but within twelve months	1,466	168
Over twelve months	2,459	11,801
	898,780	1,088,091
Less: provision for impairment of receivables	(4,073)	(6,000)
	894,707	1,082,091

應收票據及應收帳項並無重大集中的信貸風險，因為本集團有眾多客戶，遍佈世界各地。

- (b) 逾期少於三個月的應收帳項通常不被視為已經減值。於二零零七年十二月三十一日，以下應收帳項為已逾期但並無減值。此等款項涉及多個最近沒有拖欠還款記錄的獨立客戶。此等應收帳項的帳齡分析如下：



14 BILLS, ACCOUNTS AND OTHER RECEIVABLES
(continued)

Notes: (continued)

- (c) As of 31 December 2007, accounts receivable of approximately HK\$93,000 (2006: Nil) were impaired. The amount of the provision was approximately HK\$4,073,000 as of 31 December 2007 (2006: HK\$6,000,000). The individually impaired accounts receivable mainly relate to customers, which are in unexpected difficult economic situations. The ageing of these accounts receivable is as follows:

Over twelve months	超過十二個月
--------------------	--------

- (d) The carrying amounts of the Group's bills and accounts receivable are denominated in the following currencies:

US\$	美元
RMB	人民幣
HK\$	港幣

- (e) Movements on the provision for impairment of accounts receivable are as follows:

At 1 January	於一月一日
Provision for accounts receivable impairment	應收帳項減值撥備
Accounts receivable written off during the year as uncollectible	於年中因不能收回而撇銷的應收帳項

At 31 December	於十二月三十一日
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The creation and release of provision for impaired accounts receivable have been included in general and administrative expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within bills and accounts receivable do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

14 應收票據、應收帳項及其它應收款
(續)

附註：(續)

- (c) 應收帳項約為港幣93,000元(二零零六年：無)於二零零七年十二月三十一日已經減值。於二零零七年十二月三十一日，呆帳準備約為港幣4,073,000元(二零零六年：港幣6,000,000元)。個別減值的應收帳項主要來自處於預料以外經濟困境中的客戶。此等應收帳項的帳齡如下：

Group 集團	
2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
93	-

- (d) 本集團的應收票據及應收帳項的帳面金額以下列貨幣為單位：

Group 集團	
2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
828,025	1,037,221
19,656	6,196
47,026	38,674
894,707	1,082,091

- (e) 應收帳項呆帳準備變動如下：

Group 集團	
2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
6,000	6,000
4,000	-
(5,927)	-
4,073	6,000

對已減值應收帳項撥備的設立和撥回已包括在損益表中一般及行政費用內。在準備帳戶中扣除的數額一般會在預期無法收回額外現金時撇銷。

應收票據及應收帳項內的其它分類沒有包含已減值資產。

在報告日期，信貸風險的最高風險承擔為上述每類應收款的公平值。本集團不持有任何作為質押的抵押品。



Notes to the Consolidated Financial Statements 綜合財務報表附註

15 CASH AND BANK BALANCES

15 現金及銀行結餘

		Group		Company	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cash at banks and in hand	銀行及庫存現金	210,378	247,313	834	1,015
Short-term bank deposits	短期銀行存款	184,400	28,682	-	-
		394,778	275,995	834	1,015

The effective interest rate on short-term bank deposits was 4.21% (2006: 4.23%); these deposits have an average maturity of 220 days (2006: 13 days).

短期銀行存款的實際利率為4.21厘(二零零六年:4.23厘);該等存款的平均到期日為220天(二零零六年:13天)。

At 31 December 2007, the Group had bank deposits of approximately HK\$750,000 (2006: HK\$839,000) pledged with the banks in Mainland China (see Note 31).

於二零零七年十二月三十一日,集團有銀行結餘約港幣750,000元(二零零六年:港幣839,000元)抵押予中國之銀行(見附註31)。

At 31 December 2007, pledged bank deposits and other cash and bank balances of approximately HK\$146,817,000 (2006: HK\$30,250,000) are denominated in RMB and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese Government. Also the exchange rate is determined by the Chinese Government.

於二零零七年十二月三十一日,已抵押銀行存款及其它現金及銀行結餘約港幣146,817,000元(二零零六年:港幣30,250,000元)是以人民幣為貨幣單位並存放於中國之銀行。從中國匯出該等資金會受限於中國政府實施之外匯管制規條。同時,匯率由中國政府釐定。

16 SHARE CAPITAL

16 股本

		Number of	Nominal
		ordinary shares	value
		普通股數目	面值
		(thousands)	HK\$'000
		(千計)	港幣千元
At 1 January 2006,	於二零零六年一月一日、		
31 December 2006	二零零六年十二月三十一日		
and 1 January 2007	及二零零七年一月一日	1,032,129	103,213
Issue of shares (Note (b))	發行股份(附註(b))	80,000	8,000
At 31 December 2007	於二零零七年十二月三十一日	1,112,129	111,213

**16 SHARE CAPITAL (continued)**

Notes:

- (a) The total authorised number of ordinary shares is 1,800 million shares (2006: 1,800 million shares) with a nominal value of HK\$0.1 per share (2006: HK\$0.1 per share). All issued shares are fully paid.
- (b) Pursuant to the placing and subscription agreement dated 1 June 2007 and the supplemental agreement dated 4 June 2007, the Company allotted and issued a total of 80,000,000 new shares at a subscription price of HK\$1.50 each.

Share options

At the annual general meeting of the Company held on 6 June 2002, shareholders of the Company approved the termination of the share option scheme adopted by the Company on 23 July 1999 and the adoption of a new share option scheme (the "New Scheme"). Under the New Scheme, the Company may grant options to employees (including executive directors) of the Group to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued on exercise of options. The subscription price will be determined by the directors, and will not be less than the highest of the nominal value of the shares, the closing price of the shares quoted on the Stock Exchange on the trading day of granting the options and the average of the closing prices of the shares quoted on the Stock Exchange for the five trading days immediately preceding the date of granting the options.

No share options were granted, forfeited, exercised or lapsed during the years ended 31 December 2006 and 2007. No share options were outstanding at 31 December 2006 and 2007.

16 股本 (續)

附註:

- (a) 普通股的法定數目總額為18億股(二零零六年: 18億股), 每股面值為港幣0.1元(二零零六年: 每股面值港幣0.1元)。所有已發行股份均已全數繳足。
- (b) 根據於二零零七年六月一日訂立之配售及認購協議及於二零零七年六月四日訂立之補充協議, 本公司按認購價每股港幣1.50元配發及發行合共80,000,000股新股份。

購股權

本公司於二零零二年六月六日舉行之股東週年大會上獲得股東批准終止公司於一九九九年七月二十三日採用之購股權計劃及採用新購股權計劃(「新計劃」)。根據新計劃, 本公司可授予集團之員工(包括執行董事)購股權以認購本公司之股份, 但僅限於最多當時本公司已發行股本之30%(不計入因行使購股權而發行的股份)。每股之認購價由董事決定, 並將不少於股份面值、在授出購股權當日於聯交所匯報之收市價及在授出購股權前五個交易日內於聯交所匯報之平均收市價三者之較高者。

於截至二零零六年及二零零七年十二月三十一日止年度, 並無購股權被授出、沒收、行使或失效。於二零零六年及二零零七年十二月三十一日並無未行使之購股權。



Notes to the Consolidated Financial Statements 綜合財務報表附註

17 OTHER RESERVES AND RETAINED PROFITS

17 其它儲備及保留盈利

		Share premium	Capital reserve	Capital redemption reserve	Group 集團 Available- for-sale investment revaluation reserve 可供出售 投資 重估儲備	Translation adjustments	Retained profits	Total
		股份溢價 HK\$'000 港幣千元	資本儲備 HK\$'000 港幣千元	資本回贖 儲備 HK\$'000 港幣千元	重估儲備 HK\$'000 港幣千元	換算調整 HK\$'000 港幣千元	保留盈利 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Balance at 1 January 2006	二零零六年一月一日結餘	463,171	7,054	11,977	-	4,804	235,514	722,520
Currency translation differences	貨幣匯兌 差額							
- Group	- 集團	-	-	-	-	8,610	-	8,610
- Associates	- 聯營公司	-	-	-	-	1,377	-	1,377
Profit for the year	年度盈利	-	-	-	-	-	149,380	149,380
Share of reserves of associates	應佔聯營公司儲備	-	5,187	-	-	-	-	5,187
Fair value gains on available-for-sale financial assets	可供出售財務 資產的公平值 收益	-	-	-	1,767	-	-	1,767
Transfer to profit or loss on disposal of available- for-sale financial assets	出售可供出售 財務資產轉出 至損益帳	-	-	-	(650)	-	-	(650)
Dividends paid	已付股息	-	-	-	-	-	(30,964)	(30,964)
Balance at 31 December 2006	二零零六年十二月 三十一日結餘	463,171	12,241	11,977	1,117	14,791	353,930	857,227



Notes to the Consolidated Financial Statements 綜合財務報表附註

17 OTHER RESERVES AND RETAINED PROFITS
(continued)

17 其它儲備及保留盈利 (續)

		Share premium	Capital reserve	Capital redemption reserve	Available- for-sale Capital investment revaluation reserve	Translation adjustments	Retained profits	Total
		股份溢價	資本儲備	資本回購 儲備	重估儲備	換算調整	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2007	二零零七年一月一日 結餘	463,171	12,241	11,977	1,117	14,791	353,930	857,227
Currency translation differences	貨幣匯兌 差額							
- Group	- 集團	-	-	-	-	17,738	-	17,738
- Associates	- 聯營公司	-	-	-	-	6,458	-	6,458
Profit for the year	年度盈利	-	-	-	-	-	86,307	86,307
Share of reserves of associates	應佔聯營公司 儲備	-	8,234	-	-	-	-	8,234
Fair value gains on available-for-sale financial assets	可供出售財務 資產的 公平值收益	-	-	-	523	-	-	523
Transfer to profit or loss on disposal of available- for-sale financial assets	出售可供出售 財務資產轉出 至損益帳	-	-	-	(1,640)	-	-	(1,640)
Issue of shares	發行股份	109,769	-	-	-	-	-	109,769
Share issue expenses	股份發行開支	(79)	-	-	-	-	-	(79)
Balance at 31 December 2007	二零零七年十二月 三十一日結餘	572,861	20,475	11,977	-	38,987	440,237	1,084,537



Notes to the Consolidated Financial Statements 綜合財務報表附註

17 OTHER RESERVES AND RETAINED PROFITS
(continued)

17 其它儲備及保留盈利 (續)

		Company 公司				
		Share premium	Capital redemption reserve	Contributed surplus	Retained profits	Total
		股份溢價	資本回贖 儲備	繳入盈餘	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2006	二零零六年一月一日結餘	463,171	11,977	128,832	53,529	657,509
Loss for the year	年度虧損	-	-	-	(12,601)	(12,601)
Dividends paid	已付股息	-	-	-	(30,964)	(30,964)
Balance at 31 December 2006	二零零六年十二月三十一日結餘	463,171	11,977	128,832	9,964	613,944
Balance at 1 January 2007	二零零七年一月一日結餘	463,171	11,977	128,832	9,964	613,944
Profit for the year	年度盈利	-	-	-	869	869
Issue of shares	發行股份	109,769	-	-	-	109,769
Share issue expenses	股份發行開支	(79)	-	-	-	(79)
Balance at 31 December 2007	二零零七年十二月三十一日結餘	572,861	11,977	128,832	10,833	724,503

Contributed surplus represents the difference between the nominal amount of the shares issued and the book value of the underlying net assets of subsidiaries acquired. It can be utilised for issuance of bonus shares or for capital redemption upon repurchase of shares.

繳入盈餘乃股份發行之面值與購入附屬公司之淨資產帳面值之差額。繳入盈餘可供發行紅股或購回股份時作資本贖回使用。

Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

根據百慕達一九八一年公司法，繳入盈餘可分派給股東，但如(i)於分派後，公司未能償還到期債務或(ii)其資產之可變現價值少於其負債、已發行股本及股份溢價帳之總和，本公司不能宣佈或支付股息或分派繳入盈餘。

The Company's reserves (excluding retained profits) as at 31 December 2007 available for distribution to shareholders were represented by the contributed surplus of approximately HK\$128,832,000 (2006: HK\$128,832,000).

於二零零七年十二月三十一日，可供分派給股東之本公司儲備（不包括保留盈利）為繳入盈餘約港幣128,832,000元（二零零六年：港幣128,832,000元）。



Notes to the Consolidated Financial Statements 綜合財務報表附註

18 BORROWINGS

18 貸款

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Non-current	非流動		
Bank borrowings	銀行貸款	36,041	120,365
Other loans from minority shareholders of subsidiaries	附屬公司少數股東的 其它貸款	4,275	4,075
Finance lease liabilities	融資租賃負債	4,060	2,821
		44,376	127,261
Current	流動		
Bank borrowings	銀行貸款	617,814	535,931
Other loans under margin facilities	孖展融資下其它貸款	22,051	-
Finance lease liabilities	融資租賃負債	2,165	3,043
		642,030	538,974
Total borrowings	總貸款	686,406	666,235

Secured borrowings are as follows: 有抵押貸款如下:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Bank borrowings	銀行貸款	222,483	353,128
Other loans under margin facilities	孖展融資下其它貸款	22,051	-
Finance lease liabilities	融資租賃負債	6,225	5,864
		250,759	358,992

Bank borrowings of approximately HK\$119,382,000 (2006: HK\$99,704,000) were secured by certain leasehold land, land use rights, buildings, investment properties and properties held for sale (see Notes 6, 7 and 8). Bank borrowings of approximately HK\$103,101,000 (2006: HK\$253,424,000) were secured by shares and equity interests in certain subsidiaries. Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

銀行貸款約港幣119,382,000元(二零零六年:港幣99,704,000元)以部份租賃土地、土地使用權、樓宇、投資物業及待售物業作抵押(見附註6、7及8)。銀行貸款約港幣103,101,000元(二零零六年:港幣253,424,000元)以若干附屬公司的股份及權益作抵押。融資租賃負債實際上有抵押,因為在不償還款項時租賃資產的權益將歸屬出租人。



Notes to the Consolidated Financial Statements 綜合財務報表附註

18 BORROWINGS (continued)

Other loans from minority shareholders of subsidiaries were unsecured, non-interest bearing and not repayable within one year.

The maturity of the Group's borrowings is as follows:

18 貸款 (續)

附屬公司少數股東的其它貸款並無抵押、免利息及不須於一年內償還。

集團貸款的到期日如下：

	Bank borrowings 銀行貸款		Other loans 其它貸款	
	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within one year	617,814	535,931	22,051	-
Between one and two years	14,947	107,252	-	4,075
Between two and five years	21,094	13,113	4,275	-
Wholly repayable within five years	653,855	656,296	26,326	4,075
			2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Finance lease liabilities – minimum lease payments:				
Not later than one year			2,485	3,371
Later than one year and not later than five years			4,797	3,391
			7,282	6,762
Future finance charges on finance leases			(1,057)	(898)
Present value of finance lease liabilities			6,225	5,864
The present value of finance lease liabilities is as follows:				
Not later than one year			2,165	3,043
Later than one year and not later than five years			4,060	2,821
			6,225	5,864



Notes to the Consolidated Financial Statements 綜合財務報表附註

18 BORROWINGS (continued)

The effective interest rates at the balance sheet date were as follows:

		2007				2006		
		US\$ 美元	RMB 人民幣	HK\$ 港元	JPY 日圓	US\$ 美元	RMB 人民幣	HK\$ 港元
Bank borrowings	銀行貸款	7.2%	7.4%	5.3%	2.7%	7.6%	6.6%	5.8%
Finance lease liabilities	融資租賃負債	-	-	6.0%	-	-	-	5.8%

The carrying amounts of borrowings approximate their fair values.

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

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
US\$	美元	509,708	548,817
RMB	人民幣	82,429	82,585
HK\$	港元	87,728	34,598
Other currencies	其它貨幣	6,541	235
		686,406	666,235

19 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2006: 17.5%).

The movement on the deferred tax liabilities (net of deferred tax assets) is as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
At 1 January	於一月一日	(33,226)	(25,055)
Deferred taxation recognised in the income statement	在損益表確認的遞延稅項	4,418	(6,694)
Exchange differences	匯兌差額	(3,022)	(1,477)
At 31 December	於十二月三十一日	(31,830)	(33,226)

18 貸款 (續)

於結算日的實際利率如下:

貸款的帳面值與其公平值相近。

集團貸款的帳面金額以下列貨幣為單位:

19 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率17.5% (二零零六年: 17.5%) 作全數計算。

遞延稅項負債 (扣除遞延稅項資產) 之變動如下:



Notes to the Consolidated Financial Statements 綜合財務報表附註

19 DEFERRED TAXATION (continued)

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$291,108,000 (2006: HK\$254,594,000), which certain amounts are subject to approval from the Hong Kong Inland Revenue Department. These carry forwards will begin to expire in 2008 for Mainland China and can be carried forward indefinitely for Hong Kong. Tax losses can be carried forward to offset future taxable income.

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

19 遞延稅項 (續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損約港幣291,108,000元(二零零六年:港幣254,594,000元),其中部份需待香港稅務局批准。中國產生的此等稅損將於二零零八年開始屆滿,而香港的稅損則沒有期限。稅損可結轉以抵銷未來應課稅收入。

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下:

Deferred tax liabilities 遞延稅項負債		Accelerated tax depreciation 加速稅項折舊		Investment properties 投資物業		Others 其它		Total 總額	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
At 1 January	於一月一日	(1,382)	(1,151)	(35,956)	(28,434)	(8,189)	(5,430)	(45,527)	(35,015)
Recognised in the income statement	在損益表確認	625	(203)	3,252	(6,246)	(601)	(2,502)	3,276	(8,951)
Exchange differences	匯兌差額	(28)	(28)	(2,609)	(1,276)	(620)	(257)	(3,257)	(1,561)
At 31 December	於十二月三十一日	(785)	(1,382)	(35,313)	(35,956)	(9,410)	(8,189)	(45,508)	(45,527)

Deferred tax assets 遞延稅項資產		Decelerated tax depreciation 減速稅項折舊		Tax losses 稅損		Others 其它		Total 總額	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
At 1 January	於一月一日	418	299	11,762	9,545	121	116	12,301	9,960
Recognised in the income statement	在損益表確認	5	119	1,167	2,138	(30)	-	1,142	2,257
Exchange differences	匯兌差額	-	-	227	79	8	5	235	84
At 31 December	於十二月三十一日	423	418	13,156	11,762	99	121	13,678	12,301



Notes to the Consolidated Financial Statements 綜合財務報表附註

19 DEFERRED TAXATION (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet as assets/liabilities not realisable/due within one year:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	10,722	9,673
Deferred tax liabilities	遞延稅項負債	(42,552)	(42,899)
		(31,830)	(33,226)

20 BILLS AND ACCOUNTS PAYABLE

Ageing analysis of bills and accounts payable is as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within three months	三個月內	529,078	648,995

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

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
US\$	美元	509,418	636,285
RMB	人民幣	18,201	12,675
HK\$	港幣	1,459	35
		529,078	648,995

19 遞延稅項 (續)

當有法定權利可將現有稅項資產與現有稅務負債抵銷，而遞延所得稅涉及同一財政機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內以不可於一年內變現／到期之資產／負債列帳：

20 應付票據及應付帳項

應付票據及應付帳項帳齡分析如下：

本集團的應付票據及應付帳項的帳面金額以下列貨幣為單位：



Notes to the Consolidated Financial Statements 綜合財務報表附註

21 OTHER GAINS, NET

21 其它收益淨額

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Fair value (losses)/gains on financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產之公平值(虧損)/收益	(1,377)	9,877
Interest income:	利息收入:		
– on bank deposits	– 銀行存款	5,229	2,755
– on financial assets	– 財務資產	–	694
– on other receivables	– 其它應收款	1,059	1,577
Fair value gains on available-for-sale financial assets (transfer from equity on disposal)	可供出售財務資產之公平值收益(出售時由權益轉入)	1,640	650
Provision for impairment of available-for-sale financial assets	可供出售財務資產之減值撥備	–	(7,800)
Dividend income	股息收入	86	806
Investment income	投資收益	6,637	8,559
Fair value gains on investment properties	投資物業的公平值收益	31,243	20,155
Gain on disposal of interest in a subsidiary (Note 29(b))	出售附屬公司權益之溢利(附註29(b))	–	4,832
Gains on disposal of property, plant and equipment	出售物業、機器及設備之溢利	240	–
Dilution gain in an associate (Notes (a) & (b))	聯營公司攤薄收益(附註(a)及(b))	53,031	212,842
Others	其它	10,657	9,711
		101,808	256,099

Notes:

- (a) During the year ended 31 December 2006, the Group's equity interest in China LotSynergy Holdings Limited was diluted from 26.84% to 21.75% as a result of the issuance of new shares of China LotSynergy Holdings Limited. In this connection, the Group recognised a dilution gain of approximately HK\$212,842,000.
- (b) During the year ended 31 December 2007, the Group's equity interest in China LotSynergy Holdings Limited was diluted from 21.75% to 20.14% as a result of the issuance of new shares of China LotSynergy Holdings Limited. In this connection, the Group recognised a dilution gain of approximately HK\$53,031,000.

附註:

- (a) 於截至二零零六年十二月三十一日止年度，因華彩控股有限公司發行新股，本集團於華彩控股有限公司的權益由26.84%攤薄至21.75%。就此，集團確認攤薄收益約港幣212,842,000元。
- (b) 於截至二零零七年十二月三十一日止年度，因華彩控股有限公司發行新股，本集團於華彩控股有限公司的權益由21.75%攤薄至20.14%。就此，集團確認攤薄收益約港幣53,031,000元。



Notes to the Consolidated Financial Statements 綜合財務報表附註

22 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

22 按性質分類的費用

列在銷售成本、銷售及分銷費用和一般及行政費用內的費用分析如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Depreciation of property, plant and equipment	物業、機器及設備折舊		
– owned assets	– 自置資產	8,790	10,928
– assets held under finance leases	– 融資租賃資產	1,464	1,737
Net gains on disposal of property, plant and equipment	出售物業、機器及設備之淨溢利	–	(100)
Amortisation of prepaid operating lease payments	預付營運租賃款項攤銷	1,644	1,800
Amortisation of intangible assets	無形資產攤銷	18	5
Operating lease rentals	營運租賃租金	8,633	10,229
Direct operating expenses arising from investment properties that generate rental income	產生租金收入的投資物業的直接營運費用	10	30
Employee benefit expense (including directors' emoluments) (Note 23)	僱員福利開支(包括董事酬金)(附註23)	71,911	64,288
Provision for impairment of receivables	應收款減值撥備	4,000	–
Impairment for receivables	應收款減值	93	1,912
Net exchange losses/(gains)	匯兌淨虧損/(收益)	369	(3,141)
Auditors' remuneration	核數師酬金	820	750

23 EMPLOYEE BENEFIT EXPENSE

23 僱員福利開支

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Wages and salaries	薪金工資	65,062	57,185
Pension costs – defined contribution plans (see (a) below)	退休成本 – 界定供款計劃(見下述(a))	3,047	3,098
Staff welfare	員工福利	3,802	4,005
		71,911	64,288

**23 EMPLOYEE BENEFIT EXPENSE (continued)****(a) Pensions – defined contribution plans**

The Group has arranged for its Hong Kong employees to participate in a defined contribution retirement scheme (the "Original Scheme"), which is managed by independently administered funds. The Group's monthly contributions are based on 5% of employees' monthly salaries. The employees are entitled to receive 100% of the Group's contribution and the accrued interest thereon upon retirement or leaving the Group after completing ten years of service or at a reduced scale of 30% to 90% after completing three to nine years of services.

For the Hong Kong employees employed after 1 December 2000, the Group has arranged for these employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contributions are subject to a maximum of HK\$1,000 per month per employee.

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 9% to 22.5% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group's contributions to the aforementioned schemes was approximately HK\$3,047,000 (2006: HK\$3,098,000) after deducting HK\$86,000 (2006: HK\$73,000) deduction of forfeited contributions of the Original Scheme.

23 僱員福利開支 (續)**(a) 退休金 – 界定供款計劃**

本集團為香港僱員安排參與由獨立基金管理之界定供款退休計劃(「原計劃」)。本集團每月之供款按僱員月薪的5%計算。於退休或完成滿十年服務後離開本集團，僱員均有權收取全數集團的供款及應計利息，完成滿三至九年服務則可按30%至90%比例收取。

本集團為二零零零年十二月一日後入職香港僱員安排參與強制性公積金計劃(「強積金計劃」)，一個由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員各自須按照強制性公積金條例的規定，每月將僱員薪金的5%供款。僱主及僱員的各自供款最高為每名僱員每月港幣1,000元。

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約9%至22.5%供款。除年度供款外，本集團毋須承擔其它實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣3,047,000元(二零零六年：港幣3,098,000元)，已扣減約港幣86,000元(二零零六年：港幣73,000元)原計劃的沒收供款。



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23 EMPLOYEE BENEFIT EXPENSE (continued)

(b) Directors' and senior management's emoluments

The remuneration of every director for the year ended 31 December 2007 is set out below:

Name of director	Fees	Salaries, allowances and benefits	Discretionary bonuses	Employer's contribution to pension scheme	Total
董事姓名	袍金 HK\$'000 港幣千元	薪金、津貼及福利 HK\$'000 港幣千元	酌情獎金 HK\$'000 港幣千元	退休計劃的僱主供款 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Executive directors					
Mr. CHAN Shing	–	6,760	1,600	250	8,610
Mr. SIT Hoi Tung	–	2,149	632	98	2,879
Mr. YANG Da Wei	–	536	–	–	536
Ms. LAU Ting	–	3,870	1,500	108	5,478
Ms. TUNG Pui Shan, Virginia	–	1,556	116	72	1,744
Mr. KWOK Wai Lam	–	1,406	195	65	1,666
Mr. YIN Mark	–	1,099	63	40	1,202
Independent non-executive directors					
Mr. CUI Shu Ming	344	–	–	–	344
Mr. SONG Yufang	120	–	–	–	120
Mr. HUANG Shenglan	251	–	–	–	251
Non-executive director					
Mr. SZE Tsai Ping, Michael	120	–	–	–	120

23 僱員福利開支 (續)

(b) 董事及高級管理層薪酬

截至二零零七年十二月三十一日止年度，每名董事的薪酬如下：



Notes to the Consolidated Financial Statements 綜合財務報表附註

23 EMPLOYEE BENEFIT EXPENSE (continued)

(b) Directors' and senior management's emoluments (continued)

The remuneration of every director for the year ended 31 December 2006 is set out below:

Name of director	Fees	Salaries, allowances and benefits	Discretionary bonuses	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金、津貼及福利	酌情獎金	退休計劃的僱主供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors					
Mr. CHAN Shing	—	6,620	1,140	239	7,999
Mr. SIT Hoi Tung	—	1,896	210	76	2,182
Mr. YANG Da Wei	—	520	—	—	520
Ms. LAU Ting	—	3,380	420	90	3,890
Ms. TUNG Pui Shan, Virginia	—	1,501	221	69	1,791
Mr. KWOK Wai Lam	—	1,228	210	57	1,495
Mr. YIN Mark	—	1,062	—	38	1,100
Independent non-executive directors					
Mr. CUI Shu Ming	326	—	—	—	326
Mr. SONG Yufang	120	—	—	—	120
Mr. HUANG Shenglan	240	—	—	—	240
Non-executive director					
Mr. SZE Tsai Ping, Michael	120	—	—	—	120

23 僱員福利開支 (續)

(b) 董事及高級管理層薪酬 (續)

截至二零零六年十二月三十一日止年度，每名董事的薪酬如下：



23 EMPLOYEE BENEFIT EXPENSE (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2006: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one non-director, highest paid individual are as follows:

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Salaries, allowances and benefits	薪金、津貼及福利	1,186	1,116
Discretionary bonuses	酌情獎金	864	480
Employer's contributions to pension scheme	退休計劃的僱主供款	55	52
		2,105	1,648

24 FINANCE COSTS

Interest on:

- Bank borrowings repayable within five years
- Other loans
- Finance lease liabilities

利息：

- 於五年內償還的銀行貸款
- 其它貸款
- 融資租賃負債

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		58,385	59,948
		672	231
		442	838
		59,499	61,017

23 僱員福利開支 (續)

(c) 五位最高薪酬人士

本年度集團最高薪酬的五位人士包括四位(二零零六年:四位)董事,他們的薪酬在上文呈報的分析中反映。餘下一位非董事,最高薪人士的薪酬如下:

24 融資成本



Notes to the Consolidated Financial Statements 綜合財務報表附註

25 TAXATION

The Company is exempted from taxation in Bermuda until 2016. The Company's subsidiaries established in the British Virgin Islands are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax ranging from 12% to 33% (2006: 12% to 33%) on their taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

The amount of taxation recognised in the income statement represents:

25 稅項

本公司可免繳百慕達稅項直至二零一六年。於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年度預計應課稅溢利之17.5% (二零零六年: 17.5%) 撥備。本集團於中國之附屬公司須繳交中國企業所得稅，按中國稅法確定應課稅所得之12%至33% (二零零六年: 12%至33%) 計算。其它海外稅項按本年度預計應課稅溢利以有關司法權區適用之稅率計算。

於損益表確認之稅金如下:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Current taxation	本年稅項		
– Mainland China taxation	– 中國稅項	401	608
(Over)/under provision in prior years	前年度(超額撥備)/撥備不足		
– Hong Kong profits tax	– 香港利得稅	–	21
– Mainland China taxation	– 中國稅項	(3)	68
		(3)	89
Deferred taxation relating to the origination and reversal of temporary differences	遞延稅項暫時差異的產生及轉回	(4,418)	6,694
		(4,020)	7,391



Notes to the Consolidated Financial Statements 綜合財務報表附註

25 TAXATION (continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Profit before taxation	除稅前盈利	91,251	159,066
Calculated at a taxation rate of 17.5% (2006: 17.5%)	按稅率 17.5% (二零零六年：17.5%) 計算	15,969	27,836
Effect of different taxation rates in other countries	其它國家不同稅率之影響	1,486	3,591
Effect on opening deferred tax of increase in tax rates	稅率增加對期初遞延稅項之影響	(10,322)	-
Income not subject to taxation	無須課稅之收入	(18,564)	(42,209)
Expenses not deductible for taxation purposes	不可扣稅之支出	556	4,084
Unrecognised tax loss	未確認稅損	8,526	11,857
(Over)/under provision in prior years	前年度(超額撥備)/撥備不足	(3)	89
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(446)	(1,598)
Others	其它	(1,222)	3,741
Taxation	稅項	(4,020)	7,391

25 稅項 (續)

本集團有關除稅前盈利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

26 PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The profit attributable to the equity holders of the Company is dealt with in the financial statements of the Company to the extent of a profit of approximately HK\$869,000 (2006: a loss of HK\$12,601,000).

26 本公司權益持有人應佔盈利

已於本公司財務報表反映在本公司權益持有人應佔盈利達盈利約港幣869,000元(二零零六年：虧損港幣12,601,000元)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

27 EARNINGS PER SHARE

Basic and diluted

Basic and diluted earnings per share are calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2007	2006
Profit attributable to the equity holders of the Company (HK\$'000)	本公司權益持有人應佔盈利 (港幣千元)	86,307	149,380
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (千計)	1,075,745	1,032,129
Basic and diluted earnings per share (HK cents per share)	每股基本及攤薄盈利 (每股港仙)	8.02	14.47

The Company has no dilutive potential ordinary shares for the years ended 31 December 2006 and 2007.

28 DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil).

27 每股盈利

基本及攤薄

每股基本及攤薄盈利根據本公司權益持有人應佔盈利，除以年內已發行普通股的加權平均數目計算。

本公司於截至二零零六年及二零零七年十二月三十一日止年度並無可攤薄的潛在普通股。

28 股息

董事局不擬就截至二零零七年十二月三十一日止年度派付末期股息(二零零六年：無)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

29 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

29 綜合現金流量表附註

(a) Cash generated from operations

(a) 營運產生的現金

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Profit for the year	年度盈利	95,271	151,675
Adjustments for:	調整：		
– Tax	– 稅項	(4,020)	7,391
– Depreciation	– 折舊	10,254	12,665
– Amortisation	– 攤銷	1,662	1,805
– Gains on disposal of property, plant and equipment	– 出售物業、機器及設備之溢利	(240)	(100)
– Fair value gains on investment properties	– 投資物業的公平值收益	(31,243)	(20,155)
– Fair value losses/(gains) on financial assets at fair value through profit or loss	– 按公平值透過損益列帳的財務資產之公平值虧損／(收益)	1,377	(9,877)
– Dilution gain in an associate	– 聯營公司攤薄收益	(53,031)	(212,842)
– Net gains on acquisition of interests in subsidiaries	– 購入附屬公司權益之淨溢利	–	(370)
– Gain on disposal of interest in a subsidiary	– 出售附屬公司權益之溢利	–	(4,832)
– Provision for impairment of available-for-sale financial assets	– 可供出售財務資產之減值撥備	–	7,800
– Fair value gains on available-for-sale financial assets	– 可供出售財務資產之公平值收益	(1,640)	(650)
– Dividends received from financial assets at fair value through profit or loss	– 收取按公平值透過損益列帳的財務資產股息	(86)	(806)
– Interest income	– 利息收入	(6,288)	(5,026)
– Finance costs	– 融資成本	59,499	61,017
– Share of (profits)/losses of associates	– 應佔聯營公司(盈利)／虧損	(30,211)	3,597
– Effect of foreign exchange rate changes	– 外幣匯率變動之影響	7,757	2,505
		49,061	(6,203)
Changes in working capital:	營運資金變更：		
– Inventories	– 存貨	(9,598)	36,293
– Properties held for sale	– 待售物業	(2,213)	(619)
– Bills and accounts receivable	– 應收票據及應收帳項	187,384	(207,338)
– Deposits, prepayments and other receivables	– 按金、預付款及 其它應收款	(40,629)	50,417
– Bills and accounts payable	– 應付票據及應付帳項	(119,917)	299,565
– Other payables and accruals	– 其它應付帳項及應計費用	33,640	235
Cash generated from operations	營運產生的現金	97,728	172,350



Notes to the Consolidated Financial Statements 綜合財務報表附註

29 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

29 綜合現金流量表附註 (續)

(b) Disposal of a subsidiary

(b) 出售附屬公司

Pursuant to the equity transfer agreement entered into on 20 November 2006, the Group disposed of 71% equity interests in a wholly-owned subsidiary to a third party at a consideration of approximately RMB61,651,000. Details of the disposal were as follows:

根據於二零零六年十一月二十日訂立的股權轉讓協議，本集團出售一全資附屬公司之71%權益予第三者，作價約人民幣61,651,000元。此項出售之資料如下：

		HK\$'000 港幣千元
Land use rights	土地使用權	8,446
Property, plant and equipment	物業、機器及設備	45,695
Inventories	存貨	54
Accounts receivable	應收帳項	11,712
Deposits, prepayments and other receivables	按金、預付款及其它應收款	18
Cash and bank balances	現金及銀行結餘	12,365
Accounts payable	應付帳項	(1,519)
Other payables and accruals	其它應付帳項及應計費用	(933)
Net assets	淨資產	75,838
Less: Remaining interest retained by the Group	減：本集團保留餘下之權益	(21,993)
Net assets disposed	出售之淨資產	53,845
Gain on disposal of interest in a subsidiary	出售附屬公司權益之溢利	4,832
Consideration, net of direct expenses	已扣除直接開支之代價	58,677
Satisfied by:	支付方式：	
Cash consideration received in 2006	二零零六年已收現金代價	56,516
Cash consideration received in 2007	二零零七年已收現金代價	2,161
Total	總額	58,677



29 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) Disposal of a subsidiary (continued)

Analysis of net cash inflow in respect of disposal of a subsidiary:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Cash consideration received	已收現金代價	2,161	56,516
Cash and bank balances disposed of	出售現金及銀行結餘	-	(12,365)
Net cash inflow in respect of disposal of a subsidiary	出售附屬公司的現金流入淨額	2,161	44,151

(c) Analysis of the balances of cash and cash equivalents

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Cash at bank and in hands	銀行及庫存現金	209,628	246,474
Non-pledged short-term bank deposits with original maturity of less than three months	原存款期為三個月以下之非抵押短期銀行存款	73,833	28,682
		283,461	275,156

(d) Major non-cash transactions

During the year, the Group entered into finance lease arrangements in respect of machinery with a total capital value at the inception of the leases of approximately HK\$4,187,000 (2006: HK\$3,935,000).

29 綜合現金流量表附註 (續)

(b) 出售附屬公司 (續)

出售附屬公司的現金流入淨額分析：

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Cash consideration received	2,161	56,516
Cash and bank balances disposed of	-	(12,365)
Net cash inflow in respect of disposal of a subsidiary	2,161	44,151

(c) 現金及現金等價物結餘分析

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Cash at bank and in hands	209,628	246,474
Non-pledged short-term bank deposits with original maturity of less than three months	73,833	28,682
	283,461	275,156

(d) 主要非現金交易

於本年內，集團就於租賃開始時資本總值達約港幣4,187,000元（二零零六年：港幣3,935,000元）之機器訂立融資租賃安排。



Notes to the Consolidated Financial Statements 綜合財務報表附註

30 COMMITMENTS AND CONTINGENT LIABILITIES

30 承擔及或然負債

(a) Capital commitments

(a) 資本承擔

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Contracted but not provided	已簽約但未撥備		
– Capital contribution to an associate	– 應繳聯營公司股本	–	22,620
– Machinery	– 機器	48	510
		48	23,130

(b) Operating lease commitments – where the Group is the lessee

(b) 營運租賃承擔 – 本集團為承租人

At 31 December 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

於二零零七年十二月三十一日，本集團根據不可撤銷之營運租賃而於未來支付之最低租賃付款總額如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Not later than one year	不超過一年	8,836	7,184
Later than one year and not later than five years	一年後但不超過五年	4,272	7,551
		13,108	14,735

(c) Operating leases – where the Group is the lessor

(c) 營運租賃 – 本集團為出租人

At 31 December 2007, the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

於二零零七年十二月三十一日，本集團根據不可撤銷的營運租賃而於未來收取之最低租賃款項總額如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Not later than one year	不超過一年	14,737	13,680
Later than one year and not later than five years	超過一年但不超過五年	20,808	25,172
		35,545	38,852



30 COMMITMENTS AND CONTINGENT LIABILITIES
(continued)

(c) Operating leases – where the Group is the lessor (continued)

Contingent-based rents recognised in the income statement were approximately HK\$52,000 (2006: HK\$1,408,000).

(d) Corporate guarantees

Guarantee for general banking facilities granted to an associate 為聯營公司銀行融資作出之擔保

Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties 為集團物業購買者按揭貸款而向銀行作出之擔保

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
	21,730	21,730
	3,200	3,372
	24,930	25,102

In the opinion of the directors, no material liabilities will arise from the above guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Group is immaterial.

(e) Forward foreign currency exchange contracts

At 31 December 2007, the Group had commitment in respect of outstanding forward foreign currency exchange contracts to buy a maximum amount of US dollar of 102,000,000 (2006: US\$24,800,000).

(f) Contingent liabilities

At 31 December 2007, the Group's contingent liabilities relating to Mainland China land appreciation tax amounted to approximately HK\$28,989,000 (2006: HK\$26,960,000).

30 承擔及或然負債 (續)

(c) 營運租賃 – 本集團為出租人 (續)

於損益表確認的或然租金約為港幣52,000元(二零零六年:港幣1,408,000元)。

(d) 公司擔保

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
	21,730	21,730
	3,200	3,372
	24,930	25,102

董事認為,上述擔保於一般業務過程中不會產生重大負債,而本集團所提供公司擔保之公平值極微。

(e) 遠期外匯合約

於二零零七年十二月三十一日,本集團受約束於未履行的遠期外匯合約而最多須購入102,000,000美元(二零零六年:24,800,000美元)。

(f) 或然負債

於二零零七年十二月三十一日,本集團有關中國土地增值稅的或然負債約為港幣28,989,000元(二零零六年:港幣26,960,000元)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

31 CHARGE OF ASSETS

At 31 December 2007, the following assets were pledged:

- (a) Certain leasehold land, land use rights and buildings with a net book amount of approximately HK\$116,623,000 (2006: HK\$118,734,000);
- (b) Certain motor vehicles and machinery with a net book amount of approximately HK\$8,676,000 (2006: HK\$10,052,000);
- (c) Certain investment properties of approximately HK\$91,224,000 (2006: HK\$77,309,000);
- (d) Certain properties held for sale of approximately HK\$20,049,000 (2006: HK\$24,691,000);
- (e) Certain financial assets at fair value through profit or loss of equity securities listed in Hong Kong with market value of approximately HK\$48,301,000 (2006: HK\$9,184,000);
- (f) Certain bank deposits of approximately HK\$750,000 (2006: HK\$839,000); and
- (g) Shares and equity interests in certain subsidiaries.

31 資產抵押

於二零零七年十二月三十一日，以下資產已予抵押：

- (a) 部份租賃土地、土地使用權及樓宇帳面淨值約港幣116,623,000元（二零零六年：港幣118,734,000元）；
- (b) 部份車輛及機器帳面淨值約港幣8,676,000元（二零零六年：港幣10,052,000元）；
- (c) 部份投資物業約港幣91,224,000元（二零零六年：港幣77,309,000元）；
- (d) 部份待售物業約港幣20,049,000元（二零零六年：港幣24,691,000元）；
- (e) 部份按公平值透過損益列帳的財務資產的香港上市證券市值約港幣48,301,000元（二零零六年：港幣9,184,000元）；
- (f) 部份銀行存款約港幣750,000元（二零零六年：港幣839,000元）；及
- (g) 於部份附屬公司的股份及權益。

**32 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Related party transactions which were carried out in the normal course of the Group's business are as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Rental income received from associates	已收聯營公司租金收入	687	666
Management income received from an associate	已收聯營公司管理收入	50	-
Service income received from an associate	已收聯營公司服務收入	342	316
Acquisition of intangible assets from an associate	購入聯營公司無形資產	-	100
Sales to an associate	銷售予聯營公司	1,987	44
Sales of financial assets to an associate	向聯營公司出售財務資產	800	-
Rental expense paid to an associate	已付聯營公司租金開支	160	-

(b) Compensation to key management personnel

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Wages and salaries	薪金工資	18,658	15,650
Pension costs – defined contribution plans	退休成本 – 界定供款計劃	633	569
Staff welfare	員工福利	2,824	2,758
		22,115	18,977

32 關聯方交易

所謂有關連人士乃指有能力直接或間接控制另一方，或有能力就另一方之財務及經營決策行使重大影響力之人士。同時，倘該等人士受到共同控制或重大影響之人士亦被視作關連人士。

(a) 按集團一般商業條款下進行之關聯方交易如下：

(b) 主要管理人員酬金



Notes to the Consolidated Financial Statements 綜合財務報表附註

32 RELATED PARTY TRANSACTIONS (continued)

- (c) Details of loan to a director of the Company, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

Name of borrower 借款人姓名	YIN Mark 尹虹
Position 職位	Executive Director 執行董事
Terms of the loan 貸款詳情	
– interest rate – 利率	5% per annum 年息五厘
– security – 抵押	unsecured 無抵押
– repayment term – 還款年期	3 years 三年
– borrowing date – 借款日	15 August 2005 二零零五年八月十五日
Balance of loan in respect of principal and interest 貸款本金及利息結餘	
– at 31 December 2006 – 於二零零六年十二月三十一日	HK\$423,000 港幣423,000元
– at 31 December 2007 – 於二零零七年十二月三十一日	HK\$181,000 港幣181,000元
Maximum balance outstanding during the year 年內最高欠款額	HK\$423,000 港幣 423,000元

32 關聯方交易 (續)

- (c) 根據公司條例第161B條而須披露公司董事貸款之詳情如下：



Schedule of Properties held for Sale or for Investment 待售或投資物業一覽表

Address 地址	Gross floor area (sq.m.) 樓面面積 (平方米)	Lease 租約種類	Existing use 現行用途	Group's interest 集團權益
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**Properties held for sale
待售物業**

537 Wenchang Road Central, Yangzhou, Jiangsu Province, China 中國江蘇省 揚州市 文昌中路537號	7,951	Medium lease 中期租約	Commercial 商業	69%
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Address 地址	Lease 租約種類	Existing use 現行用途	Group's interest 集團權益
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**Investment properties
投資物業**

Unit 8, 26/F, Units 1 and 12, 28/F, North Tower, Hong Kong Plaza, No. 282 Huaihaizhong Road, Luwan District, Shanghai, China 中國上海盧灣區 淮海中路282號 香港廣場北座26樓 8室、28樓1室及12室	Medium lease 中期租約	Residential 住宅	100%
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Block No. 0521, Elegant Garden, No. 189, Longxi Road, Changning District, Shanghai, China 中國上海長寧區 龍溪路189號 明苑別墅0521號	Long lease 長期租約	Residential 住宅	100%
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537 Wenchang Road Central, Yangzhou, Jiangsu Province, China 中國江蘇省 揚州市 文昌中路537號	Medium lease 中期租約	Commercial 商業	69%
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Five Years' Financial Summary 五年財務概要

The results, assets and liabilities of the Group for the last five financial years are as follows:

本集團過去五個財務年度之業績、資產及負債如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Results	業績					
Sales	銷售	5,452,012	4,793,364	3,696,566	4,142,871	3,889,099
Gross profit	毛利	143,233	82,072	74,645	175,712	66,347
Operating profit/(loss)	經營盈利/(虧損)	120,539	223,680	158,266	67,135	(70,401)
Profit/(loss) attributable to:	應佔盈利/(虧損)					
– Equity holders of the Company	– 本公司權益持有人	86,307	149,380	72,745	34,991	(89,266)
– Minority interests	– 少數股東權益	8,964	2,295	6,040	4,807	(5,550)
		95,271	151,675	78,785	39,798	(94,816)
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	960,434	800,609	595,725	447,135	677,002
Current assets	流動資產	1,675,757	1,653,449	1,538,323	1,466,018	1,512,005
Total assets	總資產	2,636,191	2,454,058	2,134,048	1,913,153	2,189,007
Non-current liabilities	非流動負債	86,928	170,160	324,198	55,545	234,487
Current liabilities	流動負債	1,297,295	1,279,679	934,612	1,038,516	1,164,231
Total liabilities	總負債	1,384,223	1,449,839	1,258,810	1,094,061	1,398,718
Total equity	總權益	1,251,968	1,004,219	875,238	819,092	790,289