



GFT HOLDINGS LIMITED
真樂發 控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)



2007 annual report 年報

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BOARD OF DIRECTORS

Executive Directors

Ha Kee Choy, Eugene
Ma Wai Man, Catherine

Independent Non-executive Directors

Cheng Yuk Wo
Chui Chi Yun, Robert
Leung Sau Fan, Sylvia

AUDIT COMMITTEE

Chui Chi Yun, Robert (*Chairman*)
Cheng Yuk Wo
Leung Sau Fan, Sylvia

AUDITORS

Moores Rowland
Chartered Accountants
Certified Public Accountants

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 707, Tower II, Admiralty Centre
18 Harcourt Road, Hong Kong

PRINCIPAL SHARE REGISTRAR

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

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited 1003

WEBSITE

www.irasia.com/listco/hk/gft

董事會

執行董事

夏其才
馬慧敏

獨立非執行董事

鄭毓和
崔志仁
梁秀芬

審核委員會

崔志仁 (*主席*)
鄭毓和
梁秀芬

核數師

摩斯倫會計師事務所
英國特許會計師
執業會計師

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

總辦事處 及香港主要營業地點

香港夏慤道18號
海富中心第二期707室

主要股份過戶登記處

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
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

股份代號

香港聯合交易所有限公司1003

網址

www.irasia.com/listco/hk/gft

BUSINESS AND OPERATION REVIEW

After the discontinuation of the secondary consumer products business in year 2006, the Company made headway in the streamlining process by disposing its idle assets and underperformed manufacturing operation during the year under review. The disposals caused the Group suffering from notable loss and substantial downsizing. Nevertheless, such decisive moves relieved the Group's financial and management resources from those detrimental businesses to more viable operations.

Despite that a significant part of assets was discarded in the first half of the year, the Group still maintained to record a turnover of HK\$133.0 million for its toy segment in this year, being a marginal increase of 2.2% when compared with last year. However, competition in toy industry is getting more intensive and, in order to sustain market share, margin is unavoidably weakened. The persistent appreciation of Renminbi and increasing operation cost in mainland China that hampering the Group's suppliers have causal adverse impact on the Group's cost of supply. Loss for the toy segment in the year under review was HK\$14.3 million.

The Group ceased to have any contribution from the disposed consumer products business in the year under review but it reactivated, in November 2007, the inactive securities trading and investments business. Since the securities market is becoming volatile, the Group is very cautious in its investing strategy and the market value of its portfolio was kept at HK\$11.3 million only as at 31 December 2007. The Group recorded a mild loss of HK\$0.7 million from this segment for the year, mainly attributable to the decrease in the fair value of the marketable securities.

業務及營運回顧

經過於二零零六年終止經營次要之消費產品業務後，本公司於回顧年度踏出其簡化過程重要一步，出售其閒置資產和表現不如理想之製造業務。有關出售事項使本集團蒙受顯著損失，規模並因而大為縮減。然而，該等明確的舉動，使本集團財務及管理資源從該等虧損業務中解除並投入於更有利可圖之業務中。

儘管本集團於上半年出售重大部分之資產，但本集團之玩具分部於本年度仍錄得營業額港幣133,000,000元，較去年輕微上升2.2%。然而，玩具行業之競爭日趨激烈，為保持市場佔有率，難免使到利潤收窄。人民幣持續升值，中國內地之經營成本亦不斷提高，使本集團供應商蒙受其害，更對本集團之供應成本造成不利影響。回顧年度玩具分部之虧損為港幣14,300,000元。

於回顧年度，本集團已出售之消費產品業務已停止任何貢獻，但於二零零七年十一月再次恢復閒置之證券買賣及投資業務。鑒於股市波動，本集團之投資策略十分謹慎，截至二零零七年十二月三十一日其投資組合之市值僅為港幣11,300,000元。本集團於本年度就此分部錄得溫和虧損港幣700,000元，主要來自可出售證券公平值之下降。

Material disposal of subsidiaries

Good Prosper Trading Limited

The Company entered into an agreement in November 2006 to dispose of its entire equity interest in and the amount due from Good Prosper Trading Limited (“GPTL”), the principal assets of which are the land use rights in respect of parcels of adjacent lands situated at Boluo, Huizhou and the infrastructure erected thereon (“GPTL Disposal”) to an independent third party, Sky Hawk International Limited (“Sky Hawk”), for an aggregate consideration of HK\$20.0 million. HK\$2.0 million was paid by Sky Hawk upon signing of the agreement and the balance would be settled on completion.

At the request of Sky Hawk, the payment terms for the outstanding consideration of HK\$18.0 million were revised pursuant to a supplemental agreement entered into between the Company and Sky Hawk. According to the supplemental agreement, Sky Hawk paid a further sum of HK\$2.0 million and delivered to the Company a promissory note with a principal amount of HK\$16.0 million, which was interest free, due on 31 December 2007 and secured by the entire issued share capital of GPTL on 28 June 2007, the completion date of GPTL Disposal. The deferred consideration was fully settled in accordance with the terms of the promissory note.

As a result of GPTL Disposal, the Group recorded a gain on disposal of subsidiaries of approximately HK\$5.0 million.

GFT Holding Limited

On 16 April 2007, Prosper Overseas Limited, a wholly owned subsidiary of the Company, entered into an agreement to dispose of its entire interest in and amounts due from GFT Holding Limited and its subsidiaries (the “Disposed Group”), a sub-group of the Company engaged in toy manufacturing at Boluo, Huizhou and toy trading, to a company beneficially owned by Mr. Leung Wai Ho and Mr. Wong Chung Shun, both were the former directors and substantial shareholders of the Company, at an aggregate consideration of HK\$2.0 (“GFT Disposal”).

重大出售附屬公司事項

Good Prosper Trading Limited

本公司於二零零六年十一月訂立協議，出售Good Prosper Trading Limited (「GPTL」) 之全部股權及應收該公司之款項 (「GPTL出售事項」) 予獨立第三方 Sky Hawk International Limited (「Sky Hawk」)，總代價為港幣20,000,000元，其中港幣2,000,000元已於訂立該協議時由Sky Hawk支付，餘款須於完成時繳清。GPTL之主要資產為多幅位於惠州市博羅縣之相連土地之土地使用權及建於該等土地之上之基礎設施。

應Sky Hawk要求，港幣18,000,000元代價餘額之付款條款已根據本公司及Sky Hawk訂立之補充協議予以修訂。根據補充協議，Sky Hawk於二零零七年六月二十八日 (GPTL出售事項之完成日期) 支付為數港幣2,000,000元之另一筆款項，以及交予本公司一張本金額為港幣16,000,000元之承兌票據，此承兌票據免息，於二零零七年十二月三十一日到期，並以GPTL全部已發行股本作抵押。遞延代價已按照承兌票據之條款悉數償還。

GPTL出售事項後，本集團錄得出售附屬公司收益約港幣5,000,000元。

GFT Holding Limited

於二零零七年四月十六日，本公司之全資附屬公司興旺海外有限公司訂立協議，出售GFT Holding Limited及其附屬公司 (本公司於惠州市博羅縣從事玩具製造及玩具貿易之分支集團，「出售集團」) 全部股權及彼等應付款項予梁蔚豪先生及黃仲遜先生 (兩人均為本公司之前董事兼主要股東) 實益擁有之公司，總代價為港幣2.0元 (「GFT出售事項」)。

GFT Disposal constituted a major disposal and connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and was approved by the independent shareholders of the Company in a special general meeting held on 28 May 2007.

Completion of GFT Disposal took place on 28 June 2007, upon which the obligations of the Company as a corporate guarantor under the banking facilities granted to the Disposal Group has been released by the bank and the Company ceased its operation in manufacturing of toy products. As a result of GFT Disposal, the Group recorded a gain on disposal of subsidiaries of approximately HK\$15.4 million and wrote off an amount due from a subsidiary in approximately HK\$68.6 million.

PROSPECTS

It is the Company's primary ambition to seek prosperous and lucrative investments that will benefit the Group, especially after GPTL Disposal and GFT Disposal and the prevailing market conditions indicate that toy industry players are inevitably facing with difficult years. The Company, with fund raised from the placements and the rights issue executed in year 2007, is relatively sufficient in resources and is ready to make the critical move when the opportunities emerge.

However, the worldwide securities and capital markets step into downturn and become vulnerable after the peak at October 2007. Investment sentiment is shaky and hence the directors are paying extra caution on the Group's activity in securities investment and the identification of new investments / business for future expansion. No matter how difficult the situation is, the directors are ready to dedicate and work in utmost good faith for enhancing the betterment and value of the Group.

根據香港聯合交易所有限公司證券上市規則，GFT 出售事項構成本公司之主要出售事項及關連交易，並於二零零七年五月二十八日舉行之股東特別大會上獲本公司獨立股東批准。

GFT出售事項於二零零七年六月二十八日完成，自此，本公司就出售集團所獲授之銀行融資所負之公司擔保人責任已獲銀行解除，本公司亦終止其玩具產品製造業務。GFT出售事項後，本集團錄得出售附屬公司收益約港幣15,400,000元及撇銷應收附屬公司款項約港幣68,600,000元。

前景

本公司主要願景，是覓得使本集團受惠之成功及有利可圖之投資項目，特別是於GPTL出售事項及GFT出售事項完成後，與及當時市況顯示玩具行業從業者將需面對一段無可避免之艱難時刻。本公司從二零零七年度之配售和供股中籌集資金後，現時具備相對充裕之資源，正作好準備當有任何機會湧現時作出關鍵性行動。

然而，全球證券及資本市場於二零零七年十月達至高峰後，現正從高位徐徐回落，並容易受到不利消息打擊。投資情緒波動，故董事正加倍嚴謹地進行本集團之證券投資與及挑選新的投資／業務供其未來擴張。然而無論情況如何困難，董事已準備專心致志和竭誠努力，力求進一步改善本集團之處境並提升其價值。

FINANCIAL REVIEW

Review of Results

The Group reported a turnover of HK\$133.0 million for the year ended 31 December 2007, being a marginal increment of HK\$2.9 million or 2.2% when compared with last year. Gross profits increased by HK\$2.8 million from HK\$0.2 million for last year to HK\$3.0 million, mainly due to the fact that the Group ceased to bear the fixed cost incurred by the underutilized manufacturing plant after its disposal in the first half of the year. For the same reason, operation expenses of the Group declined during the year under review.

Despite that gain on disposal of subsidiaries of HK\$20.4 million was recognized from the disposals discussed above, the Group, on the other side, has to write off an amount due from a disposed subsidiary in HK\$68.6 million, which largely explained the substantial loss for the year incurred by the Group in HK\$75.0 million.

Capital Structure

On 23 July 2007, the Company issued convertible notes in an aggregate principal amount of HK\$34.0 million to finance the working capital and future expansion of the Group. The convertible notes were non-interest bearing, would be matured on 23 July 2009 and were convertible into shares of the Company at conversion price of HK\$0.10 per share (subject to anti-dilutive adjustments). All the convertible notes were converted during the year and 340,000,000 new shares of the Company were issued and allotted. The Group has no debt capital as at 31 December 2007.

Liquidity and Financial Resources

The Group has no borrowings as at 31 December 2007. As at 31 December 2006, total borrowings of the Group amounted to HK\$12.4 million, of which HK\$10.6 million was repayable within one year.

財務回顧

業績回顧

截至二零零七年十二月三十一日止年度，本集團錄得營業額港幣133,000,000元，較去年輕微增加港幣2,900,000元或2.2%。毛利由去年之港幣200,000元上升港幣2,800,000元至港幣3,000,000元，主要因本集團於今年上半年出售使用率偏低之生產廠房後，毋須再承受該廠房之固定成本。基於同一理由，本集團於回顧年度之經營開支亦有所減少。

雖然從上文論述之出售事項中確認出售附屬公司之收益港幣20,400,000元，本集團在另一方面卻須撇銷應收已出售附屬公司之款項達港幣68,600,000元，而這也是本集團於本年度產生龐大虧損港幣75,000,000元之主要原因。

資本架構

於二零零七年七月二十三日，本公司發行本金總額港幣34,000,000元之可換股票據，以撥付營運資金及應付本集團未來擴張。可換股票據乃免息、於二零零九年七月二十三日到期，可按兌換價每股股份港幣0.10元（可作反攤薄調整）兌換成本公司股份。年內，所有可換股票據已獲兌換，而340,000,000股本公司新股份已予發行及配發。於二零零七年十二月三十一日，本集團概無債務資本。

流動資金及財務資源

於二零零七年十二月三十一日，本集團並無任何借貸。於二零零六年十二月三十一日，本集團總借貸為港幣12,400,000元，其中港幣10,600,000元須於一年內償還。

The Group maintained sufficient working capital as at 31 December 2007 with net current assets of HK\$247.5 million (31 December 2006: HK\$11.1 million) and bank balances and cash of HK\$235.4 million (31 December 2006: HK\$7.1 million). As the Group has no borrowing as at 31 December 2007, gearing ratio, expressed as the percentage of total borrowings over total equity, of the Group was zero (31 December 2006: 17.8%).

Charges on Assets

As at 31 December 2007, certain financial assets and bank deposits in HK\$19.1 million were pledged to a bank to secure banking facilities of US\$7.0 million, of which no bank loan has ever been drawn. As at 31 December 2006, certain building, land use right and plant and machinery with carrying value of HK\$38.0 million, HK\$3.4 million and HK\$4.8 million respectively were pledged to banks to secure bank loans and finance leases granted to the Group.

Exposure to Exchange Rates

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, United States dollars and Renminbi. The Group's exposure to United States dollars currency risk is minimal as Hong Kong dollars is pegged to United States dollars. Nevertheless, as Renminbi is becoming more volatile, the Group's operations and performances might thus be affected. Presently, the Group does not have any currency hedging policy but will closely monitor the fluctuation of Renminbi exchange rate and take appropriate measures to minimize any adverse impact that may be caused by such fluctuation.

於二零零七年十二月三十一日，本集團維持充裕之營運資金，流動資產淨值為港幣247,500,000元（二零零六年十二月三十一日：港幣11,100,000元）以及銀行結餘及現金為港幣235,400,000元（二零零六年十二月三十一日：港幣7,100,000元）。鑒於本集團於二零零七年十二月三十一日並無任何借貸，資本與負債比率，即借貸總額對權益總額之百分比為零（二零零六年十二月三十一日：17.8%）。

資產抵押

於二零零七年十二月三十一日，港幣19,100,000元之若干財務資產及銀行存款已抵押予一間銀行，作為銀行信貸額7,000,000美元之抵押，至今尚未提取任何銀行貸款。於二零零六年十二月三十一日，賬面值分別為港幣38,000,000元、港幣3,400,000元及港幣4,800,000元之若干樓宇、土地使用權以及廠房和機器已押予銀行，作為授予本集團銀行貸款及融資租賃之抵押。

匯率風險

本集團之業務交易、資產及負債主要以港幣、美元及人民幣計值。由於港幣與美元掛鈎，故本集團因美元而面對之外匯風險極低。然而，人民幣日趨不穩定，本集團之業務及表現亦可能受影響。目前，本集團並無任何貨幣對沖政策，惟會密切注視人民幣匯率波動，並採取適當措施儘量減低波動可能造成之任何不利影響。

Management Discussion and Analysis

管理層討論及分析

Contingent Liabilities

The Group has no material contingent liabilities save that a writ of summons dated 8 October 2004 was filed by Mr. Kwok Chin Wing, a former director of the Company, against the Company in respect of the loans due from two former subsidiaries of the Company for a sum of approximately HK\$44.5 million together with accrued interests thereof (the “Action”).

The Company had already completed discovery of all documentary evidence and exchange of witness statement and was ready to proceed with the trial since early 2006. However, Mr. Kwok took out applications in July 2006 for substantial amendments to his Re-Re-Amended Statement of Claim (the “Amendment Application”) and joinder of party to the Action (the “Joinder Application”). The Amendment Application and the Joinder Application had substantially delayed the setting down of the Action for trial.

The Amendment Application and the Joinder Application were granted by the Court on 19 April 2007. The newly joined defendant had filed his defence and the Company had also properly dealt with all consequential amendments to the pleadings. Discovery and inspection of documentary evidence between Mr. Kwok and the newly joined defendant were completed and the Action is now pending the exchange of witness statements as to facts between Mr. Kwok and the newly joined defendant. It is foreseeable that the Action will set down for trial after the completion of exchange of witness statements as to the facts between Mr. Kwok and the newly joined defendant.

Notwithstanding the substantial amendments made to the Re-Re-Amended Statement of Claim and the joining of a new party to the Action, the solicitors and counsel acting for the Company still hold good for their advice previously delivered to the Company. With the benefit of the advice of the solicitors and counsel acting for the Company, the directors of the Company formed the opinion that Mr. Kwok does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group.

或然負債

本集團並無重大或然負債，惟於二零零四年十月八日，本公司前董事郭展榮先生就本公司兩家前附屬公司所欠貸款約港幣44,500,000元連同應計利息向本公司發出傳訊令狀（「訴訟」）。

本公司已完成一切文件證據之透露及交換證人陳述書，並自二零零六年初已準備妥善就此訴訟進行審訊。然而，郭氏於二零零六年七月提出申請，要求大幅修改其二度修訂之申索陳述書（「修改申請」）及要求加入與訟方（「合併申請」）。修改申請及合併申請使訴訟之審訊大為延遲。

法院已於二零零七年四月十九日批准修改申請及合併申請。新與訟方已提交答辯書，本公司亦已適當地處理答辯書相應修改。郭氏與新與訟方已完成文件證券之透露和調查，而訴訟正等候郭氏及新與訟方交換證人陳述書。預料待郭氏及新與訟方完成交換證人陳述書後，訴訟將進行排期聆訊。

儘管二度修訂之申索陳述書有重大修改及有新與訟方加入，代表本公司之律師及大律師仍堅守彼等先前給予本公司之意見。在徵詢代表本公司之律師及大律師之意見後，本公司董事認為，郭氏並無有效理據向本公司申索，故該訴訟不應對本集團造成重大不利財務影響。

EMPLOYEES

As at 31 December 2007, the Group had 8 employees (31 December 2006: approximately 2,200). The substantial decrease in the number of staff during the year is attributable to the disposal of the Disposal Group (as detailed in the section under the heading “Material Disposal of Subsidiaries”) which employs over 2,000 workers and staff in Hong Kong and the PRC.

To attract, retain and motivate its employees, the Group has developed effective remuneration policies that are subject to review on regular basis. The Group’s employees are remunerated with competitive packages which are in line with prevailing industry practice and individual performance. Furthermore, share option and performance-based bonus scheme are also in place to recognize the outstanding employees.

僱員

於二零零七年十二月三十一日，本集團僱用8名（二零零六年十二月三十一日：約2,200名）僱員。年內員工人數大幅減少，原因是出售在香港及中國僱用逾2,000名工人及員工之出售集團所致（詳見「重大出售附屬公司事項」一節）。

為吸引、挽留及激勵僱員，本集團已訂出有效之薪酬政策並予以定期檢討。本集團僱員之薪津組合極具吸引力，與當前業內慣例看齊且與個人表現掛鉤。此外，本集團亦設有購股權計劃及績效花紅計劃以獎勵傑出僱員。



Senior Management Profile

高級管理層簡歷

EXECUTIVE DIRECTORS

Mr. Ha Kee Choy, Eugene, aged 51, joined the Company as an executive director in July 2004. Mr. Ha holds a Master's degree in business administration and is a fellow member of the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr. Ha possesses over 15 years of experience in the finance and banking industry and acts as director of a number of private and listed companies in Hong Kong.

Ms. Ma Wai Man, Catherine, aged 42, joined the Company as an executive director in October 2007. Ms. Ma is a graduate of City University of Hong Kong, a chartered secretary, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Ms. Ma has extensive management experience in companies with diversified interests ranging from manufacturing, telecommunications to infrastructure and property investments. She has previously held executive directorship in a number of companies listed on local and overseas stock exchanges.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Yuk Wo, aged 47, joined the Company as an independent non-executive director in October 2007. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr. Cheng worked at Coopers and Lybrand (now known as PricewaterhouseCoopers) in London and Swiss Bank Corporation (now known as UBS AG) in Toronto. He has held senior management positions in a number of Hong Kong listed companies and is a co-founder of a Hong Kong merchant banking firm. He is the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng holds a Master of Science (Economics) degree in Accounting and Finance and a Bachelor of Arts (Honours) degree in Accounting.

執行董事

夏其才先生，現年五十一歲，於二零零四年七月加入本公司，擔任執行董事。夏先生持工商管理碩士學位，乃英國特許公認會計師公會及香港稅務學會資深會員。夏先生積累逾十五年之金融及銀行業經驗，並於香港若干私人及上市公司擔任董事。

馬慧敏女士，現年四十二歲，於二零零七年十月加入本公司，擔任執行董事。馬女士畢業於香港城市大學，為特許秘書及英國特許公認會計師公會資深會員及香港會計師公會會員。馬女士於多個行業均擁有豐富之管理經驗，包括製造、電訊以至基建及物業投資。彼曾於多間在本地及海外交易所上市之公司任職執行董事。

獨立非執行董事

鄭毓和先生，現年四十七歲，於二零零七年十月加入本公司，擔任獨立非執行董事。彼乃英國及威爾斯特許公認會計師公會、香港會計師公會資深會員及加拿大安大略省特許會計師公會會員。鄭先生曾於倫敦Coopers and Lybrand(現稱為羅兵咸永道會計師事務所)及多倫多Swiss Bank Corporation(現稱為UBS AG)任職，亦曾在多間香港上市公司擔任高級管理職位，並為香港一間商人銀行創辦人之一。彼為一間香港執業會計師行之擁有人。鄭先生持有會計及財務經濟科學碩士學位及文學士榮譽學位(會計)。

Senior Management Profile 高級管理層簡歷

Mr. Chui Chi Yun, Robert, aged 51, joined the Company as an independent non-executive director in July 2004. Mr. Chui holds a Bachelor's degree in Commerce (major in Accounting) and is a practicing Certified Public Accountant in Hong Kong. Mr. Chui is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

Ms. Leung Sau Fan, Sylvia, aged 44, joined the Company as an independent non-executive director in February 2008. She holds a Bachelor degree from City University of Hong Kong and a Bachelor of Laws degree from University of London. She has over 10 years' experience in dealing with listing related and corporate finance areas. Ms. Leung is currently a director of an established firm of corporate finance advisers.

崔志仁先生，現年五十一歲，於二零零四年七月加入本公司，擔任獨立非執行董事。崔先生持有商學士學位(主修會計)，並為香港執業會計師。崔先生乃香港會計師公會及英國特許公認會計師公會之資深會員。

梁秀芬女士，現年四十四歲，於二零零八年二月加入本公司，擔任獨立非執行董事。彼持有香港城市大學學士學位及倫敦大學法律學士學位。彼於上市相關及企業融資領域擁有逾十年經驗。梁女士目前於一間著名的企業融資顧問公司擔任董事。



CORPORATE GOVERNANCE PRACTICE

The board of directors of the Company (the “Board”) considers that good corporate governance is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders. Therefore, the Company commits to maintain high standard corporate governance practices and has complied with the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2007 except for the deviations described in this Corporate Governance Report.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as its own code of conduct regarding the directors’ securities transaction. Having made specific enquiry, all directors confirmed that they fully complied with the Model Code throughout the year.

BOARD OF DIRECTORS

The Board is vested with the key roles of formulating the Group’s corporate strategic directions and policies; monitoring the financial performance and internal control system of the Group and overseeing the performance of management, who is delegated with the responsibilities of executing the Board’s decision and in-charging day-to-day operation. In discharging its responsibilities, the Board meets regularly and acts in good faith, with due diligence and care.

The directors acknowledge their responsibility for preparing the financial statements of the Company.

During the year ended 31 December 2007, Mr. Leung Wai Ho and Mr. Wong Chung Shun resigned as the executive directors of the Company so as to taking up other business opportunities and Mr. Lam Kwok Cheong resigned as the independent non-executive director and member of the audit committee due to engagement in his own business. Ms. Ma Wai Man, Catherine was appointed as the executive director and Mr. Cheng Yuk Wo was appointed as the

企業管治守則

本公司董事會（「董事會」）認為良好企業管治能提升公司對投資大眾及其他利益相關者之間責性及透明度。故此，本公司致力維持高水準之企業管治守則，並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證券上市規則（「上市規則」）附錄十四中企業管治常規守則（「企管守則」）所載之守則條文，惟此企業管治報告內討論之偏離事宜除外。

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經特定查詢後，全體董事確認於本年度已充分遵守標準守則。

董事會

董事會之主要角色為策劃本集團之企業策略方向及政策，監察本集團之財務表現及內部監控系統，並監察管理人員在執行獲董事會授予之職責及處理日常營運時之表現。執行其責任時，董事會會定期舉行會議，並秉誠行事、審慎盡責。

董事確認其編製本公司財務報表之責任。

截至二零零七年十二月三十一日止年度，梁蔚豪先生及黃仲遜先生辭任為本公司執行董事，以迎接其他商務機會，而林國昌先生則因專注本身業務而辭任獨立非執行董事及審核委員會成員。馬慧敏女士獲委任為本公司執行董事及鄭毓和先生獲委任為本公司獨立非執行董事及審核委員會成員。於二零零七年十二月三十一日後，黎永良先

independent non-executive director and member of the audit committee of the Company. Subsequent to 31 December 2007, Mr. Lai Wing Leung, Peter, due to his own career and personal commitment, resigned as and Ms. Leung Sau Fan, Sylvia was appointed as the independent non-executive director and member of the audit committee of the Company.

The Board currently comprises two executive directors and three independent non-executive directors, the biographies of whose are set out on pages 10 to 11 of this annual report. All the directors are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group. The composition of the Board and their respective attendance in the Board meetings and other committee meetings during the year ended 31 December 2007 are as follows:

生因本身事業及個人抱負而辭任及梁秀芬女士獲委任為本公司獨立非執行董事及審核委員會成員。

董事會現由兩名執行董事及三名獨立非執行董事組成，其簡歷載於本年報第10頁至11頁。全體董事均為能幹之行政人員，具有不同行業專長並為本集團帶來各種技術與經驗。截至二零零七年十二月三十一日止年度，董事會之組成及各董事於董事會會議及其他委員會會議之相關出席率如下：

		No. of meetings attended / held 出席／舉行會議次數		
		Regular full board meetings 董事會全體 成員例會	Audit Committee meetings 審核委員會 會議	Remuneration Committee meeting 薪酬委員會 會議
<i>Executive directors</i>		<i>執行董事</i>		
Ha Kee Choy, Eugene	夏其才	4/4	—	1/1
Ma Wai Man, Catherine (appointed on 1 October 2007)	馬慧敏(於二零零七年 十月一日獲委任)	1/1	—	—
Leung Wai Ho (resigned on 1 October 2007)	梁蔚豪(於二零零七年 十月一日辭任)	3/3	—	—
Wong Chung Shun (resigned on 1 October 2007)	黃仲遜(於二零零七年 十月一日辭任)	3/3	—	—
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>		
Chui Chi Yun, Robert	崔志仁	4/4	2/2	1/1
Cheng Yuk Wo (appointed on 1 October 2007)	鄭毓和(於二零零七年 十月一日獲委任)	1/1	—	—
Leung Sau Fan, Sylvia (appointed on 1 February 2008)	梁秀芬(於二零零八年 二月一日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用
Lam Kwok Cheong (resigned on 12 October 2007)	林國昌(於二零零七年 十月十二日辭任)	3/3	2/2	1/1
Lai Wing Leung, Peter (resigned on 31 January 2008)	黎永良(於二零零八年 一月三十一日辭任)	3/4	2/2	—

Chairman and Chief Executive Officer

Pursuant to Code A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Prior to 1 October 2007, the chairman of the Board was Mr. Leung Wai Ho whilst Mr. Wong Chung Shun, the then deputy chairman of the Company, took the role of chief executive officer.

After the resignation of Mr. Leung Wai Ho and Mr. Wong Chung Shun on 1 October 2007, there is no specific designation of chairman in the Board and no chief executive officer has been appointed. Nevertheless, Mr. Ha Kee Choy, Eugene focuses on the leadership role in the Board to ensure that the Board works effectively in discharging its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner whilst Ms. Ma Wai Man, Catherine takes up the responsibilities of running the corporate and business operations of the Group. The Board considers that the segregation of responsibilities among the Board members meets the requirements under the CG Code.

Non-executive Directors

None of the non-executive directors of the Company is appointed for specific term which is deviated from Code A.4.1 of the CG Code. However, as the directors are subject to the retirement by rotation provisions under the bye-laws of the Company, the Board considers that sufficient measures have been in place to ensure that the Company's corporate governance practices are no less exacting than the CG Code.

Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Chui Chi Yun, Robert (Committee Chairman), Mr. Cheng Yuk Wo (appointed on 1 October 2007) and Ms. Leung Sau Fan, Sylvia (appointed on 1 February 2008). The main role and functions of the Audit Committee are to review the financial information of the Company, to oversee the Company's financial reporting system and internal control procedure and maintain relations with the auditors of the Company.

主席及行政總裁

根據企管守則第A.2.1條，主席及行政總裁的角色應為獨立及不應由同一人兼任。於二零零七年十月一日前，董事會主席為梁蔚豪先生，而本公司當時副主席黃仲遜先生則負責行政總裁職務。

梁蔚豪先生及黃仲遜先生於二零零七年十月一日辭任後，並無具體指定董事會主席，亦無委任行政總裁。然而，夏其才先生專注於董事會上的領導角色，確保董事會於履行其職責時有效運作，以及董事會適時地討論一切關鍵和適當的事宜，而馬慧敏女士則負責本集團之企業及業務運作職務。董事會認為董事會成員之職權劃分，乃符合企管守則的規定。

非執行董事

本公司之非執行董事並非按指定任期委任，與企管守則第A.4.1條有所偏離。然而，董事須根據本公司之公司細則輪席退任。因此，董事會認為已採取足夠措施以確保本公司之企業管治守則與企管守則同樣嚴謹。

審核委員會

審核委員會由三位本公司獨立非執行董事組成，分別為崔志仁先生(委員會主席)、鄭毓和先生(於二零零七年十月一日獲委任)及梁秀芬女士(於二零零八年二月一日獲委任)。審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統及內部監控程序，並與本公司核數師維持良好關係。

In year 2007, the Audit Committee held two meetings, both were attended by Mr. Chui Chi Yun, Robert, Mr. Lam Kwok Cheong (resigned on 12 October 2007) and Mr. Lai Wing Leung, Peter (resigned on 31 January 2008). During the meetings, the annual results of the Group for the year ended 31 December 2006 was reviewed with the auditors of the Company and the interim results of the Group for the six months ended 30 June 2007 was discussed.

Remuneration Committee

The Remuneration Committee of the Company was set up with key responsibilities of recommending the policy and structure for remuneration of directors and senior management and determining the remuneration package of executive directors and senior management.

The Remuneration Committee composed of Mr. Ha Kee Choy, Eugene (Committee Chairman), Mr. Cheng Yuk Wo, who was appointed to replace Mr. Lam Kwok Cheong on 12 October 2007, and Mr. Chui Chi Yun, Robert. The committee member met once in the year ended 31 December 2007 for discussing the remuneration package of the directors and senior management for the year 2008.

Nomination of Directors

The Company has not established a nomination committee. The Board as a whole is responsible for considering and approving the appointment of its members and will meet to discuss when nomination of new director(s) is received or when circumstances require. In considering the suitability of a candidate for directorship, the Board will take into account the candidate's qualification, experience, expertise and knowledge as well as the prevailing composition, structure and size of the Board and the requirements under the Listing Rules.

於二零零七年度，審核委員會舉行兩次會議，兩次均獲崔志仁先生、林國昌先生(於二零零七年十月十二日辭任)及黎永良先生(於二零零八年一月三十一日辭任)出席。於該等會議上，審核委員會與本公司核數師審閱本集團截至二零零六年十二月三十一日止年度之年度業績，以及討論本集團截至二零零七年六月三十日止六個月之中期業績。

薪酬委員會

本公司薪酬委員會成立之主要職責為就董事及高級管理層之薪酬政策及架構提供建議，並釐定執行董事及高級管理層之薪酬組合。

薪酬委員會由夏其才先生(委員會主席)、鄭毓和先生(於二零零七年十月十二日獲委任以代替林國昌先生)及崔志仁先生組成。委員會成員於截至二零零七年十二月三十一日止年度舉行一次會議，討論董事及高級管理層於二零零八年度之薪酬組合。

董事提名

本公司並無成立提名委員會。於接獲新董事提名或於合適時機時，董事會全體成員負責並舉行會議商討及批准董事委任事項。於考慮董事候選人是否合適時，董事會會考慮其資格、經驗、專業技能、知識以及現行董事會之組合、架構與人數以及上市規則之規定。

INTERNAL CONTROLS

The Board acknowledges that an effective internal control system which is designed to monitor and respond appropriately to significant risk, to safeguard assets, to provide reasonable assurance from fraud and errors and to ensure compliance of applicable law and regulations is essential for effective and efficient operations of a company. Furthermore, the internal control system is designed to manage rather than eliminate the risk of failure and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has in place an effective internal control system which encompasses sound control environment, appropriate segregation of duties, well-defined policies and procedures, close monitoring and is reviewed and enhanced by the management at regular intervals.

The Board, with the assistance of the management, has conducted a review on the effectiveness of the internal control system and, in particular, the business cycle of a business segment was reviewed. Based on the report on the findings which include recommendations for further improvement, the directors were satisfied that the Group has operated an effective internal control system during the year under review.

AUDITORS' REMUNERATION

During the year ended 31 December 2007, remuneration in respect of audit and non-audit services provided by Messrs. Moores Rowland, the auditors of the Company, to the Group are approximately HK\$450,000 (2006: HK\$800,000) and HK\$590,000 (2006: HK\$30,000) respectively.

內部監控

董事會確認，高效之內部監控系統乃公司能有效及高效率營運之關鍵。該系統之設計能監察並適切回應重大風險、保障資產、合理地保證避免欺詐及錯誤以及能確保遵守適用法律法規。此外，內部監控系統只能管理而非杜絕失誤風險，只能提供合理保證而非絕對能防範重大失實陳述或損失。

本集團已設立有效內部監控系統，包含健全監控環境、適當職務分工、清楚界定的政策和程序、嚴密監察，並且由管理層定期檢討及提升。

董事會在管理層協助下，對內部監控系統之效能進行檢討，特別就業務分部之業務周期進行檢討。根據包含進一步改進之建議之調查報告，董事信納本集團於回顧年度內設有高效內部監控系統。

核數師酬金

截至二零零七年十二月三十一日止年度，本公司核數師摩斯倫會計師事務所提供予本集團之審核及非審核服務之酬金分別約為港幣450,000元（二零零六年：港幣800,000元）及港幣590,000元（二零零六年：港幣30,000元）。

The directors present their annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in trading of toy, gift and premium products and securities trading and investments. During the year, the Group terminated its operation in manufacturing of toy products.

Details of the activities of the subsidiaries are set out in note 42 to the financial statements. An analysis of the turnover and results by principal activities and geographical locations of the Group are set out in note 7 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 27.

The directors do not recommend the payment of a dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 29 to the financial statements.

董事謹此提呈彼等之年度報告連同本公司及其附屬公司（「本集團」）截至二零零七年十二月三十一日止年度之經審核財務報表。

主要業務

本公司乃一間投資控股公司，其附屬公司主要從事玩具、贈品及精品買賣以及證券買賣及投資。於本年度，本集團終止其於玩具產品製造之業務。

各附屬公司之業務詳情載於財務報表附註42。按本集團主要業務及地區劃分之營業額及業績分析載於財務報表附註7。

業績及分配

本集團截至二零零七年十二月三十一日止年度之業績載於第27頁之綜合收益表。

董事不建議派付本年度股息。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於財務報表附註16。

股本

本公司股本於年內變動之詳情載於財務報表附註29。

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 31 and note 30 to the financial statements respectively.

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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-laws") or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

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

Executive Directors

Mr. Ha Kee Choy, Eugene
Ms. Ma Wai Man, Catherine (appointed on 1 October 2007)
Mr. Leung Wai Ho (resigned on 1 October 2007)
Mr. Wong Chung Shun (resigned on 1 October 2007)

Independent Non-executive Directors

Mr. Chui Chi Yun, Robert
Mr. Cheng Yuk Wo (appointed on 1 October 2007)
Ms. Leung Sau Fan, Sylvia (appointed on 1 February 2008)
Mr. Lam Kwok Cheong (resigned on 12 October 2007)
Mr. Lai Wing Leung, Peter (resigned on 31 January 2008)

儲備

本集團及本公司年內儲備之變動分別載於第31頁之綜合權益變動表及財務報表附註30。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

優先購買權

本公司細則(「公司細則」)或百慕達法例均無有關優先購買權之條款，規定本公司須按比例向現有股東發售新股份。

董事

本公司年內及至本報告日期止之董事如下：

執行董事：

夏其才先生
馬慧敏女士(於二零零七年十月一日獲委任)
梁蔚豪先生(於二零零七年十月一日辭任)
黃仲遜先生(於二零零七年十月一日辭任)

獨立非執行董事

崔志仁先生
鄭毓和先生(於二零零七年十月一日獲委任)
梁秀芬女士(於二零零八年二月一日獲委任)
林國昌先生(於二零零七年十月十二日辭任)
黎永良先生(於二零零八年一月三十一日辭任)

In accordance with Bye-law 102(B) of the Bye-laws, Ms. Ma Wai Man, Catherine, Mr. Cheng Yuk Wo and Ms. Leung Sau Fan, Sylvia, all of whom were appointed by the Board to fill the casual vacancy after the annual general meeting held by the Company in year 2007, shall hold office until the next annual general meeting and, being eligible, offer themselves for re-election. In accordance with Bye-law 99 of the Bye-laws and code provision A.4.2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Mr. Ha Kee Choy, Eugene and Mr. Chui Chi Yun, Robert will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The directors proposed for re-election at the forthcoming annual general meeting do not have any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The non-executive directors are subject to retirement by rotation in accordance with the Bye-laws.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of the independent non-executive directors are independent.

DIRECTORS' INTEREST IN SECURITIES

As at 31 December 2007, none of the directors or chief executive of the Company or any of their respective associates had 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 Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

根據公司細則第102(B)條，馬慧敏女士、鄭毓和先生及梁秀芬女士（均為本公司舉行二零零七年度股東週年大會後，董事會為填補臨時空缺而委任者）之任期至下屆股東週年大會止，彼等符合資格並願意膺選連任。按照公司細則第99條及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14之守則條文第A.4.2條，夏其才先生及崔志仁先生將於應屆股東週年大會上輪席告退，彼等合資格並願意膺選連任。

擬在應屆股東週年大會膺選連任之董事概無訂有本公司於一年內不作賠償（法定賠償除外）即不可終止之任何服務合約。

根據公司細則，各非執行董事須輪值告退。

本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認函，並認為各獨立非執行董事皆屬獨立人士。

董事之證券權益

於二零零七年十二月三十一日，本公司董事、行政總裁或彼等各自之聯繫人士於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，概無擁有須記錄在本公司根據證券及期貨條例第352條所置存之登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則而另行知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section “Connected Transactions” of this directors' report, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 36 to the financial statements and the section “Connected Transactions” of this directors' report, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2007, none of the directors was interested in any business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CONNECTED TRANSACTIONS

On 16 April 2007, Prosper Overseas Limited, a wholly owned subsidiary of the Company, entered into an agreement to dispose its entire interest in and amounts due from GFT Holding Limited and its subsidiaries (the “Disposed Group”), a sub-group of the Company engaged in toy manufacturing at Boluo, Huizhou and toy trading, to a company beneficially owned by Mr. Leung Wai Ho and Mr. Wong Chung Shun, both were the former directors and substantial shareholders of the Company, at an aggregate consideration of HK\$2.0 (“GFT Disposal”).

購買股份或債權證之安排

除本董事報告「關連交易」一節所披露者外，於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

董事之重大合約權益

除財務報表附註36及本董事報告「關連交易」一節所披露者外，本公司或其任何附屬公司概無訂立任何於年終或年內任何時間仍然有效，且本公司董事直接或間接擁有重大利益之重大合約。

董事於競爭業務之權益

於二零零七年十二月三十一日，除本集團之業務外，概無董事於與本集團業務直接或間接競爭或應會競爭之任何業務中擁有任何權益。

關連交易

於二零零七年四月十六日，本公司之全資附屬公司興旺海外有限公司訂立協議，出售GFT Holding Limited及其附屬公司(本公司於惠州市博羅縣從事玩具製造及玩具貿易之分支集團，「出售集團」)全部股權及彼等應付款項予梁蔚豪先生及黃仲遜先生(兩人均為本公司之前董事兼主要股東)實益擁有之公司，總代價為港幣2.0元(「GFT出售事項」)。

GFT Disposal constituted a major disposal and connected transaction for the Company under the Listing Rules and was approved by the independent shareholders of the Company in a special general meeting held on 28 May 2007.

Completion of GFT Disposal took place on 28 June 2007, upon which the obligations of the Company as a corporate guarantor under the banking facilities granted to the Disposal Group has been released by the bank and the Company ceased its operation in manufacturing of toy products. As a result of GFT Disposal, the Group recorded a gain on disposal of subsidiaries of approximately HK\$15,367,000 and wrote off amounts due from subsidiaries in approximately HK\$68,559,000.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, the interests and short positions of those persons (other than the directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares of the Company (the "Shares")

根據上市規則，GFT出售事項構成本公司之主要出售事項及關連交易，並於二零零七年五月二十八日舉行之股東特別大會上獲本公司獨立股東批准。

GFT出售事項於二零零七年六月二十八日完成，自此，本公司就出售集團所獲授之銀行融資所負之公司擔保人責任已獲銀行解除，本公司亦終止其玩具產品製造業務。GFT出售事項後，本集團錄得出售附屬公司收益約港幣15,367,000元及撇銷應收附屬公司款項約港幣68,559,000元。

主要股東

於二零零七年十二月三十一日，按本公司根據證券及期貨條例第336條存置之名冊記錄，以下人士（本公司董事或行政總裁除外）於本公司之股份及相關股份之權益及淡倉如下：

於本公司股份（「股份」）中之好倉

Name of shareholders 股東姓名	Capacity 身份	Number of Shares held 持有股份數目	Approximate percentage of shareholding 概約股權百分比
Glory Winning Investment Limited	Beneficial owner 實益擁有人	564,896,000	9.03%
Tellus Investments Limited	Interest of controlled corporation 受控制法團之權益	564,896,000 (note 1) (附註1)	9.03%
Tse Cho Tseung ("Mr. Tse") 謝祖翔（「謝先生」）	Interest of controlled corporation 受控制法團之權益	564,896,000 (note 1) (附註1)	9.03%
Galaxy China Opportunities Fund ("Galaxy")	Beneficial owner 實益擁有人	92,600,000 (note 2) (附註2)	6.99% (note 2) (附註2)

Directors' Report

董事報告

Notes:-

1. Glory Winning Investment Limited is a company held by Mr. Tse and Tellus Investments Limited, the entire issued share capital of which is held by Mr. Tse, in equal shares. Therefore, both Tellus Investments Limited and Mr. Tse are deemed to be interested in 564,896,000 Shares held by Glory Winning Investments Limited.
2. 92,600,000 Shares was the number of Shares held by Galaxy as at 23 October 2007, being the relevant event date of the last notice filed by Galaxy before 31 December 2007, and represented 6.99% and 1.48% of the issued share capital of the Company as at 23 October 2007 and 31 December 2007 respectively. Subsequent to 31 December 2007, Galaxy filed a notice disclosing its shareholding in the Company as at 31 January 2008 as 440,200,000 Shares, representing 7.03% of the issued share capital of the Company as at 31 December 2007 and 31 January 2008.

Save as disclosed above, as at 31 December 2007, the Company has not been notified of any interests or short positions in the shares or underlying shares of the Company representing five percent or more in the issued share capital of the Company and recorded in the register required to be kept by the Company under Section 336 of the SFO.

附註：

1. Glory Winning Investment Limited乃由謝先生及 Tellus Investments Limited (其全部已發行股本由謝先生持有) 以相等份額持有。因此，Tellus Investments Limited及謝先生均被視為於 Glory Winning Investment Limited所擁有之564,896,000股股份中擁有權益。
2. 該92,600,000股股份為Galaxy於二零零七年十月二十三日(即Galaxy於二零零七年十二月三十一日前提交最後一份通知之有關事件日期)所持有之股份數目，相當於本公司於二零零七年十月二十三日及二零零七年十二月三十一日之已發行股本6.99%及1.48%。於二零零七年十二月三十一日後，Galaxy提交一份通知，披露其於二零零八年一月三十一日於本公司之股權為440,200,000股股份，相當於本公司於二零零七年十二月三十一日及二零零八年一月三十一日之已發行股本7.03%。

除上文所披露者外，於二零零七年十二月三十一日，本公司並無獲通知有任何人士於本公司股份或相關股份中擁有相當於本公司已發行股本5%或以上之權益或淡倉而記錄於本公司根據證券及期貨條例第336條須存置之登記冊。

SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 31 to the financial statements.

Movements in the share options of the Company during the year were as follows:

購股權

本公司之購股權計劃詳情載於財務報表附註31。

年內本公司之購股權變動如下：

	Exercisable Period	Exercise Price	Number of share options				Balance as at 31.12.2007
			Balance as at 1.1.2007	Granted during the year	Lapsed during the year	Exercised during the year	
	行使期	行使價 (note) HK\$ 港元	於二零零七年 一月一日之結餘	年內授出 (note) (附註)	年內失效	年內行使	於二零零七年 十二月三十一日 之結餘
Employees 僱員	13 January 2007 to 12 January 2009 二零零七年一月十三日至二零零九年一月十二日	0.140	—	19,850,976	—	(19,850,976)	—
Others 其他	13 January 2007 to 12 January 2009 二零零七年一月十三日至二零零九年一月十二日	0.140	—	13,233,984	—	(13,233,984)	—
Total 總計			—	33,084,960	—	(33,084,960)	—

Note:

The exercise price and number of share options granted during the year were adjusted to reflect the share consolidation of every five shares of HK\$0.01 each of the Company into two shares of HK\$0.025 each which became effective on 6 March 2007.

附註：

年內授出購股權之行使價及數目已作調整，以反映於二零零七年三月六日生效之股份合併（每五股每股面值港幣0.01元之本公司股份合併為兩股每股面值港幣0.025元之股份）。

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 44.7% and 76.9% respectively.

主要客戶及供應商

本集團最大供應商及五大供應商分別共佔本集團採購額44.7%及76.9%。

Directors' Report

董事報告

The percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 13.0% and 51.0% respectively.

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 41 to the financial statements.

AUDITORS

Moores Rowland Mazars were appointed as auditors of the Company in January 2007 to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu.

Moores Rowland Mazars have changed their name to Moores Rowland on 1 June 2007 and combined their practice with Grant Thornton. As a result of these changes, a resolution will be submitted at the forthcoming annual general meeting of the Company to appoint Grant Thornton as auditors of the Company.

On behalf of the Board
Ha Kee Choy, Eugene
Executive Director

Hong Kong, 21 April 2008

本集團最大客戶及五大客戶分別共佔本集團營業額13.0%及51.0%。

各董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無在本集團五大供應商或五大客戶中擁有任何權益。

充足公眾持股量

根據於本報告日期本公司獲得之公開資料及董事所知，本公司一直維持上市規則規定之充足公眾持股量。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註41。

核數師

摩斯倫•馬賽會計師事務所於二零零七年一月獲委任為本公司核數師，以填補德勤•關黃陳方會計師行辭任後所產生之臨時空缺。

摩斯倫•馬賽會計師事務所於二零零七年六月一日改名為摩斯倫會計師事務所並將其業務併入均富會計師行。由於該等變動，應屆股東週年大會上將提呈一項決議案，委任均富會計師行為本公司核數師。

代表董事會
執行董事
夏其才

香港，二零零八年四月二十一日

Moores Rowland
摩斯倫 會計師事務所

Chartered Accountants
Certified Public Accountants

701 Sunning Plaza
10 Hysan Avenue
Causeway Bay, Hong Kong
香港銅鑼灣希慎道10號新寧大廈701室

To the members of GFT Holdings Limited
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of GFT Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) set out on pages 27 to 111, which comprise the consolidated and Company balance sheets as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致真樂發控股有限公司
(於百慕達註冊成立之有限公司)
全體股東

本核數師已完成審核載於第27頁至第111頁之真樂發控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，其中包括於二零零七年十二月三十一日之綜合及 貴公司資產負債表，以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事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之香港財務報告準則及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。此責任包括設計、實施及維持與編製及真實而公平地列報該等財務報表相關之內部監控，以使該等財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇及應用適當之會計政策；及因應情況作出合理之會計估計。

Independent Auditors' Report

獨立核數師報告

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, 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 our 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, we 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 loss 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.

Moores Rowland

Chartered Accountants

Certified Public Accountants

Hong Kong

21 April 2008

核數師之責任

本核數師之責任是根據審核工作之結果對該等財務報表發表意見，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本核數師之意見，而不作其他用途。本核數師概不會就本報告內容對任何其他人士負責或承擔任何責任。本核數師按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本核數師在策劃及進行審核工作時須遵守道德規範，使本核數師能就該等財務報表是否不存有重大錯誤陳述作合理之確定。

審核涉及執行程序以取得與財務報表所載金額及披露事項有關之審核憑證。所選用程序須視乎本核數師之判斷，包括評估財務報表因欺詐或錯誤引起重大錯誤陳述之風險。在評估該等風險時，本核數師將考慮與公司編製及真實而公平地呈列財務報表有關之內部監控，以因應情況設計適當審核程序，但並非為就公司內部監控是否有效表達意見。審核亦包括評價董事所採用之會計政策之恰當性及所作會計估算之合理性，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師所獲得之審核憑證，是充分和恰當地為本核數師的審核意見提供基礎。

意見

本核數師認為，該等綜合財務報表已按照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之事務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

摩斯倫會計師事務所

英國特許會計師

執業會計師

香港

二零零八年四月二十一日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2007
截止二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Continuing operations	持續經營業務			
Turnover and revenue	營業額及收益	5	132,987	130,085
Cost of sales	銷售成本		(129,977)	(129,847)
Gross profit	毛利		3,010	238
Other income	其他收入	6	2,061	1,178
Distribution costs	分銷成本		(3,379)	(2,258)
Administrative expenses	行政開支		(21,985)	(28,465)
Loss on assignment of an amount due from a subsidiary upon disposal	出售附屬公司時轉讓應收款項之虧損		(68,559)	—
Other expenses	其他開支		(5,420)	(6,152)
Gain on disposal of subsidiaries	出售附屬公司收益	33(a)	20,413	—
Finance costs	財務費用	8(a)	(940)	(930)
Loss before taxation	除稅前虧損	8	(74,799)	(36,389)
Taxation	稅項	11	(171)	(76)
Loss for the year from continuing operations	本年度持續經營業務之虧損		(74,970)	(36,465)
Discontinued operation	已終止經營業務			
Loss for the year from discontinued operation	本年度已終止經營業務之虧損	12	—	(68)
Loss for the year	本年度虧損		(74,970)	(36,533)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人	14	(73,579)	(36,610)
Minority interests	少數股東權益		(1,391)	77
Loss for the year	本年度虧損		(74,970)	(36,533)
			HK cents 港幣仙	HK cents 港幣仙 (restated) (經重列)
Loss per share	每股虧損	15		
From continuing and discontinued operations	來自持續及已終止經營業務			
Basic	基本		(3.30)	(3.15)
Diluted	攤薄		N/A 不適用	N/A 不適用
From continuing operations	來自持續經營業務			
Basic	基本		(3.30)	(3.14)
Diluted	攤薄		N/A 不適用	N/A 不適用

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2007
於二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	155	52,551
Goodwill	商譽	17	—	4,201
Prepaid lease payments	預付租賃款項	18	—	3,327
Club debenture	會所會籍		—	220
			155	60,299
Current assets	流動資產			
Inventories	存貨	20	—	7,175
Trade and other receivables	應收賬款及其他應收款項	21	15,546	32,648
Financial assets at fair value through profit or loss	按公平值計入損益賬之 財務資產	22	11,339	—
Current portion of prepaid lease payments	預付租賃款項之流動部份	18	—	72
Bank balances and cash	銀行結餘及現金	23	235,437	7,136
Tax recoverable	應收稅項		231	196
			262,553	47,227
Non-current assets classified as held for sale	列為持作出售之 非流動資產	13	—	19,127
			262,553	66,354
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	24	15,074	42,532
Current portion of interest-bearing borrowings	附息借貸之流動部份	25	—	8,800
Current portion of obligations under finance leases	融資租賃債務之流動部份	26	—	1,813
			15,074	53,145
Liabilities associated with non-current assets classified as held for sale	列為持作出售之非流動 資產之關聯負債	13	—	2,093
			15,074	55,238
Net current assets	流動資產淨值		247,479	11,116
Total assets less current liabilities	資產總額減流動負債		247,634	71,415

As at 31 December 2007
於二零零七年十二月三十一日

Consolidated Balance Sheet 綜合資產負債表

			2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
		Notes 附註		
Non-current liabilities	非流動負債			
Long-term obligations under finance leases	長期融資租賃債務	26	—	1,801
			—	1,801
NET ASSETS	資產淨值		247,634	69,614
Capital and Reserves	股本及儲備			
Share capital	股本	29	156,456	19,536
Reserves	儲備		91,178	48,616
Equity attributable to equity holders of the Company	本公司股權持有人 應佔權益		247,634	68,152
Minority interests	少數股東權益		—	1,462
TOTAL EQUITY	權益總額		247,634	69,614

Approved and authorised for issue by the Board of Directors on 21
April 2008

於二零零八年四月二十一日經董事會批准及授權
刊發

Ha Kee Choy, Eugene

夏其才

Director

董事

Ma Wai Man, Catherine

馬慧敏

Director

董事

Balance Sheet

資產負債表

As at 31 December 2007
於二零零七年十二月三十一日

		Notes	2007	2006
		附註	二零零七年	二零零六年
			HK\$'000	HK\$'000
			港幣千元	港幣千元
Non-current asset	非流動資產			
Interest in subsidiaries	附屬公司權益	19	<u>1</u>	<u>1</u>
Current assets	流動資產			
Other receivables	其他應收款項	21	242,988	69,604
Bank balances and cash	銀行結餘及現金	23	19,307	1,947
			262,295	71,551
Current liabilities	流動負債			
Other payables	其他應付款項	24	1,745	2,941
Net current assets	流動資產淨值		260,550	68,610
NET ASSETS	資產淨值		260,551	68,611
Capital and reserves	股本及儲備			
Share capital	股本	29	156,456	19,536
Reserves	儲備	30	104,095	49,075
TOTAL EQUITY	權益總額		260,551	68,611

Approved and authorised for issue by the Board of Directors on 21 April 2008

於二零零八年四月二十一日經董事會批准及授權刊發

Ha Kee Choy, Eugene

夏其才

Director

董事

Ma Wai Man, Catherine

馬慧敏

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2007
截止二零零七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔									
		Share capital	Share premium	Capital reserve	Share options reserve	Convertible notes equity reserve	Translation reserve	Accumulated profits (losses)	Total	Minority interests	Total equity
		股本	股份溢價	資本儲備	購股權儲備	可換股票據權益儲備	匯兌儲備	累計溢利(虧損)	總額	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		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	港幣千元	港幣千元	港幣千元
At 1 January 2006	於二零零六年一月一日	15,785	35,193	2,099	—	—	1,399	31,170	85,646	1,546	87,192
Exchange difference on translation of financial statements of overseas subsidiaries recognised directly in equity	因換算海外附屬公司財務報表產生而直接於權益中確認之匯兌差異	—	—	—	—	—	1,710	—	1,710	—	1,710
Released on disposal of subsidiaries	出售附屬公司時撥回	—	—	—	—	—	—	—	—	(161)	(161)
(Loss) Profit for the year	本年度(虧損)溢利	—	—	—	—	—	—	(36,610)	(36,610)	77	(36,533)
Total recognised income and expenses for the year	本年度已確認收支總額	—	—	—	—	—	1,710	(36,610)	(34,900)	(84)	(34,984)
Issue of shares upon placement of shares	因配售股份而發行股份	3,000	9,000	—	—	—	—	—	12,000	—	12,000
Equity settled share-based payment transactions	以權益股份支付交易	—	—	—	1,868	—	—	—	1,868	—	1,868
Issue of shares upon exercise of share options	因行使購股權而發行股份	751	4,799	—	(1,868)	—	—	—	3,682	—	3,682
Share issue expense	股份發行費用	—	(144)	—	—	—	—	—	(144)	—	(144)
At 31 December 2006	於二零零六年十二月三十一日	19,536	48,848	2,099	—	—	3,109	(5,440)	68,152	1,462	69,614

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2007
截止二零零七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔									
		Share capital	Share premium	Capital reserve	Share options reserve	Convertible notes equity reserve	Translation reserve	Accumulated losses	Total	Minority interests	Total equity
		股本	股份溢價	資本儲備	購股權儲備	可換股票據權益儲備	匯兌儲備	累計虧損	總額	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		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	港幣千元	港幣千元	港幣千元
At 1 January 2007	於二零零七年一月一日	19,536	48,848	2,099	—	—	3,109	(5,440)	68,152	1,462	69,614
Released on disposal of subsidiaries	出售附屬公司時撥回	—	—	—	—	—	(3,109)	—	(3,109)	(71)	(3,180)
Loss for the year	本年度虧損	—	—	—	—	—	—	(73,579)	(73,579)	(1,391)	(74,970)
Total recognised income and expenses for the year	本年度已確認收支總額	—	—	—	—	—	(3,109)	(73,579)	(76,688)	(1,462)	(78,150)
Issue of shares upon placement of shares	因配售股份而發行股份	10,250	32,710	—	—	—	—	—	42,960	—	42,960
Equity settled share-based payment transactions	以權益股份支付交易	—	—	—	2,282	—	—	—	2,282	—	2,282
Issue of shares upon exercise of share options	因行使購股權而發行股份	828	6,086	—	(2,282)	—	—	—	4,632	—	4,632
Issue of convertible notes	發行可換股票據	—	—	—	—	4,361	—	—	4,361	—	4,361
Issue of shares upon conversion of convertible notes	因兌換可換股票據而發行股份	8,500	26,032	—	—	(4,361)	—	—	30,171	—	30,171
Rights issue	供股	117,342	61,017	—	—	—	—	—	178,359	—	178,359
Share issue expense	股份發行費用	—	(6,595)	—	—	—	—	—	(6,595)	—	(6,595)
At 31 December 2007	於二零零七年十二月三十一日	156,456	168,098	2,099	—	—	—	(79,019)	247,634	—	247,634

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2007
截止二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Cash flows from operating activities	經營業務所得之現金流量		
Loss before taxation	除稅前虧損	(74,799)	(36,457)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,901	5,336
Impairment loss recognised in respect of trade receivables	就應收賬款確認之減值虧損	—	1,451
Impairment loss on goodwill	商譽減值虧損	4,201	1,136
Provision for obsolete inventories	陳舊存貨撥備	—	1,516
Loss on assignment of an amount due from a subsidiary upon disposal	出售附屬公司時轉讓應收款項之虧損	68,559	—
Equity settled share-based transactions	以權益股份支付交易	2,282	1,868
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	62	42
Gain on disposal of subsidiaries	出售附屬公司收益	(20,413)	(355)
Amortisation of prepaid lease payments	預付租賃款項攤銷	63	182
Net exchange gain	匯兌收益淨額	—	(398)
Finance costs	財務費用	940	930
Interest income	利息收入	(1,470)	(71)
Operating loss before working capital changes	營運資金變動前之經營虧損	(18,674)	(24,820)
(Increase) Decrease in inventories	存貨(增加)減少	(2,289)	16
Increase in financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產增加	(11,339)	—
Decrease in trade and other receivables	應收賬款及其他應收款項減少	3,285	9,666
Increase in trade and other payables	應付賬款及其他應付款項增加	1,082	4,047
Cash used in operations	經營業務所動用現金	(27,935)	(11,091)
Income taxes refund (paid)	已退(已付)所得稅	114	(2,006)
Net cash used in operating activities	經營活動所動用之現金淨額	(27,821)	(13,097)
Cash flows from investing activities	投資活動所得之現金流量		
Interest received	已收利息	1,470	71
Purchase of property, plant and equipment	購買物業、廠房及設備	(44)	(4,194)
Deposit paid for acquisition of property, plant and equipment	購買物業、廠房及設備之已付訂金	(2,657)	—
Net cash outflow from disposal of subsidiaries	出售附屬公司所動用現金流量淨額	(4,279)	(242)
Net cash used in investing activities	投資活動所動用之現金淨額	(5,510)	(4,365)

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2007
截止二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Cash flows from financing activities	融資活動所得之現金流量		
Net proceeds from issue of new shares	發行新股份所得款項淨額	221,319	11,856
Issue of shares on exercise of share options	因行使購股權而發行股份	4,632	3,682
Proceeds from issue of convertible notes	發行可換股票據所得款項	34,000	—
Shares issue expenses	股份發行費用	(6,595)	—
Interest paid	已付利息	(314)	(543)
Proceeds from new interest-bearing borrowings	新增付息借貸所得款項	9,200	10,000
Repayment of interest-bearing borrowings	償還付息借貸	—	(4,262)
Interest element paid on obligations under finance leases	已付融資租賃債務之利息部分	(94)	(387)
Repayment of obligations under finance leases	償還融資租賃債務	(587)	(1,656)
Net cash generated from financing activities	融資活動所得之現金淨額	261,561	18,690
Net increase in cash and cash equivalents	現金及現金等值之增加淨額	228,230	1,228
Cash and cash equivalents at beginning of year	年初之現金及現金等值	7,207	6,044
Effect on exchange rate changes	匯率變動之影響	—	(65)
Cash and cash equivalents at end of year, represented by bank balances and cash	年終之現金及現金等值 相當於銀行結餘及現金	235,437	7,207
Analysis of the balances of cash and cash equivalents	現金及現金等值結餘之分析		
Bank balances and cash	銀行結餘及現金	235,437	7,136
Cash and cash equivalents attributable to the non-current assets held for sale	列為持作出售之非流動資產 應佔之現金及現金等值	—	71
		235,437	7,207

1. GENERAL INFORMATION

GFT Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office and principal place of business are disclosed in the Corporate Information section on page 2 of this annual report.

The principal activities of the Company and its subsidiaries (the “Group”) are trading of toy, gift and premium products and securities trading and investments.

The financial statements on pages 27 to 111 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial statements for the year ended 31 December 2007 were approved by the board of directors on 21 April 2008.

2. ADOPTION OF NEW OR AMENDED HKFRSs

From 1 January 2007, the Group has applied, for the first time, the following new standards, amendment and interpretations (the “new HKFRSs”) issued by the HKICPA, which are first effective for the Group’s accounting period beginning on 1 January 2007 and are relevant to the Group.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments : Disclosures

1. 一般資料

真樂發控股有限公司(「本公司」)為一家於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點之地址已於本年報第2頁的公司資料內披露。

本公司及其附屬公司(「本集團」)之主要業務為玩具、禮品及贈品的買賣及證券買賣和投資。

第27至第111頁之財務報表已按照香港財務報告準則(「香港財務報告準則」)而編製，該綜合詞彙包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則、香港會計準則及詮釋。此等財務報表也包括香港公司條例及聯交所證券上市規則(「上市規則」)之適用披露規定。

截至二零零七年十二月三十一日止年度之財務報表已於二零零八年四月二十一日獲董事會批准。

2. 採納新訂或經修訂香港財務報告準則

於二零零七年一月一日起，本集團已首次應用香港會計師公會所頒佈之下列新訂準則、修訂及詮釋(「新訂香港財務報告準則」)，乃於本集團二零零七年一月一日開始之會計期間首度生效並與集團有關。

香港會計準則 第1號(修訂本)	資本披露
香港財務報告準則 第7號	金融工具：披露

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

The adoption of HKAS 1 (Amendment) and HKFRS 7 has had no material financial impact on the Group's results and financial position in the current and prior accounting periods but gives rise to additional disclosures in the consolidated financial statements:

2.1 HKAS 1 (Amendment) – Capital Disclosures

HKAS 1 (Amendment) introduces additional disclosure requirements to provide information about the level of capital and the Group's capital management objectives, policies and procedures. The new disclosures that become necessary due to this change are set out in note 35.

2.2 HKFRS 7 – Financial Instruments : Disclosures

HKFRS 7 is mandatory for accounting period beginning on or after 1 January 2007. It replaces and amends the disclosure requirements previously set out in HKAS 32 - Financial Instruments : Presentation and Disclosures. As a result of the adoption of HKFRS 7, the Group's financial statements for the year ended 31 December 2007 include expanded disclosure about the significance of the Group's financial instruments and the nature and the extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32.

2.3 New and amended HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following standards or interpretations that have been issued but are not yet effective as at 31 December 2007.

2. 採納新訂或經修訂香港財務報告準則 (續)

採納香港會計準則第1號(修訂本)及香港財務報告準則第7號對本集團於本會計期間或過往會計期間之業績及財務狀況並無重大財務影響，但需於綜合財務報表內作額外披露：

2.1 香港會計準則第1號(修訂本) – 資本披露

香港會計準則第1號(修訂本)引入額外披露資料之規定，以提供有關資本水平及本集團資本管理目標、政策及程序之資料。因此項變動而成為必須之新披露內容載列於附註35。

2.2 香港財務報告準則第7號 – 金融工具：披露

香港財務報告準則第7號對二零零七年一月一日或之後開始之會計期間屬強制性，以取代和修訂先前於香港會計準則第32號 – 金融工具：呈列及披露所載列之披露規定。由於採納香港財務報告準則第7號，本集團截至二零零七年十二月三十一日止年度之財務報表與先前根據香港會計準則第32號所須披露之資料相比，有更多有關本集團金融工具之重要性及該等工具產生之風險的性質和程度之披露內容。

2.3 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早採納於二零零七年十二月三十一日已頒佈但尚未生效之準則或詮釋。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

2.3 New and amended HKFRSs that have been issued but are not yet effective (Continued)

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁵
HKFRS 2 (Amendment)	Share-based Payment - Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ⁵
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 11	HKFRS 2 - Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³

Notes :

- ¹ Effective for annual periods beginning on or after 1 January 2009
- ² Effective for annual periods beginning on or after 1 March 2007
- ³ Effective for annual periods beginning on or after 1 January 2008
- ⁴ Effective for annual periods beginning on or after 1 July 2008
- ⁵ Effective for annual periods beginning on or after 1 July 2009

2. 採納新訂或經修訂香港財務報告準則 (續)

2.3 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

香港會計準則 第1號 (經修改)	財務報表之呈列 ¹
香港會計準則 第23號 (經修改)	借貸成本 ¹
香港會計準則 第27號 (經修改)	綜合及獨立財務報表 ⁵
香港財務報告準則 第2號 (修訂本)	以股份為基礎之付款-歸屬條件及註銷 ¹
香港財務報告 第3號 (經修改)	業務合併 ⁵
香港財務報告 準則第8號	經營分部 ¹
香港 (國際財務 報告詮釋 委員會) – 詮釋第11號	香港財務報告 準則第2號 – 集團及庫存 股份交易 ²
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 ³
香港 (國際財務 報告詮釋 委員會) – 詮釋第13號	忠實客戶計劃 ⁴
香港 (國際財務 報告詮釋 委員會) – 詮釋第14號	香港會計準則 第19號 – 界定 利益資產之 限制、最低 資金規定及 兩者相互關係 ³

附註 :

- ¹ 於二零零九年一月一日或之後開始之年度期間有效
- ² 於二零零七年三月一日或之後開始之年度期間有效
- ³ 於二零零八年一月一日或之後開始之年度期間有效
- ⁴ 於二零零八年七月一日或之後開始之年度期間有效
- ⁵ 於二零零九年七月一日或之後開始之年度期間有效

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

2.3 New and amended HKFRSs that have been issued but are not yet effective (Continued)

Among these new standards and interpretations, HKAS 1 (Revised) is expected to be relevant to the Group's financial statements.

Amendment to HKAS 1 - Presentation of Financial Statements

This amendment affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's consolidated financial statements.

The directors of the Company are currently assessing the impact of the other new standards and interpretations but are not yet in a position to state whether they would have material impact on the Group's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The measurement basis used in the preparation of these financial statements is historical cost, except for (1) certain financial instruments, which are measured at fair value as explained in note 22 to the financial statements; and (2) non-current assets held for sales, which are stated at lower of carrying amount and fair value less costs to sell as explained in note 13 to the financial statements.

3.2 Basis of consolidation

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

2. 採納新訂或經修訂香港財務報告準則 (續)

2.3 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

於該等新訂準則及詮釋中，香港會計準則第1號(經修訂)預期會與本集團之財務報表有關。

香港會計準則第1號之修訂 - 財務報表之呈列

此修訂對股權持有人變動之呈列有所影響及引進綜合利潤表。編製者可選擇以單一綜合利潤表方式(連同小計項目)或以兩份獨立報表(先呈列獨立利潤表，然後呈列其他綜合利潤表)呈列收入及開支項目及其他綜合收入之組成部分。此修訂不會對本集團之財務狀況或業績有影響，但將會令披露事項增加。管理層現正評估此修訂對本集團財務報表之影響。

本公司董事目前正評估其他新訂準則及詮釋之影響，但未能對該等新訂準則及詮釋是否對本集團之財務報表產生重大影響作出結論。

3. 主要會計政策概要

3.1 編製基準

此等財務報表以歷史成本作為編製基準，除(1)若干金融工具按公平值計量，詳見財務報表附註22；及(2)持作出售之非流動資產按賬面值與公平值減銷售成本較低者列賬，詳見財務報表附註13。

3.2 綜合賬目基準

綜合財務報表包括本公司及其所有附屬公司截至每年十二月三十一日止之財務報表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Subsidiaries

A subsidiary is an entity, in which the Company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiaries is included in the Company's balance sheet at cost less impairment losses. The carrying amount of investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

All intra-group transactions and balances, income and expenses are eliminated on consolidation. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

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

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

3. 主要會計政策概要 (續)

3.3 附屬公司

附屬公司乃為本集團有權直接或間接控制一個實體之財務及經營政策而從其業務中獲取利益。

在本公司的資產負債表內，附屬公司之投資是以成本值減減值虧損列賬。投資之賬面值按個別基準調減至其可收回金額。本公司應佔附屬公司業績按已收及應收股息入賬。

所有集團內部間之交易及結餘和收支均於綜合賬目時對銷。集團內部間之交易所引致之未變現虧損以未變現溢利之同一方式撇銷，惟僅以未有減值證據下之情況而言。

少數股東權益指非本集團擁有之股本權益所應佔附屬公司損益及資產淨值之部分，以及並非本集團財務負債。

在綜合資產負債表中，少數股東權益乃呈列於權益內，與本公司股權持有人應佔權益分開。少數股東權益應佔損益在綜合收益表內分開呈列，作為本集團業績之分配。倘少數股東負有具約束力責任及能夠作出額外投資以彌償虧損，則凡少數股東所適用之虧損並超逾於附屬公司權益內之少數股東權益，其多出部分及適用於少數股東之進一步虧損在少數股東權益中分配，否則有關虧損在本集團權益中扣除。倘附屬公司其後錄得溢利，僅於收回本集團過往所承擔之少數股東應佔虧損後，才會分配該等溢利予少數股東權益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Goodwill

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment, see note 17 to the financial statements.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

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

3.5 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the income statement during the year in which they are incurred.

3. 主要會計政策概要 (續)

3.4 商譽

商譽指業務合併或投資之成本超過本集團在被收購方之可識別資產、負債及或然負債之公平淨值中所佔權益的部分。

商譽按成本減去累計減值虧損後列賬。商譽會分配至現金產生單位，並且每年受減值測試(見財務報表附註17)。

本集團在被收購方之可識別資產、負債及或然負債之公平淨值中所佔權益高於業務合併成本之部分，即時在損益表中確認。

往後出售附屬公司時，在釐定出售盈虧時須將已資本化商譽中應佔數額計算在內。

3.5 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損列賬。物業、廠房及設備項目之成本包括其購買價、令資產達致運作狀況及地點作其擬定用途而引致之直接費用。維修及保養費用於彼等發生之年度於收益表內扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Property, plant and equipment (Continued)

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately at the following rate per annum:

Buildings	Over the shorter of the term of the prepaid land lease or 50 years
Leasehold improvements	Over the shorter of the term of the prepaid land lease or 5 years
Plant and machinery	20% - 33.33%
Furniture, fixtures and equipment	20% - 33.33%
Motor vehicles	20% - 33.33%

Assets held under finance leases are depreciated over the shorter of their expected useful lives or the term of the leases.

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

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

3. 主要會計政策概要 (續)

3.5 物業、廠房及設備 (續)

折舊乃以物業、廠房及設備成本減累計減值虧損(在建工程除外)，經減除估計剩餘價值後，按下文所述由其可供使用日期起計之估計可使用年期以直線法撇銷。凡物業、廠房及設備項目具備不同的可使用年期，有關項目的成本值或估值則按合理基準予以分配並個別計算折舊。

樓宇	按預付土地租賃年期或50年(以較短者為準)
租賃物業裝修	按預付土地租賃年期或5年(以較短者為準)
廠房及機器	20% - 33.33%
傢具、裝置及設備	20% - 33.33%
汽車	20% - 33.33%

根據融資租約持有之資產乃以預期使用年期與租賃期兩者中較短者計算折舊。

出售產生之盈利或虧損會以出售所得款項與該資產之賬面值之差額釐定，並於收益表內確認。

其後之成本僅在項目之相關未來經濟利益很可能歸於本集團，並能可靠地計量該等成本之情況下，始會適當地計入有關資產之賬面值或確認為獨立資產。所有其他維修及保養費於產生之財務期間在收益表中扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Construction in progress

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all construction expenditure and other direct costs, including interest costs, attributable to such projects. Costs on completed construction works are transferred to the appropriate asset category. No depreciation is provided in respect of construction in progress until it is completed and available for use.

3.7 Prepaid lease payments

Prepaid lease payments are up-front payments to acquire fixed term interests in lessee-occupied land. The premiums are stated at cost and are amortised over the period of the lease on a straight-line basis to the income statement.

3.8 Financial assets

The Group's financial assets include trade and other receivables, financial assets at fair value through profit or loss, cash and cash equivalents and investments in subsidiaries.

The Group's accounting policy for financial assets other than investments in subsidiaries is set out below:

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

Finance assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments, including equity linked investments are also classified as held for trading unless they are designated upon initial recognition as at fair value through profit or loss.

3. 主要會計政策概要 (續)

3.6 在建工程

在建工程乃按成本減減值虧損列賬。成本包括所有建設費用及該等工程應佔之其他直接成本(包括利息成本)。已完工建設工程之成本轉撥至合適之資產類別。在建工程並無計算任何折舊，直至其完工及可供使用。

3.7 預付租賃款項

預付租賃款項乃收購承租人所佔用土地固定權益之預付款項。土地金按成本列賬及於租賃期間按直線法於收益表中攤銷。

3.8 財務資產

本集團之財務資產包括應收賬款及其他應收款項、按公平值計入損益賬之財務資產、現金及現金等值以及於附屬公司之投資。

本集團對財務資產(於附屬公司之投資除外)之會計政策載列如下：

(i) **按公平值計入損益賬之財務資產**

按公平值計入損益賬之財務資產包括持有作買賣之財務資產及初步確認時指定按公平值計入損益賬之財務資產。

倘為短期內出售之目的而購入財務資產，則有關財務資產列為持作買賣。除非於初步確認時指定為按公平值計入損益賬，否則衍生金融工具(包括股票掛鈎投資)亦列為持作買賣。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial assets (Continued)

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

At balance sheet date, the financial assets are measured at fair value by reference to price quotations for equivalent instruments in an active market provided by financial institutions. Any changes in fair value are recognised in the income statement.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

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

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

3. 主要會計政策概要 (續)

3.8 財務資產 (續)

(i) 按公平值計入損益賬之財務資產 (續)

於結算日，財務資產參照金融機構所提供之相等工具在活躍市場之報價而按公平值計量。凡公平值有任何變動，均於收益表內確認。

倘一份合約含有一項或以上嵌入式衍生工具，則整份混合合約可介定為按公平值計入損益賬之財務資產，惟嵌入式衍生工具並無導致現金流量出現重大變動，或明確禁止分列嵌入式衍生工具則除外。

倘符合以下準則，則可於初步確認時介定財務資產為按公平值計入損益賬：

- 有關介定能消除或大大減低因按照不同基準計量有關資產或確認其盈虧而出現不一致處理情況；或
- 根據列明之風險管理策略，該等資產為一組受管理而其表現乃按公平值基準評估之財務資產其中一部份，而有關該組財務資產之資料均按該基準而內部提供予主要管理人員；或

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial assets (Continued)

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

- the financial asset contains an embedded derivative that would need to be separately recorded.

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

(ii) Loans and receivables

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

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

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

3. 主要會計政策概要 (續)

3.8 財務資產 (續)

(i) 按公平值計入損益賬之財務資產 (續)

- 有關財務資產包含需要分別記賬之嵌入式衍生工具。

經初步確認後，包括在這個類別之財務資產按公平值計量，而公平值之變動則於收益表內確認。

(ii) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，且並無在活躍市場報價。貸款及應收款項其後採用實際利息法計算之經攤銷成本，減任何減值虧損列賬。經攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分之各項費用。

管理層視乎購入財務資產之目的於初步確認時釐定其財務資產分類，並在允許及適當情況下，於各報告日期重新評估此劃分。

所有財務資產只會在本集團成為有關工具合約條文之訂約方時，方予確認。循正規途徑購買之財務資產於交易日確認。初步確認財務資產時乃按公平值計量，若投資並非按公平值計入損益賬，則需加上按直接應佔交易成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial assets (Continued)

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

Impairment of financial assets

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

Loans and receivables

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

3. 主要會計政策概要 (續)

3.8 財務資產 (續)

當從財務資產收取現金流量之權利屆滿或轉讓或擁有權之絕大部分風險與回報已轉讓時，則解除財務資產確認。於各結算日會對財務資產進行審閱，以評估是否有任何客觀減值證據。如有出現任何上述證據，則根據財務資產分類釐定及確認減值虧損。

財務資產之減值

於各結算日，財務資產(按公平值計入損益賬之財務資產)均被評估其是否有任何減值之客觀證據。倘有任何該等證據存在，減值虧損則按以下方式計量及確認：

貸款及應收款項

倘有客觀證據表明貸款及應收款項出現減值虧損，則虧損金額按資產之賬面值與估計未來現金流量(不包括未產生之未來信貸虧損)按財務資產之原本實際利率(初步確認時計算之實際利率)貼現之現值兩者之差額計算。虧損金額於減值出現期間之收益表中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial assets (Continued)

Impairment of financial assets (Continued)

Loans and receivables (Continued)

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

3.9 Financial liabilities

The Group's financial liabilities include trade and other payables, borrowings, finance leases obligations and convertible notes.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

3. 主要會計政策概要 (續)

3.8 財務資產 (續)

財務資產之減值 (續)

貸款及應收款項 (續)

倘其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則撥回過往確認之減值虧損，惟不得導致財務資產賬面值超過如無確認減值下於撥回減值日之攤銷成本。撥回金額於撥回發生期間在收益表中確認。

3.9 財務負債

本集團之財務負債包括應付賬款及其他應付款項、借貸、融資租賃債務及可換股票據。

財務負債於本集團成為工具合約條文訂約方時確認。所有利息相關費用均於收益表之財務費用中確認為開支。當負債項下之責任獲解除或註銷或屆滿時，則解除財務負債確認。

倘現有財務負債由同一貸款人按大幅不同之條款以另一項財務負債取代，或現有負債條款經大幅改動，則有關交換或修訂視作解除確認原有負債及確認新負債，而有關賬面值間之差額則於收益表中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial liabilities

(i) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) 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 twelve months after the balance sheet date.

(iii) Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments. (See note 3.16)

(iv) Convertible notes that contain an equity component

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

3. 主要會計政策概要 (續)

3.9 財務負債 (續)

(i) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，其後使用實際利息法按攤銷成本計量。

(ii) 借貸

借貸最初乃按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬，如扣除交易成本後之所得款項與贖回價值出現差額，則於借貸期內使用實際利率法在收益表內確認。

除非本集團有權無條件將債務結算日期延遲至結算日後至少十二個月，否則借貸將被劃分為流動負債。

(iii) 融資租賃負債

融資租賃負債按最初價值減去租賃還款之資本部分計量。(見附註3.16)

(iv) 含有股本成分之可換股票據

可按持有人選擇兌換為權益股本之可換股票據，凡於換股時將予發行之股份數目及屆時將可收取之代價價值不變，則作為同時含有負債部分及權益部分的複合金融工具入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Financial liabilities (Continued)

(iv) Convertible notes that contain an equity component (Continued)

Convertible note issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible note and the fair value assigned to the liability component, representing the call option for conversion of the note into equity, is included in equity as convertible note equity reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the note.

When the note is converted, the convertible note equity reserve and the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the convertible note equity reserve is released directly to retained profits.

3.10 Cash equivalents

For the purpose of the cash flow statement, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

3. 主要會計政策概要 (續)

3.9 財務負債 (續)

(iv) 含有股本成分之可換股票據 (續)

由本公司發行同時含有財務負債及權益部分之可換股票據，於初步確認時各自列為負債及權益部分。初步確認時，負債部分之公平值按同類不可換股債務之當前市場利率釐定。發行可換股票據所得款項與指定負債部分公平值兩者之間差額（即將票據兌換為權益之認購期權）乃計入權益內作為可換股票據權益儲備。

負債部分其後按實際利息法計算之攤銷成本列賬。權益部分將保持在權益列賬，直至兌換或贖回有關票據為止。

於兌換票據時，兌換時之可換股票據權益儲備及負債部分賬面值轉撥至股本及股份溢價，作為發行股份之代價。倘贖回有關票據，可換股票據股本儲備則直接撥回保留溢利。

3.10 現金等值

就現金流量表而言，現金等值指可即時轉換為已知金額現金，及存在輕微價值變動風險之短期高流動性投資，並已扣除銀行透支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Rental income is recognised when the properties are let out and on the straight-line basis over the lease terms.

3.12 Foreign currency translation

Items included in the financial statements of each of the group entities, including subsidiaries are measured using the currency of the primary economic environment in which the group entities operate (“functional currency”). The consolidated financial statements are presented in Hong Kong Dollars (HK\$), which is the Company’s functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. 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.

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

3. 主要會計政策概要 (續)

3.11 收益確認

收益是在經濟利益可能流入本集團，及能可靠地計算該等收益與有關的成本(如適用)時，按以下基準確認。

銷售貨物之收益在擁有權的風險及回報轉移時確認，一般與貨物送交客戶及擁有權轉移之時間相同。

財務資產之利息收入按時間比例基準以其本金及有效利率計算。

租金收入按有關租約年期於物業出租期間以直線法確認。

3.12 外幣兌換

每個集團實體(包括附屬公司)之財務報表內之項目按該集團實體經營所在主要經濟環境之貨幣(「功能貨幣」)列值。綜合財務報表則以港幣呈列(本公司之功能貨幣及呈列貨幣)。

外幣交易按有關交易日之匯率換算為功能貨幣。因結算該等交易及因按年結日匯率換算以外幣計值之貨幣資產及負債而產生之外匯盈虧於收益表確認。

以外幣計值之按公平值列賬非貨幣項目按釐定公平值當日之匯率重新換算並呈報為公平值盈虧之部份。按歷史成本以外幣入賬之非貨幣項目不作換算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Foreign currency translation (Continued)

On consolidation, the results and financial position of all the group entities that have a functional currency different from the presentation currency are translated as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates;
- (c) all resulting exchange differences are recognised as a separate component of equity;
- (d) upon disposal of a group entity, exchange differences relating thereto and previously recognised in reserves are recognised in the income statement as part of the gain or loss on disposal; and
- (e) goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign entity are treated as assets and liabilities of that foreign entity and translated at the closing rates. Exchange differences arising are recognised in the translation reserve.

3. 主要會計政策概要 (續)

3.12 外幣兌換 (續)

於綜合賬目時，若本集團所有實體中其功能貨幣與呈列貨幣有所不同者，有關業績及財務狀況乃按下列方式換算：

- (a) 各資產負債表內呈列之資產及負債按結算日之收市匯率換算；
- (b) 各收益表的收支乃按平均匯率換算；
- (c) 就此產生之所有匯兌差額乃單獨確認為權益之一部份；
- (d) 於出售本集團一實體時，與之有關及先前於儲備中確認之匯兌差額於收益表中確認為出售之盈虧部分；及
- (e) 因收購海外實體而產生可識別資產之商譽及公平值調整，均作為有關海外實體的資產與負債並按收市匯率換算。所產生之匯兌差額於匯兌儲備中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.14 Club debenture

Club debenture has indefinite useful life and is measured at cost less accumulated impairment losses.

3.15 Impairment of other assets

At each balance sheet date, the Group reviews internal and external sources of information to determine whether its property, plant and equipment, prepaid lease payments, club debenture and investment in subsidiaries have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

3. 主要會計政策概要 (續)

3.13 存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本(包括所有購買成本及(如適用)轉換成本及將存貨達致彼等目前位置及現狀之其他成本)使用加權平均成本法計算。可變現淨值乃於日常業務過程中估計之銷售價減完成之估計成本及出售之必要成本。

3.14 會所會籍

會所會籍無固定使用年期，按成本減累計減值虧損。

3.15 其他資產之減值

於各結算日，本集團審閱內部及外界資訊，以確定其物業、廠房及設備、預付租賃款項、會所會籍及於附屬公司之投資是否已蒙受減值虧損或以往確認之減值虧損是否不再存在或可能撇減。倘存在該跡象，資產之可收回金額按其公平值減銷售成本及使用價值之較高者估計。倘不可能估計單個資產之可收回金額，本集團將估計獨立產生現金流量之最小資產類別(即現金產生單位)之可收回金額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Impairment of other assets (Continued)

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised in income statement.

3.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as finance lease obligation. Finance charges, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

3. 主要會計政策概要 (續)

3.15 其他資產之減值 (續)

倘資產或現金產生單位之估計可收回款額少於其賬面值，則將該資產或現金產生單位之賬面值撇減至其可收回款額。減值虧損乃即時確認為開支。

撥回減值虧損以該資產或現金產生單位按過往年度並無確認減值虧損而釐定之賬面值為限。減值虧損之撥回於收益表中確認。

3.16 租賃

凡擁有權之絕大部份風險及回報均已轉讓予承租人之租約，均列為融資租賃。所有其他租約均列作經營租賃。

根據融資租賃持有之資產按租賃資產之公平值或最低租賃付款之現值(以較低者為準)確認為資產。出租人之相應負債則在資產負債表列作融資租賃債務。財務費用指租賃債務總額與所收購資產公平值之差額，並會按有關租約之期限在收益表中扣除，使每個會計期間之餘下債務有大約一致之扣減率。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Leases (Continued)

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Lease incentives are recognised in the income statement as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

3.17 Employee benefits

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the income statement as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund.

3.18 Share-based payment transactions

Equity-settled transactions

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is measured at grant date using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

3. 主要會計政策概要 (續)

3.16 租賃 (續)

根據經營租賃應付之租金乃按相關租約期限以直線法於收益表內扣除。

租賃獎勵於收益表確認為就使用租賃資產而議定之代價淨額之一部份。或然租金於其產生之會計期間確認為開支。

3.17 僱員福利

界定供款計劃

界定供款退休金計劃之供款責任於產生時在收益表確認為開支，並按於有關供款悉數歸屬前退出該計劃之僱員已沒收之供款扣減。該計劃之資產與本集團之資產以獨立管理基金形式分開持有。

3.18 以股份支付交易

以權益結算之交易

僱員獲授的購股權之公平值確認為僱員成本，並在權益內之儲備作相應增加。公平值乃於購股權授出日期使用柏力克－舒爾斯定價模型計算，並計及授出購股權之條款及條件。倘僱員須符合歸屬條件方可無條件享有該等購股權，購股權之預計公平值總額在歸屬期內攤分入賬，並須考慮購股權歸屬之或然率。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Share-based payment transactions (Continued)

Equity-settled transactions (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share options reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Group's shares. The equity amount is recognised in the share options reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to accumulated profits). Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of investments in subsidiaries in the Company's balance sheet which is eliminated on consolidation.

3.19 Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. 主要會計政策概要 (續)

3.18 以股份支付交易 (續)

以權益結算之交易 (續)

預計可歸屬購股權之數目須在歸屬期內作出檢討。除非原本僱員開支符合資產確認要求，否則任何已在過往年度確認之累計公平值之調整均須在檢討期內的收益表支銷或回撥，並在購股權儲備內作相應調整。於歸屬日，確認為開支的金額按歸屬購股權之實際數目作調整，並在購股權儲備內作相應調整。惟只因在無法符合與本集團股份市價相關的歸屬條件下喪失效力之購股權除外。權益數額在購股權儲備中確認，直至購股權獲行使（轉入股份溢價賬）或購股權到期（直接轉入累計溢利）時為止。本公司藉以向附屬公司僱員授予購股權的股份支付交易，在本公司資產負債表內列作於附屬公司的投資增加，並在綜合賬目時抵銷。

3.19 稅項

現行所得稅乃根據本年度之業績計算，並就毋須課稅或不獲寬減之項目作出調整。所得稅乃採用結算日當天已頒佈或實際上已頒佈之稅率計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Taxation (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax 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 the accounting profit nor taxable profit or loss, it is not accounted for.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

3.20 Related parties

A party is related to the Group if

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;

3. 主要會計政策概要 (續)

3.19 稅項 (續)

遞延稅項按財務報表中資產及負債於結算日之稅基與其賬面值之間之暫時性差異，以負債法撥備。惟倘遞延稅項乃因初步確認一項交易(而非業務合併)之資產或負債而產生，且當時該項交易對會計溢利及應課稅損益未造成影響，則不予入賬。

遞延稅項負債及資產根據於結算日已頒佈或實際上已頒佈之稅率及稅務法例，按預期適用於已收回資產或清還負債期間之稅率計算。倘日後應課稅溢利可能會用於抵銷可扣減之暫時性差異、稅項虧損及稅項撥回，則遞延稅項資產會確認入賬。

3.20 關連人士

另一方人士於下列情況下被視為本集團的關連人士：

- (a) 直接或間接透過一位或多位中間人控制本集團，或受本集團控制或與本集團共同受控制，或於本集團擁有可對本集團施加重大影響力之權益或共同控制本集團；
- (b) 另一方人士為本集團的聯營公司；
- (c) 本集團為該合營企業之合夥人；

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

3.20 Related parties *(Continued)*

- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3.21 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

3. 主要會計政策概要 (續)

3.20 關連人士 (續)

- (d) 另一方人士為本集團或本集團母公司的主要管理人員；
- (e) 是指(a)或(d)所述任何人士之近親；
- (f) 是指(d)或(e)所述任何人士直接或間接控制、共同控制或有重大影響力或擁有其重大表決權之實體；或
- (g) 另一方人士為提供福利予本集團僱員或任何屬本集團關連人士的實體的僱員離職後福利計劃。

3.21 分部匯報

分部是指本集團內可劃分的單位，這些分部提供產品或服務(業務分部)，或在特定的經濟環境提供產品或服務(地區分部)，而個別分部所承受風險或所得回報與其他分部不同。

根據本集團的內部財務報告制度，本集團選擇以業務分部資料作為此等財務報表的主要呈報格式，並以地區分部資料為次要呈報格式。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Segment reporting (Continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3.22 Assets held for sale

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

3.23 Discontinued operation

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

3. 主要會計政策概要 (續)

3.21 分部匯報 (續)

分部收益、支出、業績、資產及負債包括直接歸屬於該分部以及能以合理方式分配至該分部的項目。分部收益、支出、資產及負債將於本集團內公司間的結餘及本集團內公司間的交易因編製綜合賬目而被抵銷前釐定，除非此等本集團內公司間的結餘及交易是來自單一分部的本集團實體。分部間的價格按其他外界人士獲得類似條款而制訂。

分部的資本開支是收購預期使用超過一年的分部資產(有形及無形資產)而於收購年度內產生的總成本。

未予分配的項目主要包括財務及企業資產、附息貸款、借貸、稅務結餘、企業支出及財務費用。

3.22 持作出售之資產

資產及出售組別如可透過出售交易而非透過持續使用而收回大部回之賬面值，則會分類為持作出售。此條件僅於甚有可能達成出售及資產(或出售組別)可於現況下即時出售時方告符合。該等列作持有作出售之資產(或出售組別)(財務資產除外)按賬面值及公平值減出售成本兩者之較低者計量。

3.23 已終止經營業務

已終止經營業務乃本集團業務中可明顯地區分出來並已出售或歸類為持作出售之業務，並為本集團業務或地區業務範圍之重要獨立一環。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Estimated useful life and depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Estimated impairment of goodwill

Determining whether goodwill is impaired required an estimated of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual cash flows are less than expected, a material impairment loss may arise. During the year, the directors determined that goodwill has impaired and such impairment has been recognised in the consolidated income statement.

4. 關鍵會計估計及判斷

估計及判斷會不斷評估，並以過往經驗及其他因素為基礎，包括預期日後出現在有關情況下相信屬合理之事件。

本集團會對未來作出估計及假設。嚴格而言，所產生之會計估計甚少與有關之實際結果相同。有重大風險會對下個財政年度之資產與負債之賬面值造成大幅調整之估計及假設討論如下：

物業、廠房及設備之估計可使用年期及折舊

本集團經計及物業、廠房及設備的估計剩餘價值以直線法於彼等的估計可使用年期內計算折舊。估計可使用年期反映董事於該期間內的估計，即本集團計劃將來從本集團的物業、廠房及設備的使用中可獲取的經濟利益。倘資產已到期及處於估計於其可使用年期末的狀況，則剩餘價值反映董事估計本集團目前出售該等資產後所獲的金額，經扣減估計出售成本。

商譽之估計減值

決定商譽有否減值須估計商譽所分配至之現金產生單位之使用價值。計算使用價值時，本集團須估計預期來自現金產生單位之未來現金流量及計算現值之合適折現率。倘實際現金流量少於預期，則可能會產生重大減值虧損。於本年度，董事釐定商譽已減值及該減值已於綜合收益表中確認。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimated impairment of receivables and other receivables

The policy for the impairment of receivables and other receivables of the Group is based on, where appropriate, the evaluation and ageing analysis of accounts. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history for each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

5. TURNOVER AND REVENUE

Turnover and revenue represent sale of goods at invoiced value to customers net of return and discounts.

4. 關鍵會計估計及判斷 (續)

應收款項及其他應收款項之估算減值

本集團對應收款項及其他應收款項之減值政策乃根據(如適用)評估及賬齡分析而制訂。在估計該等應收款項之最終可變現數額時，需要作出大量判斷，包括各債權人現時之信譽及過往付款紀錄。倘本集團債權人的財務狀況轉差，削弱其付款能力，則可能需要額外的減值撥備。

5. 營業額及收益

營業額及收益指售出貨品予客戶經扣除退貨及折扣之發票值。

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Continuing operations	持續經營業務	132,987	130,085
Discontinued operation (Note 12)	已終止經營業務(附註12)	—	2,547
		<u>132,987</u>	<u>132,632</u>

6. OTHER INCOME

Interest income on financial assets carried at amortised cost	按攤銷成本列賬之 財務資產之利息收入	1,631	71
Rental income	租金收入	—	159
Sundry income	雜項收入	430	948
		<u>2,061</u>	<u>1,178</u>

6. 其他收入

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Interest income on financial assets carried at amortised cost	按攤銷成本列賬之 財務資產之利息收入	1,631	71
Rental income	租金收入	—	159
Sundry income	雜項收入	430	948
		<u>2,061</u>	<u>1,178</u>

7. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segments information is chosen as the primary reporting format because it is more relevant to the Group's internal financial reporting.

An analysis of the Group's turnover, operating results, assets, liabilities and other information by business segment is presented as below:

Business segments

The Group comprises the following main business segments:

Business Segment	Nature of business activities
1. Toy products trading and manufacturing	Sourcing, manufacturing and distribution of toy, gift and premium products
2. Securities trading and investments	Trading and investing of marketable securities
3. Consumer products trading and manufacturing (note)	Sourcing, manufacturing and distribution of consumer products

Note : The disposal transactions of this business segment have been completed on 22 June 2006, no discontinued operation presented in the business segments for the year ended 31 December 2007.

7. 分部資料

分部資料按本集團之業務及地區分部呈列。由於業務分部資料與本集團之內部財務報告較為相關，因此業務分部資料被選為主要呈報形式。

本集團按業務分部劃分之營業額、經營業績、資產、負債及其他資料之分析呈列如下：

業務分部

本集團由下列主要業務分部組成：

業務分部	業務活動之性質
1. 玩具產品買賣及製造	玩具、禮品及贈品之採購、製造及分銷
2. 證券買賣及投資	有市場價值之證券買賣及投資
3. 消費產品買賣及製造(附註)	消費產品之採購、製造及分銷

附註：由於該等業務分部之出售交易已於二零零六年六月二十二日完成，故並無在截至二零零七年十二月三十一日止年度之業務分部中呈列已終止經營業務。

7. SEGMENT INFORMATION (Continued)

Business segments (Continued)

For the year ended 31 December 2007

7. 分部資料 (續)

業務分部 (續)

截至二零零七年十二月三十一日止年度

		Continuing operations		
		持續經營業務		
		Toy products trading and manufacturing 玩具產品 買賣及製造 HK\$'000 港幣千元	Securities trading and investments 證券買賣 及投資 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Turnover	營業額			
Revenue from external customers	外部客戶收益	132,987	—	132,987
Segment results	分部業績	(14,343)	(746)	(15,089)
Unallocated other income	未分配其他收入			1,177
Unallocated operating expenses	未分配經營開支			(11,801)
Loss on assignment of an amount due from a subsidiary upon disposal	出售附屬公司時轉讓應收款項之虧損			(68,559)
Gain on disposal of subsidiaries	出售附屬公司收益			20,413
Finance costs	財務費用			(940)
Loss before taxation	除稅前虧損			(74,799)
Taxation	稅項			(171)
Loss for the year	本年度虧損			(74,970)

7. SEGMENT INFORMATION (Continued)

Business segments (Continued)

For the year ended 31 December 2007

7. 分部資料 (續)

業務分部 (續)

截至二零零七年十二月三十一日止年度

		Continuing operations		
		持續經營業務		
		Toy products trading and manufacturing 玩具產品 買賣及製造 HK\$'000 港幣千元	Securities trading and investments 證券買賣 及投資 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
ASSETS	資產			
Segment assets	分部資產	15,606	26,574	42,180
Unallocated corporate assets	未分配公司資產			220,528
Total assets	資產總額			262,708
Liabilities	負債			
Segment liabilities	分部負債	13,269	—	13,269
Unallocated corporate liabilities	未分配公司負債			1,805
Total liabilities	負債總額			15,074
Other information	其資資料			
Capital expenditure:	資本開支：			
Business segment	業務分部	12	—	12
Unallocated items	未分配項目			32
Depreciation:	折舊：			
Business segment	業務分部	1,878	—	1,878
Unallocated items	未分配項目			23
Amortisation on prepaid lease payments	預付租賃款項之攤銷	63	—	63
Significant non-cash expenses (other than depreciation and amortisation):	重大非現金開支 (不包括折舊及攤銷)：			
Business segment	業務分部	2,282	1,218	3,500
Unallocated items	未分配項目			4,263

7. SEGMENT INFORMATION (Continued)

Business segments (Continued)

For the year ended 31 December 2006

7. 分部資料 (續)

業務分部 (續)

截至二零零六年十二月三十一日止年度

		Continuing operations			Discontinued operation	
		持續經營業務			已終止經營業務	
		Toy products trading and manufacturing	Securities trading and investments	Total	Consumer products trading and manufacturing	Consolidated
		玩具產品買賣及製造	證券買賣及投資	總計	消費產品買賣及製造	綜合
		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
Turnover	營業額					
Revenue from external customers	外部客戶收益	130,085	—	130,085	2,547	132,632
Segment results	分部業績	(26,285)	(18)	(26,303)	(423)	(26,726)
Unallocated other income	未分配其他收入			113	—	113
Unallocated operating expenses	未分配經營開支			(9,269)	—	(9,269)
Gain on disposal of subsidiaries	出售附屬公司收益			—	355	355
Finance costs	財務費用			(930)	—	(930)
Loss before taxation	除稅前虧損			(36,389)	(68)	(36,457)
Taxation	稅項			(76)	—	(76)
Loss for the year	本年度虧損			(36,465)	(68)	(36,533)

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7. SEGMENT INFORMATION (Continued)

Business segments (Continued)

For the year ended 31 December 2006

7. 分部資料 (續)

業務分部 (續)

截至二零零六年十二月三十一日止年度

		Continuing operations			Discontinued operation	
		持續經營業務			已終止經營業務	
		Toy products trading and manufacturing	Securities trading and investments	Total	Consumer products trading and manufacturing	Consolidated
		玩具產品買賣及製造	證券買賣及投資	總計	消費產品買賣及製造	綜合
		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
ASSETS	資產					
Segment assets	分部資產	119,556	408	119,964	—	119,964
Unallocated corporate assets	未分配公司資產			6,689	—	6,689
Total assets	資產總額			126,653	—	126,653
Liabilities	負債					
Segment liabilities	分部負債	53,684	—	53,684	—	53,684
Unallocated corporate liabilities	未分配公司負債			3,355	—	3,355
Total liabilities	負債總額			57,039	—	57,039
Other information	其他資料					
Capital expenditure	資本開支	4,194	—	4,194	—	4,194
Depreciation:	折舊：					
Business segment	業務分部	5,112	12	5,124	—	5,124
Unallocated items	未分配項目			212	—	212
Amortisation on prepaid lease payments	預付租賃款項之攤銷	182	—	182	—	182
Significant non-cash expenses (other than depreciation and amortisation):	重大非現金開支 (不包括折舊及攤銷)：					
Business segment	業務分部	4,851	—	4,851	26	4,877
Unallocated items	未分配項目			1,136	—	1,136

7. SEGMENT INFORMATION (Continued)

Geographical segments

The Group's business is managed on a worldwide basis, but participates in the principal economic environments as shown in the table below. Japan and Hong Kong are the major markets for all of the Group's businesses. The location of the toy products manufacturing was in the People's Republic of China (the "PRC") prior to disposal of the toy manufacturing business.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

7. 分部資料 (續)

地區分部

本集團之業務遍佈世界各地，但主要位於如下表所示的經濟環境。日本和香港為本集團所有業務的主要市場。於出售玩具製造業務前，中華人民共和國（「中國」）則為玩具產品的製造地。

在呈報地區分部資料時，分部收入乃按客戶的所在地區劃分，而分部資產和資本開支則按資產所在地區劃分。

		Revenue	Total assets	Capital expenditure
		收益	資產總額	資本開支
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
2007				
二零零七年				
Japan	日本	84,570	3,189	—
PRC	中國	22,043	1,568	—
Hong Kong	香港	11,081	235,175	44
Canada	加拿大	7,589	313	—
Europe	歐洲	2,376	325	—
Taiwan	台灣	2,304	1,104	—
Singapore	新加坡	1,631	19,646	—
Others	其他	1,393	1,388	—
		132,987	262,708	44
		Revenue	Total assets	Capital expenditure
		收益	資產總額	資本開支
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
2006				
二零零六年				
Japan	日本	52,623	5,534	—
PRC	中國	32,426	100,722	4,189
Hong Kong	香港	35,531	19,136	5
Europe	歐洲	4,408	390	—
Taiwan	台灣	4,915	—	—
Singapore	新加坡	1,834	—	—
Others	其他	895	871	—
		132,632	126,653	4,194

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8. LOSS BEFORE TAXATION

8. 除稅前虧損

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Loss before taxation is arrived at after charging (crediting):	除稅前虧損經扣除 (計入)下列各項：		
(a) Finance costs	(a) 財務費用		
Interest on bank loans and other borrowings wholly repayable within five years	五年內應悉數償還之銀行貸款及其他借貸之利息	314	543
Finance charges on obligations under finance leases	融資租賃債務之財務費用	94	387
Interest on convertible notes	可換股票據之利息	532	—
Total interest expenses on financial liabilities at amortised cost	按攤銷成本計值之財務負債總利息開支	940	930
(b) Other items	(b) 其他項目		
Staff costs (include directors' emoluments):	員工成本(包括董事酬金)	9,144	17,444
Salaries, wages and other benefits	薪金、工資及其他福利	1,369	1,868
Share-based payment in respect of share options granted	就授出之購股權以股份為基礎之付款	135	2,362
Contribution to defined contribution plans	定額供款計劃之供款	10,648	21,674
Cost of inventories	存貨成本	127,924	131,923
Auditors' remuneration	核數師酬金	475	897
Depreciation on property, plant and equipment	物業、廠房及設備之折舊	1,901	5,336
Amortisation on prepaid lease payments	預付租賃款項之攤銷	63	182
Provision for obsolete inventories	陳舊存貨之撥備	—	1,516
Provision for impairment losses	減值虧損之撥備		
— Goodwill (included in other expenses)	— 商譽(計入其他開支)	4,201	1,136
— Trade receivables (included in administrative expenses)	— 應收賬款(計入行政開支)	—	1,451
Loss on change in fair value of financial assets at fair value through profit or loss (included in other expenses)	按公平值計入損益賬之財務資產之公平值虧損(計入其他開支)	1,218	—
Net exchange losses	匯兌虧損淨額	1,834	152
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	62	42
Operating lease payments for premises	物業經營租賃款項	185	463

9. DIRECTORS' REMUNERATION

The emoluments paid or payable to every director for the years ended 31 December 2007 and 2006 are set out below:

9. 董事酬金

截至二零零七年及二零零六年十二月三十一日止年度，已支付或應付每位董事之酬金如下：

	Directors' fees	Salaries, allowances and benefits in kinds 薪金、津貼 及實物福利	Retirement scheme contribution 退休金 計劃供款	Total
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2007				
二零零七年				
Executive directors: 執行董事：				
Ha Kee Choy, Eugene	200	—	—	200
Leung Wai Ho (resigned on 1 October 2007)	—	300	6	306
Wong Chung Shun (resigned on 1 October 2007)	—	270	6	276
Ma Wai Man, Catherine (appointed on 1 October 2007)	—	455	3	458
Non-executive directors: 非執行董事：				
Chui Chi Yun, Robert	120	—	—	120
Lai Wing Leung, Peter	120	—	—	120
Lam Kwok Cheong (resigned on 12 October 2007)	100	—	—	100
Cheng Yuk Wo (appointed on 1 October 2007)	25	—	—	25
	565	1,025	15	1,605

9. DIRECTORS' REMUNERATION (Continued)

9. 董事酬金 (續)

	Directors' fees	Salaries, allowances and benefits in kinds 薪金、津貼及實物福利	Retirement scheme contribution 退休金計劃供款	Total
	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 二零零六年				
Executive directors:	執行董事：			
Ha Kee Choy, Eugene	夏其才	200	—	200
Leung Wai Ho (resigned on 1 October 2007)	梁蔚豪 (於二 零七年十月 一日辭任)	—	650	662
Wong Chung Shun (resigned on 1 October 2007)	黃仲遜 (於二 零七年十月 一日辭任)	—	585	597
Non-executive directors:	非執行董事：			
Chui Chi Yun, Robert	崔志仁	120	—	120
Lai Wing Leung, Peter	黎永良	120	—	120
Lam Kwok Cheong (resigned on 12 October 2007)	林國昌 (於二 零七年十月 十二日辭任)	120	—	120
		<u>560</u>	<u>1,235</u>	<u>1,819</u>

No directors have waived emoluments in respect of the years ended 31 December 2007 and 2006.

截至二零零七年及二零零六年十二月三十一日止年度並無董事放棄領取酬金。

10. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, one (2006: two) are directors of the Company whose emoluments are included in the disclosures in note 9 above. The emoluments of the remaining four (2006: three) individuals were as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Salaries, allowances and benefits in kinds	薪金、津貼及實物福利	1,687	1,723
Retirement schemes contributions	退休金計劃供款	40	41
Share-based payments	以股份支付	1,369	934
		3,096	2,698

The emoluments of the four (2006: three) individuals with the highest emoluments are within following bands:

		2007 二零零七年 Number of individuals 人數	2006 二零零六年 Number of Individuals 人數
Nil - HK\$1,000,000	零 - 港幣1,000,000元	4	2
HK\$1,000,001 - HK\$1,500,000	港幣1,000,001元 - 港幣1,500,000元	—	1
		4	3

10. 五位最高酬金人士

本集團五名最高酬金人士包括一名(二零零六年：兩名)本公司董事，其酬金詳情載於上文附註9。其餘四名(二零零六年：三名)最高酬金人士之酬金如下：

該四名(二零零六年：三名)最高酬金人士的酬金屬於下列範圍：

11. TAXATION

Hong Kong Profits Tax has been provided at the rate of 17.5% (2006: 17.5%) on the Group's estimated assessable profits arising from Hong Kong during the year.

11. 稅項

香港利得稅撥備乃按本年度本集團於香港之估計應課稅溢利以稅率17.5% (二零零六年：17.5%) 計算。

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Current tax	本年度稅項		
Hong Kong	香港	—	59
Under provision in prior years	過往年度撥備不足	171	17
Tax charge for the year	本年度稅項	171	76

Reconciliation of tax expense:

稅項開支之對賬：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Loss before taxation	除稅前虧損		
Continuing operations	持續經營業務	(74,779)	(36,389)
Discontinued operation (Note 12)	已終止經營業務(附註12)	—	(68)
		(74,779)	(36,457)
Income tax at applicable tax rate of 17.5% (2006 : 17.5%)	利得稅按適合稅率17.5%計算 (二零零六年：17.5%)	(13,090)	(6,380)
Non-deductible expenses	不可扣減之開支	12,150	902
Tax exempt revenue	免稅收入	(420)	(353)
Unrecognised tax losses	未確認之稅項虧損	1,344	5,240
Unrecognised temporary differences	未確認之暫時差額	16	13
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之 附屬公司之稅率差異之影響	—	637
Under provision in prior years	過往年度撥備不足	171	17
Tax charge for the year	本年度稅項	171	76

12. DISCONTINUED OPERATION

On 22 June 2006, the Group disposed two non-wholly owned subsidiaries, which manufacture and trade electronic components and were a separate business segment of the Group. The disposal transactions have been completed on 22 June 2006, details of the assets and liabilities disposed of are disclosed in note 33(b) to the financial statements.

An analysis of the results and cash flows of the discontinued operations included in the consolidated income statement and the consolidated cash flow statement is as follows:

12. 已終止經營業務

於二零零六年六月二十二日，本集團出售兩間從事製造及買賣電子元件之非全資擁有附屬公司，並為本集團之獨立業務分部。該等出售交易已於二零零六年六月二十二日完成，出售之資產及負債之詳情載於本財務報表附註33(b)內。

已終止經營業務於綜合收益表及綜合現金流量表計入之業績及現金流量分析如下：

		2006 二零零六年 HK\$'000 港幣千元
Loss for the year from discontinued operation	本年度已終止經營業務之虧損	
Revenue	收入	2,547
Gain on disposal of subsidiaries (Note 33(b))	出售附屬公司收益 (附註33(b))	355
Expenses	開支	<u>(2,970)</u>
Loss before taxation	除稅前虧損	(68)
Taxation	稅項	<u>—</u>
Loss for the year from discontinued operation	本年度已終止經營業務之虧損	<u>(68)</u>
Cash flows used in discontinued operation	已終止經營業務所動用之現金流量	
Net cash flows used in operating activities	經營活動所動用之現金流量淨額	<u>(114)</u>
Net cash flows	現金流量淨額	<u>(114)</u>

13. NON-CURRENT ASSETS HELD FOR SALE

On 24 November 2006, the directors announced that the Company entered into an agreement with a third party on 23 November 2006 to dispose of all its interest in Good Prosper Trading Limited ("GPTL") and its subsidiaries ("GPTL Group") for an aggregate consideration of HK\$20,000,000. The principal assets held by GPTL Group are land use rights in respect of parcels of land situated in the PRC. The assets and liabilities of GPTL Group were classified as held for sale as at 31 December 2006. The disposal was completed on 28 June 2007 and details of the assets and liabilities disposed of are set out in note 33(a) to the financial statements.

The major classes of assets and liabilities of the GPTL Group classified as held for sale at the balance sheet date are as follows:

13. 持作出售之非流動資產

於二零零六年十一月二十四日，董事公佈本公司與第三方於二零零六年十一月二十三日訂立一份協議，以總代價港幣20,000,000元出售Good Prosper Trading Limited（「GPTL」）及其附屬公司（「GPTL集團」）之全部權益。GPTL集團之主要資產為多幅位於中國之土地之土地使用權。於二零零六年十二月三十一日，GPTL集團之資產及負債被列為持作出售。出售事項於二零零七年六月二十八日完成，所出售之資產及負債之詳情載於財務報表附註33(a)。

於結算日，被列為持作出售之GPTL集團主要資產及負債類別如下：

		2006 二零零六年 HK\$'000 港幣千元
Non-current assets classified as held for sale	列為持作出售之非流動資產	
Goodwill	商譽	396
Property, plant and equipment	物業、廠房及設備	13,060
Prepaid lease payments	預付租賃款項	5,600
Bank balance and cash	銀行結餘及現金	71
		<u>19,127</u>
Liabilities associated with non-current assets classified as held for sale	列為持作出售之非流動資產之關聯負債	
Due to a related company (note)	應付關連公司款項(附註)	<u>(2,093)</u>
Net assets classified as held for sale	列為持作出售之資產淨值	<u>17,034</u>

Note : The amount due was unsecured, interest-free and repayable on demand. The related company is owned and controlled by Mr. Leung Wai Ho and Mr. Wong Chung Shun, former directors and substantial shareholders of the Company.

附註：應付關連公司款項為無抵押、免息及須於要求時償還。關連公司是由本公司前董事及主要股東梁蔚豪先生及黃仲遜先生擁有及控制。

14. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of loss of HK\$64,230,000 (2006: HK\$18,165,000).

15. LOSS PER SHARE

(a) For continuing and discontinued operations

The calculation of the basic loss per share attributable to the equity holders of the Company are based on the following data:

Loss

Loss for the year attributable to equity holders of the Company for the purpose of basic loss per share 用以計算本公司股權持有人應佔每股基本虧損之年度虧損

Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share 用以計算每股基本虧損之普通股加權平均數

Note : The number of shares in 2007 and 2006 were adjusted to reflect the share consolidation of every five shares of HK\$0.01 each of the Company into two shares of HK\$0.025 each and the rights issue on the basis of three rights shares for every one share, which became effective on 6 March 2007 and 13 December 2007 respectively.

Diluted loss per share for the years ended 31 December 2007 and 2006 have not been presented because the impact of the exercise of share options and conversion of convertible notes were anti-dilutive.

14. 本公司股權持有人應佔虧損

已計入本公司之財務報表內之本公司股權持有人應佔虧損為港幣64,230,000元(二零零六年：港幣18,165,000元)。

15. 每股虧損

(a) 持續及已終止經營業務

本公司股權持有人應佔每股基本虧損乃根據以下數據計算：

虧損

2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
-----------------------------------	-----------------------------------

(73,579)

(36,610)

股份數目

Number of shares 股份數目 '000 千股	Number of shares 股份數目 '000 千股 (restated) (經重列)
-------------------------------------------	------------------------------------------------------------------

2,230,179

1,161,941

附註：二零零七年及二零零六年之股份數目經調整以反映二零零七年三月六日及二零零七年十二月十三日生效之股份合併(每五股每股面值港幣0.01元之本公司股份合併為兩股每股面值港幣0.025元之股份)及供股(按每一股股份獲配三股供股股份之基準)。

由於行使購股權及兌換可換股票據之影響為反攤薄，故並無呈列截至二零零七年及二零零六年十二月三十一日止年度之每股攤薄虧損。

15. LOSS PER SHARE (Continued)

(b) For continuing operations

The calculation of the basic loss per share from continuing operations attributable to the equity holders of the Company are based on the following data:

Loss

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Loss for the year attributable to equity holders of the Company	本公司股權持有人應佔年度虧損	(73,579)	(36,610)
Adjust:	調整：		
Loss for the year from discontinued operation	已終止經營業務之年度虧損	—	67
Loss for the purpose of basic loss per share from continuing operations	用以計算持續經營業務之每股基本虧損之虧損	(73,579)	(36,543)

The denominators used are the same as those detailed above for basic loss per share.

Diluted loss per share from continuing operations for the years ended 31 December 2007 and 2006 have not been presented because the impact of the exercise of share options and conversion of convertible notes were anti-dilutive.

(c) For discontinued operation

Basic and diluted loss per share for the discontinued operation is not applicable for the year ended 31 December 2007.

Basic loss per share for the discontinued operation is HK0.01 cent per share for the year ended 31 December 2006 and diluted loss per share for the discontinued operation is not applicable for 2006, based on the loss for the year ended 31 December 2006 from the discontinued operation of HK\$67,000 and the denominator detailed above for the basic loss per share.

15. 每股虧損 (續)

(b) 持續經營業務

本公司股權持有人應佔持續經營業務之每股基本虧損乃根據以下數據計算：

虧損

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Loss for the year attributable to equity holders of the Company	(73,579)	(36,610)
Adjust:		
Loss for the year from discontinued operation	—	67
Loss for the purpose of basic loss per share from continuing operations	(73,579)	(36,543)

所用分母與上文詳述用以計算每股基本虧損者相同。

由於行使購股權及兌換可換股票據之影響為反攤薄，故並無呈列截至二零零七年及二零零六年十二月三十一日止年度之持續經營業務每股攤薄虧損。

(c) 已終止經營業務

已終止經營業務之每股基本及攤薄虧損不適用於截至二零零七年十二月三十一日止年度。

截至二零零六年十二月三十一日止年度已終止經營業務之每股基本虧損為港幣0.01仙，乃根據截至二零零六年十二月三十一日止年度已終止經營業務之虧損港幣67,000元及上文詳述之每股基本虧損之分母計算。已終止經營業務之攤薄虧損不適用於二零零六年。

Notes to the Financial Statements

財務報表附註

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

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Group 本集團						
		Buildings	Leasehold improvements	Plan and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機器	傢具、裝置及設備	汽車	在建工程	總計
		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
COST	成本							
At 1 January 2006	於二零零六年一月一日	44,649	170	19,181	2,221	480	3,410	70,111
Exchange adjustments	匯兌調整	1,563	—	441	60	2	119	2,185
Additions	增購	3,570	—	570	47	7	—	4,194
Transfer	轉讓	3,200	—	295	—	—	(3,495)	—
Disposals	出售	—	(43)	—	(22)	—	—	(65)
Eliminated on disposal of a subsidiary	出售一間附屬公司時抵銷	—	(74)	(49)	(75)	—	—	(198)
Reclassified as held for sale	重列為持有作出售	(13,576)	—	—	—	—	—	(13,576)
At 31 December 2006	於二零零六年十二月三十一日	39,406	53	20,438	2,231	489	34	62,651
Additions	增購	—	—	—	44	—	—	44
Disposals	出售	—	(53)	—	(246)	—	—	(299)
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(39,406)	—	(20,438)	(1,816)	(71)	(34)	(61,765)
At 31 December 2007	於二零零七年十二月三十一日	—	—	—	213	418	—	631
DEPRECIATION	折舊							
At 1 January 2006	於二零零六年一月一日	929	85	3,310	569	197	—	5,090
Exchange adjustments	匯兌調整	70	—	219	25	1	—	315
Charged for the year	本年度折舊	931	15	3,880	410	100	—	5,336
Disposals	出售	—	(16)	—	(7)	—	—	(23)
Eliminated on disposal of a subsidiary	出售一間附屬公司時抵銷	—	(48)	(26)	(28)	—	—	(102)
Reclassified as held for sale	重列為持有作出售	(516)	—	—	—	—	—	(516)
At 31 December 2006	於二零零六年十二月三十一日	1,414	36	7,383	969	298	—	10,100
Charged for the year	本年度折舊	268	4	1,364	175	90	—	1,901
Disposals	出售	—	(40)	—	(195)	—	—	(235)
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(1,682)	—	(8,747)	(821)	(40)	—	(11,290)
At 31 December 2007	於二零零七年十二月三十一日	—	—	—	128	348	—	476
NET BOOK VALUE	賬面淨值							
At 31 December 2007	於二零零七年十二月三十一日	—	—	—	85	70	—	155
At 31 December 2006	於二零零六年十二月三十一日	37,992	17	13,055	1,262	191	34	52,551

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

As at 31 December 2006, the net book value of the Group's property, plant and equipment included an amount of HK\$4,800,000 in respect of assets held under finance leases; as at 31 December 2007, no property, plant and equipment in respect of assets held under finance leases were included.

Property, plant and equipment with an aggregate net book value of HK\$42,792,000 were pledged to secure banking facilities granted to a subsidiary of the Group as at 31 December 2006; no property, plant and equipment were pledged as at 31 December 2007.

16. 物業、廠房及設備 (續)

於二零零六年十二月三十一日，本集團之物業、廠房及設備賬面淨值包括按融資租賃安排持有之資產港幣4,800,000元。於二零零七年十二月三十一日，物業、廠房及設備中並無按融資租賃持有之資產。

於二零零六年十二月三十一日，總賬面淨值為港幣42,792,000元之物業、廠房及設備已抵押，以獲取授予本集團附屬公司之銀行融資額度。於二零零七年十二月三十一日，並無抵押物業、廠房及設備。

17. GOODWILL

17. 商譽

		Group 本集團 HK\$'000 港幣千元
COST		
At 1 January 2006	成本	6,642
Eliminated on disposal of a subsidiary	於二零零六年一月一日 出售附屬公司時抵銷	(909)
Reclassified as held for sale	重列為持作出售	(396)
At 31 December 2006	於二零零六年十二月三十一日	5,337
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(1,136)
At 31 December 2007	於二零零七年十二月三十一日	4,201
IMPAIRMENT		
At 1 January 2006	累計攤銷	909
Eliminated on disposal of a subsidiary	於二零零六年一月一日 出售附屬公司時抵銷	(909)
Provided for the year	本年度撥備	1,136
At 31 December 2006	於二零零六年十二月三十一日	1,136
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(1,136)
Provided for the year	本年度撥備	4,201
At 31 December 2007	於二零零七年十二月三十一日	4,201
NET BOOK VALUE		
At 31 December 2007	賬面淨值	—
At 31 December 2006	於二零零七年十二月三十一日	—
At 31 December 2006	於二零零六年十二月三十一日	4,201

17. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment and country of operation. The entire amount of goodwill has been allocated to the toy products trading segment located in Hong Kong.

The recoverable amount of the CGU is determined based on a value-in-use calculation. These calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate of 7.8% per annum (2006: 7.8%). In 2007, cash flows for the five-year period were extrapolated using a 4% growth rate (2006: 10%) in considering the economic conditions of the market. Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of this CGU.

18. PREPAID LEASE PAYMENTS

Prepaid lease payments represent cost paid for medium term leasehold land outside Hong Kong. The cost is amortised over the leasehold period.

As a result of disposal of subsidiaries, no prepaid lease payments were recorded as at 31 December 2007. As at 31 December 2006, the amount to be amortised more than twelve months after the balance sheet date amounted to HK\$3,327,000 while the amount to be amortised within the next twelve months after the balance sheet date of HK\$72,000 is included in current assets.

As at 31 December 2006, all the leasehold lands were pledged to secure banking facilities granted to a subsidiary of the Group.

17. 商譽 (續)

商譽之減值測試

商譽乃分配至根據業務分部及營運所在國家而確認之現金產生單位(「現金產生單位」)。全部之商譽已被分配至位於香港之玩具產品買賣分部。

現金產生單位之可收回金額按使用價值計算法釐定。為計算使用價值，現金流量預測以經管理層所批准之五年為期之財政預算及每年7.8%(二零零六年：7.8%)之貼現率為基準。在二零零七年，未來五年之現金流量以4%(二零零六年：10%)增長率推定，乃考慮到市場的經濟環境。使用價值計算法之另一項主要假設為預算毛利率，乃按單位過往表現及管理層對市場發展之期望釐定。管理層相信上述可收回金額基於之關鍵假設之合理潛在變動，不會引致現金產生單位之總賬面值超過其總可收回金額。

18. 預付租賃款項

預付租賃款項乃指就位於香港境外之中期租賃土地之已付成本。該成本按租賃期限攤銷。

於出售附屬公司後，於二零零七年十二月三十一日並無錄得預付租賃款項。於二零零六年十二月三十一日，結算日後逾十二個月後須攤銷之款項為港幣3,327,000元，而結算日後十二個月內須攤銷之款項港幣72,000元計入流動資產。

於二零零六年十二月三十一日，所有租賃土地均已抵押，以獲取授予本集團一間附屬公司之銀行融資額度。

19. INTEREST IN SUBSIDIARIES

19. 於附屬公司之權益

		Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	未上市股份, 按成本	1	1
Equity share-based payment in subsidiaries	以權益股份支付予附屬公司	3,215	1,868
		3,216	1,869
Less: impairment losses	減: 減值虧損	(3,215)	(1,868)
		1	1

In accordance with HKFRS 2 Share-based payment, share-based payment transactions in which an entity receives services from its employees as consideration for equity instruments of the entity are accounted for as equity-settled transactions (see note 3.18). The Company recognises the grant of equity instruments to its subsidiaries' employees and eligible participants amounted to HK\$2,282,000 (2006: HK\$1,868,000) as capital contributions to its subsidiaries.

Particulars of the Company's subsidiaries at the balance sheet date, which in the opinion of the directors principally affected the results, assets or liabilities of the Group are set out in note 42 to the financial statements.

按照香港財務報告準則第2號「以股份支付」，在以股份支付交易中，如果實體獲僱員提供服務並以該實體股本權益工具作為對價，有關交易按以權益結算交易入賬（見附註3.18）。本公司已就授予附屬公司僱員及合資格參與者之股本權益工具港幣2,282,000元（二零零六年：港幣1,868,000元）確認為向其附屬公司作出資本出資。

於結算日，本公司附屬公司（董事認為足以影響本集團業績、資產或負債之附屬公司）之詳情載於財務報表附註42。

20. INVENTORIES

20. 存貨

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Raw material	原材料	—	4,866
Work in progress	在製品	—	1,918
Finished goods	產成品	—	391
		<u>—</u>	<u>7,175</u>

All inventories, excluding those fully provided for with nil carrying value, are stated at cost.

所有存貨(已作全數撥備而無賬面值者除外)以成本入賬。

21. TRADE AND OTHER RECEIVABLES

21. 應收賬款及其他應收款項

		Group 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Trade receivables	應收賬款	8,895	24,457	—	—
(Note 21 (b))	(附註21(b))				
Less: provision for impairment of receivables	減：應收款項 減值撥備	—	(1,451)	—	—
		<u>8,895</u>	<u>23,006</u>	<u>—</u>	<u>—</u>
Deposits, prepayments and other receivables	按金、預付款及 其他應收款項	6,651	9,642	627	224
Due from subsidiaries	應收附屬公司	—	—	242,361	69,380
(Note 21 (a))	(附註21(a))				
		<u>6,651</u>	<u>9,642</u>	<u>242,988</u>	<u>69,604</u>
		<u>15,546</u>	<u>32,648</u>	<u>242,988</u>	<u>69,604</u>

21. TRADE AND OTHER RECEIVABLES

(Continued)

(a) Due from subsidiaries

The amounts due are unsecured, interest-free and repayable on demand.

(b) Trade receivables

The Group allows an average credit period ranging from 30 to 90 days to its trade customers. The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts) as of the balance sheet date is as follows:

0 to 60 days	0至60日
61 to 90 days	61至90日
Over 90 days	90日以上

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the provision for impairment of trade receivables is as follows:

21. 應收賬款及其他應收款項 (續)

(a) 應收附屬公司款項

該等款項均是無抵押、免息及須於要求時償還。

(b) 應收賬款

本集團向其貿易客戶給予之平均信貸期介乎三十至九十日。於結算日，應收賬款(扣除呆壞賬之減值虧損)之賬齡分析如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
0 to 60 days	0至60日	7,374	10,851
61 to 90 days	61至90日	535	3,803
Over 90 days	90日以上	986	8,352
		8,895	23,006

除非本集團信納收回款項之機會不大，否則有關應收賬款之減值虧損乃使用撥備賬目記錄，於該情況下，減值虧損乃與應收賬款直接對銷。應收賬款減值撥備之變動如下：

21. TRADE AND OTHER RECEIVABLES

(Continued)

(b) Trade receivables (Continued)

		Group 本集團	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1 January	於一月一日	1,451	—
Amount written off	撇銷金額	(899)	—
Eliminated on disposal of a subsidiary	於出售附屬公司時抵銷	(552)	—
Impairment loss charged to the income statement	減值虧損記入收益表	—	1,451
At 31 December	於十二月三十一日	—	1,451

At each of the balance sheet date, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers. Consequently, specific impairment was recognised.

The Group allows a credit period from 30 to 90 days to its trade customers. The ageing analysis of trade receivables that are past due but not impaired is as follows:

於各結算日，本集團之應收賬款乃個別釐定有否減值。個別衡量減值之應收款項乃根據其客戶之信貸歷史而確認。因此，所確認者為特定減值。

本集團向其貿易客戶給予之平均信貸期介乎三十至九十日。已逾期但未減值之應收賬款之賬齡分析如下：

		Group 本集團	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Neither past due nor impaired	既未逾期亦未減值	6,396	7,024
1 - 90 days past due	逾期1至90日	1,837	10,113
91 - 180 days past due	逾期91至180日	294	5,461
Over 180 days past due	逾期180日以上	368	408
		2,499	15,982
		8,895	23,006

21. TRADE AND OTHER RECEIVABLES

(Continued)

(b) Trade receivables (Continued)

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

21. 應收賬款及其他應收款項 (續)

(b) 應收賬款 (續)

既無逾期亦未減值之應收款項涉及無近期違約歷史之廣大客戶。已逾期但未減值之應收款項乃與一批與本集團擁有良好交往記錄之客戶有關。根據過往經驗，本集團管理層相信就該等結餘並無必要作出減值撥備，因為信貸質素並無重大變動及結餘仍然可以完全收回。本集團就該等結餘並無持有任何抵押品。

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 按公平值計入損益賬之財務資產

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Analysis of financial assets at fair value through profit or loss:	按公平值計入損益賬之財務資產之分析：		
<i>Held for trading, at market value</i>	持作買賣，市場價		
Equity securities listed in Hong Kong	在香港上市之股票	7,308	—
Derivative financial instruments	衍生金融工具		
Equity linked investments	股本掛鉤投資	4,031	—
		11,339	—

23. BANK BALANCES AND CASH

23. 銀行結餘及現金

	Group 本集團		Company 本公司	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Cash at banks and in hand 銀行存款及現金	6,270	7,136	2,912	1,947
Short-term bank deposits 短期銀行存款	229,167	—	16,395	—
	235,437	7,136	19,307	1,947

The effective interest rate at the balance sheet date of short-term bank deposits is charged on interest rates ranging from 1.35% to 3.95% per annum (2006: Nil). These deposits have maturity periods ranging from 1 day to 14 days depending on the immediate cash requirements of the Group.

於結算日，短期銀行存款之實際利率按1.35%至3.95%之年利率(二零零六年：無)徵收。該等存款之期限由1日至14日不等，乃視乎本集團即時現金需要而定。

24. TRADE AND OTHER PAYABLES

24. 應付賬款及其他應付款項

	Group 本集團		Company 本公司	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Trade payables 應付賬款 (Note 24 (a)) (附註24(a))	3,900	20,099	—	—
Accrued charges and other creditors 應計費用及其他應付賬款	11,174	17,606	1,745	2,941
Due to related companies 應付關連公司款項 (Note 24 (b)) (附註24 (b))	—	4,827	—	—
	11,174	22,433	1,745	2,941
	15,074	42,532	1,745	2,941

24. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

The ageing analysis of trade payables as at the balance sheet date is as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
0 to 60 days	0至60日	3,900	5,540
61 to 90 days	61至90日	—	836
Over 90 days	超過90日	—	13,723
		3,900	20,099

(b) Due to related companies

The amounts due were unsecured, interest-free and repayable on demand. The related companies are owned and controlled by Mr. Leung Wai Ho and Mr. Wong Chung Shun, former directors and substantial shareholders of the Company.

24. 應付賬款及其他應付款項 (續)

(a) 應付賬款

於結算日，應付賬款之賬齡分析如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
0 to 60 days	0至60日	3,900	5,540
61 to 90 days	61至90日	—	836
Over 90 days	超過90日	—	13,723
		3,900	20,099

(b) 應付關連公司款項

該等款項為無抵押、免息及須於要求時償還。關連公司由本公司前董事及主要股東梁蔚豪先生及黃仲遜先生擁有及控制。

25. INTEREST-BEARING BORROWINGS

25. 附息借貸

		Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Bank loans, secured	有抵押銀行貸款	—	8,800
		—	8,800
Less: Current portion due within one year included under current liabilities	減：列於流動負債下之於一年內到期之流動部份	—	(8,800)
Non-current portion included under non-current liabilities	列於非流動負債下之非流動部份	—	—

The bank loan as at 31 December 2006 was interest-bearing at 7.254% per annum and repayable within 1 year. The loan was secured by certain leasehold land and buildings held by the Group in PRC and personal guarantee by Mr. Leung Wai Ho, a former director and substantial shareholder of the Company.

於二零零六年十二月三十一日之銀行貸款按7.254%年利率計息並於一年內償還。該貸款乃以本集團於中國所持有之若干租賃土地和樓宇及本公司前董事及主要股東梁蔚豪先生之個人擔保作為抵押。

26. OBLIGATIONS UNDER FINANCE LEASES 26. 融資租賃債務

		Group 本集團			
		Minimum lease payments 最低租賃款		Present value of minimum lease payments 最低租賃款之現值	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Amount payable:	應付款項：				
Within one year	一年內	—	2,043	—	1,813
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	—	1,873	—	1,801
		—	3,916	—	3,614
Future finance charges	未來財務開支	—	(302)	—	—
Present value of lease obligations	租賃債務之現值	—	3,614	—	3,614

Interest rate underlying all obligations under finance leases as at 31 December 2006 was fixed at 8.4% per annum. No arrangements have been entered into for contingent rental payments.

於二零零六年十二月三十一日，所有融資租賃債務之利率固定為每年8.4%。租賃並無或然租金付款安排。

27. DEFERRED TAXATION

As at 31 December 2007, the Group has unused tax losses of HK\$27,763,000 (2006: HK\$52,947,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. As at 31 December 2007, the tax losses will not expire; as at 31 December 2006, unused tax losses of HK\$22,659,000 will expire if they were not utilised to set off against the income within five years from the year in which they arose under the current tax legislation.

27. 遞延稅項

於二零零七年十二月三十一日，本集團仍有未動用稅項虧損港幣27,763,000元(二零零六年：港幣52,947,000元)可供抵銷將來溢利，但由於難以估計將來溢利來源，因此並無確認有關該等稅項虧損之遞延稅項資產。於二零零七年十二月三十一日該等稅項虧損不會過期；根據現行稅法，於二零零六年十二月三十一日未動用之稅項虧損港幣22,659,000元，如未於產生年度起五年內動用以抵銷收入將會過期。

28. CONVERTIBLE NOTES

On 23 July 2007, the Company issued convertible notes with aggregate principal amount of HK\$34 million (the “Convertible Notes”), which were non-interest bearing and would mature on 23 July 2009 (the “Maturity Date”). The Convertible Notes were convertible into shares of the Company at conversion price of HK\$0.10 per share (subject to anti-dilutive adjustments). Unless previously redeemed or converted, the Company would redeem the Convertible Notes on the Maturity Date at 105% of the outstanding principal amount.

The convertible notes recognised in the balance sheet were calculated as follows:

Net carrying amounts on initial recognition	初步確認時賬面淨值
Imputed interest expenses	估算之利息開支
Exercise of conversion rights	行使兌換權

**Net carrying amounts
at 31 December 2007**

**於二零零七年十二月
三十一日賬面淨值**

The fair value of the liability component, included in the Convertible Notes, was calculated using a market interest rate for an equivalent non-convertible note. The residual amount representing the value of the equity conversion component, is included in shareholders' equity in convertible notes equity reserve.

During the year ended 31 December 2007, all Convertible Notes were converted into ordinary shares of the Company. Total number of ordinary shares converted was 340,000,000 (Note 29).

Interest expenses on the Convertible Notes are calculated using the effective interest method by applying the effective interest rate of 9.75% to the adjusted liability component.

28. 可換股票據

於二零零七年七月二十三日，本公司發行本金總額港幣34,000,000元之可換股票據（「可換股票據」）。可換股票據乃免息、於二零零九年七月二十三日到期（「到期日」），可按兌換價每股股份港幣0.10元（可作反攤薄調整）兌換成本公司股份。除非先前已獲贖回或兌換，本公司將於到期日按未償還本金額之105%贖回可換股票據。

於資產負債表內確認之可換股票據乃按下列方式計算：

Group and Company 本集團及本公司	
Liability component 負債部分	Equity component 股本部分
HK\$'000 港幣千元	HK\$'000 港幣千元

29,639	4,361
532	—
(30,171)	(4,361)
—	—

在可換股票據內計入之負債部分之公平值乃按同等非可換股票據之市場利率計算。相當於股本兌換部分之價值的剩餘金額乃計入可換股票據權益儲備內之股東權益。

截至二零零七年十二月三十一日止年度，所有可換股票據已兌換成本公司普通股。獲轉換之普通股總數為340,000,000股（附註29）。

可換股票據之利息開支乃使用實際利息法，對經調整負債部分採用實際利率9.75%而計算。

29. SHARE CAPITAL

29. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 港幣千元
Authorised :	法定 :		
Ordinary shares	普通股		
At 1 January 2006 and 31 December 2006, at HK\$0.01 each	於二零零六年一月一日及 二零零六年十二月三十一日， 每股面值港幣0.01元	50,000,000	500,000
Share consolidation (note a)	股份合併(附註a)	(30,000,000)	—
At 31 December 2007, at HK\$0.025 each	於二零零七年十二月三十一日， 每股面值港幣0.025元	20,000,000	500,000
Issued and fully paid:	已發行及繳足 :		
Ordinary shares	普通股		
At 1 January 2006, at HK\$0.01 each	於二零零六年一月一日， 每股面值港幣0.01元	1,578,540	15,785
Issue of shares upon placing of shares (note b)	因配售股份而發行股份 (附註b)	300,000	3,000
Issue of shares upon exercise of share options (note c)	因行使購股權而發行股份 (附註c)	75,142	751
At 31 December 2006, at HK\$0.01 each	於二零零六年十二月三十一日， 每股面值港幣0.01元	1,953,682	19,536
Share consolidation (note a)	股份合併(附註a)	(1,172,210)	—
Issue of shares upon placing of shares (note d & e)	因配售股份而發行股份 (附註d及e)	410,000	10,250
Issue of shares upon exercise of share options (note f)	因行使購股權而發行股份 (附註f)	33,085	828
Issue of shares upon conversion of convertible notes (note g)	因兌換可換股票據而 發行股份(附註g)	340,000	8,500
Rights issue (note h)	供股(附註h)	4,693,673	117,342
At 31 December 2007, at HK\$0.025 each	於二零零七年十二月三十一日， 每股面值港幣0.025元	6,258,230	156,456

29. SHARE CAPITAL (Continued)

Notes:

- a. Pursuant to an ordinary resolution passed in a special general meeting of the Company on 5 March 2007, every five issued and unissued shares of HK\$0.01 each in the capital of the Company were consolidated into two shares of HK\$0.025 each (the "Shares") with effect from 6 March 2007.
- b. Pursuant to a placing and subscription agreement dated 11 October 2006, the placing agent agreed to place 300,000,000 shares of the Company held by Charm Management Limited ("Charm"), a former substantial shareholder of the Company, at a placing price of HK\$0.04 per share. The Company also agreed to allot and issue 300,000,000 shares of the Company to Charm at a subscription price of HK\$0.04 per share. On 25 October 2006, 300,000,000 shares of HK\$0.01 each were issued and allotted to Charm at a consideration of HK\$0.04 per share.
- c. During the year ended 31 December 2006, 75,141,600 shares of HK\$0.01 each were issued and allotted at the exercise price of HK\$0.049 per share pursuant to the options granted under the share option scheme of the Company.
- d. Pursuant to a placing agreement dated 24 January 2007 (as amended by a supplemental agreement dated 9 February 2007), 220,000,000 Shares and 120,000,000 Shares were issued and allotted at a consideration of HK\$0.10 per Share on 14 March 2007 and 11 April 2007 respectively.
- e. Pursuant to a placing and subscription agreement dated 14 August 2007, the placing agent agreed to place 70,000,000 Shares held by Charm at a placing price of HK\$0.128 per Share and the Company agreed to allot and issue 70,000,000 Shares to Charm at a subscription price of HK\$0.128 per Share. On 20 August 2007, 70,000,000 Shares were issued and allotted to Charm at a consideration of HK\$0.128 per Share.
- f. During the year ended 31 December 2007, 33,084,960 Shares were issued and allotted at the exercise price of HK\$0.14 per Share pursuant to the options granted under the share option scheme of the Company.

29. 股本 (續)

附註：

- a. 根據於二零零七年三月五日之本公司股東特別大會上通過之普通決議案，本公司股本中每五股每股面值港幣0.01元之已發行及未發行股份合併為兩股每股面值港幣0.025元之股份（「股份」），於二零零七年三月六日生效。
- b. 根據於二零零六年十月十一日之配售及認購協議，配售代理同意按配售價每股股份港幣0.04元配售由本公司一名前主要股東Charm Management Limited（「Charm」）所持有之300,000,000股股份。本公司亦同意按每股份港幣0.04元之認購價發行及配發300,000,000股本公司股份予Charm。於二零零六年十月二十五日，Charm獲按每股份港幣0.04元之代價發行及配發300,000,000股每股面值港幣0.01元之股份。
- c. 截至二零零六年十二月三十一日止年度，根據本公司購股權計劃已授出之購股權，按每股份港幣0.049元之行使價發行及配發75,141,600股每股面值港幣0.01元之股份。
- d. 根據二零零七年一月二十四日之配售協議（經二零零七年二月九日之補充協議所修訂），於二零零七年三月十四日及二零零七年四月十一日分別按每股港幣0.10元之代價發行及配發220,000,000股股份及120,000,000股股份。
- e. 根據二零零七年八月十四日之配售及認購協議，配售代理同意按配售價每股港幣0.128元配售Charm所持有之70,000,000股股份，而本公司同意按認購價每股港幣0.128元向Charm配發及發行70,000,000股股份。於二零零七年八月二十日，按每股港幣0.128元之代價向Charm發行及配發70,000,000股股份。
- f. 截至二零零七年十二月三十一日止年度，根據本公司購股權計劃已授出之購股權，按每股份港幣0.14元之行使價發行及配發33,084,960股股份。

29. SHARE CAPITAL (Continued)

Notes: (Continued)

- g. On 23 July 2007, the Company issued Convertible Notes with aggregate principal amount of HK\$34,000,000, details of which is disclosed in note 28. Holders of the Convertibles Notes with principal amounts of HK\$10,000,000 and HK\$24,000,000 exercised their conversion rights on 9 August 2007 and 15 November 2007 respectively. Accordingly, a total of 340,000,000 Shares were issued and allotted during the year.
- h. An ordinary resolution was passed in a special general meeting of the Company on 23 November 2007 to approve a rights issue on the basis of three rights shares for every one Share held by the shareholders on the register of members on 23 November 2007 at a subscription price of HK\$0.038 per rights share (the "Rights Issue"). The Rights Issue became unconditional on 12 December 2007 and 4,693,672,800 Shares were issued and allotted on 13 December 2007 for a total cash consideration, before share issue expenses, of approximately HK\$178,360,000.

All the Shares issued during the years ended 31 December 2007 and 2006 rank pari passu with the existing Shares in all respects.

29. 股本 (續)

附註：(續)

- g. 於二零零七年七月二十三日，本公司發行本金總額港幣34,000,000元之可換股票據，有關詳情披露於附註28。於二零零七年八月九日及二零零七年十一月十五日，分別擁有本金額港幣10,000,000元及港幣24,000,000元之可換股票據持有人行使彼等之兌換權。因此，年內合共發行及配發340,000,000股股份。
- h. 於二零零七年十一月二十三日之本公司股東特別大會上，一項普通決議案獲得通過，以批准按認購價每股供股股份港幣0.038元進行供股，基準為於二零零七年十一月二十三日名列股東名冊之股東每持有一股股份獲發三股供股股份（「供股」）。供股於二零零七年十二月十二日成為無條件，並於二零零七年十二月十三日發行及配發4,693,672,800股股份，扣除股份發行費用前之總現金代價約為港幣178,360,000元。

截止二零零七年及二零零六年十二月三十一日止年度內發行之所有股份在各方面與現有股份享有同等地位。

30. RESERVES

30. 儲備

		Company 本公司					
		Share premium	Contribution surplus	Convertible notes equity reserve	Share options reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	可換股票據 權益儲備	購股權儲備	累計虧損	總計
		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
At 1 January 2006	於二零零六年一月一日	35,193	49,948	—	—	(31,556)	53,585
Issue of shares upon placement of shares	因配售股份而發行 股份	9,000	—	—	—	—	9,000
Equity settled share-based payment transactions	以權益股份支付交易	—	—	—	1,868	—	1,868
Issue of shares upon exercise of share options	因行使購股權 而發行股份	4,799	—	—	(1,868)	—	2,931
Share issue expense	股份發行費用	(144)	—	—	—	—	(144)
Loss for the year	本年度虧損	—	—	—	—	(18,165)	(18,165)
At 31 December 2006	於二零零六年十二月三十一日	48,848	49,948	—	—	(49,721)	49,075
Issue of shares upon placement of shares	因配售股份而發行 股份	32,710	—	—	—	—	32,710
Equity settled share-based payment transactions	以權益股份支付交易	—	—	—	2,282	—	2,282
Issue of shares upon exercise of share options	因行使購股權 而發行股份	6,086	—	—	(2,282)	—	3,804
Issue of convertible notes	發行可換股票據	—	—	4,361	—	—	4,361
Issue of shares upon conversion of convertible notes	因兌換可換股票據 而發行股份	26,032	—	(4,361)	—	—	21,671
Rights issue	供股	61,017	—	—	—	—	61,017
Share issue expense	股份發行費用	(6,595)	—	—	—	—	(6,595)
Loss for the year	本年度虧損	—	—	—	—	(64,230)	(64,230)
At 31 December 2007	於二零零七年十二月三十一日	168,098	49,948	—	—	(113,951)	104,095

30. RESERVES (Continued)

The contribution surplus represented reduction in issued capital pursuant to a capital restructuring in 2004. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- a. it is, or would after the payment be, unable to pay its liabilities as they become due; or
- b. the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

31. SHARE OPTIONS

Pursuant to the resolution passed at a special general meeting held on 17 September 2004, the Company adopted a new share option scheme (the "Scheme"). The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The eligible participants of the Scheme include the Company's or its subsidiaries' executive directors, non-executive directors and employees, and any business consultants, agents, financial or legal advisers and any other persons who the Board consider, at its sole discretion, will contribute or have contributed to the Group.

The grant of share options should be accepted within 30 days from the date of the grant, at a consideration of HK\$1, being payable by the grantee upon the acceptance of grant. The options may be exercised at any time within the period commencing from the date of grant of the options and expiring on the date determined by the directors, but in any event such exercise period shall not exceed a period of ten years commencing on the date the relevant option is deemed to be granted.

The exercise price of the share options was determinable by the directors, but was not able to be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant and (iii) the nominal value of the Company's share.

30. 儲備 (續)

實繳盈餘乃指根據於二零零四年進行之股本重組而經削減之已發行股本。根據百慕達公司法，本公司之實繳盈餘可供分派。然而，本公司在以下情況不可宣派或派發股息，或以實繳盈餘作分派：

- a. 本公司現時或於分派後將無法償還到期負債；或
- b. 本公司資產之可變現價值在分派後將會少於其負債及其已發行股本及股份溢價總額。

31. 購股權

根據於二零零四年九月十七日舉行之股東特別大會上通過之決議案，本公司採納一項新購股權計劃（「該計劃」）。本公司設立該計劃，以激勵並獎勵對本集團成功經營有貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之執行董事、非執行董事及僱員，及任何事務顧問、代理人、財務或法律顧問及任何董事會全權酌情認為對本集團將有貢獻或有貢獻之其他人士。

授出之購股權應自授出日起30天內接納，代價為港幣1元，由承授人於接納時支付。購股權可自授出購股權之日起至董事釐定之日止期間內隨時行使，惟該行使期間在任何情況下不得超逾被視為獲授相關購股權日起計十年。

購股權之行使價由董事釐定，惟不得低於以下之較高者：(i)授出日期（必須為營業日）在聯交所每日報價表呈列之股份收市價；(ii)授出日期對上五個營業日在聯交所每日報價表呈列之股份平均收市價；及(iii)本公司股份之面值。

31. SHARE OPTIONS (Continued)

Pursuant to the Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option scheme of the Company is not permitted to exceed 127,854,000 shares, representing 10% of the issued share capital of the Company as at the date of adoption of the Scheme. Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting. Notwithstanding the foregoing, the 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 the Company at any time shall not exceed 30% of the shares in issue from time to time.

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12 month period up to and including the date of grant exceeding 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. Such participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

31. 購股權 (續)

根據該計劃可能授出之購股權連同本公司任何其他購股權計劃可能授出者所涉及本公司股份最高數目不得超過127,854,000股，佔本公司於該計劃採納日期已發行股本10%。受刊發通函及本公司股東於股東大會批准及／或上市規則不時指定之其他規定所限，董事會可隨時更新有關限額至本公司股東於股東大會批准日期之已發行股份總數10%。不論上文有任何規定，根據該計劃及本公司任何其他購股權計劃已授出但有待行使之所有尚未行使購股權獲行使時可予發行之股份，於任何時間不得超過不時已發行股份30%。

倘於截至及包括授出日期止任何12個月期間，根據授予任何人士之所有購股權已經及可予發行之本公司股份總數超過於授出日期已發行股份總數1%，則不得向有關人士授出購股權。進一步授出超過該1%限額之購股權須待本公司刊發通函及股東於股東大會批准(有關參與人士及其聯繫人士(定義見上市規則)須放棄投票)及／或受上市規則不時指定之其他規定所限。倘授予主要股東或獨立非執行董事之購股權超過本公司股本之0.1%或價值超過港幣5,000,000元，則必須獲本公司股東事先批准。

31. SHARE OPTIONS (Continued)

(a) Movements in share options

The following table discloses movements of the Company's share options during the year.

	Date of grant	Exercise period	Exercise price	Number of share options			
				At 1 January 2007	Granted during the year	Exercised during the year	At 31 December 2007
	授出日期	行使期間	行使價 (note) (附註) HK\$ 港元	於二零零七年一月一日	年內授出 (note) (附註)	年內行使	於二零零七年十二月三十一日
Employees 僱員	13 January 2007 二零零七年一月十三日	13 January 2007 to 12 January 2009 二零零七年一月十三日至 二零零九年一月十二日	0.140	—	19,850,976	(19,850,976)	—
Others 其他	13 January 2007 二零零七年一月十三日	13 January 2007 to 12 January 2009 二零零七年一月十三日至 二零零九年一月十二日	0.140	—	13,233,984	(13,233,984)	—
				—	33,084,960	(33,084,960)	—
Weighted average exercise prices (HK\$) 加權平均行使價 (港幣元)				N/A 不適用	0.140	0.140	N/A 不適用

Note : The exercise price and number of share options granted during the year were adjusted to reflect the share consolidation of every five shares of HK\$0.01 each of the Company into two shares of HK\$0.025 each which became effective on 6 March 2007.

附註：年內已授出購股權之行使價及數目已予調整，以反映於二零零七年三月六日生效之股份合併，以每五股每股面值港幣0.01元之股份合併為兩股每股面值港幣0.025元之股份。

31. 購股權 (續)

(a) 購股權之變動

下表披露本年度內本公司購股權之變動。

31. SHARE OPTIONS (Continued)

(a) Movements in share options (Continued)

The following table discloses movements of the Company's share options during the prior year.

	Date of grant 授出日期	Exercise period 行使期間	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目				
				At 1 January 2006 於二零零六年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	At 31 December 2006 於二零零六年十二月三十一日
Directors 董事	1 December 2004 二零零四年十二月一日	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至二零零六年十二月三十日	0.0676	7,671,240	—	—	(7,671,240)	—
Employees 僱員	1 December 2004 二零零四年十二月一日	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至二零零六年十二月三十日	0.0676	51,141,600	—	—	(51,141,600)	—
	16 November 2006 二零零六年十一月十六日	16 November 2006 to 15 November 2008 二零零六年十一月十六日至二零零八年十一月十五日	0.0490	—	37,570,800	(37,570,800)	—	—
other 其他	1 December 2004 二零零四年十二月一日	31 December 2004 to 30 December 2006 二零零四年十一月三十一日至二零零六年十二月三十日	0.0676	43,470,360	—	—	(43,470,360)	—
	16 November 2006 二零零六年十一月十六日	16 November 2006 to 15 November 2008 二零零六年十一月十六日至二零零八年十一月十五日	0.0490	—	37,570,800	(37,570,800)	—	—
				<u>102,283,200</u>	<u>75,141,600</u>	<u>(75,141,600)</u>	<u>(102,283,200)</u>	<u>—</u>
Weighted average exercise prices (HK\$) 加權平均行使價(港幣元)				<u>0.0676</u>	<u>0.0490</u>	<u>0.0490</u>	<u>0.0676</u>	<u>N/A 不適用</u>

At the balance sheet date, the weighted average remaining contractual life of the Company's share options was zero year (2006: zero).

31. 購股權 (續)

(a) 購股權之變動 (續)

下表披露去年本公司購股權之變動。

於結算日，本公司購股權之加權平均尚餘契約期為零年(二零零六年：零)。

31. SHARE OPTIONS (Continued)

(b) Share options exercised during the year

All share options granted during the year ended 31 December 2007 were immediately exercisable and exercised at the exercise price of HK\$0.140 per share. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$0.191 per share.

(c) Fair value of share options granted during the year and assumptions

The fair value of the share options granted during the year is HK\$0.0690 (2006: HK\$0.0249). The estimate of the fair value of the share options granted is measured based on Black-Scholes pricing model. The inputs into the model were as follows:

Closing price of the shares	
at the date of grant	HK\$0.1450
Exercise price	HK\$0.1400
Expected volatility	78.55%
Risk-free interest rate	7.75% per annum
Option life	2 years
Expected dividend yield	0.00%

The expected volatility was determined by using the historical volatility of the share price of the Company over the previous one year.

The Black-Scholes pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

31. 購股權 (續)

(b) 於本年內已行使之購股權

所有於截至二零零七年十二月三十一日止年度已授出的購股權已可隨即按行使價每股港幣0.140元行使並已獲行使。緊接購股權獲行使當日前本公司股份之加權平均收市價為每股港幣0.191元。

(c) 年內授出購股權之公平值及假設

本年內授出之購股權之公平值為港幣0.0690元(二零零六年：港幣0.0249元)。所授出之購股權的估計公平值乃採用柏力克－舒爾斯定價模式計算，而該模式之輸入數據如下：

授出日期股份	
之收市價	港幣0.1450元
行使價	港幣0.1400元
預期波幅	78.55%
無風險利率	每年7.75%
購股權年限	2年
預期股息率	0.00%

預期波幅乃以本公司股價於前一年之歷史波幅而釐定。

已用柏力克－舒爾斯定價模式估計購股權之公平值。計算購股權之公平值採用的變數及假設乃基於董事之最佳估計。購股權的價值亦因若干主觀假設之不同變數而異。

32. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, this contribution is matched by employees.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefit. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

During the year, the total amounts contributed by the Group to the relevant retirement benefit schemes are as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
MPF Scheme	強積金計劃	135	210
State-management retirement benefit schemes	國家管理之退休福利計劃	—	2,152
		<u>135</u>	<u>2,362</u>

33. DISPOSAL OF SUBSIDIARIES

(a) During the year, the Group disposed of its entire interests in (i) GPTL Group; (ii) GFT Holding Limited and its subsidiaries (the “GFT Holding Group”); (iii) Capital Prosper Limited; and (iv) Prosper Services Limited. The details of assets and liabilities disposed of, total consideration and an analysis of the net inflow of cash and cash equivalents in respect of the disposals of the above subsidiaries are summarised as follows:

32. 退休福利計劃

本集團為全體香港合資格僱員設有強制性公積金計劃（「強積金計劃」）。該計劃資產與本集團資產分開持有，存放於信託人控制之基金。本集團按有關薪酬成本之5%向強積金計劃作出供款，僱員亦作出相同供款。

本集團於中國附屬公司之僱員為由中國政府營辦之國家管理退休福利計劃之成員。該等附屬公司須按薪金成本之指定百分比向退休福利計劃供款，作為福利之資金。本集團就退休福利計劃之唯一責任乃作出指定供款。

於本年度，本集團就有關退休福利計劃的供款總額如下：

33. 出售附屬公司

(a) 年內，本集團出售其於(i) GPTL集團；(ii) GFT Holding Limited及其附屬公司（「GFT Holding集團」）；(iii) Capital Prosper Limited及(iv) Prosper Services Limited之全部權益。有關出售上述附屬公司之已出售資產及負債、總代價，以及現金及現金等價流入淨額之詳情概述如下：

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

33. DISPOSAL OF SUBSIDIARIES (Continued)

33. 出售附屬公司 (續)

						2007 二零零七年
		GFT Group	GFT Holding Group	Capital Prosper Limited	Prosper Services Limited	Total
		GFT集團	GFT Holding 集團			總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
		(Note i) (附註i)	(Note ii) (附註ii)	(Note iii) (附註iii)	(Note iv) (附註iv)	
Net liabilities disposed of by the Group:	本集團所出售之 負債淨額：					
Property, plant and equipment	物業、廠房及設備	12,970	50,477	—	—	63,447
Prepaid lease payments	預付租賃款項	5,561	3,375	—	—	8,936
Club debenture	會所會籍	—	220	—	—	220
Inventories	存貨	—	9,463	—	—	9,463
Trade and other receivables	應收賬款及其他應收款項	—	34,215	—	28	34,243
Bank balances and cash	銀行結餘及現金	69	6,815	—	103	6,987
Bank loans	銀行借貸	—	(18,000)	—	—	(18,000)
Obligations under finance leases	融資租賃債務	—	(3,027)	—	—	(3,027)
Trade and other payables	應付賬款及其他應付款項	—	(29,140)	—	(19)	(29,159)
Amount due to group companies	應付集團公司款項	(17,309)	(67,248)	—	—	(84,557)
Amount due to related companies	應付關連公司款項	(2,096)	(877)	(25)	(157)	(3,155)
Tax payable	應付稅項	—	(319)	—	—	(319)
		(805)	(14,046)	(25)	(45)	(14,921)
Minority interests	少數股東權益	—	(71)	—	—	(71)
Translation reserve	匯兌儲備	(1,859)	(1,250)	—	—	(3,109)
Attributable goodwill	應佔商譽	396	—	—	—	396
		(2,268)	(15,367)	(25)	(45)	(17,705)
Gain on disposal	出售收益	4,976	15,367	25	45	20,413
Total consideration satisfied by cash	由現金支付之總代價	2,708	—	—	—	2,708
Net cash inflow (outflow) arising on disposal :	出售時產生之現金 流入(流出)淨額：					
Cash consideration	現金代價	2,708	—	—	—	2,708
Bank balances and cash disposed of	所出售之銀行 結餘及現金	(69)	(6,815)	—	(103)	(6,987)
		2,639	(6,815)	—	(103)	(4,279)

33. DISPOSAL OF SUBSIDIARIES *(Continued)*

Notes:

- (i) The Company entered into an agreement in November 2006 to dispose of its entire equity interest in and the amount due from GPTL Group to the Group (the "Debt") to an independent third party, Sky Hawk International Limited ("Sky Hawk") for an aggregate consideration of HK\$20 million. The principal assets of GPTL Group are the land use rights in respect of parcels of adjacent lands situated at Boluo, Huizhou and the infrastructure erected thereon. HK\$2 million was paid by Sky Hawk upon signing of the agreement and the balance was to be settled on completion.

Pursuant to the deed of assignment dated 28 June 2007, the Group assigned the Debt to Sky Hawk. GPTL became indebted to Sky Hawk in amount of approximately HK\$17 million.

Pursuant to the supplemental agreement dated 28 June 2007, Sky Hawk paid a further sum of HK\$2 million and delivered to the Company a promissory note with a principal amount of HK\$16 million which was interest free, due on 31 December 2007 and secured by the entire issued share capital of GPTL. Sky Hawk fully settled the amount before the balance sheet date.

33. 出售附屬公司 (續)

附註：

- (i) 本公司於二零零六年十一月訂立協議，出售其於GPTL集團之全部權益及應收該集團之款項（「負債」）予獨立第三方Sky Hawk International Limited（「Sky Hawk」），總代價為港幣20,000,000元。GPTL集團之主要資產為多幅位於惠州市博羅縣之相連土地之土地使用權及建於該等土地上之基建設施。其中港幣2,000,000元已於訂立該協議時由Sky Hawk支付，餘款須於完成時繳清。

根據日期為二零零七年六月二十八日之轉讓契據，本集團將負債轉讓予Sky Hawk。GPTL結欠Sky Hawk之債務款額約為港幣17,000,000元。

根據二零零七年六月二十八日之補充協議，Sky Hawk進一步支付港幣2,000,000元及向本公司交付一項本金額為港幣16,000,000元之承兌票據，此承兌票據免息，於二零零七年十二月三十一日到期，並以GPTL全部已發行股本作抵押。Sky Hawk已於結算日前全數支付。

33. DISPOSAL OF SUBSIDIARIES (Continued)

Notes: (Continued)

- (ii) On 16 April 2007, the Company entered into an agreement with Innovative Sonic International Limited ("Innovative Sonic"), a company beneficially owned by Mr. Leung Wai Ho, and Mr. Wong Chung Shun, former directors and substantial shareholders of the Company. Pursuant to the agreement, the Company agreed to sell and Innovative Sonic agreed to purchase the entire equity interest of and the amount from GFT Holding Group (the "Loan") at an aggregate consideration of HK\$2. GFT Holding Group engages in toy manufacturing and toy trading.

Pursuant to the deed of assignment dated 28 June 2007, the Group assigned the Loan to Innovative Sonic. Great Force Technology Limited, a subsidiary of GFT Holding Limited became indebted to Innovative Sonic in amount of approximately HK\$68.6 million.

- (iii) On 28 December 2007, the Group disposed of its entire interest in Capital Prosper Limited, which was inactive, to independent third parties for an aggregate consideration of HK\$2.
- (iv) On 28 December 2007, the Group disposed of its entire interest in Prosper Services Limited which was principally engaged in the provision of management services to the Group, to independent third parties for an aggregate consideration of HK\$2.

33. 出售附屬公司 (續)

附註：(續)

- (ii) 於二零零七年四月十六日，本公司與 Innovative Sonic International Limited (「Innovative Sonic」) 訂立協議，該公司由本公司前董事及主要股東梁蔚豪先生及黃仲遜先生實益擁有。根據協議，本公司同意出售及 Innovative Sonic 已同意購買全部 GFT Holding 集團之權益及應收該公司之款項 (「貸款」)，總代價港幣2元。GFT Holding 集團從事玩具製造及玩具買賣。

根據日期為二零零七年六月二十八日之轉讓契據，本集團已向 Innovative Sonic 轉讓貸款。GFT Holding Limited 之附屬公司 Great Force Technology Limited 結欠 Innovative Sonic 之債務款額約為港幣68,600,000元。

- (iii) 於二零零七年十二月二十八日，本集團按總代價港幣2元出售其於 Capital Prosper Limited (暫無營業) 之全部權益予獨立第三方。
- (iv) 於二零零七年十二月二十八日，本集團按總代價港幣2元出售其於 Prosper Services Limited 之全部權益予獨立第三方，該公司主要從事向本集團提供管理服務。

33. DISPOSAL OF SUBSIDIARIES (Continued)

- (b) On 22 June 2006, the Group disposed of its entire interests in 51% owned subsidiaries, Thunder Force Limited and Thunder Tech Electronic Co., Limited. Thunder Force Limited was engaged in trading and manufacturing of electronic components while Thunder Tech Electronic Co., Limited was inactive. The disposals were completed on 22 June 2006.

33. 出售附屬公司 (續)

- (b) 於二零零六年六月二十二日，本集團出售其於擁有51%股權之附屬公司迅雷科時有限公司及迅雷科技有限公司之全部權益。迅雷科時有限公司從事電子零件買賣及製造，而迅雷科技有限公司則並無業務活動。有關出售事項於二零零六年六月二十二日完成。

		2006 二零零六年 HK\$'000 港幣千元
Net liabilities disposed of by the Group:	本集團所出售之負債淨值：	
Property, plant and equipment	物業、廠房及設備	96
Inventories	存貨	60
Trade and other receivables	應收賬款及其他應收款項	1,854
Bank balances and cash	銀行結餘及現金	292
Trade and other payables	應付賬款及其他應付款項	(2,446)
		(144)
Minority interests	少數股東權益	(161)
		(305)
Gain on disposal - Discontinued operation (Note 12)	出售收益 - 已終 止經營業務(附註12)	355
Total consideration satisfied by cash	由現金支付之總代價	50
Net cash outflow arising on disposal :	出現時產生之現金流出淨額：	
Cash consideration	現金代價	50
Bank balances and cash disposed of	所出售之銀行結餘及現金	(292)
		(242)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, financial assets at fair value through profit or loss, bank balances and cash, trade and other payables, borrowings, finance lease obligations and details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States Dollars ("US dollar") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions and recognised assets and liabilities. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Substantial portion of the Group's revenue is derived in US dollar and substantial portion of costs are in RMB. Thus, when the RMB strengthens in value against the HK dollar, as has occurred in 2006 and 2007, the Group's operating margins are negatively impacted unless recovered from customers in the form of price increases. The HK dollar is pegged to US dollar and thus foreign exchange exposure is considered as minimal. The Group currently does not have a foreign currency hedging policy.

As at 31 December 2007, if HK dollar had weakened/strengthened by 5% against RMB, with all other variables held constant, loss after tax for the year and accumulated losses would have been HK\$109,000 (2006: HK\$132,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of RMB denominated trade receivables and trade payables.

34. 金融風險管理目標及政策

本集團之主要金融工具包括應收賬款及其他應收款項、按公平值計入損益賬之財務資產、銀行結餘及現金、應付賬款及其他應付款項及借貸及融資租賃債務，其詳情披露於各有關附註內。有關此等金融工具的風險及如何減低有關風險之政策載述如下。管理層負責管理及監察此等風險，以確保能適時及有效地採取適當措施。

外匯風險

本集團承受因多種貨幣所產生之外匯風險，當中主要有美元（「美元」）及人民幣（「人民幣」）。外匯風險因商業交易及已確應之資產及負債所引致。此外，人民幣兌換為外幣須受中國政府頒佈之外匯管制規則及規定所規限。

本集團大部分收益以美元計值，而絕大部分成本則以人民幣計值。因此，當人民幣兌港元之價值升值，尤如二零零六年及二零零七年發生之情況時，除非能以提價方式向客戶收回款項，否則便會對本集團之經營毛利產生負面影響。港幣與美元掛鈎，故外匯風險十分輕微。本集團目前未有外匯對沖政策。

於二零零七年十二月三十一日，倘港幣兌人民幣貶值/升值5%，而其他可變因素保持不變，本年度之除稅後虧損及累積虧損將減少/增加港幣109,000元（二零零六年：港幣132,000元），主要乃由於換算以人民幣計值之應收賬款及應付賬款之外匯收益/虧損所致。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group has no borrowings which bear fixed or floating interest rate except for the bank borrowing and finance leases of the former subsidiaries which have been disposed of by the Group in June 2007. The risk of change in interest rate in this respect is insignificant.

The Group has no significant interest-bearing assets except for deposits held in banks, the Group determined that the reasonably possible change in interest rates on bank deposits in the coming twelve months had been 0.5%. As at 31 December 2007, if interest rates on bank deposits had been 0.5% higher/lower, with all other variable held constant, the Group's loss after tax for the year and accumulated losses would decrease/increase by HK\$1,177,000 (2006: HK\$36,000).

Equity price risk

The Group is exposed to equity price risk arising from its investments in equity securities, equity linked investments which are classified as at fair value through profit or loss. The Group manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

As at 31 December 2007, if equity prices had been 5% higher/lower, with all other variables held constant, the Group's loss after tax for the year and accumulated losses would have been HK\$567,000 (2006: Nil) lower/higher. There will be no impact on other components of equity.

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk.

34. 金融風險管理目標及政策 (續)

利率風險

除本集團於二零零七年六月所出售之前附屬公司之銀行借貸及融資租賃外，本集團並無借貸以固定或浮動利率計息。就此而言，利率變動之風險並不重大。

由於除存於銀行之存款外，本集團並無重大計息資產，故此本集團釐定，銀行存款之利率於未來十二個月之可能合理變動為0.5%。於二零零七年十二月三十一日，倘銀行存款利率上調/下調0.5%，而所有其他可變因素未有改變，本集團於本年度之除稅後虧損及累積虧損將減少/增加港幣1,177,000元(二零零六年：港幣36,000元)。

股價風險

本集團承受因其獲歸類為按公平值計入損益賬之股票投資、股票掛鈎投資所產生之股價風險。本集團藉著維持一個具不同風險和回報狀況之投資組合，從而管理此項風險。

於二零零七年十二月三十一日，倘股價上升/下跌5%而所有其他可變因素未有改變，本集團之本年度除稅後虧損及累積虧損將減少/增加港幣567,000元(二零零六年：無)。權益之其他組成部分將不會受到影響。

信貸風險

信貸風險指本集團的債務人不履行償還其結欠本集團款項的責任而令本集團蒙受損失的風險。本集團已採用程序加緊客戶之信貸條款及監管其信貸風險。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

The Group's credit policy practices include assessment and valuation of customer's credit reliability and periodic review of their financial status to determine the credit limits to be granted.

As at the balance sheet date, the Group has no significant concentration of credit risk, with exposure spread over a number of customers and counter parties.

Trading of investment securities and derivative financial instruments, including equity linked investments, are mainly entered with counterparties with sound credit rating and the management does not expect any investment counterparty to fail to meet its obligations. In this regard, the Group does not expect to incur material credit losses on managing financial instruments.

There is no significant credit risk in relation to the Group's cash and cash equivalents as bank balances and cash are placed with reputable banks and financial institutions with good credit ratings.

The maximum exposure to credit risk at the balance date is the carrying amount of each class of financial assets.

Liquidity risk

In managing liquidity risk, the Group maintains sufficient cash and cash equivalents to finance its operations, investment opportunities and expansion. The Group finances its working capital requirements mainly by funds generated from operations and from fund raising activities such as placement and rights issue. The Group has net current assets of HK\$247,479,000 and HK\$11,116,000 as at 31 December 2007 and 2006 respectively. In the opinion of directors, the Group's exposure to liquidity risk is limited.

As at 31 December 2007, the Group's financial liabilities (including trade and other payables, current portion of interest-bearing borrowings and current portion of obligation under finance leases), amounted to HK\$15,074,000 (2006: \$53,145,000), will be settled within 12 months (2006: 12 months) from the balance sheet date. Non-current portion of obligation under finance leases amounted to Nil (2006: HK\$1,801,000) will be due in the second to fifth years inclusive. Based on the assessment of the Directors, liquidity risk encountered by the Group is minimal.

34. 金融風險管理目標及政策 (續)

信貸風險 (續)

本集團現時的信貸做法包括評估客戶的信貸可靠度及定期檢討其財務狀況，以釐定可給予之信貸限額。

於結算日，本集團之信貸風險源自多個客戶及交易對手，故並無明顯之信貸集中風險。

投資證券及衍生金融工具(包括股本掛鈎投資)之買賣乃主要與具有良好信貸評級之交易對手訂立，而管理層預期並無任何投資交易對手無法履行其責任。就此而言，本集團預期於管理金融工具時不會產生重大信貸虧損。

由於銀行存款及現金存放在聲譽良好之銀行及具高信貸評級之金融機構，因此概無與本集團現金及現金等值有關之重大信貸風險。

於結算日，所承擔之最高信貸風險為各類財務資產之賬面值。

流動資金風險

本集團管理流動資金風險時，乃保持足夠現金及現金等值從以給其營運、投資機會及拓展撥付資金。本集團主要以營運及配售和供股等集資活動所產生之資金而撥付其營運資金。於二零零七年及二零零六年十二月三十一日，本集團之流動資產淨值分別為港幣247,479,000元及港幣11,116,000元。董事認為本集團之流動資金風險有限。

於二零零七年十二月三十一日，本集團財務負債(包括應付賬款及其他應付款項、計息借貸之流動部分及融資租賃債務之流動部分)達港幣15,074,000元(二零零六年：港幣53,145,000元)將由結算日起十二個月(二零零六年：十二個月)內支付。融資租賃債務之非流動部分為零(二零零六年：港幣1,801,000元)，將於第二至第五年(包括首尾兩年)到期。根據董事之評估，本集團面對的流動資金風險甚微。

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair value risk

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity.

Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised as at 31 December 2007 and 2006 may be categorised as follows. See notes 3.8 and 3.9 for explanations about how the category of financial instruments affects their subsequent measurement.

34. 金融風險管理目標及政策 (續)

公平值風險

本集團現時之財務資產及財務負債為即時或短期內到期之性質，故其公平值與賬面值並無重大差異。

按類別劃分之財務資產及負債摘要

於二零零七年及二零零六年十二月三十一日獲確認之本集團財務資產及負債之賬面值可歸入下列類別。有關金融工具之歸類對彼等其後計量之影響，見附註3.8及3.9之解釋。

		Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Financial assets	財務資產		
Club debenture	會所會籍	—	220
Bank balances and cash	現金及現金等值	235,437	7,136
Financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產	11,339	—
Loans and receivables:	貸款及應收款項：		
Trade and other receivables	應收賬款及其他應收款項	12,889	32,648
		<u>259,665</u>	<u>40,004</u>
Financial liabilities	財務負債		
At amortised cost:	按攤銷成本：		
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款項	15,074	42,532
Current portion of interest-bearing borrowings	付息借貸之即期部分	—	8,800
Current portion of obligation under finance leases	融資租賃債務之即期部分	—	1,813
		<u>15,074</u>	<u>53,145</u>
Non-current liabilities	非流動負債		
Non-current portion of obligation under finance leases	融資租賃債務之非即期部分	—	1,801

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- to support the Group's stability and growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability and projected operating cash flows. The Group currently has not adopted any formal dividend policy.

Management regards total equity as capital for capital management purpose. The amount of capital as at 31 December 2007 and 2006 amounted to approximately HK\$247,634,000 and HK\$69,614,000 respectively, which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

35. 資本管理

本集團管理資本之目標為：

- 確保本集團可持續經營，繼續為股東提供回報，為其他股份持有人創造利益；
- 支持本集團穩定發展及成長；及
- 提供資本以加強本集團之風險管理能力。

本集團主動定期審視及管理其資本架構，確保資本架構及股東回報達致最佳水平，並考慮本集團之未來資本需求及資本效益、現時及預計盈利能力以及預計營運現金流量。本集團目前並無採納任何正式股息政策。

就資本管理而言，管理層將總權益視作資本。於二零零七年及二零零六年十二月三十一日之資本金額分別約為港幣247,634,000元及港幣69,614,000元，經考慮預計資本開支及預計策略投資機會，管理層認為有關金額已達最佳水平。

36. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these financial statements, during the year, the Group had the following transactions with related parties.

36. 關連人士交易

除此等財務報表其他章節所披露之交易／資料外，年內本集團與關連人士進行下列交易。

Related party relationship 與關連人士之關係	Nature of transactions 交易性質	2007	2006
		二零零七年 HK\$'000 港幣千元	二零零六年 HK\$'000 港幣千元
Key management personnel, including directors (note) 主要管理人員，包括董事(附註)	Compensation 薪酬		
	Short-term benefits 短期福利	2,991	3,021
	Post employment benefits 離職後福利	31	48
		<u>3,022</u>	<u>3,069</u>
Companies under common control by executive directors and shareholders of the Company 受本公司執行董事及股東共同控制之公司	Administrative expenses paid: 已付行政開支：		
	— security 保安	155	403
	— Staff welfare 員工福利	128	157
	— transportation 交通	52	39
	<u>335</u>	<u>599</u>	
	Sales of goods 銷售貨物	—	84

Note : The remuneration of directors and key executives is determined by the board of directors having regard to the performance of individuals and market trends.

附註：董事及主要行政人員之酬金乃董事會視乎個人表現及市場趨勢而釐定。

37. CAPITAL COMMITMENT

As at 31 December 2007, the Group had capital commitment in respect of expenditure on property, plant and equipment of approximately HK\$15,056,000 (2006: nil) contracted but not provided for in the financial statements.

37. 資本承擔

於二零零七年十二月三十一日，本集團有關於物業、廠房及設備之已訂約但未於財務報表提撥的資本承擔約港幣15,056,000元(二零零六年：無)。

38. OPERATING LEASES

The Group as lessee

Operating lease payments represent rentals payable by the Group for certain of its warehouses and office premises and photocopying machines. Leases are negotiated for an average term of two to five years (2006: two years) and rentals are fixed during the lease period.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Within one year	一年內	466	300
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	403	157
		869	457

The Group as lessor

The Group leases out part of its properties under operating leases with average lease terms of 2 to 3 years. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Within one year	一年內	—	47
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	—	43
		—	90

38. 經營租賃

本集團作為承租人

經營租賃款項乃指本集團應付若干倉庫及辦公室物業以及影印機之租金。租約之協定平均租期為兩至五年(二零零六年：兩年)，租金於租賃期內已固定。

於結算日，本集團根據不可撤銷經營租約於下列期間之未來最少應付租金總額如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Within one year	一年內	466	300
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	403	157
		869	457

本集團作為出租人

本集團根據經營租賃租出之部分物業平均租賃期為2至3年。根據不可撤銷經營租約之未來最低應收租金總額如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Within one year	一年內	—	47
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	—	43
		—	90

39. PLEDGE OF ASSETS

The banking facilities granted to a subsidiary are secured by cash deposits and marketable securities with aggregate net book value of HK\$19,103,000 million (2006 : nil) of the subsidiary as at 31 December 2007.

40. CONTINGENT LIABILITIES

On 8 October 2004, Mr. Kwok Chin Wing (“Kwok”), a former director of the Company, commenced legal proceedings (“the Action”) against the Company in respect of the loans due from two former subsidiaries of the Company, namely, Rockapetta Industrial Company Limited and Grand Extend Investment Limited, for a sum of approximately HK\$44.5 million and accrued interest thereof.

The Action is still pending in the High Court of Hong Kong SAR. The Company had already completed discovery of all documentary evidence and exchange of witness statements as to the fact pursuant to the directions of the Court and also obtained Counsel’s advice on the pleadings, evidence and merit of defence in the Action. The Company was ready to proceed with the trial of the Action since early 2006.

However, Kwok took out applications in the Action in July 2006 for substantial amendments to his Re-Re-Amended Statement of Claim (“the Amendment Application”) and joinder of party to the Action (“the Joinder Application”). The Amendment Application and the Joinder Application had substantially delayed the setting down of the Action for trial.

The Amendment Application and the Joinder Application were granted by the Court on 19 April 2007. The newly joined Defendant had filed his Defence and the Company had also properly dealt with all consequential amendments to the pleadings. Discovery and inspection of documentary evidence between Kwok and the newly joined Defendant were completed and the Action is now pending the exchange of Witness Statements as to facts between Kwok and the newly joined Defendant. It is foreseeable that the Action will set down for trial after the completion of exchange of Witness Statements as to facts between Kwok and the newly joined Defendant.

39. 資產抵押

於二零零七年十二月三十一日，授予一間附屬公司之銀行融資乃由該附屬公司總賬面淨值為港幣19,103,000元(二零零六年：無)之現金存款及有價值之證券作抵押。

40. 或然負債

於二零零四年十月八日，本公司前董事郭展榮先生(「郭氏」)就本公司兩家前附屬公司(樂家實業有限公司及展昌投資有限公司)所欠貸款約港幣44,500,000元連應計利息向本公司開展法律訴訟(「訴訟」)。

該訴訟仍待香港特區高等法院裁決。本公司已根據法院指示，完成一切文件證據之透露及交換有關事實之證人陳述書，亦已就該訴訟之狀書、證據及答辯尋求法律顧問意見。本公司自二零零六年初起已準備進行該訴訟之審訊。

然而，郭氏於二零零六年七月提出訴訟申請，要求重大修改其二度修訂之申索陳述書(「修改申請」)及要求訴訟加入與訟方(「合併申請」)。修改申請及合併申請使訴訟之審訊大為延遲。

法院已於二零零七年四月十九日批准修改申請及合併申請。新與訟方已就其抗辯提交答辯書，本公司亦已適當地處理申訴答辯書之相應修改。郭氏與新與訟方已完成文件證據之透露及調查，而訴訟正等候郭氏及新與訟方交換證人陳述書。預料待郭氏及新與訟方完成交換證人陳述書後，訴訟將進行排期聆訊。

40. CONTINGENT LIABILITIES (Continued)

Notwithstanding the substantial amendments made to the Re-Amended Statement of Claim and the joining of a new party to the Action, the Solicitors and Counsel acting for the Company still hold good of their advice previously delivered to the Company. With the benefit of the advice of Solicitors and Counsel acting for the Company, the directors of the Company formed the opinion that Kwok does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group.

41. POST BALANCE SHEET EVENTS

On 3 October 2007, the Company entered into a conditional placing agreement (as amended by a supplemental agreement dated 9 October 2007, the “Placing Agreement”) whereby the placing agent agreed to place on a best effort basis convertible bonds with aggregate principal amount of up to HK\$300,000,000 to be issued by the Company (the “Convertible Bonds”). The Convertible Bonds would bear interest at 4% per annum, mature on the second anniversary of the issue date and entitle the holders to convert the principal amount into Shares at an initial conversion price of HK\$0.041 per Share. The Placing Agreement, among others, was approved by the shareholders of the Company at a special general meeting held on 23 November 2007.

However, because of changes in market conditions after the approval, certain conditions set out in the Placing Agreement have not been fulfilled before the long stop date and the Placing Agreement has thus automatically lapsed on 21 February 2008.

40. 或然負債 (續)

儘管二度修訂之申索陳述書有重大修改及有新與訟方加入，代表本公司之律師及大律師仍堅守彼等先前給予本公司之意見。在徵詢代表本公司之律師及大律師之意見後，本公司董事認為，郭氏並無有效理據向本公司申索，故該訴訟不應對本集團造成重大不利財務影響。

41. 結算日後事項

於二零零七年十月三日，本公司訂立一項有條件配售協議（經二零零七年十月九日之補充協議所修訂，「配售協議」），據此配售代理同意按竭力行事基準配售由本公司發行，本金總額最多達港幣300,000,000元之可換股債券（「可換股債券」）。可換股債券按4%年利率計息、於發行日起滿兩周年到期及賦予持有人權利將本金額按初步兌換價每股港幣0.041元兌換為股份。於二零零七年十一月二十三日舉行之股東特別大會上，本公司股東批准（其中包括）配售協議。

然而，鑒於協議獲批准後市況有所轉變，配售協議所載列之若干條件於最後截止日前未獲達成，配售協議因而於二零零八年二月二十一日自動失效。

Notes to the Financial Statements

財務報表附註

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

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

42. 本公司附屬公司詳情

Name of company 附屬公司名稱	Place of incorporation 註冊成立地點	Place of operation 經營地點	Issued and fully paid up capital 已發行及繳足資本	Effective percentage holding 有效持有量百分比	Principal activities 主要業務
Elite Mind Holdings Limited	British Virgin Islands 英屬處女群島	Hong Kong 香港	1 ordinary share of US\$1 1股面值1美元之普通股	100%	Investment holding 投資控股
Jet Fame Limited 梓豐有限公司	Hong Kong 香港	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元之普通股	100%	Inactive 暫無業務
Kennex Investments Limited 建俊投資有限公司	Hong Kong 香港	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元之普通股	100%	Property holding 持有物業
Prosper Overseas Limited 興旺海外有限公司	Hong Kong 香港	Hong Kong 香港	2 ordinary shares of HK\$1 2股面值港幣1元之普通股	100%	Investment holding 投資控股
Wellgain Glory Limited	British Virgin Islands 英屬處女群島	Hong Kong 香港	1 ordinary share of US\$1 1股面值1美元之普通股	100%	Investment holding 投資控股
Wiz Investments Limited 慧師投資有限公司	Hong Kong 香港	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元之普通股	100%	Security trading and investment 證券買賣及投資
Wiz Limited 慧師有限公司	Hong Kong 香港	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元之普通股	100%	Provision of management services to the Group 向本集團提供管理服務
Yanyan Force Limited 欣科有限公司	Hong Kong 香港	Hong Kong 香港	100 ordinary shares of HK\$1 100股面值港幣1元之普通股	60%	Trading of toy, gift and premium products 玩具、贈品及精品產品買賣

Financial Summary

財務概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元 (restated) (經重列)	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Turnover	營業額	86,981	165,291	179,128	132,632	132,987
(Loss) Profit before taxation	除稅前(虧損)溢利	(22,586)	(1,666)	12,044	(36,457)	(74,799)
Taxation	稅項	—	(1,786)	(873)	(76)	(171)
(Loss) Profit for the year	本年度(虧損)溢利	(22,586)	(3,452)	11,171	(36,533)	(74,970)
Attributable to:	應佔：					
Equity holders of the Company	本公司股權持有人	(21,421)	(6,169)	10,056	(36,610)	(73,579)
Minority interests	少數股東權益	(1,165)	2,717	1,115	77	(1,391)
		(22,586)	(3,452)	11,171	(36,533)	(74,970)
		At 31 December 於十二月三十一日				
		2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元 (restated) (經重列)	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Total assets	資產總額	47,993	142,168	140,282	126,653	262,708
Total liabilities	負債總額	(10,740)	(64,599)	(53,090)	(57,039)	(15,074)
Net Assets	資產淨值	37,253	77,569	87,192	69,614	247,634
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益	36,523	71,884	85,646	68,152	247,634
Minority interests	少數股東權益	730	5,685	1,546	1,462	—
Total Equity	權益總額	37,253	77,569	87,192	69,614	247,634



GFT HOLDINGS LIMITED

真樂發 控股有限公司