

恒
Perennial
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PERENNIAL INTERNATIONAL LIMITED
恒都集團有限公司

(Stock code 股份代號: 725)

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

MON Chung Hung (*Chief Executive Officer and Deputy Chairman*)

LI Man Wai

SIU Yuk Shing, Marco

MON Wai Ki, Vicky

MON Tiffany

Non-Executive Director

KOO Di An, Louise (*Chairman*)

Independent Non-Executive Directors

CHENG Kwok Kit, Edwin

(*appointed on 11th September 2008*)

LAU Chun Kay

MA Chun Hon, Richard

LIAO Zhixiong

(*resigned on 11th September 2008*)

COMPANY SECRETARY, QUALIFIED ACCOUNTANT AND COMPLIANCE OFFICER

LI Man Wai

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL PLACE OF BUSINESS

Units 2002-2006, 20th Floor

Greenfield Tower

Concordia Plaza

1 Science Museum Road

Tsimshatsui, Kowloon

Hong Kong

董事會

執行董事

孟振雄 (*行政總裁及副主席*)

李文斌

蕭旭成

孟瑋琦

孟韋怡

非執行董事

顧迪安 (*主席*)

獨立非執行董事

鄭國杰

(*委任於二零零八年九月十一日*)

劉振麒

馬鎮漢

廖志雄

(*離任於二零零八年九月十一日*)

公司秘書、合資格會計師及監察主任

李文斌

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

主要營業地點

香港

九龍尖沙咀

科學館道1號

康宏廣場

南座

20樓2002-2006室

Corporate Information 公司資料

STOCK CODE

Stock Code on The Stock Exchange of
Hong Kong Limited : 00725

SOLICITOR

IU, LAI & LI
20th Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank
83 Des Voeux Road Central
Hong Kong

AUDITORS

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

PRINCIPAL REGISTRARS AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM11
Bermuda

BRANCH REGISTRARS AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

WEBSITE

<http://www.equitynet.com.hk/0725>

股份代號

香港聯合交易所有限公司
股份代號 : 00725

律師

姚黎李律師行
香港中環
畢打街 11 號
置地廣場
告羅士打大廈 20 樓

主要往來銀行

恒生銀行
香港
德輔道中 83 號

核數師

羅兵咸永道會計師事務所
香港中環
太子大廈 22 樓

股份登記及過戶總處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM11
Bermuda

股份登記及過戶分處

香港證券登記有限公司
香港灣仔
皇后大道東 183 號
合和中心 17 樓
1712-1716 號舖

網址

<http://www.equitynet.com.hk/0725>

Mission Statement 宗旨

Perennial International Limited is dedicated to maintain the high quality of its products, manufacturing processes and service to customers and to forge a worldwide reputation as a business demanding excellence in all of its operations.

恒都集團有限公司致力提供優質產品、嚴格監控生產過程、以及奉行以客為本的精神，務求達到盡善盡美，讓集團聲名遠播，享譽全球。

Corporate Profile 集團簡介

The Perennial Group, founded in 1989, manufactures and trades quality power cord, power cord sets, cables and solid wire, wire harnesses and plastic resins. The Group's primary markets are America, Europe, Australia, Mainland China, Japan and Southeast Asia where it sells to prominent multi-national producers of electrical and electronic products.

Headquartered in Hong Kong, the Group employs approximately 1,600 staff worldwide involved in management, sales and marketing, shipping, procurement, financial and accounting, research and development, production and manufacturing. The Group considers its employees to be its most important asset while its key values are quality, prudence and integrity.

恒都集團於一九八九年成立，專門製造及營銷優質的電源線、電源線組合、導線、組合線束及塑膠皮料。集團主要的外銷市場是美洲、歐洲、澳洲、中國大陸、日本及東南亞客戶對象為著名的跨國電器及電子產品生產商。

集團總部設於香港，在全球僱用約1,600名員工，主要負責管理、銷售及市場推廣、船務、採購、財務及會計、研發及生產等工作。集團視員工為最寶貴的資產，而優質、審慎及誠信則為最重要的價值。

Chairman's Statement 主席報告

On behalf of the Board of Directors (the "Directors"), I am pleased to announce the audited consolidated financial results of Perennial International Limited (the "Company"), together with its subsidiaries (the "Group") for the year ended 31st December 2008.

The Group's turnover was HK\$507,628,000 (2007: HK\$470,496,000), up 8%. Profit for the year was HK\$22,294,000 compared to HK\$24,398,000 in 2007. Earnings per share were HK\$0.112 (2007: HK\$0.123).

The Group is principally engaged in the manufacturing and trading of quality power cord and power cord sets, cables and wires, wire harnesses and plastic resins.

FINAL DIVIDEND

The Board of Directors recommend the payment of a final dividend of HK\$0.03 per share. Together with the interim dividend of HK\$0.02 per share, the Group's total dividend for the year 2008 amount to HK\$0.05 per share (2007: HK\$0.04 per share).

The register of members of the Company will be closed from 27th April 2009 to 30th April 2009, both days inclusive, during which period no transfer of shares will be effected. Subject to the approval of shareholders at the Annual General Meeting to be held on 30th April 2009, the final dividend will be paid on or before 15th May 2009 to shareholders whose names are registered in the register of members of the Company at the close of business on 30th April 2009.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30p.m. on 24th April 2009.

本人謹代表恒都集團有限公司(「本公司」)董事會，宣佈本公司及其附屬公司(「本集團」)截至二零零八年十二月三十一日止年度的經審核綜合財務報告。

本集團的營業額為507,628,000港元(二零零七年：470,496,000港元)，增長8%。全年溢利為22,294,000港元，而二零零七年同期則為24,398,000港元。每股盈利為11.2港仙(二零零七年：12.3港仙)。

本集團之主要業務包括專門製造及營銷品質穩定的電源線及電源線組合、導線、組合線束及塑膠皮料。

末期股息

董事會建議派發末期股息每股3港仙，連同已派發的中期股息每股2港仙，本集團二零零八年之全年股息為每股5港仙(二零零七年：每股4港仙)。

本公司將於二零零九年四月二十七日至二零零九年四月三十日，首尾兩天包括在內，暫停辦理股票過戶登記手續。待股東於二零零九年四月三十日舉行之股東大會批准後，末期股息將於二零零九年五月十五日或之前派發予於二零零九年四月三十日營業時間結束時名字登記在本公司股東登記名冊之股東。

凡欲獲派末期股息，必須於二零零九年四月二十四日下午四時半前，將過戶文件連同有關股票一併送達本公司在香港之過戶登記分處香港證券登記有限公司，香港皇后大道東183號合和中心17樓1712至1716號舖，辦理股票過戶登記手續。

Chairman's Statement 主席報告

BUSINESS REVIEW

During the year, our sales in power cord and power cord sets, cables and wires, wire harnesses and plastic resins accounted for 58%, 12%, 29% and 1% of the Group's total turnover, respectively.

Although manufacturers in the past year have been facing severe head wind from the Global Financial Tsunami, the Group has implemented prudent strategy, set defined vision, adopted risk management, optimized cashflow management, conducted evaluation and take defensive measures on cost control. Consequently, the Financial Tsunami has not constituted significant impact on our result. The Group maintained steady growth in revenue and profit during the year under review. We, in the meantime, will continue to implement the same strategy in 2009.

Meanwhile, we focus on the development of high quality, stable returns and solid growth environmentally-proof products. This proven strategy has brought in positive contribution to our bottom line performance.

The implementation of the People's Republic of China's new labour law on 1st January 2008 has undoubtedly increased our cost. Nevertheless, the Group has continued to adhere to the regulations upon executing our employees policy. We are committed to lessening the surging pressure on costs by capitalizing on semi-automation to enhance efficiency and reduce manpower. As a result, the additional cost arising from the new labour law has not constituted substantial increase in cost.

業務回顧

年內，電源線及電源線組合、導線、組合線束及塑膠皮料的銷售額，分別佔本集團營業額之58%、12%、29%及1%。

雖然過去一年，席捲全球的金融海嘯對經濟造成嚴重打擊，為很多生產商帶來嚴峻考驗，但本集團憑藉審慎策略，確立清晰目標，做好風險管理，完善現金流管理，對各方面作出評估，制定防禦措施，小心控制成本，所以金融海嘯對本集團未有造成太大影響，在年內仍能保持其收益及利潤的穩健增長。同時，我們於二零零九年會繼續採取這些政策。

此外，本集團專注發展高質量、穩定回報及增長產品，以及符合環保要求的電線業務之策略，成效顯著，對盈利有一定貢獻。

中華人民共和國於二零零八年一月一日推出的新勞動法無疑增加了成本負擔。恒都一直都是依法執行人事制度，我們又致力透過加強半自動化生產，提高效益及節省人手，減輕成本壓力，因此新勞動合同帶來的附加成本並未造成沉重的成本增幅。

Chairman's Statement 主席報告

FUTURE PROSPECTS

The Group achieved solid growth last year and is expecting a steady growth in sales volume in year 2009. There will be challenges arising from the weak global economy and the economic recession in many mature countries. However, the Group will continue to implement prudent strategy and take cautious measures to weather these challenges.

Our core strategy for 2009 is to provide customers with strong performance products at competitive price. With a progressive increase in production of high growth wire harnesses and environmentally-sound halogen-free products, we will continue to invest our resources in research and development of environmentally-friendly and green products.

On employees policy front, we will re-engineer our structure to streamline staff force and reduce expenses. In the meantime, the Group will capitalize on the Financial Tsunami opportunity to sharpen our management and operations edge by recruiting well-educated and experienced talents.

To conclude, 2009 will be a challenging year. But we believe if we remain positive, optimistic and prudent in enhancing efficiency, controlling cost and building closer partnership relationship with our customers, the Group's business will continue to grow and prosper in a progressive manner.

CORPORATE GOVERNANCE

The Group is committed to safeguarding shareholders' rights and enhancing corporate governance standard. As a result, we establish the Compliance Committee, Audit Committee, Remuneration Committee and Nomination Committee to adhere to the best practice.

SOCIAL RESPONSIBILITY

Being a responsible corporate citizen is the Group's strong belief. So we continue to participate and support community activities in both Hong Kong and the People's Republic of China.

未來展望

本集團去年業績取得穩定增長，展望二零零九年銷售數量表現將會繼續平穩。環球經濟疲弱，加上全球很多發達國家紛紛步入經濟衰退，對市道必然有所沖擊，但本集團仍以一貫審慎態度，推行穩健措施，面對挑戰。

我們於二零零九年的核心策略是為客戶提供高質量及價格具競爭力的產品，並且進一步增加生產高增長的組合線束和符合環保要求的無鹵電線產品。我們會繼續投放資源，研究及開發環保產品，推廣綠色產品。

在僱傭政策方面，我們會調整架構，精簡人手，削減開支。與此同時，本集團將利用目前的金融海嘯機會，穩步物色和招聘具高學歷和豐富經驗的人員，加強整體的管理及營運實力。

總括來說，二零零九年是充滿挑戰的一年，但我們相信只要抱著積極、樂觀和審慎的態度，提升營運效率，嚴格控制成本，加強與客戶的緊密合作夥伴關係，必定可以推動本集團的業務增長，取得平穩成績。

企業管治

本集團致力維護股東權益，提升企業管治水平。因此，我們設立監察委員會、審核委員會、薪酬委員會及提名委員會，遵守最佳守則。

社會責任

本集團堅守信念，做一家負責任的企業，所以我們持續參與和支持香港及中華人民共和國的社會活動。

Chairman's Statement 主席報告

VOTE OF THANKS

On behalf of the Board of Directors, my sincere thanks to our shareholders, partners and customers for their continuous support and to our staff for their dedication.

By Order of the Board
Koo Di An, Louise
Chairman

Hong Kong, 23rd March 2009

致謝

本人謹代表董事會，向股東、夥伴、客戶及員工的鼎力支持，表示衷心感謝。

承董事會命
主席
顧迪安

香港，二零零九年三月二十三日

Management Discussion and Analysis 管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2008, the consolidated indebtedness of the Group, including long-term borrowings of HK\$6,313,000, was HK\$73,410,000. The borrowings are mainly denominated in Hong Kong dollars. The cash and cash equivalents amounted to HK\$14,307,000.

As at 31st December 2008, the Group's trade receivables balance was HK\$106,576,000, representing 21.0% of the year's turnover of HK\$507,628,000. The Group adopted a stringent credit policy to minimize credit risk.

The interest cover was 6.3 times as compared to 5.2 times in 2007.

CAPITAL STRUCTURE

As at 31st December 2008, the consolidated shareholders' equity of the Group was HK\$236,411,000, an increase of 11.2% over that of the previous year. The debt to equity ratio, (calculated by dividing total liabilities to shareholders' equity), was approximately 54.0%.

CAPITAL EXPENDITURE AND MATERIAL ACQUISITIONS

During the year under review, capital expenditures were made in the construction of new facilities at Shi Yan District, Shenzhen and expansion of production capacity (approximate to HK\$17,754,000).

PLEDGE OF ASSETS

As at 31st December 2008, the Group's banking facilities amounting to approximately HK\$50,871,000 were secured by legal charges over certain leasehold land, land use rights, buildings and investment property of the Group with a total net book value of HK\$39,335,000.

SEGMENT INFORMATION

During the year under review, Hong Kong, America and the Mainland China continued to be the Group's major markets, accounting for approximately 43%, 31% and 17% of the Group's total sales respectively. The remaining 9% of sales were generated from customers located in Other Asian Countries and Europe.

流動資金及財務資源

於二零零八年十二月三十一日，本集團之借貸為73,410,000港元，其中6,313,000港元為長期借貸。借貸主要以港元為單位。現金及現金等價物達14,307,000港元。

於二零零八年十二月三十一日，本集團之應收賬款結餘為106,576,000港元，佔年度營業額507,628,000港元之21.0%。本集團採納嚴謹之信貸政策，以盡量減低信貸風險。

盈利對利息倍數為6.3倍，二零零七年則為5.2倍。

股本結構

於二零零八年十二月三十一日，本集團之綜合股東資金為HK\$236,411,000港元，較去年上升11.2%。負債對資本比率（以負債總額除以股東資金計算）約為54.0%。

資本開支及重大收購

於回顧年度，資本開支為建造深圳石岩新廠房及擴展生產（約17,754,000港元）

抵押資產

於二零零八年十二月三十一日，本集團約有50,871,000港元之銀行信貸乃以本集團若干租賃土地及土地使用權及樓宇及投資物業之法定抵押。該等土地及樓宇及投資物業之總賬面值淨值共39,335,000港元。

分部資料

回顧期內，香港，美國及中國大陸依舊是本集團的主要銷售市場，分別佔本集團營業額約43%，31%及17%。其他亞洲國家及歐洲地區的客戶則佔本集團餘下約9%的營業額。

Management Discussion and Analysis 管理層討論及分析

EMPLOYEES' REMUNERATION POLICY

As at 31st December 2008, the Group employed approximately 1,600 full time management, administrative and production staff worldwide. The Group follows market practice on remuneration packages. Employee's remuneration is reviewed and determined by senior management annually depending on the employee's performance, experience and industry practice. The Group invests in its human capital, In addition to on-job training, the Group adopts policies of continuous professional training programs.

FOREIGN EXCHANGE EXPOSURE

All foreseeable foreign exchange risks of the Company are appropriately managed or hedged.

CONTINGENT LIABILITIES

As at 31st December 2008, the Group did not have any material contingent liabilities.

僱員薪酬政策

於二零零八年十二月三十一日，本集團在全球僱用約1,600名全職之管理、行政及生產人員。本集團之薪酬組合乃按市場常規而定。高級管理人員按僱員表現、經驗及業內常規，每年檢討及釐定僱員薪酬。本集團對人力資源作出投資，除為員工提供在職培訓外，亦制訂員工持續進修專業培訓政策。

匯率風險

本公司所有可預見外匯風險已被合適地監管及對沖。

或然負債

於二零零八年十二月三十一日，本集團並無重大或然負債。

Corporate Governance Report 企業管治報告

Perennial International Limited is firmly committed to statutory and regulatory corporate governance standards with emphasis on transparency, independence, accountability, responsibility and fairness.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

With effect from 1st January 2005, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Directors confirm that the Company fully complies to the Code Provisions, and adopts Recommended Best Practices as defined in Appendix 14 of the Rules Governing the Listing of Securities appropriately when possible.

THE BOARD

The Board’s primary role is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management to whom the responsibility of managing the day-to-day operation of the Group is delegated. In the course of discharging its duties, the Board acts in integrity, due diligence and care, and in the best interests of the Company and its shareholders.

The Board oversees the Company in a responsible and effective manner. It has adopted formal terms of reference which details its functions and responsibilities. Its main responsibilities include, but not limited to, ensuring competent management, approving objectives, strategies and business plans, ensuring prudent conduct of operations within laws and approved policies, ensuring and monitoring integrity in the Company’s conduct of affairs. Directors, as members of the Board, jointly share responsibility for the proper direction of the Company.

恒都集團有限公司奉行法定及監管企業管治標準，並著重其透明度、獨立、問責、負責與公平。

企業管治常規守則

自二零零五年一月一日起，本公司已採用並遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）的要求。

董事確認本公司已全面遵守了該守則條文的規定，及當適用時實行在證券上市規則附錄14中定義的最佳建議常規。

董事會

董事會之主要角色乃保障及提升股東之長期價值。董事會為本集團制定整體策略及監督已獲授權處理本集團日常運作的行政管理層。於執行職責期間，董事會秉承誠實、勤勉及謹慎的態度，並以本公司及其股東的最佳利益為依歸。

董事會以盡責的態度和有效的方式領導本公司，並已採納正式而詳列其職能及責任的職權範圍。董事會主要責任包括但不限於確保管理層有足夠能力執行管理；審批目標、策略和業務計劃；確保日常運作審慎進行及依循法律和既定政策；確保及監察本公司事務符合道德規範。所有董事會成員，對於為本公司制訂正確方針共同分擔責任。

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THE BOARD (CONTINUED)

The Board currently consists of (9) members whose details are set out on pages 27 and 32. It meets quarterly and holds specific meetings as and when they are deemed necessary. The Board held four (4) meetings during the year ended 31st December 2008. A record of the Directors' attendance at Board meetings is set out on page 23 of this report.

The Group provides extensive background information about its history, mission and businesses to Directors. The Directors are also provided with the opportunity to visit the Group's operational facilities and meet with the management to gain a better understanding of its business operations.

The Board has separate and independent access to the senior management and the Company Secretary at all times. The Board also has access to independent professional advice where appropriate.

The Company has arranged for appropriate liability insurance for the Directors and the senior management of the Group for indemnifying their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

In order to reinforce the independence, accountability and area of responsibility, the role of the Chairman is separate from that of the Chief Executive Officer. Their respective responsibilities are clearly established and set out in writing. The Chairman manages the Board, while the Chief Executive Officer is responsible for implementing strategies, policies, and for conducting the Group's businesses.

Pursuant to the Bye-laws of the Company, one-third of the Directors that have served longest on the Board must retire at each annual general meeting, and may offer themselves for re-election. Each Director is subject to retirement by rotation at least once every three years. To enhance accountability, any further re-appointment of an Independent Non-Executive Director, who has served the Board for more than nine years, is subject to a separate resolution as passed by the shareholders.

董事會(續)

董事會現由9名成員組成，其詳細資料載於第27及32頁。董事會每季度均舉行會議，並於需要時召開特別會議。董事會於截止二零零八年十二月三十一日之年度共舉行四次會議。董事出席董事會會議之記錄載於本報告第23頁。

本集團向董事提供關於其歷史、宗旨及業務的廣泛資料。董事亦獲提供參觀本集團營運設施並與管理層會面之機會，讓彼等更了解本集團之業務運作。

董事會可於任何時間個別及獨立接觸高級管理層及公司秘書。董事會亦可於適當時候獲取獨立專業意見。

本公司已為本集團各董事及高級管理層安排適當之責任保險，就公司活動導致彼等需負之責任給予彌償。保障範圍將每年審議。

為加強各自之獨立性、責任及職責範圍，主席之角色乃獨立於行政總裁之角色，彼等各自之職責均以書面清楚界定。主席管理董事會；行政總裁則負責推行本集團之策略及政策，以及經營業務。

根據本公司之公司細則，於董事會服務年資最長的三分之一之董事，必須於每次股東週年大會上按規定輪席告退，但可膺選連任。所有董事均須最少每三年輪席告退一次。為提升彼等對責任之承擔，任何已服務董事會超過九年之獨立非執行董事，於進一步連任時，必須由股東以獨立決議案批准通過。

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THE BOARD (CONTINUED)

Pursuant to the requirement of the Listing Rules, the Company acknowledge receipt of a written confirmation from each of the Independent Non-Executive Directors for confirmation of their independence to the Company. The Company considers all its Independent Non-Executive Directors to be independent.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects. The directors should prepare the accounts on a going concern basis, with supporting assumptions or qualifications as necessary. The board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports, other price-sensitive announcements and other finance disclosures required under the Hong Kong Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

BOARD COMMITTEES

The Board has established four (4) committees, each of them having specific terms of reference, to consider matters relating to specialized areas and to advise the Board or, where appropriate, to decide on behalf of the Board on such matters. Details of these committees and their principal terms of reference are as follows:

董事會(續)

按照上市規則之規定，本公司已告知收到所有獨立非執行董事就表明其於本公司之獨立性而呈交之確認函件。本公司認為所有獨立非執行董事均為獨立人士。

董事對財務報表之責任

董事會應平衡、清晰及全面地評核公司的表現、情況及前景。董事擬備的賬目應以公司持續經營為基礎，有需要時更應輔以假設或保留意見。若董事知道有重大不明朗事件或情況可能。有關董事會應平衡、清晰及明白地評審公司表現的責任，適用於年度報告及中期報告、其他涉及股價敏感資料的通告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書以至根據法例規定須予披露的資料。

董事委員會

董事會已成立四個委員會，每個委員會均有特定職權範圍，以審議關於特別範疇之事宜、向董事會提供建議，以及在適當時候於該等事宜上代表董事會作出決定。該等委員會及其主要職權範圍之詳情載列如下：

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AUDIT COMMITTEE

The Audit Committee was established on 1st April 2003. Its current members included three (3) Independent Non-Executive Directors and one (1) Non-Executive Director, who are:

Mr. LAU Chun Kay (*Chairman*)
Mr. CHENG Kwok Kit, Edwin (*appointed on 11th September 2008*)
Mr. MA Chun Hon, Richard
Ms. KOO Di An, Louise
Mr. LIAO Zhixiong (*resigned on 11th September 2008*)

The terms of reference of the Audit Committee have been revised to meet the requirements set out in the Code (effective from 1st January 2005).

The Audit Committee is mainly responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditors and any question of resignation or dismissal, their audit fees, matters relating to the independence of the external auditors; meeting with the external auditors to discuss the nature and scope of the audit, and matters of concern when requested to do so by the external auditors; reviewing the interim financial report and annual financial statements before they are submitted to the Board; discussing problems and reservations arising from the interim review and final audit, and any other matters the external auditors may wish to discuss, and reviewing the external auditors' letter to the management and the management's response; reviewing the internal audit programmes and ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group; and considering any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response.

審核委員會

審核委員會於二零零三年四月一日成立。其現任成員包括三名獨立非執行董事及一名非執行董事，分別為：

劉振麒先生 (*主席*)
鄭國杰先生 (*委任於二零零八年九月十一日*)
馬鎮漢先生
顧迪安女士
廖志雄先生 (*離任於二零零八年九月十一日*)

審核委員會之職權範圍已根據守則(於二零零五年一月一日生效)之規定予以修改。

審核委員會之主要職責為就外聘核數師之委任、重新委任及罷免，或處理任何有關該核數師辭職或辭退該核數師、核數師酬金、外聘核數師之獨立性等事宜向董事會提供意見；與外聘核數師開會討論審核工作之性質及範圍及外聘核數師認為值得關注的事項；審閱中期財務報告及全年財務報表以便上呈董事會；討論源於中期審閱及年結審核過程發現之問題及保留意見、及任何其他外聘核數師欲討論之事宜；審閱外聘核數師致管理層之函件及管理層之回應；審閱內部稽核計劃，確保內部及外聘核數師間之協調；確保內部稽核職能有足夠資源配合並於本集團內擁有適當地位；及審議董事會指派或其自發進行之內部調查結果及管理層之回應。

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AUDIT COMMITTEE (CONTINUED)

The Audit Committee meets at least twice a year, while at least once a year it meets with the external auditors without Executive Directors being present. The Audit Committee held two (2) meetings during the year ended 31st December 2008. An attendance record of its members at Audit Committee meetings is set out on page 23 of this report.

During the year, the Audit Committee reviewed the interim financial report and the audited financial results of the Group for the year ended 31st December 2008 and the accounting principles and practices adopted by the Group. The Audit Committee also evaluated the adequacy and effectiveness of the Group's internal control systems and made recommendations to the Board.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 21st November 2005. Its current members included three (3) Independent Non-Executive Directors and one (1) Non-Executive Director, who are:

Mr. LAU Chun Kay (*Chairman*)

Mr. CHENG Kwok Kit, Edwin (*appointed on 11th September 2008*)

Mr. MA Chun Hon, Richard

Ms. KOO Di An, Louise

Mr. LIAO Zhixiong (*resigned on 11th September 2008*)

The Remuneration Committee is mainly responsible for reviewing the Group's remuneration policies, determining the specific remuneration packages for Directors and senior management, including terms of salary, discretionary bonus scheme, benefits in kind, pension rights, compensation payments and other long-term incentive schemes, and making recommendations to the Board on remuneration of the Directors and senior management.

審核委員會 (續)

審核委員會每年最少召開兩次會議，以及每年最少一次在沒有執行董事列席情況下與外聘核數師舉行會議。審核委員會於截止二零零八年十二月三十一日之年度共舉行兩次會議。委員會成員出席審核委員會會議之記錄載於本報告第 23 頁。

審核委員會已審閱本集團的中期財務報告及截至二零零八年十二月三十一日止年度之經審核財務業績及本集團採納之會計準則及常規。審核委員會亦評估本集團內部監控制度之充足程度及有效性，並向董事會提出建議。

薪酬委員會

薪酬委員會於二零零五年十一月二十一日成立。其現任成員包括三名獨立非執行董事及一名非執行董事，分別為：

劉振麒先生 (*主席*)

鄭國杰先生 (*委任於二零零八年九月十一日*)

馬鎮漢先生

顧迪安女士

廖志雄先生 (*離任於二零零八年九月十一日*)

薪酬委員會之主要職責為審議本集團的薪酬政策、釐定所有董事及高級管理層的特定薪酬待遇，包括薪金、償贈性花紅計劃、附帶利益、退休金權益、補償金及其他長期獎勵計劃，並就董事及高級管理層之薪酬事宜向董事會給予建議。

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REMUNERATION COMMITTEE (CONTINUED)

The Remuneration Committee met three (3) times in the year of 2008. During the meetings, the committee members discussed the policy for the remuneration of the Executive Directors and senior management, assessed the performance of the Executive Directors and approved the terms of the Executive Directors' service contracts. An attendance record of its members at the Remuneration Committee meetings is set out on page 23 of this report.

NOMINATION COMMITTEE

The Nomination Committee was established on 21st November 2005. Its current members included three (3) Independent Non-Executive Directors and one (1) Non-Executive Director, who are:

Mr. LAU Chun Kay (*Chairman*)
Mr. CHENG Kwok Kit, Edwin (*appointed on 11th September 2008*)
Mr. MA Chun Hon, Richard
Ms. KOO Di An, Louise
Mr. LIAO Zhixiong (*resigned on 11th September 2008*)

The Nomination Committee is mainly responsible for reviewing the candidates' qualification and competence, and making recommendations to the Board on appointment of Directors, so as to ensure that all nominations are fair and transparent.

The Nomination Committee met two times (2) in the year of 2008. During the meetings, the committee members discussed the procedures and criteria which should be adopted by them in nominating candidates for directorship and agreed that such criteria should include the candidates' professional background, their financial and commercial experience and their past track record with other listed companies (if any). Candidates who satisfy the relevant criteria are then short-listed by the chairman of the Nomination Committee before their nominations are proposed to the Nomination Committee. The Nomination Committee subsequently meets to select the final candidates and submit its recommendation to the Board for its final approval. An attendance record of its members at the Nomination Committee meeting is set out on page 23 of this report.

薪酬委員會(續)

於二零零八年度內薪酬委員會共召開三次會議，於會上，各委員討論了執行董事及高級管理層的薪酬政策、評估了執行董事的表現及批准了執行董事服務合約的條款。委員會成員出席薪酬委員會會議之記錄載於本報告第 23 頁。

提名委員會

提名委員會於二零零五年十一月二十一日成立。其現任成員包括三名獨立非執行董事及一名非執行董事，分別為：

劉振麒先生 (*主席*)
鄭國杰先生 (*委任於二零零八年九月十一日*)
馬鎮漢先生
顧迪安女士
廖志雄先生 (*離任於二零零八年九月十一日*)

提名委員會之主要職責為審閱被提名人之資格及能力，並就委任董事事宜向董事會給予建議，以確保所有提名均屬公平及透明化。

於二零零八年度內提名委員會共召開二次會議，於會上，各委員討論了該採用的提名程序及推薦董事候選人的準則，並同意這些準則須包括該候選人的專業背景、財務與商務的經驗及過去服務其他上市公司的往績紀錄(如有)。符合上述有關標準的候選人，經提名委員會主席篩選後訂出候選人名單，呈交提名委員會，提名委員會舉行會議選出最後人選，並向董事會提出建議，由董事會作最後批准。委員會成員出席提名委員會會議之記錄載於本報告第 23 頁。

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COMPLIANCE COMMITTEE

The Compliance Committee was established on 25th November 2005. Its current members included five (5) Executive Directors, one (1) Non-Executive Director and three (3) Independent Non-Executive Directors, who are:

Executive Directors

Mr. MON Chung Hung

(Chief Executive Officer and Deputy Chairman)

Ms. LI Man Wai

Mr. SIU Yuk Shing, Marco

Ms. MON Wai Ki, Vicky

Ms. MON Tiffany

Non-Executive Director

Ms. KOO Di An, Louise *(Chairman)*

Independent Non-Executive Directors

Mr. LAU Chun Kay

Mr. CHENG Kwok Kit, Edwin *(appointed on 11th September 2008)*

Mr. MA Chun Hon, Richard

Mr. LIAO Zhixiong *(resigned on 11th September 2008)*

The Compliance Committee is mainly responsible for (i) reviewing corporate communication issued by the Company so as to ensure compliance in every respect with the listing requirements contained in the Listing Rules; and (ii) reviewing transactions entered into by the Company so as to ensure compliance with the relevant laws and regulations applicable to the Company whether of Hong Kong or elsewhere. Where necessary, the Compliance Committee would seek professional advice in respect of the requirements of the Listing Rules and other applicable laws and regulations so as to improve the existing compliance procedures of the Company.

The Compliance Committee held one (1) meeting during the year ended 31st December 2008. An attendance record of its members at the Compliance Committee meeting is set out on page 23 of this report.

監察委員會

監察委員會於二零零五年十一月二十五日成立。其現任成員包括五名執行董事，一名非執行董事及三名獨立非執行董事，分別為：

執行董事

孟振雄先生

(行政總裁及副主席)

李文斌女士

蕭旭成先生

孟璋琦女士

孟韋怡女士

非執行董事

顧迪安女士 *(主席)*

獨立非執行董事

劉振麒先生

鄭國杰先生 *(委任於二零零八年九月十一日)*

馬鎮漢先生

廖志雄先生 *(離任於二零零八年九月十一日)*

監察委員會之主要職責為(i) 審閱本公司所發放之企業資訊，以確保其符合上市條例訂明的所有上市規定；及(ii) 審閱本公司之交易項目，以確保其符合香港或任何地方適用於本公司之相關法例及規章。必要時，監察委員會將尋求專業意見以符合上市條例之要求及其他適用之法例及規章以改善本公司現有之監察程序。

監察委員會於截止二零零八年十二月三十一日之年度共舉行了一次會議。委員會成員出席監察委員會會議之記錄載於本報告第 23 頁。

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INTERNAL CONTROL

The Board is responsible for internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorized use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance with applicable laws, rules and regulations. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.

The Board, through the Audit Committee, has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational and compliance controls and risk management functions. Areas for improvement have been identified and appropriate measures taken so as to provide assurance that key business and operational risks are identified and managed.

The key procedures that the Board established to provide effective internal controls are as follows:

- (a) A comprehensive monthly management reporting system is in place providing financial and operational performance indicators to the management, and the relevant financial information for reporting and disclosure purpose;
- (b) Management structure with defined roles, responsibilities and reporting lines are established. Delegated authorities are documented and communicated;
- (c) System and procedures are in place to identify, measure, manage and control risks including liquidity, credit, market, business, regulatory, operational and reputational risks that may have an impact on the Group; and
- (d) Internal Audit Team performs independent reviews of the risks and key controls to provide reasonable assurance to the management and the Audit Committee that risks and controls have been adequately addressed.

內部監控

董事會負責本集團之內部監控並審閱其效能，並已制訂程序以防止資產未經授權使用或出售、確保存有正確會計記錄以提供可靠財務資料作內部使用或刊發，以及確保遵守適用法律、法規及規定。該等程序可合理（但不是絕對）保證不會出現重大誤差、虧損或欺騙。

董事會已透過審核委員會就本集團內部監控系統之有效性作出檢討，檢討範圍包括所有重要的監控，如財務、營運及監察控制及風險管理，並已確認可改善的地方及採取適當的改善措施以確保主要的業務及營運風險能被確認及處理。

董事會為有效實行內部監控而確立之主要程序如下：

- (a) 設有全面每月管理匯報機制，向管理層提供財務和營運表現指標及有關可供匯報和披露用途之財務資料；
- (b) 管理架構權責清晰，匯報途徑清楚界定。各級授權均妥為記錄及發佈；
- (c) 設有系統及程序確認、量度、管理及控制風險，包括可能影響本集團之流動資金、信貸、市場、業務、規管、營運及信譽等風險；及
- (d) 內部審核組對已確定的風險及主要監控程序進行獨立檢討，以向管理層及審核委員會提供合理保證，有關風險及監控事宜已獲適當處理。

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INTERNAL CONTROL (CONTINUED)

The function of the Internal Audit Team is mainly responsible for monitoring the internal control system of the Group. The Internal Audit Team covers financial controls, business operations, compliance and risk management. Independent reports are submitted to the Audit Committee on a regular basis.

EXTERNAL AUDITORS

The Audit Committee is responsible for considering the appointment, re-appointment and removal of external auditors subject to endorsement by the Board and final approval and authorization by shareholders of the Company in general meeting. The Audit Committee assesses the external auditors, taking into account factors such as the performance and quality of the audit and the objectivity and independence of auditors. The existing auditors of the Company are PricewaterhouseCoopers who were first appointed in 1997.

EXTERNAL AUDITORS' REMUNERATION

The Group was charged HK\$1,280,000 and HK\$285,000 by PricewaterhouseCoopers for auditing and non-auditing services respectively for the year ended 31st December 2008.

FINANCIAL REPORTING

The Board, supported by the accounts department, is responsible for the preparation of the accounts of the Company and the Group. In preparing the accounts, the Board has adopted generally accepted accounting standards in Hong Kong and complied with accounting standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently.

The reporting responsibilities of the external auditors are set out in the Independent Auditor's Report on pages 46 to 48 of this annual report.

內部監控 (續)

內部審核組之主要職能為負責監控本集團內部管理制度，審核範圍涵蓋財務監控、業務營運、合規監控及風險管理，並定期向審核委員會提交獨立報告。

外聘核數師

審核委員會負責審議外聘核數師之委任、連任及罷免，惟須獲得董事會之批准及本公司股東在股東大會上作出最終批准及授權。審核委員會透過審核表現及質素，以及核數師之客觀性及獨立性等因素評核外聘核數師。本公司現任核數師為羅兵咸永道會計師事務所，於一九九七年起獲聘任。

外聘核數師酬金

本集團於截至二零零八年十二月三十一日止年度向本集團核數師支付審核服務費用1,280,000港元及非審核服務費用285,000港元。

財務申報

董事會在會計部門協助下負責編製本公司及本集團之財務報表。於編製財務報表時，董事會採納了香港公認會計標準及香港會計師公會頒布之會計準則，並一直貫徹使用及應用合適之會計政策。

核數師之申報責任載於本年報第46至48頁之核數師報告。

Corporate Governance Report 企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listing Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, they had complied with the required standards of the said code during the year.

SHAREHOLDERS' RIGHTS

The Board and management shall ensure shareholders' rights and all shareholders are treated equitably and fairly. Pursuant to the Company's bye-laws, any shareholder entitled to attend and vote at a general meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. Shareholders who hold not less than one-tenth of the paid up capital of the Company shall have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

Chairmen of the various Board committees, or failing the Chairmen, any member from the respective committees, must attend the annual general meetings of the Company to address shareholders' queries. External auditors shall also be invited to attend the Company's annual general meetings and are available to assist the Directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of their auditor report.

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納了一套條款不寬於上市規則附錄十所載上市發行人董事進行證券交易標準守則的操守準則。經向全體董事作出特定查詢後，彼等於本年度均遵守了上述準則之規定。

股東權利

董事會及管理層須確保股東之權利以及所有股東均獲得公平和公正的對待。根據本公司之公司細則，任何有權出席和於本公司股東大會上投票之股東，均有權委任他人代表出席及投票。持有本公司已繳足股本不少於十分之一之股東，有權向本公司董事會或公司秘書致函，要求董事會召開股東特別大會，以處理該等要求列明的任何事項。

各董事委員會主席或委員會各自之任何成員（如主席未能出席）必須出席本公司股東週年大會以回答股東提問。外聘核數師亦應獲邀出席本公司之股東週年大會，並就有關審核處理及其核數師報告之編製及內容，協助董事回答股東之提問。

Corporate Governance Report 企業管治報告

INVESTOR RELATIONS

The Company believes in regular and timely communication with shareholders as part of its efforts to help shareholders understand its business better and the way the Company operates.

To promote effective communication with the public at large, the Company maintains a website on which comprehensive information about the Company, its major businesses, financial information and particulars of Directors are posted. The Company's publications, including press releases, announcements, annual and interim reports, shareholders circulars are being made available on this website (<http://www.equitynet.com.hk/0725>)

投資者關係

本公司認為，致力與股東保持定期及適時之溝通，有助股東了解本公司之業務及本公司之經營方式。

為促進與公眾的有效溝通，本公司透過網站發放有關本公司、其主要業務、財務資料及董事詳情之資訊；同時，本公司亦將其出版之刊物，包括新聞稿、公告、年報及中期報告、股東通函上載於此網站(<http://www.equitynet.com.hk/0725>)

Corporate Governance Report 企業管治報告

DIRECTORS' ATTENDANCE AT BOARD, AUDIT COMMITTEE, REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND COMPLIANCE COMMITTEE MEETINGS

董事於董事會，審核委員會，薪酬委員會，提名委員會及監察委員會之出席記錄

		Board Meetings 董事會會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meetings 提名委員會會議	Compliance Committee Meetings 監察委員會會議
Total number of meetings held during the year ended 31st December 2008	於截至二零零八年十二月三十一日止年度內舉行之會議總數	4	2	3	2	1
Number of meetings attended:	出席會議次數：					
Executive Directors	執行董事					
Mr. MON Chung Hung (Chief Executive Officer & Deputy Chairman)	孟振雄先生 (行政總裁及副主席)	4	N/A 不適用	N/A 不適用	N/A 不適用	1
Ms. LI Man Wai (Qualified Accountant & Company Secretary)	李文娥女士 (合資格會計師及公司秘書)	4	2	3	2	1
Mr. SIU Yuk Shing, Marco	蕭旭成先生	4	N/A 不適用	N/A 不適用	N/A 不適用	1
Ms. MON Wai Ki, Vicky	孟瑋琦女士	3	N/A 不適用	N/A 不適用	N/A 不適用	0
Ms. MON Tiffany	孟韋怡女士	2	N/A 不適用	N/A 不適用	N/A 不適用	1
Non-Executive Director	非執行董事					
Ms. KOO Di An, Louise (Chairman)	顧迪安女士 (主席)	4	2	3	2	1
Independent Non-Executive Directors	獨立非執行董事					
Mr. CHENG Kwok Kit, Edwin	鄭國杰先生	1	N/A 不適用	1	N/A 不適用	N/A 不適用
Mr. LAU Chun Kay	劉振麒先生	4	2	3	2	1
Mr. LIAO Zhixiong	廖志雄先生	2	2	2	2	1
Mr. MA Chun Hon, Richard	馬鎮漢先生	2	2	2	2	1
External Auditors	外聘核數師	N/A 不適用	2	N/A 不適用	N/A 不適用	N/A 不適用

Directors' Report 董事報告

The Directors submit their report together with the audited accounts for the year ended 31st December 2008.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the manufacturing and trading of electric cable and wire products. The activities of the subsidiaries are set out in note 32 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 4 to the accounts.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out below:

		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	營業額	303,143	375,383	439,352	470,496	507,628
Profit for the year	全年溢利	15,829	25,408	29,460	24,398	22,294
Total assets	總資產	249,162	280,966	337,013	392,971	364,065
Total liabilities	總負債	(104,914)	(115,755)	(149,671)	(180,285)	(127,654)
Total equity	總權益	144,248	165,211	187,342	212,686	236,411

ANALYSIS OF THE GROUP'S PERFORMANCE

An analysis of the Group's performance is shown in the Chairman's Statement on pages 6 to 9.

董事謹此提呈董事報告及截至二零零八年十二月三十一日止年度之經審核賬目。

按主要業務及地域劃分之分析

本公司之主要業務為投資控股，其附屬公司主要從事製造及買賣電線及導線產品業務。附屬公司之業務載於賬目附註32。

本集團本年度按主要業務及地區劃分之業務分部表現分析載於賬目附註4。

五年財務概要

下表顯示本集團在過往五年內之業績、資產及負債概要：

本集團之業務表現分析

本集團之業務表現分析載於第6至第9頁之主席報告內。

Directors' Report 董事報告

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

		%
Purchases	採購	
– the largest supplier	– 最大供應商	26.9%
– five largest suppliers combined	– 五大供應商	58.0%
Sales	銷售	
– the largest customer	– 最大客戶	5.6%
– five largest customers combined	– 五大客戶	27.1%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 49.

The Directors have declared an interim dividend of HK\$0.02 per ordinary share, totaling approximately HK\$3,980,000 which was paid on 15th October 2008.

The Directors recommend the payment of a final dividend of HK\$0.03 per ordinary share, totaling approximately HK\$5,970,000.

SHARE CAPITAL

Details of share capital of the Company are set out in note 21 to the accounts.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 22 to the accounts.

主要客戶及供應商

本年度內本集團之主要供應商及客戶之採購及銷售百分比如下：

董事、彼等之聯繫人士或任何股東(指據董事所知擁有本公司5%以上股本權益之股東)並無於上述之主要供應商或客戶中擁有任何權益。

業績及分配

本年度內本集團之業績載於第49頁之綜合損益賬內。

董事已宣派中期股息每普通股2港仙，合共3,980,000港元，並於二零零八年十月十五日派發。

董事建議派發末期股息每普通股3港仙，合共5,970,000港元。

股本

有關本公司股本之變動載於賬目附註21。

儲備

本年度內本集團及本公司之儲備變動載於賬目附註22。

Directors' Report 董事報告

DISTRIBUTABLE RESERVES

At 31st December 2008, the distributable reserves of the Company amounted to HK\$106,368,000.

DONATIONS

Charitable donations made by the Group during the year amounted to HK\$1,130,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the accounts.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and there is no restriction against such rights under the laws of Bermuda.

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at the latest practicable date prior to the issue of the annual report.

可供分派儲備

於二零零八年十二月三十一日，本公司之可供分派儲備達106,368,000港元。

捐款

本年度內本集團之慈善捐獻達1,130,000港元。

物業、廠房及設備

有關本集團物業、廠房及設備變動之詳情載於賬目附註15。

優先購買權

本公司之公司細則並無優先購買權之規定，而百慕達法例並無對該等權利作出限制。

購買、出售及贖回本公司之上市證券

本公司並無在本年度內贖回其任何股份。本公司及其任何附屬公司概無在本年度內購買、贖回或出售任何本公司之股份。

公眾持股量

根據本公司從公開途徑所取得的資訊及就各董事所知，確認本年報發行前最實際可行的一個交易日維持多於本公司已發行股份百分之二十五之公眾持股量。

Directors' Report 董事報告

ANALYSIS OF BANK LOANS AND OTHER BORROWINGS

The Group's bank loans and other borrowings as at 31st December 2008 are repayable over the following periods:

銀行貸款及其他借貸分析

本集團於二零零八年十二月三十一日之銀行貸款及其他借貸須於下列期限償還：

		Bank loans	Finance lease obligation	Trust receipt loans	Total
		銀行 貸款	租購合 約承擔	收據 貸款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
On demand or not exceeding one year	即期償還或一年內償還	23,148	2,524	41,425	67,097
More than one year but not exceeding two years	一年以上但不超過兩年	1,863	2,228	-	4,091
More than two years but not exceeding five years	兩年以上但不超過五年	167	2,055	-	2,222
More than five years	五年以上	-	-	-	-
		25,178	6,807	41,425	73,410

DIRECTORS

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

Executive Directors

MON Chung Hung (*Chief Executive Officer & Deputy Chairman*)

LI Man Wai

SIU Yuk Shing, Marco

MON Wai Ki, Vicky

MON Tiffany

Non-Executive Director

KOO Di An, Louise (*Chairman*)

董事

於本年度內至本報告之日在任之董事如下：

執行董事

孟振雄 (*行政總裁及副主席*)

李文斌

蕭旭成

孟瑋琦

孟韋怡

非執行董事

顧迪安 (*主席*)

Directors' Report 董事報告

DIRECTORS (CONTINUED)

Independent Non-Executive Directors

CHENG Kwok Kit, Edwin

(appointed on 11th September 2008)

LAU Chun Kay

LIAO Zhixiong

(resigned on 11th September 2008)

MA Chun Hon, Richard

Mr. Siu Yuk Shing, Marco, Ms. Mon Wai Ki, Vicky, Mr. Cheng Kwok Kit, Edwin and Mr. Ma Chun Hon, Richard will retire in accordance with clause 111 of the Company's Bye-laws at the forthcoming annual general meeting of the Company and, being eligible, all offer themselves for re-election.

The term of office of each non-executive and independent non-executive director is not more than 3 years and subject to retirement by rotation in accordance with the Company's bye-laws.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company are set out as follows:

Executive Directors

Mr. Mon Chung Hung, aged 58, is the founder of the Group, the Chief Executive Officer, the Deputy Chairman, an Executive Director and a member of the compliance committee of the Company. Mr. Mon has over 30 years of experience in the electric cable and wire industry. He is responsible for the Group's overall strategic planning and policy making. Mr. Mon is a director of Spector Holdings Limited, the controlling shareholder of the Company. He is also the husband of Ms. Koo Di An, Louise and the father of Ms. Mon Wai Ki, Vicky and Ms. Mon Tiffany.

董事(續)

獨立非執行董事

鄭國杰

(委任於二零零八年九月十一日)

劉振麒

廖志雄

(離任於二零零八年九月十一日)

馬鎮漢

蕭旭成先生、孟瑋琦女士、鄭國杰先生及馬鎮漢先生將根據本公司之公司細則第111條於本公司即將舉行的股東周年大會上輪席告退，彼等符合資格並願意膺選連任。

各非執行董事及獨立非執行董事之任期不多於三年，並須根據本公司附例輪席告退。

董事及高層管理人員之詳細履歷

本公司董事及高層管理人員之詳細履歷載列如下：

執行董事

孟振雄先生，58歲，本集團創辦人，本公司之行政總裁及副主席，執行董事及監察委員會成員。孟先生在電線及導線業積逾30年豐富經驗。彼負責本集團之整體策劃及決策工作。孟先生為本公司控股股東Spector Holdings Limited之董事。彼為顧迪安女士之丈夫及孟瑋琦女士及孟韋怡女士之父親。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Executive Directors (Continued)

Ms. Li Man Wai, FCCA, FCPA, aged 54, is an Executive Director, the Compliance Officer, the Qualified Accountant, the Company Secretary and a member of the compliance committee of the Company. Ms. Li is a Fellow Member of the Association of Chartered Certified Accountants of the United Kingdom, a Fellow Member of the Hong Kong Institute of Certified Public Accountants and a Member of the Hong Kong Institute of Directors. She joined the Group in 2001 and has over 33 years of experience as a senior executive in finance, accounting and administration of manufacturing, trading and servicing industries in Asia particularly Mainland China. She is also experienced in sales and marketing. She is mainly responsible for the Group's finance and administration.

Mr. Siu Yuk Shing, Marco, aged 49, is an Executive Director and a member of the compliance committee of the Company. He joined the Group in 1986. Mr. Siu has over 20 years of experience in the electric cable and wire industry. Mr. Siu is also the Sales Director of the Group and is responsible for sales of the Group's products and product development.

Ms. Mon Wai Ki, Vicky, aged 34, is an Executive Director and a member of the compliance committee of the Company. She graduated from the Central Queensland University in Australia with a Bachelor of Communications degree. She joined the Group in 2004. As the Marketing Executive, she participates in developing marketing strategies. She is the daughter of Mr. Mon Chung Hung, and Ms. Koo Di An, Louise, and the elder sister of Ms. Mon Tiffany.

董事及高層管理人員之詳細履歷

執行董事(續)

李文斌女士，FCCA，FCPA，54歲，本公司之執行董事，監察主任，合資格會計師，公司秘書及監察委員會之成員。李女士為英國特許公認會計師公會資深會員，香港會計師公會資深會員及香港董事會會員。彼於二零零一年加入本集團，並在亞洲，尤以在內地製造、貿易及服務業出任財務、會計及管理之高級行政人員方面積逾33年豐富經驗。彼亦擁有銷售及市場推廣之經驗。彼負責本集團之財務及行政工作。

蕭旭成先生，49歲，本公司之執行董事及監察委員會成員。彼於一九八六年加入本集團。蕭先生在電線及導線業積逾20年豐富經驗。蕭先生亦為本集團之營業總監，負責本集團產品之銷售及產品發展工作。

孟瑋琦女士，34歲，本公司之執行董事及監察委員會成員。彼畢業於澳洲 Central Queensland University，獲傳理學學士學位。彼於二零零四年加入本集團。作為本集團之營銷主任，孟女士參與制訂市場策略。彼為孟振雄先生及顧迪安女士之女兒，以及孟韋怡女士之胞姊。

Directors' Report 董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Executive Directors (Continued)

Ms. Mon Tiffany, aged 28, is an Executive Director and a member of the compliance committee of the Company. She holds a bachelor's double major degree in Economics and Management from the University of Sydney, Australia. She joined the Group in 2002. As the Marketing Communications Manager she coordinates marketing strategies and is also responsible for the computer department. She is the daughter of Mr. Mon Chung Hung and Ms. Koo Di An, Louise, and the younger sister of Ms. Mon Wai Ki, Vicky.

Non-Executive Director

Ms. Koo Di An, Louise, aged 57, is the Chairman, a Non-Executive Director, the chairman of the compliance committee and a member of the audit, remuneration and nomination committees of the Company. Ms. Koo is a director of Spector Holdings Limited, the controlling shareholder of the Company. She is also the wife of Mr. Mon Chung Hung and the mother of Ms. Mon Wai Ki, Vicky and Ms. Mon Tiffany.

董事及高層管理人員之詳細履歷 (續)

執行董事(續)

孟韋怡女士，28歲，本公司之執行董事及監察委員會成員。彼持有澳洲雪梨大學經濟及管理雙學士學位。彼於二零零二年加入本集團。孟女士為本集團之市場拓展事務經理，負責統籌市場推廣策略及公司電腦部門。彼為孟振雄先生及顧迪安女士之女兒，以及孟瑋琦女士之胞妹。

非執行董事

顧迪安女士，57歲，本公司之主席，非執行董事，監察委員會主席及審核委員會，薪酬委員會及提名委員會之成員。顧女士為本公司控股股東 Spector Holdings Limited 之董事。彼為孟振雄先生之妻子及孟瑋琦女士及孟韋怡女士之母親。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors

Mr. CHENG Kwok Kit, Edwin, aged 46, is an Independent Non-Executive Director and a member of the audit, remuneration, nomination and compliance committees of the Company. He joined the Group in September 2008. He was an independent non-executive director of the Company for the period from 1 April 2003 to 31 December 2005. He has been a practicing solicitor in Hong Kong for over 10 years and holds bachelor's degree of Business Administration from the Chinese University of Hong Kong; bachelor's degree of Laws from the Manchester Metropolitan University, United Kingdom; Postgraduate Certificate in Laws from the University of Hong Kong; bachelor's degree of Laws, master's degree of Laws and doctorate degree of Laws from Peking University, China. He has been admitted as a solicitor in England and Wales and Hong Kong. Mr. Cheng is an Associate Member of the Hong Kong Institute of Certified Public Accountants; a Member of the Institute of Chartered Accountants in England and Wales; a Fellow Member of the Association of Chartered Certified Accountants; an Associate Member of the Hong Kong Institute of Chartered Secretaries; an Associate Member of the Institute of Chartered Secretaries and Administrators; an Associate Member of the Taxation Institute of Hong Kong; a Member of the Hong Kong Institute of Directors; and a Member of the Hong Kong Securities Institute. Mr. Cheng has been appointed to serve on various Government boards and committees, including Equal Opportunities Commission; Appeal Panel (Housing); Transport Tribunal; The Board of Management of The Chinese Permanent Cemeteries; Elite Sports Committee.

董事及高層管理人員之詳細履歷 (續)

獨立非執行董事

鄭國杰先生，46歲，為本公司獨立非執行董事，以及審核、薪酬、提名及監察委員會委員。彼於二零零八年九月加入本集團。彼於二零零三年四月一日至二零零五年十二月三十一日期間擔任本公司獨立非執行董事，彼為香港執業律師已超過十年，持有香港中文大學工商管理學士學位；英國曼徹斯特市立大學法學學士學位；香港大學法學專業證書；中國北京大學法學學士學位，法學碩士學位及法學博士學位。彼獲英格蘭及威爾斯及香港之律師資格。鄭先生為香港會計師公會會員，英格蘭及威爾斯特許會計師協會會員，特許公認會計師公會資深會員，香港特許秘書公會會員，英國特許秘書及行政人員公會會員，香港稅務學會會員，香港董事學會會員，及香港證券專業學會會員。鄭先生已獲委任於平等機會委員會、上訴委員會（房屋）、交通審裁處、華人永遠墳場管理委員會及精英體育事務委員會等多個政府機構及委員會擔任職務。

Directors' Report 董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors (Continued)

Mr. Lau Chun Kay, B.Sc., MBA, aged 60, is an Independent Non-Executive Director, the chairman of the audit, remuneration and nomination committees and a member of the compliance committee of the Company. He joined the Group in 1996. Mr. Lau is a registered professional engineer and holds a master's degree in business administration and a bachelor's degree in electrical engineering from the University of Hong Kong. Mr. Lau is a Life President of the Hong Kong Electrical Contractors Association, and a past President and Advisor of The Federation of Asian and Pacific Electrical Contractors Associations. He is also a member of the Electrical Safety Advisory Committee, and is currently the Hon. Secretary of the Hong Kong Federation of Electrical and Mechanical Contractors. He has over 38 years of experience in management and engineering.

Mr. Liao Zhixiong, aged 41, is an Independent Non-Executive Director and a member of the audit, remuneration, nomination and compliance committees of the Company. He joined the Group in 2004. Mr. Liao has been practising as a lawyer in the People's Republic of China ("PRC") since 1996. Mr. Liao has also been appointed as Legal Consultant for the Local Taxation Bureau of Shenzhen Municipality, the People's Republic of China since 1996. Mr. Liao holds a bachelor's degree in Economics, a master's degree in Law as well as a PhD in Law with major in Economics and Commercial Law from the Renmin University in PRC. Mr. Liao was bestowed by the national government of PRC the qualification of "Lawyer" in 1994 and the qualification of "Economist" (specialized in Taxation) in 1995.

Mr. Ma Chun Hon Richard, aged 52, is an Independent Non-Executive Director and a member of the audit, remuneration, nomination and compliance committees of the Company. He joined the Group in February 2006. Mr. Ma has been practicing as a Public Accountant in Australia since 1988. He holds a bachelor degree of Commerce from University of New South Wales major in Accounting. Mr. Ma is a Member of the Australian Certified Public Accountants and a Fellow Member of the Taxation Institute of Australia.

董事及高層管理人員之詳細履歷 (續)

獨立非執行董事 (續)

劉振麒先生，B.Sc.，MBA，60歲，本公司之獨立非執行董事，審核委員會，薪酬委員會及提名委員會之主席及監察委員會成員。彼於一九九六年加入本集團。劉先生為一名註冊專業工程師及持有香港大學工商管理碩士學位及電機工程學士學位。劉先生為香港電器工程商會之永遠會長，以及亞洲太平洋電氣工事協會聯合會之前任會長及顧問。劉先生亦為電氣安全諮詢委員會之會員，及現住香港機電工程商聯會名譽秘書。彼在管理及工程方面積逾38年豐富經驗。

廖志雄先生，41歲，本公司之獨立非執行董事，審核委員會，薪酬委員會，提名委員會及監察委員會之成員。彼於二零零四年加入本集團。廖先生自一九九六年起為中華人民共和國(「中國」)之執業律師。廖先生亦自一九九六年起擔任深圳市地方稅局的法律顧問。廖先生持有中國人民大學之經濟學學士及法律學碩士學位，亦是主修經濟法及公司法之法學博士。廖先生於一九九四年獲中國政府授予律師資格及於一九九五年獲授予經濟師(稅務專業)資格。

馬鎮漢先生，52歲，本公司之獨立非執行董事及審核委員會，薪酬委員會，提名委員會及監察委員會之成員。彼於二零零六年二月加入本集團。馬先生自一九八八年起一直為澳洲執業會計師。彼持有新南威爾斯大學之商科學士學位，主修會計。馬先生為澳洲執業會計師公會會員及澳洲稅務學會之資深會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Senior Management

Ms. Wong Wai Ping, aged 57, is the Group's General Manager and is responsible for sales and marketing activities. She joined the Group in 1993 and has over 34 years of experience in the electric cable and wire industry and electronics and communications industry.

Mr. Li Ho Cheong, aged 56, is the Marketing Manager of the Group and is responsible for marketing the Group's products and developing the overseas markets. He joined the Group in 1997 and has over 29 years of experience in the electric cable and wire industry.

Mr. Mok Kin Kwan, FCCA, HKICPA, aged 38, joined the Group in 2007 as Group Finance Manager, is responsible for finance functions and assists in the Company secretary work. He holds a Master's degree in Finance and has over 13 years of experience in accounting and auditing.

DIRECTORS' SERVICE CONTRACTS

Executive Directors

On 1st January 2008, **MON Chung Hung** entered into a service contract with the Company for a term of 3 years ending on 31st December 2010. Either party may at any time during the term terminate the contact by giving the other not less than 3 months prior notice or, in lieu of such notice, payment of a sum equivalent to 3 monthly instalments of salary. However, the contract should be deemed to have been renewed automatically for three consecutive year period unless notice of non-renewal is served by either party to the other at least 3 months prior to the end of the term.

董事及高層管理人員之詳細履歷 (續)

高層管理人員

王慧屏女士，57歲，本集團總經理，負責銷售及市場拓展工作。彼於一九九三年加入本集團，在電線及導線業、電子業及通訊業積逾34年豐富經驗。

李可昌先生，56歲，本集團之市場經理，負責本集團產品之銷售及海外市場之開拓。彼於一九九七年加入本集團，在電線及導線業積逾29年豐富經驗。

莫健鈞先生，FCCA，HKICPA，38歲，於二零零七年加入本集團擔任集團財務經理，負責財務運作及協助公司秘書事務。彼持有工商管理財務碩士學位及在會計及核數行業積逾13年豐富經驗。

董事之服務合約

執行董事

於二零零八年一月一日，**孟振雄**與本公司訂立服務合約，為期三年，並於二零一零年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少三個月書面通知或相當於三個月薪酬的代通知金。除非任何一方於合約屆滿前最少三個月以書面通知對方不予續約，否則該合約將於緊接三年自動續約。

Directors' Report 董事報告

DIRECTORS' SERVICE CONTRACTS (CONTINUED)

Executive Directors (Continued)

On 1st January 2008, **Li Man Wai** entered into a service contract with the Company for a term of 3 years ending on 31st December 2010. Either party may at any time during the term terminate the contract by giving the other not less than 3 months prior notice or, in lieu of such notice, payment of a sum equivalent to 3 monthly instalments of salary. The contract should be deemed to have been renewed automatically for three consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 3 months prior to the end of the term.

On 4th November 2003, **Siu Yuk Shing, Marco** entered into a service contract with the Company for a term of 4 years ending on 31st December 2007. Siu Yuk Shing, Marco may at any time during the term terminate the contract by giving the Company not less than 6 months prior notice or payment in lieu in the years of 2004 and 2005, and 3 months prior notice or payment in lieu for the years of 2006 and 2007. However, the Company is entitled to terminate the contract at any time of the term by serving not less than 3 months prior notice or, in lieu of such notice, payment of a sum equivalent to 3 monthly instalments of salary. The contract should be deemed to have been renewed automatically for one consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other as least 2 months prior to the end of the term. On 1st January 2008, the service contract of Mr. Siu was renewed automatically for one consecutive year period under the same terms and conditions

董事之服務合約 (續)

執行董事 (續)

於二零零八年一月一日，**李文斌**與本公司訂立服務合約，為期三年，並於二零一零年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少三個月書面通知或相當於三個月薪酬的代通知金。除非任何一方於合約屆滿前最少三個月以書面通知對方不予續約，否則該合約將以相同條款於緊接三年自動續約。

於二零零三年十一月四日，**蕭旭成**與本公司訂立服務合約，為期四年，並於二零零七年十二月三十一日屆滿。蕭旭成於二零零四年及二零零五年內可給予本公司最少六個月書面通知或代通知金終止該合約，而二零零六年及二零零七年則為三個月書面通知或代通知金。然而，本公司只須給予三個月書面通知或相當於三個月薪酬的代通知金以終止該合約。除非任何一方於合約屆滿前最少兩個月以書面通知對方不予續約，否則該合約將以相同條款於緊接一年自動續約。於二零零八年一月一日，蕭先生的服務合約以相同條款於緊接一年自動續約。

DIRECTORS' SERVICE CONTRACTS (CONTINUED)

Executive Directors (Continued)

On 1st January 2008, **MON Wai Ki, Vicky** entered into a service contract with the Company for a term of 3 years ending on 31st December 2010. Either party may at any time during the term terminate the contract by giving the other not less than 3 months prior notice or, in lieu of such notice, payment of a sum equivalent to 3 monthly instalments of salary. The contract should be deemed to have been renewed automatically for three consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 3 months prior to the end of the term.

On 1st January 2008, **Mon Tiffany** entered into a service contract with the Company for a term of 3 years ending on 31st December 2010. Either party may at any time during the term terminate the contract by giving the other not less than 3 months prior notice or, in lieu of such notice, payment of a sum equivalent to 3 monthly instalments of salary. The contract should be deemed to have been renewed automatically for three consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 3 months prior to the end of the term.

Non-Executive Director

On 1st January 2008, **Koo Di An, Louise** entered into a service contract with the Company for a term of 3 years ending on 31st December 2010. Either party may at any time during the term terminate the contract by giving the other not less than 3 months prior notice or, in lieu of such notice, payment of a sum equivalent to 3 monthly instalments of salary. The contract should be deemed to have been renewed automatically for three consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 3 months prior to the end of the term.

董事之服務合約 (續)

執行董事 (續)

於二零零八年一月一日，**孟瑋琦**與本公司訂立服務合約，為期三年，並於二零一零年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少三個月書面通知或相當於三個月薪酬的代通知金。除非任何一方於合約屆滿前最少三個月以書面通知對方不予續約，否則該合約將以相同條款於緊接三年自動續約。

於二零零八年一月一日，**孟韋怡**與本公司訂立服務合約，為期三年，並於二零一零年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少三個月書面通知或相當於三個月薪酬的代通知金。除非任何一方於合約屆滿前最少三個月以書面通知對方不予續約，否則該合約將以相同條款於緊接三年自動續約。

非執行董事

於二零零八年一月一日，**顧迪安**與本公司訂立服務合約，為期三年，並於二零一零年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少三個月書面通知或相當於三個月薪酬的代通知金。除非任何一方於合約屆滿前最少三個月以書面通知對方不予續約，否則該合約將以相同條款於緊接三年自動續約。

Directors' Report 董事報告

DIRECTORS' SERVICE CONTRACTS (CONTINUED)

Independent Non-Executive Directors

On 10th September 2008, **Cheng Kwok Kit, Edwin** entered into a service contract with the Company for a term of 2 years three months and twenty days ending on 31st December 2010. Either party may at any time during the term terminate the contract by giving the other not less than 2 months prior notice. The contract should be deemed to have been renewed automatically for one consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 2 months prior to the end of the term.

On 1st January 2006, **Lau Chun Kay** entered into a service contract with the Company for a term of 3 years ending on 31st December 2008. Either party may at any time during the term terminate the contact by giving the other not less than 2 months prior notice.

On 31st August 2006, **Liao Zhixiong** entered into a service contract with the Company for a term of 2 years ending on 31st August 2008. Either party may at any time during the term terminate the contract by giving the other not less than 2 months prior notice. The contract should be deemed to have been renewed automatically for one consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 2 months prior to the end of the term.

董事之服務合約 (續)

獨立非執行董事

於二零零八年九月十日，**鄭國杰**與本公司訂立服務合約，為期二年三個月及二十日，並於二零一零年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少兩個月書面通知。除非任何一方於合約屆滿前最少兩個月以書面通知對方不予續約，否則該合約將以相同條款於緊接一年自動續約。

於二零零六年一月一日，**劉振麒**與本公司訂立服務合約，為期三年，並於二零零八年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少兩個月書面通知。

於二零零六年八月三十一日，**廖志雄**與本公司訂立服務合約，為期兩年，並於二零零八年八月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少兩個月書面通知。除非任何一方於合約屆滿前最少兩個月以書面通知對方不予續約，否則該合約將以相同條款於緊接一年自動續約。

DIRECTORS' SERVICE CONTRACTS (CONTINUED)

Independent Non-Executive Directors (Continued)

On 13th February 2007, **Ma Chun Hon, Richard** entered into a service contract with the Company for a term of 2 years ten months and nineteen days ending on 31st December 2009. Either party may at any time during the term terminate the contract by giving the other not less than 2 months prior notice. The contract should be deemed to have been renewed automatically for one consecutive year period under the same terms and conditions of the existing contract unless notice of non-renewal is served by either party to the other at least 2 months prior to the end of the term.

The Company has not entered into any service contract which is not determinable within one year and without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its holding company or its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

董事之服務合約(續)

獨立非執行董事(續)

於二零零七年二月十三日，**馬鎮漢**與本公司訂立服務合約，為期二年十月及十九日，並於二零零九年十二月三十一日屆滿。合約任何一方均有權提早終止合約，惟須給予對方最少兩個月書面通知。除非任何一方於合約屆滿前最少兩個月以書面通知對方不予續約，否則該合約將以相同條款於緊接一年自動續約。

本公司並無訂立任何不能在一年內終止而毋須支付賠償金(法定賠償除外)之服務合約。

董事於合約之權益

本公司、其控股公司及其附屬公司並無訂立任何於年終或年內任何時間有效、且與本公司業務有重大關係及當中有本公司任何董事直接或間接擁有重大權益之合約。

Directors' Report 董事報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES

At 31st December 2008, the interests of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept under section 352 of the SFO or as notified to the Company were as follows:

董事及主要行政人員於股本或債務證券之權益

於二零零八年十二月三十一日，根據證券及期貨條例352條之規定而存置之登記冊所記錄，本公司董事及主要行政人員在本公司或其相關法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有之權益，或本公司已接獲通知之該等權益如下：

(a) Ordinary shares of HK\$0.10 each in the Company ("Shares")

(a) 本公司每股0.10港元之普通股(「股份」)

Name 姓名	Personal interests 個人 權益	Family interests 家族 權益	Number of shares 股份數目		Other interests 其他 權益	Total interests 總 權益	Total interests as % of the relevant issued share capital 總權益佔相關 已發行股本 之百分比
			Corporate interests 法團 權益				
MON Chung Hung 孟振雄	-	-	145,044,000 (note 1 附註1)		-	145,044,000	72.90%
KOO Di An, Louise 顧迪安	-	145,044,000 (note 2 附註2)	-		-	145,044,000	72.90%
LI Man Wai 李文斌	2,150,000	200,000 (note 3 附註3)	-		-	2,350,000	1.18%
SIU Yuk Shing, Marco 蕭旭成	300,000	-	-		-	300,000	0.15%
LAU Chun Kay 劉振麒	138,000	-	-		-	138,000	0.07%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES (CONTINUED)

(a) Ordinary shares of HK\$0.10 each in the Company ("Shares")

note 1: The 145,044,000 Shares were held in the name of Spector Holdings Limited, the issued share capital of which is beneficially owned as to 99.9% by Mr. Mon Chung Hung and as to the remaining 0.1% by Ms. Koo Di An, Louise.

note 2: Ms. Koo Di An, Louise is the wife of Mr. Mon Chung Hung. Ms. Koo is thus deemed to be interested in 145,044,000 Shares by virtue of her husband's interest therein.

Note 3 Ms. Li Man Wai is deemed to be interested in 200,000 Shares through interests of her husband, Mr. Tsang Cheung Ying.

All the interests stated above represent long positions. As at 31st December 2008, no short positions were recorded in the Register of Interests in Shares and Short Positions of substantial shareholders required to be kept under section 336 of the SFO.

(b) Share options

At a special general meeting of the Company held on 23rd April 2003 ("Adoption Date"), resolutions had been passed to terminate the share option scheme adopted on 5th December 1996 (the "1996 Scheme") and to adopt a new share option scheme (the "2003 Scheme") for the benefit of employees and Directors of the Company. The principal purposes of the 2003 Scheme are to enable the Group and its invested entities to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group or invested entities, to recognise the significant contributions of the eligible persons to the growth of the Group or invested entities and to further motivate and give incentives to these eligible persons to continue to contribute to the long term success and prosperity of the Group or invested entities.

董事及主要行政人員於股本或債務證券之權益 (續)

(a) 本公司每股0.10港元之普通股(「股份」)

附註1：此145,044,000股份由Spector Holdings Limited實益擁有，該公司99.9%已發行股本由孟振雄先生擁有，餘下的0.1%由顧迪安女士擁有。

附註2：顧迪安女士為孟振雄先生的妻子，顧女士因其丈夫的緣故被視為擁有145,044,000股份。

附註3：李文嫻女士由於其丈夫曾祥英先生擁有200,000股股份，故被視為擁有該等股份之權益。

上述所有權益均為好倉。於二零零八年十二月三十一日，根據證券及期貨條例336條之規定而存置之主要股東之股份權益及淡倉發註冊內，並無淡倉記錄。

(b) 購股權

於二零零三年四月二十三日(「採納日期」)舉行之股東特別大會上，通過了取消於一九九六年十二月五日採納之購股權計劃(「一九九六年計劃」)及採納為本集團之僱員及董事利益而設之新購股權計劃(「二零零三年計劃」)之決議案。二零零三年計劃主要旨在讓本集團及其投資公司可聘請及延聘能幹之合資格人士及吸引對本集團或所投資公司具有價值之人力資源、回報合資格人士對本集團或所投資公司之增長所作出之貢獻、以及進一步鼓勵及嘉獎該等合資格人士繼續為本集團或所投資公司之長期成功及繁盛作出努力。

Directors' Report 董事報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES (CONTINUED)

(b) Share options

The principal terms of the 2003 Scheme are summarized as follows:

(i) *Eligible person*

Any employee (whether full time or part time), senior executive or officer, manager, Director (including Executive, Non-Executive and Independent Non-Executive Director) or consultant of any members of the Group or any invested entity, who, in the sole discretion of the Directors, have contributed or will contribute to the growth and development of the Group or any invested entity.

(ii) *Maximum number of shares*

The total number of shares which may be issued upon exercise of all options to be granted under the 2003 Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 10% of the shares in issue at the Adoption Date (i.e. 19,895,800 shares on the basis of 198,958,000 shares in issue as at the Adoption Date) unless the Company obtains a fresh approval from its shareholders. Such shares represent 10% of the issued share capital of the Company as at the date of this annual report.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2003 Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 30% of the shares in issue from time to time. No option may be granted under the 2003 Scheme and any other share option scheme(s) of the Company if such limit is exceeded.

董事及主要行政人員於股本或債務證券之權益 (續)

(b) 購股權

二零零三年計劃之主要條款載列如下：

(i) *合資格人士*

由董事酌情釐定對本集團或任何投資公司之增長及發展有所貢獻或將會作出貢獻之本集團任何成員或任何所投資公司之任何全職或兼職僱員、高級行政人員或職員、經理、董事(包括執行董事、非執行董事及獨立非執行董事)或顧問。

(ii) *最高股份數目*

因行使二零零三年計劃及本公司任何其他購股權計劃而授出之全部購股權，其可予發行股份總數不得超出於採納日期已發行股份之10% (根據於採納日期之已發行股份198,958,000股計算，該10%之股份上限即19,895,800股股份)，除非本公司取得其股東之更新批准。該等股份相當於本年報日期之已發行股份的10%。

因行使二零零三年計劃及本公司任何其他購股權計劃而授予但尚未行使之購股權，其可予發行之股份數目上限不得超出不時已發行股份之30%。倘超出上述限額，則不得根據二零零三年計劃及本公司任何其他購股權計劃再授出任何購股權。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES (CONTINUED)

(b) Share options (Continued)

(iii) *Maximum entitlement of each grantee*

Unless separately approved by shareholders, the total number of shares which may be issued upon exercise of the options granted to each eligible person in any 12-month period must not exceed one (1) per cent. of the shares in issue.

(iv) *Option period*

The option period shall be notified by the Board to each grantee upon grant of each option, provided that it shall commence on a date not earlier than the date on which the option is granted or deemed to be granted in accordance with the terms of the 2003 Scheme ("Commencement Date") and not be more than 10 years from the Commencement Date.

(v) *Amount payable on application or acceptance*

The eligible person must accept any such offer notified to him or her within 10 business days from the date on which an offer is made to an eligible person, which must be a business day ("Offer Date"), failing which it shall be deemed to have been rejected. Upon acceptance of the offer, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

(vi) *Subscription price*

The subscription price shall be a price determined by the Directors at its absolute discretion and notified to an eligible person and shall not be less than the highest of (1) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the Offer Date; (2) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (3) the nominal value of a Share.

董事及主要行政人員於股本或債務證券之權益 (續)

(b) 購股權 (續)

(iii) *每位承授人之配額上限*

除非獲得股東額外批准，否則於任何12個月期間內不得向單一名合資格人士授予可因行使該購股權而獲得超過當時發行股份1%的購股權。

(iv) *購股權可行使期限*

購股權可行使期限將由董事會於授出每份購股權時告知各承授人，惟購股權的可行使期限不能早於根據二零零三年計劃條款所訂授出或被視為授出之日（「開始日期」），並不能超過由開始日期起計十年。

(v) *申請時或接納時之應付款額*

向合資格人士作出要約之日期必須為營業日（「要約日期」），合資格人士必須於要約日期起計十個營業日內接納有關的要約，逾期者將被視作拒絕接納論。於接納要約時，承授人須向本公司繳付1港元，作為所授予購股權之代價。

(vi) *認購價*

股份認購價將由董事全權決定，並須知會合資格人士，惟認購價不得低於下列三者之最高者：(1) 股份於要約日期在聯交所日報表所示之收市價；(2) 股份於緊接要約日期前五個營業日在聯交所日報表所示之平均收市價；及(3) 股份面值。

Directors' Report 董事報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES (CONTINUED)

(b) Share options (Continued)

(vii) *Term of the 2003 Scheme*

The 2003 Scheme will remain in force for a period of 10 years commencing from the Adoption Date, after which no further options shall be granted but the options which are granted during the life of the 2003 Scheme may continue to be exercisable in accordance with their terms of issue and the provisions of the 2003 Scheme shall in all other respects remain in full force and effect in respect thereof.

Up to 31st December 2008, no options have been granted under the 1996 Scheme or the 2003 Scheme.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company or any of their associates to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

董事及主要行政人員於股本或債務證券之權益(續)

(b) 購股權(續)

(vii) *二零零三年計劃之期限*

二零零三年計劃之有效期由採納日期起計十年，其後將不能再據此授出購股權，惟於二零零三年計劃年內已授出之購股權將可繼續根據二零零三年計劃之發行條款予以行使，而二零零三年計劃在其他各方面之規定將就此仍具十足效力及作用。

截至二零零八年十二月三十一日，尚未有根據一九九六年計劃或二零零三年計劃授出過任何購股權。

除上文所披露外，本公司或其任何附屬公司在本年內並未作出任何安排，使本公司董事或主要行政人員或彼等之任何聯繫人士因收購本公司或其他任何法人團體之股份或債券而獲益。

Directors' Report 董事報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

Other than the interests of the Directors and chief executives of the Company as disclosed above, as at 31st December 2008, the register maintained by the Company pursuant to section 336 of the SFO records interests (as defined in the SFO) in the Company of the following corporation.

主要股東於本公司股本之權益

除上文所披露之本公司董事及主要行政人員之權益外，於二零零八年十二月三十一日，根據證券及期貨條例第336條之規定而存置之登記冊所記錄，以下法團持有本公司之權益（定義見證券及期貨條例）。

Name 姓名	Personal interests 個人 權益	Family interests 家族 權益	Number of shares 股份數目		Other interests 其他 權益	Total interests 總 權益	Total interests as % of the relevant issued share capital 總權益佔相關 已發行股本 之百分比
			Corporate interests 法團 權益				
Spector Holdings Limited	145,044,000	–	–	–	–	145,044,000	72.90%

The share capital of the above company is owned as to 99.9% by Mr. Mon Chung Hung and as to the remaining 0.1% by Ms. Koo Di An, Louise.

上述公司之股本其中99.9%由孟振雄先生擁有，餘下的0.1%由顧迪安女士擁有。

All the interests stated above represent long positions. As at 31st December 2008, no short positions were recorded in the Register of Interests in Shares and Short Positions of substantial shareholders required to be kept under section 336 of the SFO.

上述所有權益均為好倉。於二零零八年十二月三十一日，根據證券及期貨條例336條之規定而存置之主要股東之股份權益及淡倉登記冊內，並無淡倉記錄。

Save as disclosed above, so far as the Directors are aware, there were no person who, as at 31st December 2008, directly or indirectly held or was beneficially interested in shares representing 5% or more of the issued share capital of the Company or its subsidiaries.

除上文所披露外，就各董事所知，於二零零八年十二月三十一日，並無任何人士直接或間接持有或實益擁有本公司或其附屬公司已發行股本5%或以上之股份權益。

As at 23rd March 2009, being the latest practicable date prior to the issue of this report, approximately 25.70% of the issued capital of the Company is held by the public as required by Rule 8.08 of the Listing Rules.

截至二零零九年三月二十三日，即本報告刊發前最後可行日期，本公司的已發行股本約有25.70%由公眾持有，符合上市規則第8.08條之規定。

Directors' Report 董事報告

MANAGEMENT CONTRACTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors have an interest in any business constituting a competing business to the Group.

CONTINUING CONNECTED TRANSACTIONS

On 28th February 2007, the Company entered into a master agreement with ("PIEL") 常州市恒軒進出口有限公司, pursuant to which PIEL would purchase the Goods from the Group for a period from the date of execution of the Master Agreement to 31st December 2009.

PIEL is wholly-owned by Mr. Zhou Jing Zhuan, a director of Perennial Cable (Shenzhen) Co. Ltd. ("PCS"). PIEL is thus a connected person of the Company and the transactions between PIEL and the Group constitute continuing connected transactions for the Company under the Listing Rules.

The Group has been supplying the Goods to PIEL since April 2006 on terms no less favourable to the Group than those offered to independent third parties. However, no master agreement was ever entered into by the Group with PIEL. Their past transactions were constituted by individual written purchase orders. The Master Agreement serves to provide a framework for the supply of Goods to PIEL on a long-term basis.

The revenue arising from the supply of goods to PIEL for the year ended 31st December 2008 was RMB75,000 (about HK\$ 79,000).

管理合約

本年度內並無訂立亦從未存在與本公司整體或任何重要業務有關之管理及行政合約。

董事於競爭業務之權益

各董事概無在對本集團業務構成競爭之任何其他業務擁有權益。

持續關連交易

於二零零七年二月二十八日，本公司與常州市恒軒進出口有限公司(「PIEL」)訂立總協議，據此，PIEL將自簽訂總協議之日起至二零零九年十二月三十一日止期間向本集團購買貨物。

PIEL為恒亞電線(深圳)有限公司(「PCS」)董事周經傳先生所全資擁有，PIEL因此為本公司之關連人士，根據上市規則，PIEL與本集團之交易構成本公司之持續關連交易。

本集團自二零零六年四月以來一直按就本集團而言至少與提供予獨立第三方者同樣優惠之條款向PIEL供應貨物。然而，本集團與PIEL從未訂立總協議。其過往交易乃由個別書面訂立的購買訂單構成。總協議旨在建構一個長遠向PIEL供應貨物之框架。

截至二零零八年十二月三十一日止年度向PIEL供應貨物所產生之收入為人民幣75,000元(約79,000港元)

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

The independent non-executive directors of the Company have reviewed these transactions and confirmed that the above continuing connected transactions were entered into by the Group in the ordinary and usual course of business, on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties and in accordance with the relevant written purchase orders governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to the Listing Rule 14A.38, the Board of Directors engaged the auditors of the Company to perform certain factual finding procedures on the above continuing connected transaction on a sample basis in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have reported their factual findings on the selected samples based on the agreed procedures to the Board of Directors.

AUDITOR

The accounts have been audited by PricewaterhouseCoopers who will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment.

By Order of the Board

Koo Di An, Louise

Chairman

Hong Kong, 23rd March 2009

持續關連交易 (續)

本公司的獨立非執行董事已審閱該等交易，並確認上述持續關連交易乃在本集團的一般及日常業務過程中，按一般商業條款或對本集團而言不遜於提供予獨立第三者或獨立第三者所提供的條款及根據該等交易所屬有關書面訂立的購買訂單按公平合理及符合本公司股東整體利益的條款訂立。

根據上市規則第14A.38條，董事會委聘本公司核數師根據香港會計師公會頒佈之香港審計相關服務準則第4400號「就財務資料執行協定程序之委聘」之基準，就上述持續關連交易以樣本抽查方式進行若干據實調查程序。核數師已根據協定程序若干選定樣本向董事會匯報據實調查結果。

核數師

賬目已經由羅兵咸永道會計師事務所審核。該核數師將於即將舉行的股東周年大會任滿退任，惟願意膺選連任。

承董事會命

主席

顧迪安

香港，二零零九年三月二十三日

Independent Auditor's Report 獨立核數師報告

TO THE SHAREHOLDERS OF PERENNIAL INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated accounts of Perennial International Limited (the "Company") and its subsidiaries (collectively the "Group") set out on pages 49 to 127 which comprise the consolidated and company balance sheets as at 31st December 2008, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated accounts in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of accounts 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.

致恒都集團有限公司列位股東
(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第49至127頁恒都集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益賬、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

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

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated accounts based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the accounts 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 accounts.

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

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達一九八一年《公司法》第90條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

Independent Auditor's Report 獨立核數師報告

OPINION

In our opinion, the consolidated accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23rd March 2009

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零八年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

香港執業會計師

香港，二零零九年三月二十三日

Consolidated Profit and Loss Account 綜合損益賬

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

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Revenue	收益	4	507,628	470,496
Cost of sales	銷售成本		(421,229)	(390,008)
Gross profit	毛利		86,399	80,488
Other income	其他收益	5	1,606	9,876
Distribution expenses	分銷開支		(11,522)	(9,521)
Administrative expenses	行政開支		(43,999)	(46,067)
Other operating expenses	其他經營開支		(2,800)	(2,230)
Operating profit	經營溢利	6	29,684	32,546
Finance costs	財務費用	7	(4,724)	(6,306)
Profit before taxation	除稅前溢利		24,960	26,240
Taxation	稅項	8	(2,666)	(1,842)
Profit for the year	本年度溢利	9	22,294	24,398
Dividend	股息	10	9,950	7,960
Basic and diluted earnings per share (cents)	每股基本及攤薄盈利(仙)	11	11.2	12.3

The notes on pages 55 to 127 are an integral part of these consolidated accounts.

第55至127頁的附註為綜合財務報表的整體部份。

Consolidated Balance Sheet 綜合資產負債表

As at 31st December 2008 於二零零八年十二月三十一日

		Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	土地租賃及土地使用權	14	34,694	29,562
Property, plant and equipment	物業、廠房及設備	15	122,401	108,844
Investment property	投資物業	16	8,600	8,600
Deposits paid for additions of land use rights and machinery	支付新增土地使用權及機器之訂金		2,510	13,690
Deferred tax assets	遞延稅項資產	8(b)	1,442	2,901
			169,647	163,597
Current assets	流動資產			
Inventories	存貨	18	68,542	80,984
Trade receivables	應收貿易賬款	19	106,576	116,131
Other receivables, deposits and prepayments	其他應收賬款、訂金及預付款項		4,217	7,012
Derivative financial instruments	衍生金融工具	25	776	601
Cash and cash equivalents	現金及現金等價物	20	14,307	24,646
			194,418	229,374
Total assets	總資產		364,065	392,971
EQUITY	權益			
Share capital	股本	21	19,896	19,896
Other reserves	其他儲備	22	39,261	29,870
Retained earnings	保留盈利			
Others	其他		171,284	158,940
Proposed final dividend	擬派末期股息		5,970	3,980
Total equity	總權益		236,411	212,686

Consolidated Balance Sheet 綜合資產負債表

As at 31st December 2008 於二零零八年十二月三十一日

		Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		附註		
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Long-term bank loans	長期銀行貸款	23	2,030	3,024
Obligations under finance lease contracts	租購合約承擔	23	4,283	6,850
Deferred tax liabilities	遞延稅項負債	8(b)	5,586	5,021
			11,899	14,895
Current liabilities	流動負債			
Trade payables	應付貿易款項	24	31,382	53,547
Other payables and accruals	其他應付款項及應計開支	24	15,220	14,441
Derivative financial instruments	衍生金融工具	25	557	376
Taxation payable	稅項		1,499	1,051
Current portion of obligations under finance lease contracts	租購合約承擔一年內應償還額	23	2,524	2,537
Current portion of long-term bank loans	長期銀行貸款一年內應償還額	23	3,148	2,077
Short-term bank loans	短期銀行貸款	23	20,000	–
Trust receipt loans	信託收據貸款	23	41,425	91,361
			115,755	165,390
Total liabilities	總負債		127,654	180,285
Total equity and liabilities	總權益及總負債		364,065	392,971
Net current assets	流動資產淨值		78,663	63,984
Total assets less current liabilities	總資產減流動負債		248,310	227,581

MON Chung Hung

孟振雄

Director

董事

LI Man Wai

李文斌

Director

董事

The notes on pages 55 to 127 are an integral part of these consolidated accounts.

第55至127頁的附註為綜合財務報表的整體部份。

Balance Sheet 資產負債表

As at 31st December 2008 於二零零八年十二月三十一日

		Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	17	62,738	134,472
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	17	63,436	–
Other receivables, deposits and prepayments	其他應收賬款、訂金 及預付款項		210	206
Cash and cash equivalents	現金及現金等價物	20	240	141
			63,886	347
Total assets	總資產		126,624	134,819
EQUITY	權益			
Share capital	股本	21	19,896	19,896
Other reserves	其他儲備	22	78,537	78,537
Retained earnings	保留盈利			
Others	其他	22	21,861	32,210
Proposed final dividend	擬派末期股息	22	5,970	3,980
Total equity	總權益		126,264	134,623
LIABILITIES	負債			
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計開支	24	360	196
Total liabilities	總負債		360	196
Total equity and liabilities	總權益及總負債		126,624	134,819
Net current assets	流動資產淨值		63,526	151
Total assets less current liabilities	總資產減流動負債		126,264	134,623

MON Chung Hung

孟振雄

Director

董事

LI Man Wai

李文斌

Director

董事

The notes on pages 55 to 127 are an integral part of these consolidated accounts.

第55至127頁的附註為綜合財務報表的整體部份。

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

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

		Share capital 股份 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st January 2008	於二零零八年一月一日	19,896	29,870	162,920	212,686
Profit for the year	本年度溢利	-	-	22,294	22,294
Revaluation surplus on buildings	樓宇之重估盈餘	-	4,843	-	4,843
Deferred tax charged to revaluation surplus	重估盈餘扣除之遞延稅項	-	(1,299)	-	(1,299)
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之匯率差異	-	5,847	-	5,847
Dividend paid	股息	-	-	(7,960)	(7,960)
At 31st December 2008	於二零零八年十二月三十一日	19,896	39,261	177,254	236,411
Representing :	相當於 :				
2008 final dividend proposed	二零零八年擬派發之末期股息			5,970	
Others	其他			171,284	
Retained earnings as at 31st December 2008	截至二零零八年十二月三十一日止 之保留盈利			177,254	
At 1st January 2007	於二零零七年一月一日	19,896	18,974	148,472	187,342
Profit for the year	本年度溢利	-	-	24,398	24,398
Revaluation surplus on buildings	樓宇之重估盈餘	-	10,366	-	10,366
Deferred tax charged to revaluation surplus	重估盈餘扣除之遞延稅項	-	(1,664)	-	(1,664)
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之匯率差異	-	2,194	-	2,194
Dividend paid	股息	-	-	(9,950)	(9,950)
At 31st December 2007	於二零零七年十二月三十一日	19,896	29,870	162,920	212,686
Representing :	相當於 :				
2007 final dividend proposed	二零零七年擬派發之末期股息			3,980	
Others	其他			158,940	
Retained earnings as at 31st December 2007	截至二零零七年十二月三十一日止 之保留盈利			162,920	

The notes on pages 55 to 127 are an integral part of these consolidated accounts.

第55至127頁的附註為綜合財務報表的整體部份。

Consolidated Cash Flow Statement 綜合現金流量表

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

			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	Note 附註			
Cash flows from operating activities		營運活動的現金流量		
Net cash generated from operations	26(a)	營運產生的淨現金	42,694	27,740
Hong Kong profits tax paid		支付香港利得稅	(785)	(1,029)
Overseas tax paid		支付海外利得稅	(708)	(1,023)
Interest received		收取利息	141	236
Net cash generated from operating activities		營運活動產生淨現金	41,342	25,924
Cash flows from investing activities		投資活動的現金流量		
Purchase of property, plant and equipment		購置物業、廠房及設備	(5,087)	(13,792)
Deposits paid for additions of land use rights and machinery		支付新增土地使用權及機器之訂金	(1,487)	(6,557)
Sale of property, plant and equipment		出售物業、廠房及設備	2	550
Net cash used in investing activities		投資活動所用淨現金	(6,572)	(19,799)
Cash flows from financing activities		融資活動的現金流量		
(Repayment of)/increase in trust receipt loans	26(b)	(償還)/新增信託收據貸款	(49,936)	28,838
Increase in/(repayment of) long-term bank loans	26(b)	新增/(償還)長期銀行貸款	77	(281)
Increase in/(repayment of) short-term bank loans	26(b)	新增/(償還)短期銀行貸款	20,000	(6,000)
Repayment of capital element of finance lease contracts	26(b)	償還租購合約資本部份	(2,580)	(2,507)
Interest of finance lease contracts		租購合約利息	(453)	(804)
Bank loan interests		銀行貸款利息	(4,271)	(5,502)
Dividend paid to the Company's shareholders		向本公司股東支付股息	(7,960)	(9,950)
Net cash (used in)/generated from financing activities		融資活動(所用)/產生淨現金	(45,123)	3,794
Net (decrease)/increase in cash and cash equivalents		現金及現金等價物之淨(減少)/增加	(10,353)	9,919
Cash and cash equivalents at 1st January		年初現金及現金等價物	24,646	14,049
Exchange difference on cash and cash equivalents		現金及現金等價物匯兌收益	14	678
Cash and cash equivalents at 31st December	20	年終現金及現金等價物	14,307	24,646

The notes on pages 55 to 127 are an integral part of these consolidated accounts.

第55至127頁的附註為合併財務報表的整體部份。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These consolidated accounts are presented in thousands of Hong Kong dollars ("HK\$'000") unless otherwise stated.

1.1 Basis of preparation

The consolidated accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). They have been prepared under the historical cost convention, as modified by the revaluation of buildings, investment property and derivative financial instruments which are carried at fair value.

The preparation of the accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated accounts are disclosed in note 3.

1. 主要會計政策摘要

編製此等綜合賬目所採用之主要會計政策載於下文。除有說明外，此等政策在所呈報的所有年度內貫徹應用。

除另外註明外，此等綜合賬目以千港元呈列。

1.1 編製基準

本綜合賬目乃按照香港財務準則編製。賬目並依據歷史成本常規法編製，惟若干物業及投資物業，衍生財務工具之會計政策乃按公允值列賬。

編製符合香港財務準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註3中披露。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (Continued)

(a) The following standard, amendment and interpretations to existing standards are effective in 2008 but are not relevant for the Group's operations:

- The HKAS 39, 'Financial instruments: Recognition and measurement' and related amendment to HKFRS 7 'Financial Instruments: Disclosures'
- HK(IFRIC) – Int 11, HKFRS 2 – 'Group and treasury share transactions'
- HK(IFRIC) – Int 12, 'Service concession arrangements'
- HK(IFRIC) – Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'

1. 主要會計政策摘要(續)

1.1 編製基準(續)

(a) 以下的準則、修訂及對現有準則的詮釋於二零零八年已生效但與本集團的營運無關：

- 香港會計準則39—金融工具：確認及計量及香港財務準則7—金融工具：披露
- 香港(國際財務報告詮釋委員會)—詮釋11·香港財務準則2—集團及庫務股份交易
- 香港(國際財務報告詮釋委員會)—詮釋12—服務經營安排
- 香港(國際財務報告詮釋委員會)—詮釋14·香港會計準則19—對界定福利資產之限制、最低資金需求規定及其兩者之相互動關係

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (Continued)

(b) The following standards, amendments and interpretations to existing standards that are published and potentially relevant to the Group's operations, but are not yet effective and have not been early adopted by the Group.

- HKAS 1 (Revised), 'Presentation of financial statements' (effective from 1st January 2009)
- HKAS 23 (Revised), 'Borrowing costs' (effective from 1st January 2009)
- HKFRS 3 (Revised), 'Business combinations' (effective from 1st July 2009)
- HKFRS 8, 'Operating segments' (effective from 1st January 2009)
- HKAS 27 (Revised), 'Consolidated and separate financial statements' (effective from 1st July 2009)
- HK(IFRIC) – Int 17, 'Distributions of non-cash assets to owners' (effective from 1st July 2009)

1. 主要會計政策摘要(續)

1.1 編製基準(續)

(b) 以下的準則、修訂及對現有準則的詮釋已公佈及潛在對本集團的營運有關，但未生效及本集團並無提早採用。

- 香港會計準則1(經修訂)－財務報表的呈列(由二零零九年一月一日生效)
- 香港會計準則23(經修訂)－借貸成本(由二零零九年一月一日生效)
- 香港財務準則3(經修訂)－企業合併(由二零零九年七月一日生效)
- 香港財務準則8－營運分部(由二零零九年一月一日生效)
- 香港會計準則27(經修訂)－綜合及獨立財務報表(由二零零九年七月一日生效)
- 香港(國際財務報告詮釋委員會)－詮釋17－向擁有人分派非現金資產(由二零零九年七月一日生效)

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (Continued)

The adoption of the above standards, amendments and interpretations to existing standards in future periods is not expected to result in substantial changes to the Group's accounting policies.

In addition, Hong Kong Institute of Certified Public Accountants also published a number of amendments to the existing standards under its annual improvement project. These amendments are not expected to have a significant financial impact on the results and financial position of the Group.

1.2 Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

1. 主要會計政策摘要(續)

1.1 編製基準(續)

以上準則、修訂及對現有準則的詮釋的採用在將來不會預期對本集團會計政策造成重大影響。

另外，香港會計師公會在每年改善計劃中已公佈一系列對現有準則的修訂，此等修訂不預期對本集團業績及財務狀況有重大財務影響。

1.2 綜合賬目

綜合賬目包括本公司及各附屬公司截至十二月三十一日止之賬目。

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

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

公司內部交易，結餘及集團公司間之交易所產生之未實現收益予並除。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.2 Consolidation (Continued)

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

Accounting policies of subsidiaries have been changed where necessary in the consolidated accounts to ensure consistency with the policies adopted by the Group.

1.3 Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

1. 主要會計政策摘要 (續)

1.2 綜合賬目 (續)

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損撥備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

在必要時，附屬公司的會計政策在綜合賬目中作出改變以確保與集團的政策一致。

1.3 外幣換算

(i) *功能及呈報貨幣*

所有本集團公司各自賬目中的項目均按有關公司營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。綜合賬目則以港元作呈列，其為本公司的功能及呈報貨幣。

(ii) *交易及結餘*

外幣交易按交易日的匯率換算為功能貨幣。因此等交易的結算以及因以外幣為本位的貨幣資產及負債按年終匯率進行換算而產生的匯兌盈虧均記入損益賬。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit and loss account are translated at an average exchange rate for the year; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated profit and loss account as part of the gain or loss on sale.

1. 主要會計政策摘要(續)

1.3 外幣換算(續)

(iii) 集團公司

本集團其下所有公司如持有與呈報貨幣不一致的功能貨幣，其業績和財務狀況均按以下方法兌換為呈報貨幣：

- (i) 每項資產負債表之資產及負債均按該資產負債表結算日的匯率折算為呈報貨幣；
- (ii) 每項損益賬之收入及支出均按該年度平均匯率折算為呈報貨幣；及
- (iii) 所有匯兌差異均確認於權益帳內的一個分項。

在編制綜合賬目時，換算海外業務的淨投資，均列入股東權益帳內。當售出一項海外業務時，該記錄於權益帳內的匯兌差異將於損益表內確認為出售盈虧的一部份。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group's companies, is classified as investment property. Investment property comprises land held under operating leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

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

After initial recognition, investment property is carried at fair value. The valuation is reviewed annually by an external independent valuer on an open market basis. Separate value is not attributed to land and buildings. The valuation is incorporated in the accounts. Changes in fair values are recognised in the profit and loss account.

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

1. 主要會計政策摘要 (續)

1.4 投資物業

持有物業為長期租賃收益或資本增值或兩者兼備，及並非由本集團內公司所使用，並歸類為投資物業。投資物業包括以營運租賃持有的土地。以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。

投資物業按最初之成本，包括相關之交易成本計算。

經過最初之確認，投資物業以公允值結轉。此估價由外部估值師於公開市場進行年審，而土地及樓宇並不分開估值。估值會用於賬目內。調整之公允值將反映於損益賬內。

其後之支出只有在與該項目有關的未來經濟利益有可能流入本集團時，而該項目的成本能可靠衡量時，才計入資產的賬面值中。在此財務期間，所有其他維修及保養成本於損益賬列為開支。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment

(i) Buildings

Buildings comprise factories and offices. Buildings are shown at fair value, based on regular valuations by an external independent valuer, less subsequent depreciation and impairment. Any accumulated depreciation and impairment at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of buildings are credited to building revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit and loss account, in which case the increase is credited to the profit and loss account to the extent of the decrease previously charged. Decreases that offset previous increases of the same asset are charged against building revaluation reserve directly in equity; all other decreases are expensed in the profit and loss account.

(ii) Other property, plant and equipment

Other property, plant and equipment, comprising leasehold improvements, plant and machinery, furniture and fixtures, office equipment, motor vehicles and pleasure boat are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction in progress is stated at cost which comprises construction costs, purchase costs and other related expenses incurred in connection with the construction of buildings, plant and machinery for own use, less provision for impairment losses, if any.

1. 主要會計政策摘要(續)

1.5 物業、廠房及設備

(i) 樓宇

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期進行的估值按公允值減其後的折舊及減值虧損列賬。在估值日的任何累積折舊及減值虧損與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。

重估樓宇產生的賬面值增加撥入股東權益的樓宇重估儲備內。除非該盈餘用於抵銷該資產於以往的重估減值而被確認為開支，則該計入損益表，惟數額以先前扣除的減值為限。對重估之減少將直接對銷同一資產以往在股東權益帳內的樓宇重估儲備增加。所有其他減少在損益表支銷。

(ii) 其他物業、廠房及設備

其他物業、廠房及設備，即裝修、廠房及機器、傢俬及裝置、辦公室設備、汽車及遊艇均按成本值減累積折舊及累積減值虧損列賬。

在建工程成本包括建築成本、採購成本及其他建造樓宇、廠房及機器以供自用之直接開支，減去減值撥備列賬(如有)。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (Continued)

(iii) Depreciation

Depreciation on buildings is calculated to write off their valuation less accumulated impairment losses on a straight-line basis over the unexpired period of the leases or their estimated useful lives, whichever is shorter. The principal annual rates used range from 2.5% to 5%.

Other property, plant and equipment except construction in progress are depreciated at rates sufficient to write off their costs less accumulated impairment losses over their estimated useful lives on a reducing balance basis. The principal annual rates are as follows:

Leasehold improvements	20% or lease period, whichever is shorter
Plant and machinery	2.5%-20%
Furniture and fixtures	15%-20%
Office equipment	20%
Motor vehicles	15%-20%
Pleasure boat	10%

No depreciation is provided for construction in progress until they are completed and put into production ready for their intended use, upon which they will be transferred to property, plant and equipment.

1. 主要會計政策摘要 (續)

1.5 物業、廠房及設備 (續)

(iii) 折舊

樓宇之折舊是按未屆滿租約年期或估計其可供使用之年期兩者之較短期間以直線法撇銷其估值減累積減值虧損。為此而採用之主要年率為2.5%-5%。

其他物業、廠房及設備(不包括在建工程)之折舊乃以餘額遞減法按其估計可使用年期撇銷其成本值減累積減值虧損。為此而採用之主要年率如下:

裝修	20%或租約年 期兩者之較 短期間
廠房及機器	2.5%-20%
傢俬及裝置	15%-20%
辦公室設備	20%
汽車	15%-20%
遊艇	10%

在建工程在工程完成及投入生產前不會計提折舊撥備，在建工程已準備好作其計劃用途則轉為物業、機器及設備。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (Continued)

(iv) Others

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

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

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

(v) Gains or losses on disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account. Where revalued assets are sold, the amounts included in buildings revaluation reserve are transferred to retained earnings.

1. 主要會計政策摘要(續)

1.5 物業、廠房及設備(續)

(iv) 其他

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

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

(iv) 資產處理的盈虧

賬上處理資產的做法是以銷售金額減去賬值，而計算得來的盈／虧皆以在損益表上處理。當重估物業已出售，其相應在物業重估儲備中的部份會轉至保留盈利。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6 Assets under finance lease/operating lease

(i) Operating lease

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

(ii) Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance lease assets. Finance lease assets are capitalised at the commencement of the lease and at the lower of the fair value of the assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1. 主要會計政策摘要 (續)

1.6 租購 / 經營租賃

(i) 經營租賃

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法計入損益表內。

(ii) 租購

如本集團持有租賃資產擁有權的大部份所有風險及回報，將分類為融資租賃。融資租賃在租賃開始時按租賃物業之公允值及最低租賃付款現值兩者之較低者入賬。每項租金均分攤為負債及財務開支，使財務費用佔融資結欠額之常數比率。相應租賃責任在扣除財務開支後計入流動及非流動貸款內。財務費用的利息部份於租約期內在損益表確認，使財務費用與每個期間的負債餘額之比為常數定期利率。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Leasehold land and land use rights

Leasehold land and land use rights are stated at cost less accumulated amortisation and accumulated impairment losses (if any). Cost mainly represents consideration paid for the rights to use the land on which various plants and buildings are situated for a period of 46 to 50 years from the date the respective right was granted. Amortisation of leasehold land and land use rights is calculated on a straight-line basis over the period of the leasehold land and land use rights.

1.8 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are tested for impairment annually. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the profit and loss account.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items on the first-in, first-out basis and are arrived at as follows:

- (i) Raw materials purchased for use in the manufacturing process – invoiced price and shipping cost.
- (ii) Work in progress and finished manufactured goods – costs of direct materials, direct labour and an appropriate proportion of production overheads.

1. 主要會計政策摘要(續)

1.7 租賃土地及土地使用權

租賃土地及土地使用權乃按成本，減以累計攤銷及減值虧損列值，(如有)。成本指就使用土地之權利而支付之預付款項，該土地座落多棟廠房及樓宇，為期46至50年。租賃土地及土地使用權之攤銷乃於租期內按直線法計入綜合收益表，或當出現減值時，減值乃計入綜合收益表。

1.8 附屬公司及非財務資產之減值

永久使用年期之資產需每年就減值進行測試。當有事件出現或情況已改變致其帳面值可能無法收回時就資產進行減值檢討。減值虧損按資產之帳面值超出其可收回金額之差額確認。可收回金額以資產之公允值扣除銷售成本或使用價值兩者之較高者為準。減值虧損直接入損益表。

1.9 存貨

存貨以成本值及可變現淨值兩者中較低者入賬。成本值按個別項目以先入先出法計算如下：

- (i) 採購用於製造工序之原料—發票價及運費。
- (ii) 在製品及製成品—直接原料、直接勞工之成本及應佔之生產經常費用。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Inventories (Continued)

- (iii) Finished goods purchased for resale – invoiced price and shipping cost.

Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

1.10 Trade and other receivables

The Group's trade and other receivables are categorised as loan and receivable financial assets.

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

1.11 Cash and cash equivalents

The Group's cash and cash equivalents are categorised as loan and receivable financial assets.

Cash and cash equivalents comprise cash on hand and deposits held at call with banks with original maturities of three months or less.

1. 主要會計政策摘要 (續)

1.9 存貨 (續)

- (iii) 採購以作轉銷之製成品 – 發票價及運費。

可變現淨值按估計銷售收益減估計銷售開支釐定。

1.10 貿易及其他應收款項

本集團貿易及其他應收款項將分類為貸款及應收款金融資產。

貿易及其他應收款項按最初之公允值及隨後採用有效益利息方法分攤成本而計算，減去減值撥備。當客觀證據顯示集團將不能按最初應收貿易賬款條款收回所有到期賬項時，便構成應收貿易賬款減值撥備。撥備金額為資產之賬面值及預期現金流之現值，按實際利率折讓的差額。撥備金額於損益賬內被確認。隨後收回以往撇銷金額記入損益表。

1.11 現金及現金等價物

本集團現金及現金等價物分類為貸款及應收款金融資產。

現金及現金等價物包括手頭現金及原到期日為三個月或以下銀行通知存款。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Trade and other payables

The Group's trade and other payables are categorised as financial liabilities at amortised cost.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

1.13 Borrowings

The Group's borrowings are categorised as financial liabilities at amortised cost.

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 profit and loss account over the period of the borrowings using the effective interest method.

All borrowing costs are charged to the profit and loss account in the financial period in which they are incurred.

1.14 Employee benefits

(i) Employee leave entitlements

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

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

1. 主要會計政策摘要(續)

1.12 貿易及其他應付款項

集團貿易及其他應付款項分類為攤銷成本金融負債。

貿易及其他應付款項初步以公允價值確認，其後利用實際利息法按攤銷成本計量。

1.13 借貸

本集團借貸分類為攤銷成本金融負債。

借款最初以公允價值，構成淨交易成本而確認。交易成本為增加之成本，直接歸因於收購，發行或變賣財務資產或財務負債。借款隨後被定為分攤成本；在貨價收入(淨交易成本)與贖回價值間之任何差異於損益賬內採用有效益利息方法之逾期借款而被確認。

在此財務期間，所有借款成本於損益賬列為開支。

1.14 僱員福利

(i) 僱員應享假期

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

僱員之病假及產假不作確認，直至僱員正式休假為止。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Employee benefits (Continued)

(ii) Bonus plans

The expected cost of bonus payment is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iii) Retirement benefit costs

For Hong Kong employees, the Group contributes to Mandatory Provident Fund ("MPF") scheme in accordance with Hong Kong Mandatory Provident Fund Schemes Ordinance. Contributions to the MPF scheme by the Group and employees are calculated as a percentage of employees' remuneration received. The Group's contributions to MPF scheme are expensed as incurred. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

For employees in the Mainland China, the Group contributes to a defined contribution retirement scheme managed by the local municipal government in the Mainland China. The Group's contributions to the retirement scheme are expensed as incurred while the local municipal government in the Mainland China undertakes to assume that the retirement benefit obligations of the qualified employees in the Mainland China.

1. 主要會計政策摘要 (續)

1.14 僱員福利 (續)

(ii) 獎金計劃

當本集團因為僱員提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

(iii) 退休金成本

就香港僱員，本集團根據香港強制性公積金條例向強制性公積金（「強積金」）計劃供款。本集團及僱員向退休計劃之供款按各僱員的所收報酬比率計算。本集團向強積金計劃作出之供款在發生時作為費用支銷。該計劃之資產與本集團資產分開，由獨立之行政基金持有。

就中國大陸僱員，本集團向中國大陸地方政府作出退休計劃供款，並在供款時作為費用支銷。並由中國大陸地方政府為合資格的僱員的退休福利作出承擔。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Current and deferred income tax

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

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

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

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

1. 主要會計政策摘要(續)

1.15 當期及遞延稅項

當期所得稅支出根據本公司及其附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在財務報表的賬面值所產生的暫時差異作全數撥備。然而，遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

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

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, interest income and operating lease rental income in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discount, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration of the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised as follows:

- (i) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- (ii) Interest income is recognised on a time-proportion basis using the effective interest method.
- (iii) Operating lease rental income is recognised on a straight-line basis over the period of the lease.

1. 主要會計政策摘要(續)

1.16 收入確認

收入包括在本集團的正常業務中出售貨品，利息收入及租金收入已收或可收價格的公允值，並扣除增值稅、退貨、回扣和折扣，以及除去集團內部銷售。

集團確認為收入當收入金額能可靠計量時，可能有經濟利益將會流入實體及已符合特定標準時如下所述。本集團根據歷史業績進行估計，並計入客戶類別及每項安排之特性。收益確認如下：

- (i) 銷售貨品所得之收入於擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及擁有權轉歸客戶時相符。
- (ii) 利息收入採用實際利息法按時間比例基準確認。
- (iii) 租賃期間之經營租賃之租金收入按直線法確認。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

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

1.18 Dividend distribution

Final dividend proposed to the Company's shareholders is recognised as a liability in the accounts in the period in which the dividend is approved by the Company's shareholders.

1.19 Segment reporting

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

Unallocated costs and income represent mainly corporate expenses and income from investment property. Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities. Unallocated assets represent deferred tax assets and investment property. Unallocated liabilities mainly comprises deferred tax liabilities, taxation payable, obligation under finance lease contracts, accruals for corporate expenses and short-term bank loans. Capital expenditure mainly comprises additions to property, plant and equipment and leasehold land and land use rights.

1. 主要會計政策摘要(續)

1.17 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。

撥備以稅前市場現金價值加以風險估值再以現今值來計算。因事件久未處理好，利息費用也會因時間長久加以撥備。

1.18 派發股息

向本公司股東分派的股息在股息獲本公司股東批准的期間內於財務報表內列為負債。

1.19 分部報告

根據本集團之內部財務報告，本集團已決定將業務分部資料作為主要分部報告，而地區分部資料則作次要呈報方式。

未分類費用及收入主要指公司開支及投資物業收入。分部資產主要包括土地租賃及土地使用權、物業、廠房及設備、存貨、應收賬款及經營現金。分部負債指經營負債。未分類資產指遞延稅項資產及投資物業。未分類負債主要指遞延稅項負債，應付稅款，租購合約承擔，企業應計開支及短期銀行貸款。資本開支包括添置之物業、廠房及設備及土地租賃及土地使用權。

Notes to the Accounts 賬目附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Segment reporting (Continued)

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

1.20 Derivative financial instruments

The Group's derivative financial instruments are caterorised as financial assets/liabilites at fair value through profit or loss.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at its fair value. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the profit and loss account.

1.21 Financial guarantee contract

A financial guarantee contract is a contract that requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Company and not designed as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue".

1. 主要會計政策摘要(續)

1.19 分部報告(續)

關於地區分部報告，銷售額乃以顧客所在之國家作地區分類和總資產及資本開支則以資產所在地分類。

1.20 衍生金融工具

集團衍生金融工具分類為按公允價值透過損益表的金融資產／負債。

衍生財務工具初始按簽訂合約當日的公允價值確認，其後按其公允價值重新計算。若干衍生工具不符合對沖會計資格，其公允價值變動將即時在收益賬確認。

1.21 金融擔保合約

金融擔保合約指要求本公司作出特定付款，以補償持有人因特定債務人未能按照債務票據原有或經修訂條款支付到期應付款項而造成之損失。本公司發出之金融擔保合約並非設計成按公允價值計入損益賬是於初次按其公允價值減發行金融擔保合約直接應佔交易成本確認。初步確認後，本公司會按以下較高者計量金融擔保合約：(i) 按照香港會計準則第37號「撥備、或然負債及或然資產」釐定之款額；及(ii) 按照香港會計準則第18號「收益」初步確認之款額減(視何者適用)累計攤銷。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

Management regularly manages the financial risks of the Group.

(i) Foreign exchange risk

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In addition, the conversion of RMB is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China monetary authority.

The Group uses forward contracts to manage exposures arising from the fluctuation of RMB. Details are disclosed in note 25 to the consolidated accounts.

Should HK\$ strengthened/weakened by 6% at 31st December 2007 and 2008 against the RMB, with all other variables held constant, the impact of the profit after taxation and the equity for the year would have been approximately HK\$1,058,000 and HK\$263,000, respectively, higher or lower.

Certain of the assets of the Group are denominated in United States Dollar ("USD") but the foreign exchange risk is insignificant as USD to HK\$ exchange rate is pegged.

2. 財務風險管理

(a) 財務風險因素

集團因經營業務而承受不同財務風險：市場風險（包括外匯風險、價格風險及利率風險）、信貸風險和流動資金風險。本集團的整體風險管理計劃針對金融市場的不可預知性，務求盡量減低對集團財務表現所帶來的影響。

管理層會定期管理集團之財務風險。

(i) 外匯風險

集團受不同貨幣，主要為人民幣影響而面對外匯風險。外匯風險由未來商業交易、已確認之資產及負債及外地業務之投資淨額產生。此外，人民幣轉換須遵守中國人民銀行頒布之外匯管制規則及條例。

集團利用遠期合約管理人民幣波動帶來的風險。詳情已於附註 25 披露。

於二零零七及二零零八年十二月三十一日止年度，倘港元兌人民幣匯率轉強／轉弱 6%，而其他各項變數不變，除稅後溢利及權益將分別增加／減少約 1,058,000 港元及 263,000 港元。

集團之若干資產以美元為單位。因港元與美元掛勾，外匯風險並不重大。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

The foreign exchange risk on financial assets and liabilities denominated in currencies other than RMB and USD are insignificant to the Group.

(ii) Price risk

The Group exposes to fluctuations in the market price of major raw materials; copper rods and chemicals to make plastic resins.

The Group is able to pass certain realised price gains and losses on raw materials to certain customers through price adjustments, which can mitigate the price risk. The Group has not used any derivative instruments to hedge such economic exposures.

(iii) Interest rate risk

The Group's interest rate risk arises from bank borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. Details of the Group's borrowings have been disclosed in Note 23 to the consolidated accounts.

The Group has not used any hedging arrangement to hedge its exposure to interest rate risk.

The sensitivity analysis presents the effects on the Group's profit after taxation for the year as a result of changes in interest expense on floating rate borrowings. The sensitivity to interest rate used is based on market forecasts available at the balance sheet date and under the economic environments in which the Group operates, with other variables held constant.

2. 財務風險管理 (續)

(a) 財務風險因素 (續)

(i) 外匯風險 (續)

除人民幣及美元外的貨幣之財務資產及負債的外匯風險對本集團微不足道。

(ii) 價格風險

集團需承受主要原料如銅杆和製造塑膠皮料的化學物料之市場價格波動。

集團能夠經價格調整轉移若干已變現的原材料價格收益和虧損至若干客戶，以舒緩價格風險。本集團並沒有利用衍生工具對沖相對經濟風險。

(iii) 利率風險

本集團的利率風險來自借貸。浮息借貸為本集團帶來現金流利率風險，而定息借貸則為本集團帶來公允價值利率風險。本集團借貸詳情已於附註23披露。

集團並無使用任何利率掉期對沖其利率風險。

敏感度分析呈列集團年內除稅後溢利(因浮息借貸的利息支出出現變動)。此分析乃根據於結算日的利率風險而作出。根據結算日的市場預測及集團面對的經濟環境(其他變數不變)，我們認為所用的敏感度合理。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(iii) Interest rate risk (Continued)

Based on the analysis performed, the impact on the consolidated profit and loss account of a 100 basis-point change in interest rate would be an increase/decrease of HK\$784,000 and HK\$740,000 for the years ended 31st December 2007 and 2008, respectively.

(iv) Credit risk

The Group's bank balances and cash are deposited with financial institutions with reliable and acceptable rating quality. Management regularly assesses the credit risk of these financial institutions by reviewing their published financial information and credit rating.

The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of each financial asset, including cash and cash equivalents, trade and other receivables, and derivative financial instruments, as disclosed on the consolidated balance sheet.

The Group has concentration of credit risk. Certain level of sales made to the top 5 customers amounted to approximately HK\$137,000,000 (2007: HK\$136,000,000), representing 27% (2007: 29%) of total revenue for the year. The total accounts receivable balance of these top 5 customers as at 31st December 2008 was HK\$32,680,000 (2007: HK\$39,673,000).

2. 財務風險管理(續)

(a) 財務風險因素(續)

(iii) 利率風險(續)

根據分析，截至二零零七及二零零八年十二月三十一日止年度，100基準點調整將對損益表之影響分別最多增加／減少784,000港元及740,000港元。

(iv) 信貸風險

集團的銀行存款及現金是存於可信賴及可接受的信貸評級的財務機構。管理層審查他們已刊發財務資料及信貸評級以定期評估此等財務機構的信貸風險。

集團的信貸風險乃來自交易方的違約，最高等於綜合資產負債表所列各相關金融資產(包括現金及現金等價物，貿易及其他應收款項及衍生金融工具)的帳面金額。

集團有集中信貸風險。銷售予最高五位顧客的金額約137,000,000港元(二零零七年：136,000,000港元)佔全年總銷售27%(二零零七年：29%)。以上最高五位顧客截止二零零八年十二月三十一日總應收款項為32,680,000港元(二零零七年：39,673,000港元)。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

The Group has policies in place to ensure sales are made to customers with an appropriate credit terms and the Group performs periodic credit check with reference to credit rating performed by external credit agents, and makes periodic assessment of the customers' payment history to assess the recoverability of trade receivables of its customers.

(v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and making available an adequate amount of committed credit facilities with staggered maturities to reduce refinancing risk in any year and to fund working capital, debt servicing, dividend payments, new investments and close out market positions if required. The Group maintains significant flexibility to respond to opportunities and events by ensuring that committed credit lines available. As at 31st December 2008, the Group had available banking facilities of HK\$230,764,000 of which HK\$73,410,000 were utilised. In March 2009, the Group has obtained SME loans amounting to HK\$16 million for a period of 3 years. These SME loans are repayable on a monthly instalment basis.

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iv) 信貸風險 (續)

本集團已擁有政策確保產品之銷售給予有適當信貸額度之客戶，而本集團亦有對其客戶的可收回應收帳款定期進行信用檢查參考由外部信用代理人的信用評級，及定期評估顧客付款歷史去評估顧客的貿易應收賬款的可收回能力。

(v) 流動資金風險

審慎的流動資金風險管理，是指保持足夠現金、持有充足的已承諾信貸安排以減輕每年所承受的再融資風險，以及按需要提供營運資金、還本付息、派發股息、作出新投資。集團確保本身擁有足夠的已承諾信貸，以靈活地把握商機和應付不時之需。截止二零零八年十二月三十一日，集團有可動用銀行融資為230,764,000港元，其中已動用73,410,000港元。於二零零九年三月，集團得到為期三年數額一千六百萬港元的特別中小企業貸款。此貸款以每月還款方式歸還。

下表分析本集團的金融負債及以淨額基準結算的衍生金融負債，按照相關的到期組別，根據由結算日至合約到期日的剩餘期間進行分析。在表內披露的金額為合約性未貼現現金流量。由於貼現的影響不大，故此在12個月內到期的結餘相等於其賬面值。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

2. 財務風險管理(續)

		Within 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1至2年內 HK\$'000 千港元	Between 2 and 5 years 2至5年內 HK\$'000 千港元
Group	本集團			
At 31st December 2008	於二零零八年十二月三十一日			
Bank borrowings	銀行借貸	23,336	1,907	168
Finance lease liabilities	融資租賃負債	2,808	2,390	2,108
Trust receipt loans	信託收據貸款	41,652	-	-
Derivative financial instruments	衍生金融工具	557	-	-
Trade and other payables and accruals	貿易及其他應付款項 及應計開支	46,602	-	-
At 31st December 2007	於二零零七年十二月三十一日			
Bank borrowings	銀行借貸	2,310	2,272	887
Finance lease liabilities	融資租賃負債	3,101	2,890	4,660
Trust receipt loans	信託收據貸款	92,166	-	-
Derivative financial instruments	衍生金融工具	376	-	-
Trade and other payables and accruals	貿易及其他應付款項 及應計開支	67,988	-	-
Company	本公司			
At 31st December 2008	於二零零八年十二月三十一日			
Other payables and accruals	其他應付款項及應計開支	360	-	-
At 31st December 2007	於二零零七年十二月三十一日			
Other payables and accruals	其他應付款項及應計開支	196	-	-

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2. 財務風險管理(續)

下表分析本集團的將會支付衍生金融工具按毛額納入相關到期日分組根據由結算日至合約到期日的剩餘期間。在表內披露的金額為合約性未貼現現金流量。

		Within 1 years
		一年內
		HK\$'000
		千港元
Group	集團	
As 31st December 2008	於二零零八年十二月三十一日	
Forward foreign exchange contracts	遠期外匯合約	
Outflow	流出	10,892
Inflow	流入	10,397
At 31st December 2007	於二零零七年十二月三十一日	
Forward foreign exchange contracts	遠期外匯合約	
Outflow	流出	30,264
Inflow	流入	30,600

(b) Capital risk management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value.

(b) 資產風險管理

集團資金管理的主要目標，是確保集團持續營運，維持良好的信貸評級和穩健的資金比率，以支持其業務發展及提升股東價值。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management (Continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholder, issue new shares or raise and repay debts. The Group's capital management objectives, policies or processes were unchanged during the years ended 31st December 2007 and 2008.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total borrowings include non-current borrowings and current borrowings (Note 23). Total capital includes total borrowings and total equity as shown on the consolidated balance sheet.

The gearing ratios at 31st December 2007 and 2008 were as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Total borrowings	總借貸	73,410	105,849
Total equity	權益總額	236,411	212,686
Total capital	總資本	309,821	318,535
Gearing ratio	負債資產比率	24%	33%

The decrease in the gearing ratio in 2008 is mainly due to decrease in trust receipt loans.

2. 財務風險管理(續)

(b) 資產風險管理(續)

集團因應經濟狀況的變化和商業策略來管理和調整資金架構，集團可調整給予股東的股息、發行新股、舉債或償還債務。集團的資金管理目標、政策及程序於二零零七及二零零八年度十二月三十一日止均無改變。

集團利用負債資產比率監察其資本。此比率按照總借貸除以資本。總借貸包括非流動及流動借貸(附註23)。總資本包括總借貸及權益總額展示於綜合資產負債表。

截至二零零七及二零零八年十二月三十一日止年度負債資產比率如下：

由於信托收據貸款減少導致2008年度負債資產比率減少。

Notes to the Accounts 賬目附註

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

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, trade and other receivables, trade and other payables, and short-term borrowings approximate to their fair values due to their short-term maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets and liabilities held by the Group is the current bid price.

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

2. 財務風險管理 (續)

(c) 公允值估計

集團的財務資產及負債包括現金及現金等價物，貿易及其他應收款，貿易及其他應付款及短期借款的賬面值因其到期日短而接近其公允價值。以披露為目標的財務負債的公允值的估算按未來合約現金流量以本集團類似金融工具可得的現有市場利率貼現計算。

在活躍市場買賣的金融工具之公允值根據結算日的市場報價列賬。本集團持有的金融資產及負債的市場報價為當時買盤價。

沒有在活躍市場買賣的金融工具的公允值利用估值技術釐定。集團利用多種方法及根據每個結算日當時的市場情況作出假設。長期債務利用類似工具的市場報價或交易商報價釐定。其他技術，例如估計貼現現金流量，用以釐定其餘金融工具的公允值。

Notes to the Accounts 賬目附註

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

3. 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.

(a) Taxation

The Group is subject to taxation in several jurisdictions. Significant judgement is required in determining the provision for taxation. Sufficient provisions are set aside to meet all tax liabilities. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. 關鍵會計估算及假設

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

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

(a) 稅項

本集團需要在多個司法權轄區繳納稅項。在釐定稅項撥備時，需要作出重大判斷。充足的撥備已釐定以應付所有稅務。在正常業務過程中，許多交易及計算的最終釐定是不確定的。當最終的稅款結果與最初記賬金額不同時，有關差額將影響釐定期間的所得稅和遞延稅款撥備。

Notes to the Accounts 賬目附註

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Estimated fair value of properties

The fair values of investment property and office and factory buildings are determined at each balance sheet date by an independent professional valuer. The fair value of investment property is determined on an open market value basis by reference to comparable market transactions and where appropriate on the basis of capitalisation of the net rental income/net income after allowing for outgoings and in appropriate cases provisions for reversionary income potential. The fair values of office and factory buildings are determined on depreciated replacement cost basis. These methodologies are based upon estimates of future results and a set of assumptions as to income and expenses of the property and future economic conditions.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of electric cable and wire products. Revenue recognised during the year is as follows:

3. 關鍵會計估算及假設 (續)

(b) 估計物業公允值

投資物業、辦公及工廠樓宇的公允值於每個結算日由一獨立專業估價師決定。投資物業的公允值參考可比較市場成交的公開市場價格及適當地根據已減去支出和潛在的逆轉收入撥備(在適當事件)資本化的淨租金收入/淨收入。辦公及工廠樓宇的公允值由折舊後重置成本方法決定。以上方法乃根據未來結果的估計和一系列關於物業的收入和支出及將來經濟情況而作出假設。

4. 收益及分部資料

本集團主要經營製造及買賣電線及導線產品業務。年內列賬之收益如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sale of goods 銷貨	507,628	470,496

Notes to the Accounts 賬目附註

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

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

An analysis of the Group's revenue and segment results for the year by business and geographical segments are as follows:

Business segment

The segment information has been revised to only present cable and wire products business segment as Group's principal activities are the manufacturing and trading of electric cable and wire products. The property investment segment has not been presented and has been regrouped as unallocated since its contribution is less than 10% of the Group's total revenue, results, assets and liabilities.

4. 收益及分部資料(續)

本集團之年度收益及分部業績按業務及市場分部之分析如下：

業務分部資料

分部資料修訂為只呈列電線及導線產品業務分部因本集團以製造及買賣電線及導線產品為主要活動。物業投資分部沒有呈列並重組為未分配因此分部的貢獻佔本集團總收益、業績、資產及負債少於10%。

		2008 二零零八年 HK\$'000 千港元
Cable and wire products	電線及導線產品	
Segment revenue	分部收益	507,628
Segment results	分部業績	35,300
Unallocated costs, net of income	未分配費用，扣除收入	(5,616)
Operating profit	經營溢利	29,684
Finance costs	財務費用	(4,724)
Profit before taxation	除稅前溢利	24,960
Taxation	稅項	(2,666)
Profit for the year	本年度溢利	22,294
Depreciation	折舊	8,655
Amortisation	攤銷	900

Notes to the Accounts 賬目附註

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

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Business segment (Continued)

The segment assets, liabilities and capital expenditure at 31st December 2008 are as follows:

4. 收益及分部資料(續)

業務分部資料(續)

於二零零八年十二月三十一日之分部資產、負債及資本性開支如下：

		Cable and wire products	Unallocated	Total
		電線及導線產品	未分配	總數
		2008	2008	2008
		二零零八年	二零零八年	二零零八年
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets	資產	354,023	10,042	364,065
Liabilities	負債	90,285	37,369	127,654
Capital expenditure	資本性開支	17,754	-	17,754

2007
二零零七年
HK\$'000
千港元

Cable and wire products	電線及導線產品	
Segment revenue	分部收益	470,496
Segment results	分部業績	33,988
Unallocated costs, net of income	未分配費用，扣除收入	(1,442)
Operating profit	經營溢利	32,546
Finance costs	財務費用	(6,306)
Profit before taxation	除稅前溢利	26,240
Taxation	稅項	(1,842)
Profit for the year	本年度溢利	24,398
Depreciation	折舊	7,714
Amortisation	攤銷	787

Notes to the Accounts 賬目附註

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

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Business segment (Continued)

The segment assets, liabilities and capital expenditure at 31st December 2007 are as follows:

4. 收益及分部資料(續)

業務分部資料(續)

於二零零七年十二月三十一日之分部資產、負債及資本性開支如下：

		Cable and wire products 電線及導線產品	Unallocated 未分配	Total 總數
		2007 二零零七年	2007 二零零七年	2007 二零零七年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產	381,470	11,501	392,971
Liabilities	負債	161,357	18,928	180,285
Capital expenditure	資本性開支	13,792	–	13,792

Notes to the Accounts 賬目附註

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

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

4. 收益及分部資料(續)

Geographical segment

地區分部資料

		Segment revenue 分部收益 2008 二零零八年 HK\$'000 千港元	Segment results 分部業績 2008 二零零八年 HK\$'000 千港元	Total assets 總資產 2008 二零零八年 HK\$'000 千港元	Capital expenditure 資本性開支 2008 二零零八年 HK\$'000 千港元
Hong Kong	香港	217,971	19,861	121,201	29
Mainland China	中國大陸	84,370	6,296	180,851	17,725
Other Asian Countries	其他亞洲國家	43,098	3,799	10,740	–
America	美洲	155,177	4,726	49,724	–
Europe	歐洲	7,012	618	1,549	–
		507,628	35,300	364,065	17,754
Unallocated costs, net of income	未分配費用， 扣除收入		(5,616)		
Operating profit	經營溢利		29,684		

		Segment revenue 分部收益 2007 二零零七年 HK\$'000 千港元	Segment results 分部業績 2007 二零零七年 HK\$'000 千港元	Total assets 總資產 2007 二零零七年 HK\$'000 千港元	Capital expenditure 資本性開支 2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	233,229	15,536	134,868	654
Mainland China	中國大陸	81,881	4,846	206,364	13,138
Other Asian Countries	其他亞洲國家	37,953	3,891	7,461	–
America	美洲	107,982	8,713	37,618	–
Europe	歐洲	8,482	962	6,660	–
South Africa	南非	969	40	–	–
		470,496	33,988	392,971	13,792
Unallocated costs, net of income	未分配費用， 扣除收入		(1,442)		
Operating profit	經營溢利		32,546		

There is no sale between the geographical segments.

地區分部之間並無任何銷售。

Notes to the Accounts 賬目附註

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

5. OTHER INCOME

5. 其他收益

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Gross rental income from investment property	投資物業租金收入毛額	320	278
Revaluation surplus on investment property	投資物業之重估盈餘	–	3,900
Reversal of impairment provision on property, plant and equipment	物業、廠房及設備之減值回撥	–	2,674
Tax incentive income	稅務鼓勵收入	–	1,555
Sundry income	其他收入	1,145	1,233
Interest income	利息收入	141	236
		1,606	9,876

Notes to the Accounts 賬目附註

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

6. OPERATING PROFIT

Operating profit is stated after (crediting)/charging the following:

6. 經營溢利

經營溢利已(計入)/扣除下列各項：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amortisation and depreciation:	攤銷及折舊：		
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	900	787
Depreciation of owned property, plant and equipment	自置物業、廠房及設備折舊	7,200	5,560
Depreciation of property, plant and equipment held under finance lease contracts	根據租購合約持有之物業、廠房及設備折舊	1,455	2,154
Auditor's remuneration	核數師酬金	1,444	1,200
Cost of inventories sold	出售存貨成本	349,811	332,764
Net exchange loss	外匯淨虧損	166	1,542
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租約租金	255	350
Outgoing expenses in respect of investment property	投資物業支銷	14	18
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	184	506
Net loss/(gain) on derivative financial instruments	衍生金融工具淨虧損/(收益)	6	(225)
Write-off of trade receivables	貿易應收款撇銷	1,246	28
Provision for returns and doubtful debts	退貨及呆賬撥備	2,419	-
Staff costs (including directors' emoluments) (note 12)	員工成本(包括董事酬金)(附註12)	68,739	55,729

Notes to the Accounts 賬目附註

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

7. FINANCE COSTS

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank loans – wholly repayable within five years	銀行貸款利息 – 須於五年內全數償還	4,271	5,502
Interest of finance lease contracts	租購合約中之利息	453	804
		4,724	6,306

7. 財務費用

8. TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2007:17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

8. 稅項

- (a) 香港利得稅乃根據本年度之估計應課稅溢利16.5% (二零零七年: 17.5%) 之稅率撥備。海外溢利稅項為本集團本年度之估計應課稅溢利按其業務所在國家之現行稅率計算。

扣除/(計入)綜合損益賬之稅款指:

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong profits tax	香港利得稅	1,088	1,272
Overseas taxation	海外稅項	1,113	1,141
Over-provision in prior year	年前超額撥備	(260)	(35)
Deferred taxation relating to the origination and reversal of temporary differences (note 8(b))	暫時差異的產生及撥回之遞延稅項	725	(536)
		2,666	1,842

Notes to the Accounts 賬目附註

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

8. TAXATION (CONTINUED)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the profits tax rate of Hong Kong as follows:

8. 稅項(續)

本集團有關除稅前溢利之稅項與假設採用香港利得稅率而計算之理論稅額之差異如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	24,960	26,240
Calculated at a taxation rate of 16.5% (2007: 17.5%)	按稅率 16.5% (二零零七年：17.5%) 計算之稅項	4,118	4,592
Income not subject to taxation	毋須課稅之收入	(1,811)	(2,351)
Effect of different taxation rates in other countries	其他國家不同稅率之影響	821	(778)
Expenses not deductible for taxation purposes	不可扣稅之支出	615	687
Over-provision in prior year	年前超額撥備	(260)	(35)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(550)	116
Effect of change in taxation rate	稅率改變之影響	(319)	-
Others	其他	52	(389)
Taxation charge	稅款扣除	2,666	1,842

During the year, as a result of the change in the Hong Kong profits tax rate from 17.5% to 16.5%, deferred tax balances have been remeasured.

於年內，由於香港利得稅率由 17.5% 調低至 16.5%，遞延稅項結餘已重新計量。

Notes to the Accounts 賬目附註

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

8. TAXATION (CONTINUED)

(b) The movements on the net deferred tax liabilities account are as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st January	於一月一日	2,120	992
Deferred taxation charged/ (credited) to the consolidated profit and loss account (note 8(a))	扣除/(計入)綜合損益賬之 遞延稅項(附註8(a))	725	(536)
Deferred taxation charged to assets revaluation reserve	扣除資產重估儲備之遞延稅項	1,299	1,664
At 31st December	於十二月三十一日	4,144	2,120

Deferred tax liabilities

The movements on the deferred tax liabilities are as follows:

		Group 本集團	
		Tax depreciation and revaluation surplus 稅項折舊及重估盈餘	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st January	於一月一日	5,021	3,662
Credited to the consolidated profit and loss account	自綜合損益賬中計入	(734)	(305)
Deferred taxation charged to assets revaluation reserve	扣除資產重估儲備之遞延稅項	1,299	1,664
At 31st December	於十二月三十一日	5,586	5,021

8. 稅項(續)

(b) 淨遞延稅項負債賬目變動如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st January	於一月一日	2,120	992
Deferred taxation charged/ (credited) to the consolidated profit and loss account (note 8(a))	扣除/(計入)綜合損益賬之 遞延稅項(附註8(a))	725	(536)
Deferred taxation charged to assets revaluation reserve	扣除資產重估儲備之遞延稅項	1,299	1,664
At 31st December	於十二月三十一日	4,144	2,120

遞延稅項負債

遞延稅項負債賬目變動如下：

		Group 本集團	
		Tax depreciation and revaluation surplus 稅項折舊及重估盈餘	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st January	於一月一日	5,021	3,662
Credited to the consolidated profit and loss account	自綜合損益賬中計入	(734)	(305)
Deferred taxation charged to assets revaluation reserve	扣除資產重估儲備之遞延稅項	1,299	1,664
At 31st December	於十二月三十一日	5,586	5,021

Notes to the Accounts 賬目附註

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

8. TAXATION (CONTINUED)

Deferred tax liabilities (Continued)

Deferred tax liabilities to be settled:

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
– within 12 months	十二個月內	–	–
– more than 12 months	超過十二個月	5,586	5,021
		5,586	5,021

8. 稅項 (續)

遞延稅項負債 (續)

可收回遞延稅項負債：

Deferred tax assets

The movements on the deferred tax assets are as follows:

遞延稅項資產

遞延稅項資產賬目變動如下：

		Group 本集團							
		Tax losses		Tax depreciation and revaluation surplus		Others		Total	
		稅損		稅項折舊及重估盈餘		其他		總額	
		2008	2007	2008	2007	2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January	於一月一日	–	1,623	2,376	1,047	525	–	2,901	2,670
(Charged)/credited to the consolidated profit and loss account	(扣除)/計入 綜合損益賬	–	(1,623)	(1,734)	1,329	275	525	(1459)	231
At 31st December	於十二月三十一日	–	–	642	2,376	800	525	1,442	2,901

Notes to the Accounts 賬目附註

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

8. TAXATION (CONTINUED)

Deferred tax assets (Continued)

Deferred tax assets to be recovered:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
– within 12 months	十二個月內	–	1,623
– more than 12 months	超過十二個月	1,442	1,278
		1,442	2,901

There were no material unprovided deferred taxation as at 31st December 2007 and 2008.

9. PROFIT FOR THE YEAR

The profit for the year is dealt with in the accounts of the Company to extent of a loss of HK\$399,000 (2007: profit of HK\$1,160,000).

10. DIVIDEND

Interim, paid, of HK\$0.02
(2007: HK\$0.02) per ordinary share
Final, proposed, of HK\$0.03
(2007: HK\$0.02) per ordinary share

每股普通股2港仙之已派發
中期股息(二零零七年: 2港仙)
每股普通股3港仙之建議派發
末期股息(二零零七年: 2港仙)

8. 稅項(續)

遞延稅項資產(續)

可收回遞延稅項資產:

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	–	1,623
	1,442	1,278
	1,442	2,901

於二零零七及二零零八年十二月三十一日沒有重大未撥備遞延稅項。

9. 本年度溢利

計入本公司賬目之本年度虧損為399,000港元(二零零七年: 溢利為1,160,000港元)。

10. 股息

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	3,980	3,980
	5,970	3,980
	9,950	7,960

Notes to the Accounts 賬目附註

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

10. DIVIDEND (CONTINUED)

At a meeting held on 23rd March 2009, the Directors proposed a final dividend of HK\$0.03 per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2009.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$22,294,000 (2007: HK\$24,398,000) divided by the weighted average number of 198,958,000 (2007: 198,958,000) ordinary shares in issue during the year.

In both 2008 and 2007, diluted earnings per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares as at the date of balance sheet.

12. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

10. 股息(續)

於二零零九年三月二十三日舉行之會議上，董事擬派發末期股息每股3港仙。此項擬派發股息並無於本綜合併賬目中列作應付股息，惟將於截至二零零九年十二月三十一日止年度賬目中列作保留溢利之分派。

11. 每股盈利

每股基本盈利乃根據年內之本集團本年度溢利22,294,000港元(二零零七年：24,398,000港元)及按年內已發行普通股之加權平均數198,958,000股(二零零七年：198,958,000股)計算。

於二零零八年度及二零零七年度，因沒有具潛在攤薄普通股於結算日，故每股攤薄溢利與其基本每股溢利相同。

12. 員工成本(包括董事酬金)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Wages, salaries and fringe benefits	薪酬，工資及額外津貼	65,720	53,197
Social security costs	社會保障成本	2,262	1,898
Pension costs – contribution to MPF scheme	退休成本－強積金計劃 作出之供款	426	452
Others	其他	331	182
		68,739	55,729

Notes to the Accounts 賬目附註

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

13. DIRECTOR'S EMOLUMENTS AND KEY MANAGEMENT'S COMPENSATION

(a) Directors' emoluments

The remuneration of each director for the year ended 31st December 2008 is set out below:

Name of director 董事姓名	Fee 袍金	Salary 薪金	Discretionary bonuses 酌情獎金	Other benefits (ii) 其他福利(ii)	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
MON Chung Hung 孟振雄	–	4,560	700	12	5,272
KOO Di An, Louise 顧迪安	–	1,320	280	12	1,612
LI Man Wai 李文斌	–	1,886	700	286	2,872
SIU Yuk Shing, Marco 蕭旭成	–	600	165	459	1,224
MON Wai Ki, Vicky 孟瑋琦	–	306	31	12	349
MON Tiffany 孟韋怡	–	396	224	12	632
CHENG Kwok Kit, Edwin (i) and (iv) 鄭國杰(i)及(iv)	73	–	–	–	73
LAU Chun Kay (i) 劉振麒(i)	180	–	–	–	180
LIAO Zhixiong (i) and (iii) 廖志雄(i)及(iii)	67	–	–	–	67
MA Chun Hon, Richard(i) 馬鎮漢(i)	82	–	–	–	82

13. 董事及高層管理人員之酬金

(a) 董事薪酬

截至二零零八年十二月三十一日止年度，每名董事的薪酬如下：

Notes to the Accounts 賬目附註

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

13. DIRECTOR'S EMOLUMENTS AND KEY MANAGEMENT'S COMPENSATION (CONTINUED)

(a) Directors' emoluments (Continued)

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

Name of director 董事姓名	Fee 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情獎金 HK\$'000 千港元	Other benefits (ii) 其他福利(ii) HK\$'000 千港元	Total 合計 HK\$'000 千港元
MON Chung Hung 孟振雄	–	3,490	1,592	133	5,215
KOO Di An, Louise 顧迪安	–	1,020	639	79	1,738
LI Man Wai 李文斌	–	1,250	1,135	478	2,863
SIU Yuk Shing, Marco 蕭旭成	–	585	181	449	1,215
MON Wai Ki, Vicky 孟瑋琦	–	285	28	12	325
MON Tiffany 孟韋怡	–	300	337	12	649
LAU Chun Kay (i) 劉振麒 (i)	180	–	–	–	180
LIAO Zhixiong (i) and (iii) 廖志雄 (i) 及 (iii)	96	–	–	–	96
MA Chun Hon, Richard(i) 馬鎮漢 (i)	74	–	–	–	74

- (i) Independence non-executive directors
- (ii) Other benefits include commission, quarters allowance, travel allowance and MPF scheme contribution.
- (iii) Resigned on 11th September 2008
- (iv) Appointed on 11th september 2008

(a) 董事薪酬 (續)

截至二零零七年十二月三十一日止年度，每名董事的薪酬如下：

- (i) 獨立非執行董事
- (ii) 其他福利包括銷售佣金、宿舍津貼、差旅津貼及強積金之供款。
- (iii) 離任於二零零八年九月十一日
- (iv) 委任於二零零八年九月十一日

Notes to the Accounts 賬目附註

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

13. DIRECTOR'S EMOLUMENTS AND KEY MANAGEMENT'S COMPENSATION (CONTINUED)

(b) Five highest paid individuals

In 2008 and 2007, the five individuals, whose emoluments were the highest in the Group for 2008 and 2007 included four directors and one senior staff whose emoluments band is within HK\$1,000,001 to HK\$2,000,000. The directors whose emoluments are reflected in the analysis presented above.

(c) Key management compensation

13. 董事及高層管理人員之酬金 (續)

(b) 五位最高薪酬人士

於二零零八年及二零零七年，五位最高薪酬人士為四位董事及一位高層管理人員(酬金組別在1,000,001港元至2,000,000港元之間)，彼等之酬金已載於上文分析。

(c) 高層管理人員之薪酬

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind	12,492	10,444
Discretionary bonuses	2,300	4,066
Pension costs – contribution to MPF scheme	108	103
	14,900	14,613

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

14. LEASEHOLD LAND AND LAND USE RIGHTS

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

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	29,562	30,349
Additions	添置	5,602	-
Amortisation of leasehold land and land use rights	土地租賃及土地使用權攤銷	(900)	(787)
Exchange adjustment	匯率調整	430	-
At 31st December	於十二月三十一日	34,694	29,562

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
In Hong Kong held on:	於香港擁有：		
– Leases of between 10 to 50 years	租賃於十至五十年之間	20,838	21,392
Outside Hong Kong held on:	於海外擁有：		
– Leases of between 10 to 50 years	租賃於十至五十年之間	13,856	8,170
		34,694	29,562

At 31st December 2008, the net book value of leasehold land pledged as security for the Group's bank loans amounted to HK\$20,838,000 (2007: HK\$21,392,000).

14. 土地租賃及土地使用權

本集團之土地租賃及土地使用權列作預付經營租賃款項及其賬面淨值分析如下：

		Group	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	29,562	30,349
Additions	添置	5,602	-
Amortisation of leasehold land and land use rights	土地租賃及土地使用權攤銷	(900)	(787)
Exchange adjustment	匯率調整	430	-
At 31st December	於十二月三十一日	34,694	29,562

於二零零八年十二月三十一日，本集團銀行貸款以賬面值20,838,000港元（二零零七年：21,392,000港元）的土地作為抵押。

Notes to the Accounts 賬目附註

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Group 本集團									
		Buildings (Note) 樓宇(附註)		Leasehold improve- ments	Plant and machinery 廠房及 機器	Furniture and fixtures 傢俬及 裝置	Office equipment 辦公室 設備	Motor vehicles 汽車	Pleasure boat 遊艇	Construction in progress 在建工程	Total 總額
		Inside HK 本地	Outside HK 海外	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net book value	於二零零八年一月一日										
at 1st January 2008	之賬面淨值	10,148	44,520	3,969	17,742	1,397	5,045	3,131	13,046	9,846	108,844
Additions	添置	-	2,555	728	7,890	76	804	99	-	-	12,152
Disposals	出售	-	-	-	(119)	(20)	(46)	(1)	-	-	(186)
Transfers	轉移	-	9,846	-	-	-	-	-	-	(9,846)	-
Depreciation	折舊	(251)	(1,407)	(396)	(3,750)	(163)	(861)	(581)	(1,246)	-	(8,655)
Revaluation	重估	-	4,843	-	-	-	-	-	-	-	4,843
Exchange adjustment	匯率調整	-	3,914	392	694	40	283	80	-	-	5,403
Net book value at	於二零零八年十二月										
31st December 2008	三十一日之賬面淨值	9,897	64,271	4,693	22,457	1,330	5,225	2,728	11,800	-	122,401
At 31st December	於二零零八年										
2008	十二月三十一日										
At cost	成本	-	-	7,271	82,999	5,761	10,518	5,910	14,667	-	127,126
At valuation - 2008	估值 - 2008	9,897	64,271	-	-	-	-	-	-	-	74,168
Accumulated depreciation	累積折舊	-	-	(2,578)	(60,542)	(4,431)	(5,293)	(3,182)	(2,867)	-	(78,893)
Net book value	賬面淨值	9,897	64,271	4,693	22,457	1,330	5,225	2,728	11,800	-	122,401

Notes to the Accounts 賬目附註

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

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

15. 物業、廠房及設備(續)

		Buildings (Note)		Leasehold	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Pleasure boat	Construction in progress	Total
		樓宇(附註)		improve-							
		Inside HK	Outside HK	ments							
		本地	海外	裝修							
廠房及 機器	傢俬及 裝置	辦公室 設備	汽車	遊艇	在建工程	總額					
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Net book value	於二零零七年一月一日										
at 1st January 2007	之賬面淨值	9,223	33,213	1,720	16,710	1,063	4,201	3,657	14,324	5,155	89,266
Additions	添置	-	258	2,485	3,826	539	1,655	802	102	4,125	13,792
Disposals	出售	-	-	(19)	(113)	(41)	(217)	(666)	-	-	(1,056)
Depreciation	折舊	(228)	(838)	(318)	(3,218)	(199)	(802)	(731)	(1,380)	-	(7,714)
Revaluation	重估	1,153	11,887	-	-	-	-	-	-	-	13,040
Exchange adjustment	匯率調整	-	-	101	537	35	208	69	-	566	1,516
Net book value at	於二零零七年十二月										
31st December 2007	三十一日之賬面淨值	10,148	44,520	3,969	17,742	1,397	5,045	3,131	13,046	9,846	108,844
At 31st December	於二零零七年										
2007	十二月三十一日										
At cost	成本	-	-	6,070	73,555	5,566	9,484	5,657	14,667	9,846	124,845
At valuation - 2007	估值 - 2007	10,148	44,520	-	-	-	-	-	-	-	54,668
Accumulated depreciation	累積折舊	-	-	(2,101)	(55,813)	(4,169)	(4,439)	(2,526)	(1,621)	-	(70,669)
Net book value	賬面淨值	10,148	44,520	3,969	17,742	1,397	5,045	3,131	13,046	9,846	108,844
Net book value of											
finance lease assets:	租購資產淨值:										
At 31st December	於二零零八年										
2008	十二月三十一日	-	-	-	-	-	35	1,123	11,717	-	12,875
At 31st December	於二零零七年										
2007	十二月三十一日	-	-	-	926	-	40	1,332	12,955	-	15,253

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

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note: Buildings were revalued using depreciated replacement cost approach by Centaline Surveyors Limited, an independent firm of chartered surveyors, as at 31st December 2008 and 31st December 2007.

The carrying amount of these buildings would have been HK\$48,484,000 (2007: HK\$38,594,000) had they been stated at cost less accumulated depreciation.

At 31st December 2008, the net book value of buildings pledged as security for the Group's bank loans amounted to HK\$9,897,000 (2007: HK\$10,148,000).

Building are held on leases of between 10 to 50 years.

15. 物業、廠房及設備(續)

附註: 於二零零八年十二月三十一日及二零零七年十二月三十一日, 樓宇由獨立專業估值師中原測量師行有限公司按折舊後重置成本方法之基準重估。

如該等樓宇乃按成本值減折舊及累積減值虧損列賬, 則該等租賃物業之賬面值應為48,484,000港元(二零零七年: 38,594,000港元)。

於二零零八年十二月三十一日, 賬面淨值合共9,897,000港元(二零零七年: 10,148,000港元)之樓宇, 已作為本集團銀行貸款之抵押。

樓宇租賃期為10至50年。

16 INVESTMENT PROPERTY

16. 投資物業

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Net book value at 1st January	於一月一日之賬面淨值	8,600	4,700
Revaluation surplus credited to the consolidated profit and loss account	重估盈餘計入綜合損益帳	-	3,900
Net book value at 31st December	於十二月三十一日之賬面淨值	8,600	8,600

Notes to the Accounts 賬目附註

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

16 INVESTMENT PROPERTY (CONTINUED)

- (a) Investment property was revalued on the basis of open market value by Centaline Surveyors Limited, an independent firm of chartered surveyors as at 31st December 2008 and 31st December 2007.
- (b) At 31st December 2008, the net book value of investment property pledged as security for the Group's bank loans amounts to HK\$8,600,000 (2007: HK\$8,600,000).
- (c) The Group's interest in investment property is analysed as follows:

16. 投資物業(續)

- (a) 投資物業由獨立專業估值師中原測量師行有限公司根據二零零八年十二月三十一日及二零零七年十二月三十一日公開市值之基準重估。
- (b) 於二零零八年十二月三十一日，本集團銀行貸款以賬面值8,600,000港元(二零零七年：8,600,000港元)的投資物業作為抵押。
- (c) 本集團之投資物業分析如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
In Hong Kong, held on:		
Lease of between 10 to 50 years	8,600	8,600
於香港擁有： 租賃於十至五十年之間		

Notes to the Accounts 賬目附註

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

17. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

17. 於附屬公司之投資及款項

		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets	非流動資產		
Unlisted shares, at cost	非上市股份成本	20	20
Amounts due from subsidiaries (note (a))	應收附屬公司款項(附註(a))	62,718	134,452
		62,738	134,472
Current assets	流動資產		
Amounts due from subsidiaries (note (b))	應收附屬公司款項(附註(b))	63,436	—

Note:

- (a) The amounts due from subsidiaries represent equity funding by the Company to the respective subsidiaries and are unsecured and interest-free.
- (b) The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Particulars of the Company's subsidiaries are set out in note 32.

附註：

- (a) 應收附屬公司款項代表本公司對相關附屬公司出資及無抵押及免息。
- (b) 應收附屬公司款項為無抵押、免息及並可隨時要求償還。

本公司之附屬公司詳情載於附註32。

Notes to the Accounts 賬目附註

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

18. INVENTORIES

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Raw materials	原材料	25,177	35,551
Work in progress	在製品	9,440	12,106
Finished goods	製成品	35,787	35,323
		70,404	82,980
Provision for slow-moving inventories	慢用存貨撥備	(1,862)	(1,996)
		68,542	80,984

19. TRADE RECEIVABLES

At 31st December 2008, the ageing analysis of trade receivables is as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current – 3 months	即期－三個月	95,086	106,416
4 – 6 months	四個月－六個月	12,291	9,871
Over 6 months	超過六個月	246	1,594
		107,623	117,881
Provision for returns and doubtful debts	退貨及呆壞賬撥備	(1,047)	(1,750)
		106,576	116,131

The Group's trade receivables are mainly denominated in HK\$ and USD, and are due within one year from the balance sheet date. The carrying values of trade receivables approximate their fair values due to their short term maturities.

18. 存貨

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Raw materials	原材料	25,177	35,551
Work in progress	在製品	9,440	12,106
Finished goods	製成品	35,787	35,323
		70,404	82,980
Provision for slow-moving inventories	慢用存貨撥備	(1,862)	(1,996)
		68,542	80,984

19. 應收貿易賬款

於二零零八年十二月三十一日，應付貿易賬款之賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current – 3 months	即期－三個月	95,086	106,416
4 – 6 months	四個月－六個月	12,291	9,871
Over 6 months	超過六個月	246	1,594
		107,623	117,881
Provision for returns and doubtful debts	退貨及呆壞賬撥備	(1,047)	(1,750)
		106,576	116,131

本集團應收貿易賬款主要以港元及美元結算，及於結算日起計一年內到期。應收貿易賬款之賬面值與其公允值相約因其短年期。

Notes to the Accounts 賬目附註

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

19. TRADE RECEIVABLES (CONTINUED)

At 31st December 2008, the ageing analysis of trade receivables which were past due but not impaired is as follows:

Current – 3 months	即期 – 三個月
4 – 6 months	四個月 – 六個月
Over 6 months	超過六個月

The trade receivables included in the above ageing are considered not impaired as these relate to a number of independent customers for whom there is no recent history of default. All impaired overdue trade receivables have been provided for.

As of 31st December 2008, trade receivables of HK\$1,047,000 (2007: HK\$1,750,000) were impaired and provided for. The credit quality of trade receivables that are neither past due nor impaired has been assessed by reference to historical information about the counterparties' default rates. The existing counterparties do not have significant defaults in the past.

19. 應收貿易賬款(續)

於二零零八年十二月三十一日，已逾期但並無減值應收貿易賬款之賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current – 3 months	即期 – 三個月	21,256	15,520
4 – 6 months	四個月 – 六個月	116	316
Over 6 months	超過六個月	167	1,191
		21,539	17,027

以上賬齡的應收貿易賬款不進行減值因其屬於若干數量無違約紀錄之獨立客戶有關。所有已減值逾期應收貿易賬款經已撥備。

於二零零八年十二月三十一日，1,047,000港元(二零零七年：1,750,000港元)之應收貿易賬款已減值及撥備。未有逾期或並無減值的貿易應收賬的信貨質素已基於交易對手拖欠比率的歷史資料作出評估。現有的交易對手在過去沒有重大拖欠記錄。

Notes to the Accounts 賬目附註

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

19. TRADE RECEIVABLES (CONTINUED)

Movements on the provision for trade receivables are as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st January	於一月一日	1,750	2,206
Provision for returns and doubtful debts	退貨及呆賬撥備	2,419	-
Net written off and recoverable during the year	年內淨不能收回撇銷及回撥	(3,122)	(456)
At 31st December	於十二月三十一日	1,047	1,750

The maximum exposure to credit risk at the balance sheet date is the fair value of the trade receivables mentioned above. The Group did not hold any collateral as security.

Payment terms with customers are mainly on credit with the exception of new customers, which are on cash on delivery basis. Invoices are normally payable within 30 to 90 days of issuance. Longer payment terms might be granted to customers who have long-term business relationship with the Group and did not have default in payments in the past history.

Included in the balance of the Group is nil (2007: HK\$490,000) receivable from a related company (note 27). The credit term granted to the related company was no more favourable than those granted to other third party customers.

19. 應收貿易賬款(續)

應收貿易賬款撥備變動如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st January	於一月一日	1,750	2,206
Provision for returns and doubtful debts	退貨及呆賬撥備	2,419	-
Net written off and recoverable during the year	年內淨不能收回撇銷及回撥	(3,122)	(456)
At 31st December	於十二月三十一日	1,047	1,750

於結算日最大信貸風險等於上列應收貿易賬款之公允值。本集團沒有收取抵押品作為保障。

客戶主要以信貸方式付款，惟新客戶須於貨品付運時以現金付款。一般而言，客戶須於發票發出後三十至九十日內付款。付款記錄良好及與本集團有長期業務關係之客戶，可享受有較長之付款期。

餘額包括本集團與關聯人士之應收貿易賬款為零港元(二零零七年：490,000港元)(附註27)。給予關聯公司之信貸條款與給予第三者之信貸條款並無特別優惠。

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

20. CASH AND CASH EQUIVALENTS

20. 銀行結餘及現金

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cash at bank and in hand	銀行及庫存現金	14,307	21,463	240	141
Short-term bank deposits (note (a))	短期銀行存款(附註(a))	-	3,183	-	-
		14,307	24,646	240	141

The maximum exposure to credit risk at the balance sheet date is the fair value of cash at bank and bank deposits mentioned above.

於結算日最大信貸風險是以上銀行現金及銀行存款之公允值。

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Denominated in:	結算於				
HK\$	港元	10,565	3,861	240	141
RMB (note (b))	人民幣(附註(b))	1,359	15,305	-	-
USD	美元	2,299	4,492	-	-
Others	其他	84	988	-	-
		14,307	24,646	240	141

(a) The weighted average effective interest rate on short-term bank deposits, with maturity of 3 months was 2.88% per annum during the year ended 31 December 2007. Cash at bank earns average interest rate at 0.01% based on daily bank deposit rates.

(a) 於二零零七年十二月三十一日止年度一短期銀行存款於三個月到期日之加權平均實際年利率為2.88%。銀行現金賺取平均0.01%利息在每日銀行存款利率。

(b) Included in the balance of the Group are Renminbi bank balances and cash deposited in the Mainland China of approximately HK\$1,359,000 (2007: HK\$15,305,000). Bank balances and cash denominated in Renminbi are subject to the exchange control restrictions imposed by the government in the Mainland China.

(b) 餘額包括本集團在中國大陸之人民幣現金及銀行存款約為1,359,000港元(二零零七年: 15,305,000港元)。以人民幣貨幣單位之銀行存款及現金乃受限於中國政府實施之外匯管制規條。

Notes to the Accounts 賬目附註

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

21. SHARE CAPITAL

21. 股本

		Company 本公司	
		Authorised ordinary shares of HK\$0.10 each 法定股本每股面值0.10港元之普通股	
		No. of shares 股本數目	HK\$'000 千港元
At 1st January 2008 and at 31st December 2008	於二零零八年一月一日及 於二零零八年十二月三十一日	500,000,000	50,000
At 1st January 2007 and at 31st December 2007	於二零零七年一月一日及 於二零零七年十二月三十一日	500,000,000	50,000
		Issued and fully paid ordinary shares of HK\$0.10 each 已發行及繳足股本每股面值0.10港元 之普通股	
		No. of shares 股本數目	HK\$'000 千港元
At 1st January 2008 and at 31st December 2008	於二零零八年一月一日及 於二零零八年十二月三十一日	198,958,000	19,896
At 1st January 2007 and at 31st December 2007	於二零零七年一月一日及 於二零零七年十二月三十一日	198,958,000	19,896

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

22. RESERVES

22. 儲備

		Group 本集團				
		Share premium	Exchange fluctuation reserve	Building revaluation reserve	Capital redemption reserve	Total other reserves
		股份溢價	匯率變動 儲備	樓宇 重估儲備	資本 贖回儲備	總其他儲備
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
As at 1st January 2008	於二零零八年一月一日	15,885	5,085	8,796	104	29,870
Surplus on revaluation of buildings	樓宇重估溢利	-	-	4,843	-	4,843
Deferred taxation charged to revaluation reserve	扣除資產重估 儲備之遞延稅項	-	-	(1,299)	-	(1,299)
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之 匯率差異	-	5,847	-	-	5,847
At 31st December 2008	於二零零八年十二月 三十一日	15,885	10,932	12,340	104	39,261
As at 1st January 2007	於二零零七年一月一日	15,885	2,891	94	104	18,974
Surplus on revaluation of buildings	樓宇重估溢利	-	-	10,366	-	10,366
Deferred taxation charged to revaluation reserve	扣除資產重估 儲備之遞延稅項	-	-	(1,664)	-	(1,664)
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之 匯率差異	-	2,194	-	-	2,194
At 31st December 2007	於二零零七年十二月 三十一日	15,885	5,085	8,796	104	29,870

Notes to the Accounts 賬目附註

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

22. RESERVES (CONTINUED)

22. 儲備(續)

		Company 本公司					
		Share premium	Contributed surplus (note) 繳入盈餘	Capital redemption reserve 資本贖回儲備	Total other reserves 總其他儲備	Retained earnings 保留盈利	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2008	於二零零八年一月一日	15,885	62,548	104	78,537	36,190	114,727
Loss for the year	本年度虧損	-	-	-	-	(399)	(399)
Dividends paid	股息	-	-	-	-	(7,960)	(7,960)
At 31st December 2008	於二零零八年十二月三十一日	15,885	62,548	104	78,537	27,831	106,368
Representing:-	相當於:-						
2008 final dividend proposed	二零零八年擬派發之末期股息					5,970	
Others	其他					21,861	
Retained earnings as at 31st December 2008	截至二零零八年十二月三十一日止之保留盈利					27,831	
At 1st January 2007	於二零零七年一月一日	15,885	62,548	104	78,537	44,980	123,517
Profit for the year	本年度溢利	-	-	-	-	1,160	1,160
Dividends paid	股息	-	-	-	-	(9,950)	(9,950)
At 31st December 2007	於二零零七年十二月三十一日	15,885	62,548	104	78,537	36,190	114,727
Representing:-	相當於:-						
2007 final dividend proposed	二零零七年擬派發之末期股息					3,980	
Others	其他					32,210	
Retained earnings as at 31st December 2007	截至二零零七年十二月三十一日止之保留盈利					36,190	

Note: The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired in connection with the reorganisation of the Group prior to its listing on The Stock Exchange of Hong Kong Limited, and represents the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders. At Group level, the contributed surplus is reclassified into its component reserves of the underlying subsidiaries.

附註：本公司之繳入盈餘因本公司發行股份以交換為於本公司股份在香港聯交所有限公司上市前重組本集團而收購之附屬公司之股份而產生，相當於本公司發行股份之面值與所收購附屬公司之資產淨值之差額。根據百慕達一九八一年公司法（經修訂），繳入盈餘可供分派予股東。在本集團之層面，繳入盈餘乃重新分類為有關附屬公司之儲備組成部分。

Notes to the Accounts 賬目附註

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

23. BORROWINGS

23. 貸款

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current	非流動		
Long-term bank loans	長期銀行貸款	2,030	3,024
Obligations under finance lease contracts	租購合約承擔	4,283	6,850
		6,313	9,874
Current	流動		
Current portion of long-term bank loans	長期銀行貸款一年內應償還	3,148	2,077
Current portion of obligations under finance lease contracts	租購合約承擔一年內應償還	2,524	2,537
Short-term bank loans	短期銀行貸款	20,000	-
Trust receipt loans	信託收據貸款	41,425	91,361
		67,097	95,975
Total borrowings	總貸款	73,410	105,849

Total borrowings included secured liabilities of HK\$50,871,000 (2007: HK\$66,470,000), which are secured by leasehold land and land use rights, buildings and investment property of the Group.

總貸款包括有抵押負債50,871,000港元(二零零七年: 66,470,000港元)以本集團的土地租賃及土地使用權、樓宇及投資物業作抵押。

Notes to the Accounts 賬目附註

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

23. BORROWINGS (CONTINUED)

(a) The maturity of borrowings is as follows:

		Group 本集團							
		Long-term bank loans 長期銀行貸款		Short-term bank loans 短期銀行貸款		Trust receipt loans 信託收據貸款		Obligations under finance lease contracts 租購合約承擔	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Within 1 year	1年內	3,148	2,077	20,000	-	41,425	91,361	2,524	2,537
Between 1 and 2 years	1至2年內	1,863	2,157	-	-	-	-	2,228	2,497
Between 2 and 5 years	2至5年內	167	867	-	-	-	-	2,055	4,353
Wholly repayable									
within 5 years	5年內全數償還	5,178	5,101	20,000	-	41,425	91,361	6,807	9,387
Over 5 years	超過5年	-	-	-	-	-	-	-	-
Total borrowings	總貸款	5,178	5,101	20,000	-	41,425	91,361	6,807	9,387

(b) The average effective interest rates at the balance sheet date are as follows:

		2008 二零零八年	2007 二零零七年
Long-term bank loans	長期銀行貸款	3.67%	5.50%
Short-term bank loans	短期銀行貸款	2.39%	-
Obligations under finance lease contracts	租購合約承擔	4.71%	7.32%
Trust receipt loans	信託收據貸款	3.99%	5.51%

(a) 貸款的到期日如下：

(b) 於結算日的平均實際利率如下：

Notes to the Accounts 賬目附註

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

23. BORROWINGS (CONTINUED)

- (c) The present value of obligations under finance lease contracts is as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Gross finance lease liabilities	融資租賃負債毛額		
– minimum lease payments:	– 最低租賃付款額：		
No later than 1 year	不超過1年	2,808	3,101
Later than 1 year and no later than 5 years	超過1年但不超過5年	4,498	7,550
Later than 5 years	超過5年	–	–
		7,306	10,651
Future finance charges on finance leases	融資租賃的未來財務費用	(499)	(1,264)
Present value of finance lease liabilities	融資租賃的現值	6,807	9,387

- (d) Borrowings are mainly denominated in Hong Kong dollars.
- (e) The carrying amounts of borrowings approximate to their fair values.

23. 貸款 (續)

- (c) 融資租賃負債的現值如下：

- (d) 貸款主要以港元結算。

- (e) 貸款的賬面值與其公允值相近。

Notes to the Accounts 賬目附註

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

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

24. 應付貿易款項，其他應付款項及應計開支

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade payables (note (a))	應付貿易款項 (附註(a))	31,382	53,547	-	-
Other payables and accruals	其他應付款項 及應計開支	15,220	14,441	360	196
Total (note (b) and (c))	總額 (附註(b)及(c))	46,602	67,988	360	196

(a) At 31st December 2008, the ageing analysis of trade payables is as follows:

(a) 於二零零八年十二月三十一日，應付貿易賬款之賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current – 3 months	即期 – 三個月	27,320	45,483
4 – 6 months	四個月 – 六個月	3,770	7,969
Over 6 months	超過六個月	292	95
		31,382	53,547

Notes to the Accounts 賬目附註

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

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (CONTINUED)

(b) Trade payables, other payables and accruals are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
United States Dollars	美元	14,370	14,754	–	–
Hong Kong Dollars	港元	19,103	33,586	360	196
Renminbi	人民幣	12,033	18,737	–	–
Others currencies	其他貨幣	1,096	911	–	–
		46,602	67,988	360	196

(c) The carrying values of trade payables, other payables and accruals approximates their fair values due to their short term maturities.

24. 應付貿易款項，其他應付款項及應計開支（續）

(b) 應付貿易款項，其他應付款項及應計開支以下列貨幣計算：

(c) 應付貿易款項，其他應付款項及應計開支之賬面值與其公允值相約因其短年期。

Notes to the Accounts 賬目附註

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

25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 衍生金融工具

		Group 本集團			
		2008 二零零八年		2007 二零零七年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Forward foreign exchange contracts – held for trading	遠期外匯合約 – 用於買賣	776	557	601	376

The Group entered into forward foreign exchange contracts with banks to sell and buy United States dollars in exchange for Renminbi at predetermined rates, settled on a monthly basis for its operating use. As at 31st December 2008, the notional amounts of the outstanding forward foreign exchange contracts are HK\$21,784,000 (2007: HK\$59,364,000) which will expire in April 2009.

The fair value of forward foreign exchange contracts are determined using quoted forward exchange rates at the balance sheet date.

集團與銀行訂立遠期外匯合約以預設兌換率賣出及買入美元以匯兌人民幣，按月結算作為經營用途。於二零零八年十二月三十一日未償還遠期外匯合約為21,784,000港元(二零零七年：59,364,000港元)，並於二零零九年四月屆滿。

於結算日，遠期外匯合約公允值運用已報價遠期匯率所決定。

Notes to the Accounts 賬目附註

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

26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

26. 綜合現金流量表附註

(a) Reconciliation of profit before taxation to net cash generated from operations

(a) 營運產生的淨現金之對賬

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	24,960	26,240
Interest income	利息收入	(141)	(236)
Bank loan interests	銀行貸款利息	4,271	5,502
Interest element of finance lease contracts	租購合約之利息部份	453	804
Loss on disposal of property, plant and equipment	出售物業、廠房及設備淨虧損	184	506
Revaluation surplus on investment property	投資物業重估盈餘	-	(3,900)
Reversal of impairment provision on property, plant and equipment	物業、廠房及設備減值之回撥	-	(2,674)
Amortisation of leasehold land and land use rights	攤銷租賃土地及土地使用權	900	787
Depreciation of owned property, plant and equipment	自置物業、廠房及設備之折舊	7,200	5,560
Depreciation of property, plant and equipment held under finance lease contracts	根據租購合約持有之物業、廠房及設備之折舊	1,455	2,154
Net loss/(gain) on derivative financial instruments	衍生金融工具淨虧損/(收益)	6	(225)
Operating profit before working capital changes	營運資金轉變前之經營溢利	39,288	34,518
Decrease / (increase) in inventories	存貨減少/(增加)	12,442	(7,492)
Decrease / (increase) in trade receivables, other receivables, deposits and prepayments	應收貿易賬款、其他應收賬款、訂金及預付款項減少/(增加)	12,350	(7,789)
(Decrease) / increase in trade payables, other payables and accruals	應付貿易款項、其他應付款項及應計開支(減少)/增加	(21,386)	8,503
Net cash generated from operations	營運產生的淨現金	42,694	27,740

Notes to the Accounts 賬目附註

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

26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

26. 綜合現金流量表附註(續)

(b) Analysis of changes in financing activities during the year

(b) 年內融資活動變動分析

	Long-term bank loans		Short-term bank loans		Trust receipt loans		Obligations under finance lease contracts	
	2008	2007	2008	2007	2008	2007	2008	2007
	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January 於一月一日	5,101	5,382	-	6,000	91,361	62,523	9,387	11,894
Addition of loans 新增貸款	3,000	2,000	20,000	-	259,275	267,027	-	-
Repayment of loans 償還貸款	(2,923)	(2,281)	-	(6,000)	(309,211)	(238,189)	-	-
Repayment of capital element of finance lease contracts 償還租賃合約之資本部份	-	-	-	-	-	-	(2,580)	(2,507)
At 31st December 於十二月三十一日	5,178	5,101	20,000	-	41,425	91,361	6,807	9,387

Notes to the Accounts 賬目附註

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

27. RELATED PARTY TRANSACTION

(a) Name and relationship with a related party

常州市恒軒進出口有限公司 (“PIEL”) is wholly owned by Mr. Zhou Jing Zhuan, a management of the Group. PIEL is thus a related party of the Group.

(b) Transactions with the related party

The Group entered into the following significant transactions in the ordinary course of business with PIEL during the year:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sale of goods	銷貨	79	3,733

These transactions were entered into on normal commercial terms.

(c) Balance with the related party

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amount due from PIEL	應收PIEL款項	-	490

The balance is included in trade receivables and is unsecured, interest-free and no fixed terms of repayment.

27. 關聯人士交易

(a) 關聯人士的名稱及關係

常州市恒軒進出口有限公司 (“PIEL”) 為周經傳先生全資擁有，彼為本集團之管理人員。故PIEL為本集團之關聯人士。

(b) 關聯人士的交易

本集團於年度內與常州市恒軒進出口有限公司在日常業務中進行下列重大交易：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sale of goods	79	3,733

上述關聯交易乃按一般商業條款。

(c) 關聯人士的款項

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amount due from PIEL	-	490

該款項(包括應收貿易貨款)均無抵押、免息並無固定還款期。

Notes to the Accounts 賬目附註

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

28. COMMITMENTS

(a) Capital commitment

At 31st December 2008, the Group had the following capital commitment for leasehold improvements and plant and machinery:

Contracted but not provided for 已訂約但未撥備

(b) Commitments under operating leases

At 31st December 2008 and 2007, the Group had no future aggregate minimum lease payments under non-cancellable operating leases.

(c) The Company did not have any significant commitments at 31st December 2008 and 2007.

28. 承擔

(a) 資本承擔

於二零零八年十二月三十一日，本集團有以下裝修及廠房及機器之資本承擔：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
977	2,421

(b) 經營租賃承擔

於二零零八年及二零零七年十二月三十一日，本集團並無不可撤銷經營租賃於日後之最低租金。

(c) 於二零零八年及二零零七年十二月三十一日，本公司並無任何重大承擔。

Notes to the Accounts 賬目附註

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

29. FINANCIAL GUARANTEES AND PLEDGE

At 31st December 2008, the Group's banking facilities amounting to approximately HK\$230,764,000 (2007: HK\$220,000,000) were secured by the following:

- (a) legal charges over certain leasehold land, land use rights, buildings and investment property of the Group with a total net book value of HK\$39,335,000 (2007: HK\$40,140,000);
- (b) a deed of guarantee executed by the Company amounting to HK\$181,000,000 (2007: HK\$160,000,000).

30. ULTIMATE HOLDING COMPANY

The Directors of the Company regard Spector Holdings Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

31. APPROVAL OF ACCOUNTS

The consolidated accounts were approved by the Board of Directors on 23rd March 2009.

29. 銀行擔保及抵押

於二零零八年十二月三十一日，本集團約230,764,000港元(二零零七年：220,000,000港元)之銀行融資以下列項目作抵押：

- (a) 本集團以賬面淨值合共39,335,000港元(二零零七年：40,140,000港元)之若干租賃土地，土地使用權及樓宇及投資物業所作之法定抵押；
- (b) 本公司簽署之一份擔保契據合共181,000,000港元(二零零七年：160,000,000港元)。

30. 最終控股公司

本公司董事認為在英屬處女群島註冊成立之Spector Holdings Limited 乃最終控股公司。

31. 賬目之批准

本綜合賬目已於二零零九年三月二十三日獲董事會批准。

Notes to the Accounts 賬目附註

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

32. SUBSIDIARIES

At 31st December 2008, the Company held investments or capital in the following subsidiaries:

32. 附屬公司

於二零零八年十二月三十一日，本公司於下列附屬公司持有股份：

Name 名稱	Place of incorporation/ establishment 註冊／成立地點	Paid up share capital/ registered capital 繳足股本／註冊資本	Principal activities 主要業務	Interest 權益	
				2008	2007
Shares held directly 直接持有股份					
Perennial Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1,200 普通股1,200美元	Strike off on 1st May 2008 已於二零零八年五月一日取消	-	100%
Perennial Holdings Global Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	Investment holding 投資控股	100%	100%

Notes to the Accounts 賬目附註

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

32. SUBSIDIARIES (CONTINUED)

32. 附屬公司(續)

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2008	2007
Shares held indirectly 間接持有股份					
Ever Peak Development Limited 永柏發展有限公司	Hong Kong 香港	Ordinary HK\$3 普通股3港元	Property holding 持有物業	100%	100%
Glitter Wire & Cable Company Limited 東輝電線電纜有限公司	Hong Kong 香港	Ordinary HK\$500 普通股500港元 Non-voting deferred HK\$2,000,000 無投票權遞延股份 2,000,000港元	Inactive 無活動	100%	100%
New Technology Cable Limited 新科電線有限公司	Hong Kong 香港	Ordinary HK\$1,000 普通股1,000港元 Non-voting Deferred HK\$10,000,000 無投票權遞延股份 10,000,000港元	License holding 持有牌照	100%	100%
Perennial Cable Harness Limited 恒亞精工有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	Inactive 無活動	100%	100%
a Perennial Cable (H.K.) Limited 恒都電線(香港)有限公司	Hong Kong 香港	Ordinary HK\$2,000,000 普通股2,000,000港元	Manufacturing and sale of electric cables, wires, wire harness and accessories 製造及銷售電線、導線、 組合線束及配件	100%	100%

Notes to the Accounts 賬目附註

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

32. SUBSIDIARIES (CONTINUED)

32. 附屬公司(續)

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2008	2007
Shares held indirectly (Continued)					
間接持有股份(續)					
Perennial Cable Limited 恒都電線有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	Investment and property holding, trading of electric cable, wires, wire harness and accessories 投資及持有物業、買賣電線、 導線、組合線束及配件	100%	100%
b Perennial Cable (Shenzhen) Co., Limited (wholly owned foreign enterprise) 恒亞電線(深圳)有限公司 (全資擁有海外機構)	Mainland China 中國大陸	Registered capital HK\$65,000,000 註冊資本 65,000,000 港元	Manufacturing of electric cables, wires and wire harness 製造電線、導線及組合線束	100%	100%
a Perennial Plastics (H.K.) Limited 恒都塑膠(香港)有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	Manufacturing and sale of plastic resins and compounds 製造及銷售塑膠成樹脂及化合物	100%	100%
Perennial Cable (BVI) Limited	British Virgin Islands 英屬處女群島	Ordinary US\$50,000 普通股50,000 美元	Investment holding 投資控股	100%	100%
Perennial Investments (H.K.) Limited 恒都投資(香港)有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000 港元	Dissolved on 22nd January 2008 已於二零零八年一月二十二日註銷	-	100%
New Technology Cable (UK) Limited	United Kingdom 英國	Ordinary GBP1 普通股1英鎊	License holding 持有牌照	100%	100%

Notes to the Accounts 賬目附註

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

32. SUBSIDIARIES (CONTINUED)

32. 附屬公司(續)

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2008	2007
Shares held indirectly (Continued) 間接持有股份(續)					
New Technology Cable Pte. Limited	Singapore 新加坡	Ordinary SG\$2 普通股2新加坡元	License holding 持有牌照	100%	100%
Shinka K.K.	Japan 日本	Ordinary JPY10,000,000 普通股10,000,000日元	License holding 持有牌照	100%	100%
Perennial USA Inc.	USA 美國	Ordinary USD0.5 普通股0.5美元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束 及配件	100%	100%
c Zhangjiagang Bonded Logistics Park Perennial Cable Trading Co., Ltd. 張家港保稅物流園區恒都 電工貿易有限公司	Mainland China 中國大陸	Registered capital USD\$500,000 註冊資本 500,000美元	Dissolved on 15th April 2008 已於二零零八年四月十五日註銷	-	100%
b Shenzhen Welldone Trading Co., Limited (wholly owned foreign enterprise) 深圳恒駿達貿易有限公司 (全資擁有海外機構)	Mainland China 中國大陸	Registered capital HKD\$1,000,000 註冊資本 1,000,000港元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束 及配件	100%	100%

Notes to the Accounts 賬目附註

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

32. SUBSIDIARIES (CONTINUED)

The legal form of all the above companies is limited liability company.

Save as noted below, the above companies operate principally in Hong Kong instead of their respective places of incorporation/establishment, except for:

- a Perennial Cable (H.K.) Limited and Perennial Plastics (H.K.) Limited of which manufacturing activities are conducted by their appointed sub-contractors in Shenzhen, the People's Republic of China.
- b Perennial Cable (Shenzhen) Co., Limited and Shenzhen Welldone Trading Co., Limited in Shenzhen, the People's Republic of China; and
- c Zhangjiagang Bonded Logistics Park Perennial Cable Trading Co., Ltd. in Zhangjiagang Bonded Logistics Park, the People's Republic of China.

32. 附屬公司(續)

上述所有公司均為有限公司法體。

除以下註明外，上述公司之營運地點主要為香港而非其個別註冊／成立地點：

- a 恒都電線(香港)有限公司及恒都塑膠(香港)有限公司之製造業務乃透過中華人民共和國深圳特區境內之承包商進行。
- b 恒亞電線(深圳)有限公司及深圳恒駿達貿易有限公司於中華人民共和國深圳特區；及
- c 張家港保稅物流園區恒都電工貿易有限公司於中華人民共和國張家港保稅區物流園區。

Financial Highlights 財務概括

		2008 二零零八年	2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年
Operating results (HK\$'000)	經營業績 (千港元)					
Revenue	收益	507,628	470,496	439,352	375,383	303,143
Operating profit	經營溢利	29,684	32,546	36,271	30,313	16,658
Profit for the year	本年度溢利	22,294	24,398	29,460	25,408	15,829
Financial position (HK\$'000)	財務狀況 (千港元)					
Net current assets	淨流動資產	78,663	63,984	69,059	61,150	37,595
Shareholders' funds	股東資金	236,411	212,686	187,342	165,211	144,248
Per share data (HK\$Cent)	每股數據 (港仙)					
Earnings per share – basic and diluted	每股盈利 – 基本及攤薄	11.2	12.3	14.8	12.8	8.0
Dividend per share (interim and final dividend)	每股股息 (中期及末期股息)	5	4	4	4	3
Key Statistics	主要統計					
Inventory turnover (days)	存貨週轉 (天數)	72	89	91	94	89
Debtors' turnover (days)	應收賬週轉 (天數)	77	90	91	77	81
Creditors' turnover (days)	應付賬週轉 (天數)	34	58	52	43	63
Acid-test ratio (%)	速動比率 (%)	108.7%	89.7%	96.7%	98.5%	89.8%
Working capital (%)	營運資金 (%)	168.0%	138.7%	151.6%	157.2%	142.7%
Total liabilities/total capital employed (%)	總負債/總運用資本 (%)	54.0%	84.8%	79.9%	70.0%	72.7%
Return on capital employed (operating profit/shareholders' funds) (%)	運用資本報酬率 (經營溢利/股東資金) (%)	12.6%	15.3%	19.4%	18.3%	11.5%
Return on average total assets (profit after taxation/average total assets) (%)	平均總資產報酬率 (除稅後溢利/平均總資產) (%)	5.9%	6.7%	9.5%	9.6%	7.1%

