



新澤控股有限公司 New Heritage Holdings Ltd.

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

香港聯交所股份代號: 95 HKSE Stock Code: 95

Annual Report 年報

2008



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Corporate Information

公司資料

Directors

Executive Directors

Mr. TAOCHAIFU Choofuang (*Chairman*)
Mr. TAO Richard (*Vice Chairman*)
Mr. TAO Paul (*Managing Director*)
Mr. KONG Mui Sum Lawrence
Mr. YIM Chun Leung

Non-Executive Director

Mr. CHAN Bernard Charnwut

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

Audit Committee

Mr. WONG Gary Ka Wai (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

Nomination Committee

Mr. CHAN Norman Enrique (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. TAO Paul

Remuneration Committee

Mr. SUN Leland Li Hsun (*Chairman*)
Mr. CHAN Norman Enrique
Mr. TAO Richard

Authorised Representatives

Mr. YIM Chun Leung
Ms. CHAN Meily

Company Secretary

Ms. CHAN Meily *ACS, ACIS, MBA*

Auditors

Grant Thornton

董事

執行董事

陶哲甫先生 (*主席*)
陶家祈先生 (*副主席*)
陶錫祺先生 (*董事總經理*)
江淼森先生
嚴振亮先生

非執行董事

陳智思先生

獨立非執行董事

王家偉先生
孫立勳先生
陳樂文先生

審核委員會

王家偉先生 (*主席*)
孫立勳先生
陳樂文先生

提名委員會

陳樂文先生 (*主席*)
孫立勳先生
陶錫祺先生

薪酬委員會

孫立勳先生 (*主席*)
陳樂文先生
陶家祈先生

授權代表

嚴振亮先生
陳美莉女士

公司秘書

陳美莉女士 *ACS, ACIS, MBA*

核數師

均富會計師行

Registered Office

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Room 2301, 23/F Fortis Tower
77-79 Gloucester Road
Wanchai, Hong Kong

PRC Office

26/F Gold River Center
88 Shi Shan Road, New District
Suzhou
PRC

Legal Advisers (in alphabetical order)

Appleby Hunter Bailhache
Grandall Legal Group (Shanghai)
Sidley Austin

Principal Bankers (in alphabetical order)

Bank of China Limited (Suzhou Branch)
Bank of Communications Co., Ltd. Hong Kong Branch
China Construction Bank Corporation (Suzhou Branch)
Chong Hing Bank Limited
Public Bank (Hong Kong) Limited
The Bank of East Asia, Limited

Principal Share Registrar and Transfer Office

Appleby Corporate Services (Cayman) Limited
Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

HKSE Stock Code

95

Website

www.nh-holdings.com

註冊辦事處

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港灣仔
告士打道77-79號
富通大廈23樓2301室

國內辦事處

中國
蘇州市
新區獅山路88號
金河國際中心26層

法律顧問 (按英文字母排列次序)

Appleby Hunter Bailhache
國浩律師集團(上海)事務所
盛德律師事務所

主要往來銀行 (按英文字母排列次序)

中國銀行股份有限公司(蘇州分行)
交通銀行股份有限公司香港分行
中國建設銀行股份有限公司(蘇州分行)
創興銀行有限公司
大眾銀行(香港)有限公司
東亞銀行有限公司

主要股份過戶登記處

Appleby Corporate Services (Cayman) Limited
Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

香港聯交所股份代號

95

公司網址

www.nh-holdings.com

Chairman's Statement

主席報告

To Our Shareholders

We respectfully present our 2008 annual report herein.

Results & Dividends

For the year ended 31 December 2008, revenue and loss attributable to the equity holders of the Company were approximately HK\$91.7 million and approximately HK\$33.2 million respectively. Loss per share was approximately 2.9 HK cents.

The Board does not recommend a dividend at this time. Consequently, no dividend was proposed during the year ended 31 December 2008.

Business Review

With the initial sub-prime crisis in North America turning into a full-blown global banking and securities implosion and loss of confidence, we have witnessed the unprecedented effects of a financial tsunami on the equity capital markets and global economy on a scale of unimaginable proportions. Continuous deleveraging, significant numbers of investor redemptions and consequential strains on investment funds' need to divest have further exacerbated the downward pressures on equity prices as the fund managers have tried to balance their responsiveness to redemption requests and stability of their investment portfolios. Thus higher volatility in global stock markets have been unavoidable for the latter part of the year.

Earlier in the year, the PRC property market had been subjected to austerity measures to cool the then euphoric sentiment but with the eruption of this global financial tsunami, the Beijing Central Government acted quickly in October 2008 to bolster confidence and certainty in the property sector so as to have a positive influence on property buyers' sentiment for the rest of 2008.

Property development in Suzhou, Jiangsu Province, remained our key focus throughout the year. The Board remains confident that the Suzhou property market, where currently most of our property development projects are situated, will carry on performing strongly. Suzhou continues to rank highest in terms of growth in gross domestic product (GDP) in Jiangsu Province and number five nationally in 2008, growing by 13% year on year. Suzhou also ranked second in terms of foreign direct investment, which also increased by 13% as compared to 2007. Due to the continuous influx of capital into Suzhou, the city continues to attract incoming skilled labour as well as middle management, which is expected to be a key support factor on demand for housing. Adding to the above is the proximity of Suzhou to Shanghai whereby high-speed train services between the two cities now may involve only around 30 minutes travel time. Price differentiation will continue to be an advantage for Suzhou to attract Shanghai homebuyers for retirement and investment home purchases.

The Group continued with its development activities during the year, pushing ahead with corporate, design and site formation preparations following on from its land acquisition programme from 2007. More revenue contribution from these sites are expected in 2009 and beyond.

Regarding the Group's sales in 2008, the Central Government's austerity measures on real estate in the first three quarters had the inevitable dampening impact on our property transaction volumes and pricing. However, the Group has observed progressive improvements in the market sentiment since November 2008 and both transaction volumes and pricing have picked up.

致本公司股東

本集團謹此提呈我們二零零八年年報。

業績及股息

截至二零零八年十二月三十一日止年度，本公司的收益及權益持有人應佔虧損分別約91,700,000港元及約33,200,000港元。每股虧損約為2.9港仙。

董事會不建議於此時派發股息。因此，截至二零零八年十二月三十一日止年度並無建議派付任何股息。

業務回顧

始於北美的次按危機演變成爲席捲全球銀行業及證券業的金融風暴，造成投資者失去信心。本集團親歷金融海嘯對股票資本市場及全球經濟帶來前所未有的影響，而且影響之深遠超想像。持續去槓桿化、投資者贖回潮及由此而引發投資基金所面臨的撤資壓力，進一步推低證券價格，同時基金經理則努力在回應贖回要求與投資組合的穩定性之間取得平衡。因此，下半年全球股市震盪加劇在所難免。

今年較早時候，中國房地產市場備受抑制投資過熱的宏觀調控措施所影響，但全球金融海嘯爆發後，中央政府於二零零八年十月迅速開始採取行動，刺激房地產市場的信心及維持市場穩定，對二零零八年餘下期間置業者的入市情緒產生正面作用。

於江蘇省蘇州市的物業發展項目仍爲本集團年內的重點業務。董事會對持續表現強勁的蘇州房地產市場(本集團大部份物業項目所在地)繼續充滿信心，相信會繼續穩步上揚。二零零八年蘇州的地區生產總值(GDP)按年比增長13%，踞江蘇省之首，於全國亦排名第五。蘇州的外商直接投資名列第二，較二零零七年增長13%。由於資金持續流入，蘇州將繼續吸引外來技術勞動力及中層管理人員，預期這將成爲推動住房需求的主要因素之一。除上述之優勢外，蘇州毗鄰上海，往來兩個城市間的高速火車服務車程僅爲30分鐘。價格差異將繼續爲蘇州吸引上海買家前來購置物業作退休及投資住房的一大優勢。

緊隨二零零七年的土地收購計劃，本集團於年內持續進行物業開發活動，推進企業架構、設計及地盤平整工程的準備工作。預計於二零零九年及以後，該等地盤將會陸續貢獻更多收益。

本集團二零零八年銷售方面，中央政府於首三個季度對房地產所採取的宏觀調控措施無可避免地影響了本集團的物業交易量及成交價。然而，本集團注意到，市場氣氛自二零零八年十一月以來已逐步改善，交易量及成交價均有回升。

Chairman's Statement

主席報告

In addition to our original signature residential projects, **Suzhou Garden Villa**, **Suzhou Garden Court**, **Suzhou Garden Place** and **Suzhou Garden Towers**, in the Suzhou New District, we have successfully established signature projects in Wuzhong District, namely **Wuzhong Garden Court**, and are in process of further delivering to the historical town of Guangfu attractive low-density townhouses – **Taihu Garden Court**. The pre-sale of the first phase of **Taihu Garden Court** was originally expected to be launched in 2008 and the delivery of completed units in the same year. However, the exceptionally adverse weather in Suzhou throughout 2008 hampered and affected the construction as well as the delivery schedule. Completion of **Taihu Garden Court** first phase pre-sales units have now been deferred to the first quarter of 2009 and delivery/handovers expected to be in mid-2009.

Apart from these residential sites, the Group also owns a site for the development of an office tower with retail facilities, located in the Economic Development Zone of Wuzhong District.

Still in the greater Suzhou municipality of Jiangsu Province but further south and also close to neighbouring Zhejiang Province is Wujiang City where the Group secured a site of developable area of approximately 155,200 sq.m. The site is situated on the eastern shore of the Long Zhong Lake of Shengze Town. The Board believes this site will be a promising project as Shengze Town is a thriving silk and textile trade and production centre in China.

Property investment in 2008 for the Group in Suzhou and Beijing continued to provide stable revenue as well as cash inflow. In Suzhou, the two retail properties, namely **SGV Plaza** and **Garden Court Plaza**, have continued to achieve full occupancy. Residential units owned and leased out by the Group also experienced an occupancy rate of around 64%. Valuation of the Group's investment properties has been conducted by an independent property valuer as at 31 December 2008 and a negative fair value adjustment of approximately HK\$11.4 million (net of deferred taxation) was recorded.

In Beijing, the long awaited and subsequently hugely successful 2008 Summer Olympic Games provided a memorable and historic backdrop to Beijing Landmark Towers Co., Ltd.'s 2008 results from which the Group derives a 30.05% investment benefit. As previously announced by the Company, efforts to convert this equity joint venture company into a joint stock company are still being pursued with terms for the conversion still under negotiation and not yet finalised.

For the medium to longer term, the Group's minor investment in a residential project in Jia Ding, Shanghai will be expecting an initial return in 2010. Elsewhere, the multi-laterally agreed discontinuation of our joint venture in Nanjing through our associated company would allow the Group to concentrate its resources on primary concerns.

除本集團位於蘇州市新區的原有標誌性住宅項目**蘇州錦華苑**、**蘇州錦麗苑**、**蘇州錦寧閣**及**蘇州錦昌苑**外，本集團已順利於吳中區建成另一標誌性項目**錦悅苑**，此外，現正於市場推出位於歷史悠久的光福鎮，極具吸引力的低密度住宅—**錦澤苑**。**錦澤苑**原定於二零零八年推出第一期預售，並於同年交付已完工單位。然而，由於二零零八年全年蘇州異常惡劣的天氣妨礙及影響了施工進度及交樓時間表。**錦澤苑**第一期單位的預售現已延期至二零零九年第一季度，預計將於二零零九年交付已完工單位。

除上述住宅地盤外，本集團於吳中經濟開發區還另有一幅地塊，可開發一座附帶零售商舖的辦公室大樓。

本集團於江蘇省蘇州市南端毗鄰浙江省的吳江市擁有一幅可開發面積約為155,200平方米的地塊。該地塊位於盛澤鎮郎中蕩東岸。董事會相信，盛澤鎮為中國繁盛的絲綢及紡織品貿易及生產中心，因此該開發項目的前景將會相當可觀。

二零零八年內，本集團於蘇州市和北京市的物業投資持續錄得穩定的收益及現金流量。位於蘇州市的兩項零售物業—**錦華商業中心**及**錦麗商業中心**持續保持100%的出租率。本集團旗下出租住宅物業入住率亦約達64%。本集團的投資物業已由獨立物業估值師於二零零八年十二月三十一日進行估值，並作出為數約11,400,000港元的負公允價值調整(經扣除遞延稅項)。

在北京，舉國期盼已久的二零零八年夏季奧運會取得空前成功，這一值得紀念的歷史盛事亦令北京亮馬河大廈有限公司的二零零八年業績大為受惠，本集團從中佔得30.05%的投資收益。如本公司較早前之公佈，本公司一直努力將該公司由合資合營公司改制為股份制企業，惟改制條款仍在磋商中，尚未落實。

中長期而言，本集團投資於上海嘉定區一個住宅項目的少數權益，預期將於二零一零年獲得初步收益。此外，本集團終止其聯營公司於南京市投資的一間合營公司，將可讓本集團把資源更集中於主營業務。

Chairman's Statement

主席報告

Outlook

After putting behind us not only the multiple tragic natural calamities in China of a freak nationwide winter deep freeze, the subsequent severe flooding and the devastating Sichuan earthquake, a contrasting successful Summer Olympic Games and a year which also witnessed China's proud historic first "space walk", but also coming through a financial tsunami carrying in a tide of new global economic and political agendas, there were glimpses of guarded optimism while we were ushering in the new year.

The Board remains confident that the Group is well-positioned in the property market of Suzhou, Jiangsu Province and that our brand name and goodwill arising from over 15 years' presence in Suzhou should continue to bring us opportunities for new development. Our strategy of selecting sites in high potential and up-and-coming areas will position the Group for long-term growth with attractive returns. The Group's low gearing strategy has also enhanced our ability to cope with the impact of these uncertain global financial times and to ride out periods of unforeseen economic downturn, giving us flexibility to grasp opportunities which come our way.

On top of the pre-sales programme of Phase One of **Taihu Garden Court** launched in the first quarter of 2009, there are two other property development projects namely **Wuzhong Garden Court Plaza**, the Retail and Commercial Block of **Wuzhong Garden Court** project, and our Wujiang residential project, both coming on-stream to drive revenue growth by offering a broader product mix compared to residential properties only in **Wuzhong Garden Court Phase Two** in 2008.

The Board is fully aware that maximising profit margins would be paramount in determining robust profitability. In this regard and to further maintain the Group's competitiveness, cost control/saving measures have already been implemented in the areas of construction and administration. The Board believes that with our strategically varied product mix, competitive cost structure, quality of product, immediate response to the changing market situation and a more proactive and in-depth approach to identify and attract targeted buyers, we are able to achieve the best possible prices without sacrificing sales volume in the years ahead.

As for new site acquisitions going forward in 2009, the Group will adopt a conservative approach. The erosion of profit margins have been inevitable but the Group will endeavour to keep costs under control while implementing appropriate cost saving measures to weather the storm and still be mindful of safeguarding the quality of the Group's output.

Maintaining the morale of our team as well as the confidence and trust of our investors is as always at the top of our agenda. With that in mind, I would like to thank once again the continued support of our strategic partners, Spinnaker Capital Group and Asia Financial Group, and for their encouragement in these very trying times.

May I extend my heartfelt gratitude to all the members of the Board and all our hardworking staff for their diligence and dedication to the mission tasks ahead which continue to provide a stern test of our perseverance and professionalism.

TAOCHAIFU Choofuang (C.F. Tao)
Chairman

Hong Kong, 21 April 2009

展望

回首去年，我們的祖國發生了一連串天災，首先是極其嚴重的雪災、隨後發生的嚴重水災及導致生靈塗炭的四川大地震，猶幸其後傳來北京奧運會圓滿舉行的喜訊以及讓全國人民引以為傲的中國首次實現太空漫步；此外金融海嘯肆虐，引發全球經濟及政治出現新格局，有鑒於此，本集團抱著審慎樂觀的態度迎接新一年的到來。

董事會仍然深信，本集團穩立在江蘇省蘇州市的房地產市場，以及本集團在蘇州經逾15年的努力所打造的品牌及聲譽將繼續為本集團帶來一個又一個發展新機遇。本集團秉承在發展潛力、前景優越的地區選址的策略，將令本集團實現長期增長，帶來可觀回報。本集團實行的低負債方針，亦令本集團更有能力應付目前全球金融環境不明朗的衝擊，並渡過不可預見的經濟衰退期，同時讓本集團具更大靈活性抓住往往在危中出現的商機。

錦澤苑第一期於二零零九年首季開始預售，隨後另外兩個物業發展項目**錦悅苑商業中心**，即**錦悅苑**之零售及商業部份及吳江住宅項目將開始發售，令本集團產品組合更廣泛，並帶來收益，相對二零零八年則僅有**錦悅苑**第二期的住宅物業項目。

董事會深知，要實現強勁的盈利能力，最重要的是盡量提升利潤率。因此，為進一步確保本集團的競爭力，本集團在建築及行政方面已實施了成本控制及節流措施。董事會相信，憑藉本集團策略性佈置的產品組合、具競爭力的成本架構、優良的物業質素、對瞬息萬變的市況即時應變以及採取更為積極而深化的手法物色及吸引目標買家，本集團在未來幾年定能以最佳價格銷售物業，並保持銷量。

展望二零零九年在土地儲備增購方面，本集團將採取較審慎的策略。利潤率無可避免有所下降，但本集團將努力控制成本，並落實妥善的成本節約措施以渡過此次金融風暴，同時仍力求確保本集團開發物業的質素。

本集團的首要任務仍然是保持整個團隊上下的士氣、投資者的信心及其對本集團的信任。本人將此要務銘記於心，並謹此再次感謝策略夥伴Spinnaker Capital Group及亞洲金融集團一貫的鼎力支持及在這段艱難時期的鼓勵。

本人亦藉此對全體董事同寅及努力不懈的員工表示衷心的感謝，感謝他們對工作的勤奮努力和全心奉獻，雖然當中仍將充滿對堅持不懈及專業精神的嚴峻考驗。

主席
陶哲甫

香港，二零零九年四月二十一日

Management Discussion & Analysis

管理層討論與分析

Review of Operations

During the period under review, the Group continued its focus on property development and investment business in the cities of Suzhou, Beijing and Shanghai.

Property Development

During the year, the Group has made inroads into various matters in relation to the land acquired in 2007 which included new sites handover (from the government), formation of project companies, obtaining design approvals and the necessary permits, and completing site preparation before construction.

During the year, the Group also settled the final instalment of the land fee for the Wujiang residential project. After this final payment, all the land acquired by the Group has been fully settled in accordance with the terms of the respective Land Transfer Contracts.

The Group continues to maintain a strong reputation in the Suzhou market as a developer of consistently high quality and great value-for-money accommodation. In challenging times, such a reputation has served us well in distinguishing us from our competitors and their products.

Status of Major Projects

1. Wuzhong District Projects in Suzhou

(a) Wuzhong Garden Court



Phase Two units of Wuzhong Garden Court, a major development and revenue contributor in 2008
錦悅苑第二期單位，為二零零八年主要發展及收益來源

Phase II of this project has been the major development and revenue contributor in our fiscal year 2008. During the year, the Group sold and booked in approximately 12,900 sq.m. of properties resulting in a revenue of approximately HK\$76.9 million. By the end of 2008, another approximately 2,600 sq.m. had been sold but not yet booked in, resulting in revenue of approximately HK\$14.9 million which would be booked in the first half of 2009. Due to austerity measures imposed by the Beijing Central Government in early 2008 which continued until the eruption of the financial tsunami in the third quarter of 2008, transaction volumes and prices of this project were adversely

業務回顧

於回顧期內，本集團繼續專注在蘇州、北京及上海從事物業發展及投資業務。

物業發展

年內，本集團就於二零零七年購得的土地進行了多項相關工作，其中包括向政府辦理新地塊轉讓、成立相關項目公司、並取得設計圖則批文及必要許可，以及在動工興建前完成地盤平整工程。

年內，本集團亦支付吳江住宅項目最後一期的土地費。付過這筆最後一期的土地款項後，本集團過去所收購的土地已根據各土地出讓合同的條款全數支付土地款項。

本集團於蘇州市場繼續保持良好信譽，以穩定提供優質及高增值住宅的發展商之名享譽業界。於市道充滿挑戰之際，良好信譽令本集團在芸芸競爭對手及其開發的物業中脫穎而出。

主要項目的發展進度

1. 蘇州吳中區項目

(a) 錦悅苑



Spaciousness and layout efficiency are our design philosophy, popular with our buyers
物業設計概念以寬敞及實用間格為主，深受買家歡迎

該項目第二期是本集團於二零零八年財政年度的主要發展項目及收益來源。年內，本集團已出售及入賬約12,900平方米的物業，錄得收益約76,900,000港元。於二零零八年底，本集團又售出約2,600平方米的物業，尚未在本年度入賬的收益約14,900,000港元將於二零零九年度上半年入賬。由於中央政府自二零零八年初採取宏觀調控措施，致使該項目的交易量及價格自二零零八年三月至十月期間受到不利影響。直至二零零八年第三季度爆發金融海嘯，由於中央政府推出多項刺激經濟措施，且不會

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affected for the period from March to October 2008. However, sentiment improved strongly since November 2008 due to the Beijing Central Government's announcements of stimulus measures for the economy and that no further new austerity measures would be enacted by them. As of today, only a few units of this project remain to be sold and they are expected to be transacted in 2009.

(b) *Wuzhong Garden Court Plaza – Retail and Commercial Block*

This is Phase Three of the residential **Wuzhong Garden Court** project, comprising approximately 16,500 sq.m. of total gross floor area in the form of two twelve-storey blocks of retail and commercial real estate which are designed to be sold as small unit serviced apartments or offices, and a low rise shopping podium comprising restaurants and retail outlets. There will also be an underground carpark.

Construction of the project commenced in the second half of 2008 and pre-sales of this project is expected to be launched in the second half of 2009. Sales response is expected to be positive because of its good location in an already vibrant neighbourhood and the relatively small units on offer would suit many property buyers' budgets.

(c) *Taihu Garden Court – Phase One*



"Showhouse Street" in Taihu Garden Court
錦澤苑之「示範街」

Construction of the project started in the first half of 2008 and Phase One comprises 181 low-density townhouses together with a clubhouse totalling approximately 58,582 sq.m. of gross floor area. This project was originally scheduled for sale and delivery in 2008 but there was some unexpected delay in the construction schedule due to exceptionally adverse weather in Suzhou throughout 2008. After obtaining the required pre-sale permits in November 2008, pre-sales commenced in early 2009 with delivery and relevant revenue booking of the units expected in 2009. An attractive sales centre, 2 showhouses and a "showhouse street" have already been completed on-site, giving strong positive first impressions to and attracting prospective buyers.

進一步頒佈新一輪的緊縮措施，市場氣氛自二零零八年十一月以來已大幅改善。迄今為止，該項目僅餘少數單位尚未售出，並可望於二零零九年出售。

(b) *錦悅苑商業中心—零售及商業部份*

此為**錦悅苑**項目第三期，包括兩座樓高十二層的零售及商業大樓，設計成小型單位的服務式公寓或辦公室作出售用途以及一個內設餐廳及零售商店的低層購物商場，總樓面面積約16,500平方米。該項目亦將包括一個地下停車場。

該項目於二零零八年下半年動工，預計於二零零九年下半年開始預售。由於該項目所在地社區環境已經建立，位置優越，而將開售的較小型單位切合不少物業買家的購買力，故預期銷售反應將會不俗。

(c) *錦澤苑—第一期*



One of two showhouses in Taihu Garden Court
錦澤苑兩間示範屋之其中一間

該項目於二零零八年上半年動工，第一期包括181個低密度住宅，連同一個會所，總樓面面積合共約58,582平方米。該項目原定於二零零八年出售及交付，但因二零零八年全年蘇州反常的惡劣天氣影響，延遲工期。二零零八年十一月取得所需的預售許可批文後，已於二零零九年初開始預售，並預期將於二零零九年交付單位及開始相關收益入賬。地盤上已建成一間具吸引力的銷售中心、兩間示範屋及一條「示範街」，向市場展示良好的第一印象，以期吸引潛在買家。

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Taihu Garden Court is located in the historical Guangfu Town of Wuzhong District, close to the renowned Taihu Lake, on a site of approximately 131,445 sq.m. with total developable area of approximately 92,000 sq.m. and comprises low density residences of modern Chinese style.

(d) Proposed Office Development – Wuzhong

This office tower project is located in the Economic Development Zone of Wuzhong District in the Yuexi Sub-town centre which is in the process of being built into a multi-functional high-tech town serving to provide for the functions of public sector administration and private sector commercial, trade, finance, residence and education.

The site area for the project is approximately 14,600 sq.m. allowing a total gross floor area of around 58,400 sq.m. of office and retail use and an underground area of about 20,000 sq.m. Design of the project is underway.

2. Wujiang residential project – Lakeside Garden Court



Our Wujiang residential project will be built in four phases
吳江住宅項目將分四期發展

Design work has commenced on this project which will comprise approximately 155,200 sq.m. of gross floor area on a site of around 86,200 sq.m. The first phase will consist of smaller sized residential high-rise apartment units and pre-sales is scheduled to commence in the first half of 2010. The expected first batch of units of this project will be ready for delivery in 2010/2011. In all, there will be four phases of residential units ranging from high-rise lakeview apartments to more exclusive low density townhouses producing revenue for the Group in the next few years.

The project is situated on the east shore of the Long Zhong Lake of Shengze Town, Wujiang City, in the greater Suzhou metropolitan area. Shengze Town is a thriving silk and textile trading and production centre in China.

錦澤苑位於吳中區歷史悠久的光福鎮，毗鄰著名的太湖，地塊面積約131,445平方米，可發展總面積約92,000平方米，興建多幢低密度現代中國風格住宅。

(d) 辦公室發展計劃項目—吳中區

該辦公大樓位於越溪城市副中心的吳中經濟開發區，當地政府正將越溪城市副中心建設成為集公共行政、私人商業、貿易、金融、居住及教育為一體的多功能高科技城。

該項目的地塊面積約14,600平方米，容許用作辦公室及零售用途的總樓面面積合共約58,400平方米，以及地庫面積約20,000平方米。該項目的圖則設計正在進行中。

2. 吳江住宅項目—錦盛苑



The Ground Breaking Ceremony for the "Lakeside Garden Court"
錦盛苑之奠基儀式

該項目的圖則設計工作已經開始。該項目將包括約155,200平方米的總樓面面積，興建在約86,200平方米的地塊面積之上。第一期工程將包括較小型高層住宅公寓單位，計劃於二零一零年上半年開始預售。預計該項目第一批公寓單位可於二零一零年/二零一一年間交付。該項目將合共設有四期住宅單位，包括低密度住宅群以至高層湖景公寓，將於未來數年為本集團帶來收益。

該項目位於吳江市盛澤鎮郎中蕩東岸，屬蘇州市管轄區。盛澤鎮乃中國繁盛的絲綢及紡織品貿易及生產中心。

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Property Investment

SGV Plaza

This retail plaza situated on the prime stretch of Shi Shan Road in the New District of Suzhou generated a rental revenue of approximately HK\$4.4 million in 2008 with 100% occupancy. The gross floor area of the plaza is around 11,023 sq.m.

Garden Court Plaza

Garden Court Plaza is a three storey retail centre in the vicinity of **Suzhou Garden Court**, with a total gross floor area of around 4,440 sq.m. It was 100% let with a turnover of approximately HK\$2.3 million in 2008.

Suzhou Garden Villa Apartments

As at 31 December 2008, the Group continued to hold approximately 15,900 sq.m. of residential investment properties. During the course of 2008, annual rental revenue received from residential investment property was approximately HK\$8.1 million on an average occupancy rate of around 64%. The number of residential investment properties as at 31 December 2008 was 98 units.

Investment in an associate (Beijing Landmark Towers Co., Ltd.)

Beijing Landmark Towers Co., Ltd., an associate of the Group, continued with a strong performance in 2008, particularly during the Summer Olympic Games period. Average occupancy and room rates were very high during the period of the Games, which made up for weaker performances during other times of the year due to visa restrictions on international travellers. The office towers underwent some major tenant changes in 2008 due to the expiry of their long term leases but occupancy rates have resumed their high levels again. For the month of December 2008, the average occupancy rates of shopping arcade, offices, serviced apartments and hotels stood at approximately 100%, 90%, 65% and 62% respectively.

Beijing Landmark Towers Co., Ltd. contributed a profit of approximately HK\$23.8 million to the Group in 2008. This associate continued to provide a stable cash inflow for the Group and around 90% of its profit after tax has been declared as dividend each year. Cash dividend for the year ended 31 December 2007 of approximately HK\$21.1 million was received by the Group during the year under review. Cash dividend expected for the year of 2008 will not be less than approximately HK\$21 million and will be received by the Group around May/June 2009.

物業投資

錦華商業中心

該零售商業中心位於蘇州市新區獅山道的主要路段，二零零八年的出租率達100%，產生租金收入約4,400,000港元。該商業中心的總樓面面積約為11,023平方米。

錦麗商業中心

錦麗商業中心為樓高三層的零售商場，鄰近**錦麗苑**，總樓面面積合共約為4,440平方米。該商業中心於二零零八年的出租率達100%，營業額約為2,300,000港元。

蘇州錦華苑公寓

於二零零八年十二月三十一日，本集團仍持有約15,900平方米的住宅投資物業。於二零零八年營運過程中，自住投資物業錄得的年租金收入約為8,100,000港元，平均出租率約為64%。於二零零八年十二月三十一日，可供出租的住宅投資物業數量為98個。

於聯營公司北京亮馬河大廈有限公司的投資

本集團聯營公司北京亮馬河大廈有限公司於二零零八年繼續錄得強勁表現，尤其是於奧運會舉行期間。此其時，平均入住率及租金均高企，抵銷了年內其他時間由於對國際遊客施加簽證限制而導致的疲弱表現。於二零零八年，辦公大廈因若干長期租約到期而出現重大的租戶變動，但出租率其後已告回升。商場、辦公室、服務式公寓及酒店於二零零八年十二月的平均出租率分別約為100%、90%、65%及62%。

北京亮馬河大廈有限公司於二零零八年為本集團帶來約23,800,000港元盈利。該聯營公司繼續為本集團現金流入的穩定來源，其每年約90%的除稅後盈利被宣派為股息。於回顧年內，本集團已收取截至二零零七年十二月三十一日止年度之現金股息約21,100,000港元。預期本集團約於二零零九年五/六月間將收取不少於約21,000,000港元的二零零八年度現金股息。

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Other Investments

Shanghai Jia Ding Project

On 3 June 2008, the US\$5.5 million Convertible Note held by the Group was converted into a 10% equity interest in and shareholder's loan to Key Apex Limited, the holding company which in turn holds a 99% interest in this project. This development project includes pure residential and commercial/residential buildings of total gross floor area of approximately 200,000 sq.m. and 50,000 sq.m. respectively. Construction activities have already begun and sales of its Phase One units are expected to be launched by the end of 2009.

China Malls Limited ("China Malls")

The Group and other shareholders of China Malls (an associated company of the Group in which the Company has a 36% indirect equity interest) have decided to redirect their respective resources previously identified for the joint venture onto other projects. In this regard, the relevant project joint venture company, i.e. Nanjing Shangming South Taiping Road Property Development Company Limited in which China Malls holds a 60% interest, has already begun its official winding up procedures during the year under review. The discontinuation of this joint venture company would not cause any adverse impact on the Group's business. The Group will still be looking for business opportunities in Nanjing city, the provincial capital of Jiangsu Province.

Property Management

As mentioned in the 2008 Interim Report, and subsequent to the 2 July 2008 joint venture agreement entered into between the Group and the subsidiaries of Synergis Holdings Limited ("Synergis"), stricter enforcement of the local property management regulations and laws has made it unexpectedly difficult for foreign joint ventures to be granted the licenses needed to tender and operate locally. As a result, the joint venture in which the Group holds a 40% interest has been temporised by mutual consent until such time conditions turn for the better. As the investment in the joint venture company made by the Group is not material, this would not have any adverse impact on the business of the Group. Meanwhile, the Group continues to appoint fully licensed and qualified property management companies in Suzhou and have engaged Synergis' expertise in a professional consultant capacity.

Strategic Partnerships

Spinnaker Capital Group

Spinnaker Capital Group, the manager of more than US\$7 billion of investors' funds, remains one of the substantial shareholders of the Company as well as the strategic minority shareholder of two projects of the Group – **Wuzhong Garden Court** and **Taihu Garden Court**.

Asia Financial Group ("AFG")

AFG remains a 9.615% shareholder of New Heritage Development Limited ("NH Development"), a subsidiary of the Company. NH Development is the holding company of most of the Group's property project companies in Suzhou. AFG is also the holder of the Company's 5% Convertible Notes and is one of the partners of the property development project in Jiading, Shanghai, in which the Group holds an approximate 10% interest.

其他投資

上海嘉定項目

於二零零八年六月三日，本集團持有的5,500,000美元可換股票據已兌換為持有此項目99%權益的控股公司凱亞有限公司10%股本權益以及股東貸款。該發展項目包括總樓面面積約200,000平方米的住宅物業，以及總樓面面積約50,000平方米的商用／住宅物業。項目已經開始興建，預期將於二零零九年底之前開始銷售第一期單位。

中國商城有限公司(「中國商城」)

本集團及中國商城(本公司擁有36%間接股本權益的本集團聯營公司)其他股東已決定把各自較早前計劃投入該合資企業的資源轉放於其他項目上。因此，中國商城持有60%權益的相關項目合資企業南京商明太平南路置業發展有限公司已於回顧年內啟動正式清盤程序。該合資企業終止營運不會對本集團業務造成任何負面影響。本集團仍將於江蘇省省會南京市物色其他商機。

物業管理

如二零零八年中報所述，於本集團與新昌管理集團有限公司的附屬公司(「新昌」)於二零零八年七月二日訂立合資經營合同。但地方政府嚴格執行物業管理法規令外商合資企業欲取得當地投標及經營所需牌照面臨意想不到的困難。因此，該合資企業(本集團持有其40%權益)經雙方一致同意已暫停相關活動，直至日後時機好轉。由於本集團於該合資企業的投資不大，故該發展項目不會對本集團的業務造成任何負面影響。同時，本集團繼續在蘇州委任牌照齊備的合資格物業管理公司，並已聘用新昌作為專業顧問。

策略夥伴

Spinnaker Capital Group

Spinnaker Capital Group管理逾7,000,000,000美元的資金，一直為本公司的其中一名主要股東及本集團**錦悅苑**及**錦澤苑**兩個項目的策略性少數股東。

亞洲金融集團

亞洲金融集團持有本公司附屬公司新繼發展有限公司(「新繼發展」)的9.615%權益。新繼發展為本集團蘇州大部分物業項目公司的控股公司。亞洲金融集團亦持有本公司5%可換股票據，並為本集團持有約10%權益的上海嘉定物業發展項目的合作夥伴之一。

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Financial Review

Turnover

The Group's turnover mainly comprised of property development sales and leasing revenue from investment properties.

The Group's turnover for the year ended 31 December 2008 was approximately HK\$91.7 million (2007: HK\$184.6 million), representing a decrease of 50% as compared with last year. The turnover included the sale of 4 and 104 apartments in **Wuzhong Garden Court** Phase I and Phase II respectively that generated revenue of approximately HK\$76.9 million. Such a decrease in turnover was due to the decrease in the number of units of **Wuzhong Garden Court** sold. The Group's total gross floor area of development properties sold and delivered in 2008 amounted to approximately 12,900 sq.m. (2007: 27,604 sq.m.). The decrease in turnover was also a result of both delays in the tight construction schedule and consequently delays in the delivery date for Phase One units of **Taihu Garden Court**.

On the property investment side, the completion of the acquisition of 82 apartment units in **Suzhou Garden Villa** in 2007 brought in additional leasing revenue which resulted in an increase of leasing turnover from approximately HK\$8.9 million in 2007 to approximately HK\$14.8 million in 2008.

Operating Results

For the year ended 31 December 2008, the Group's gross profit decreased to approximately HK\$23.2 million (2007: HK\$56.9 million). The gross profit margin this year was approximately 25% as compared to approximately 31% last year. Such a decrease in the gross profit was primarily due to the decrease in turnover as well as a decrease in average selling price of **Wuzhong Garden Court** Phase Two units.

As at 31 December 2008, valuation on the Group's investment properties portfolio was conducted by an independent property valuer which resulted in a negative fair value adjustment of about HK\$11.4 million after netting off deferred taxation (2007: positive fair value adjustment of approximately HK\$9.4 million after netting off deferred taxation). The gross fair value adjustment before netting off deferred taxation of approximately HK\$15.3 million was included in other operating expenses of the Consolidated Income Statement.

Higher financial costs in 2008 as compared to 2007 were mainly due to project financing loans obtained for our pipeline projects in Suzhou as well as interest payments for the convertible notes since its issuance in the fourth quarter of 2007. There was also a non-cash involved item of approximately HK\$6.8 million (2007: HK\$3.7 million) in the financial costs being the imputed interest expense on loans from minority shareholders.

Share of results of associates mainly represented profit contributed by the Beijing Landmark Towers Co., Ltd. This associate contributed a profit of approximately HK\$23.8 million (2007: HK\$21.4 million) to the Group's bottom line in 2008.

財務回顧

營業額

本集團的營業額主要包括物業發展項目的銷售及投資物業的租賃收益。

截至二零零八年十二月三十一日止年度，本集團的營業額約為91,700,000港元(二零零七年：184,600,000港元)，較去年減少50%。營業額包括分別銷售**錦悅苑**第一期4間及第二期104間公寓單位所產生的收益約76,900,000港元。營業額減少乃由於所銷售的**錦悅苑**單位數量減少所致。於二零零八年，本集團已出售並交付的發展物業總樓面面積約為12,900平方米(二零零七年：27,604平方米)。營業額減少亦因**錦澤苑**第一期工程延遲及因此造成交付日期延遲所致。

物業投資方面，本集團於二零零七年完成收購**蘇州錦華苑** 82間公寓單位，帶來額外租賃收益，致令租賃營業額由二零零七年約8,900,000港元增加至二零零八年約14,800,000港元。

經營業績

截至二零零八年十二月三十一日止年度，本集團的毛利減少至約23,200,000港元(二零零七年：56,900,000港元)。本年度之毛利率約為25%，而去年則約為31%。毛利減少的主要原因為營業額減少及**錦悅苑**第二期單位的平均售價下降。

本集團的投資物業組合經由獨立物業估值師於二零零八年十二月三十一日進行估值，並因此作出為數約11,400,000港元的負公允價值調整(經扣除遞延稅項)(二零零七年：約9,400,000港元的正公允價值調整(經扣除遞延稅項))。約15,300,000港元的公允價值調整總額(未扣除遞延稅項)已列入綜合收益表的其他經營開支項下。

二零零八年的融資成本較二零零七年為高，主要是由於本集團於蘇州的數個開發項目取得項目融資貸款及自二零零七年第四季發行可換股票據而須支付利息所致。此外，本集團融資成本中含有約6,800,000港元的非現金項目(二零零七年：3,700,000港元)，乃屬於少數股東貸款的應計利息開支。

應佔聯營公司業績主要為北京亮馬河大廈有限公司所貢獻的盈利。該聯營公司於二零零八年為本集團貢獻盈利約23,800,000港元(二零零七年：21,400,000港元)。

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For the year ended 31 December 2008, the loss attributable to the equity holders of the Company was approximately HK\$33.2 million (2007: profit of HK\$36.1 million) which represented a loss per share (basic) of approximately 2.9HK cents (2007: earnings per share (basic & diluted) of 4.2 HK cents).

Liquidity, Financial Resources and Gearing

Cash and cash equivalents as at 31 December 2008 amounted to approximately HK\$119.5 million (2007: HK\$175.7 million).

The Group had total borrowings of approximately HK\$376.5 million as at 31 December 2008 (2007: HK\$299.3 million). Loans repayable within one year were approximately HK\$82.6 million (2007: HK\$113.7 million) and the Group's gearing ratio as at 31 December 2008 was approximately 34.7% (2007: 28.5%), which was based on bank borrowings to total shareholders' funds.

Current, Total and Net Assets

As at 31 December 2008, the Group had current assets of approximately HK\$888.6 million (2007: HK\$849.9 million) and current liabilities of approximately HK\$184.5 million (2007: HK\$194.8 million) which represented an increase in net current assets from approximately HK\$655.1 million to approximately HK\$704.1 million as at 31 December 2007 and 2008 respectively.

As at 31 December 2008, the Group recorded total assets of approximately HK\$1,435.9 million (2007: HK\$1,329.6 million) and total liabilities of approximately HK\$580.6 million (2007: HK\$482.5 million), representing a debt ratio (total liabilities over total assets) of approximately 40.4% as at 31 December 2008 (2007: 36.3%). Net assets of the Group increased from approximately HK\$847.2 million to approximately HK\$855.4 million as at 31 December 2007 and 2008 respectively.

All land fees for all the land acquired by the Group have been fully paid.

The Directors are confident that when opportunities for landbanking arise, the Group will be able to utilise its internal reserves and debt financing to meet these funding requirements as and when necessary.

Contingent Liabilities

As at 31 December 2008, the Group had no contingent liabilities.

Charge on Assets

As at 31 December 2008, bank loans of approximately HK\$171.6 million (2007: HK\$145.6 million) were secured by the Group's cash at banks, investment properties and properties held under development of approximately HK\$6.3 million (2007: HK\$54.6 million), approximately HK\$139.2 million (2007: HK\$129.5 million) and approximately HK\$227.7 million (2007: HK\$42.5 million) respectively.

截至二零零八年十二月三十一日止年度，本公司權益持有人應佔虧損約為33,200,000港元(二零零七年：盈利36,100,000港元)，每股(基本)虧損約為2.9港仙(二零零七年：每股(基本及攤薄)盈利為4.2港仙)。

流動資金、財務資源及資本負債比率

於二零零八年十二月三十一日，現金及現金等價物約為119,500,000港元(二零零七年：175,700,000港元)。

於二零零八年十二月三十一日，本集團的借貸總額約為376,500,000港元(二零零七年：299,300,000港元)。須於一年內償還的貸款約為82,600,000港元(二零零七年：113,700,000港元)，而本集團於二零零八年十二月三十一日的資本負債比率(按銀行借貸除以股東資金總額計算)約為34.7%(二零零七年：28.5%)。

流動資產、總資產及資產淨值

於二零零八年十二月三十一日，本集團擁有流動資產約888,600,000港元(二零零七年：849,900,000港元)及流動負債約184,500,000港元(二零零七年：194,800,000港元)，流動資產淨值由二零零七年十二月三十一日之約655,100,000港元增加至二零零八年十二月三十一日之約704,100,000港元。

於二零零八年十二月三十一日，本集團錄得總資產約為1,435,900,000港元(二零零七年：1,329,600,000港元)，總負債約為580,600,000港元(二零零七年：482,500,000港元)，負債比率(總負債除以總資產)約為40.4%(二零零七年：36.3%)。本集團的資產淨值由二零零七年十二月三十一日之約847,200,000港元增加至二零零八年十二月三十一日之約855,400,000港元。

本集團已悉數償付其所收購的全部土地的土地費。

董事深信，當有增購土地儲備的機會出現，本集團將能夠利用內部資源及債務融資滿足必要的資金需求。

或然負債

於二零零八年十二月三十一日，本集團並無任何或然負債。

資產抵押

於二零零八年十二月三十一日，銀行貸款約171,600,000港元(二零零七年：145,600,000港元)，分別由本集團約6,300,000港元(二零零七年：54,600,000港元)的銀行結存、約139,200,000港元(二零零七年：129,500,000港元)的投資物業及約227,700,000港元(二零零七年：42,500,000港元)的發展中物業作為抵押。

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Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, US dollars and Renminbi. During the year, there was no significant fluctuation in the exchange rates of the Hong Kong dollar and US dollar. The appreciation in the currency value of the Renminbi contributed positively to the Group's bottom line. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure in both 2007 and 2008.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 31 December 2008, the Group had a staff roster of 126 (2007: 112), of which 98 (2007: 85) employees were based in the mainland China and 28 (2007: 27) employees in Hong Kong SAR. The remuneration of employees was in line with the market trend and commensurate to the level of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives. Share options have also been granted to certain directors and employees of the Company and its subsidiaries. Total staff costs incurred in 2008, if excluding share-based payment expenses of approximately HK\$4 million (2007: HK\$6.1 million) were approximately HK\$28.4 million (2007: HK\$30.3 million).

匯率波動風險及有關對沖

本集團的貨幣資產、貸款和交易主要以港元、美元及人民幣計值。年內，港元與美元的匯率並無重大波動。人民幣的升值對本集團的盈虧有正面貢獻。本集團並沒有參與任何衍生工具活動，於二零零七年及二零零八年亦沒有使用任何金融工具以對沖資產負債表的風險。

財資政策及資本結構

本集團就其財資及資本政策取態審慎，並專注於風險管理及與本集團的相關業務有直接關係的交易。

僱員

於二零零八年十二月三十一日，本集團僱有126名（二零零七年：112名）員工，其中98名（二零零七年：85名）員工長駐中國內地，於香港特別行政區則僱有28名（二零零七年：27名）員工。僱員的薪酬與市場趨勢一致，可與業內的薪酬水平相比。本集團僱員的薪酬包括基本薪金、花紅及長期獎勵。本公司及其附屬公司的若干董事及僱員亦已獲授購股權。於二零零八年，倘扣除以股份支付僱員開支約4,000,000港元（二零零七年：6,100,000港元），員工成本總額約28,400,000港元（二零零七年：30,300,000港元）。

Corporate Social Responsibility 企業社會責任

The directors view the culture of corporate social responsibility as one of the significant attributes leading to and resulting from successful business practices. Sustainable development would be a consequence of the business sector's awareness of relevant social causes, ensuring long-term corporate success. Therefore, in addition to maximising stakeholders' interests, the Group also continues to develop the company's philosophy of corporate social responsibility since its listing in 2005. Prior to this, our Chairman and founder sponsored two workshops to promote the awareness of heritage preservation, rejuvenation and urban planning in the historic ancient city of Suzhou (1996: "Suzhou: Shaping an Ancient City for the New China" An EDAW/Pei workshop, and 1997: "'One Body, Two Wings' Redevelopment in Suzhou, China" A Harvard GSD design studio), successfully bringing together civic leaders, top academics and practitioners to create proposals for balancing commercial, modernisation and academic interests with a social environment rich in its ancient local heritage.

A Sense of Responsibility to the Community

The Group has been a recipient of the Platinum Award/President's Award (2005/06), Gold Award/Award of Merit (2006/07) from the Community Chest of Hong Kong and has supported community projects organised by charitable organisations which include "Dress Special Day" organised by the Community Chest of Hong Kong and has donated a total amount of HK\$1,218,000 to Hong Kong charitable organisations in the past. Last year, after the devastating tragedy of the Sichuan earthquake, Directors, staff and a subsidiary of the Group also contributed to the charity relief programme.

Prior to its December listing on the main board of the HK Stock Exchange in 2005, the Group already embarked on a summer internship programme in its head office in Hong Kong for two students from the City University of Hong Kong. They were tasked with corporate and company secretarial responsibilities and closely supervised by the section head at that time.

In March 2008, the Group launched a 3-month marketing business development internship program for selected undergraduate students from a university in Asia. This has given the participant a better understanding of the marketing business of the property industry in the PRC.

As a listed company, the Group of course adopts an emphasis on profit and return to shareholders. On the other hand, the Group also strikes the balance between maximising its profit and contribution to society. Therefore, environmental awareness is one of the areas which has been covered in implementing a corporate social responsibility programme. Starting from 2008, the Group adopted the use of recycled paper for printing its 2008 interim report, 2008 annual report as well as e-card mailouts for the festive season instead of traditional greeting cards by post, in order to reduce an avoidable consumption of dwindling paper resources.

A Sense of Responsibility to our Employees

As of March 2008, the Group implemented a five-day work week for all employees of the Group thereby saving on commuting costs and enhancing the balance between work, health and social activity among other things.

Other than the minimum statutory requirements, the Group also provides its employees with a comprehensive medical insurance plan which includes hospitalisation cash benefits and an outpatient medical scheme and encourages regular health check and screenings for all its staff in its Hong Kong and mainland China offices.

In addition to the Mandatory Provident Fund scheme, the Group also voluntarily contributes extra funding to the staff's provident fund scheme in Hong Kong which exceeds the minimum statutory requirements.

Unlike some other public listed companies which offer share options to the Directors and senior management only, the Group offers share options to all levels of staff in Hong Kong.

董事視企業社會責任文化為達致商業成功的其中一項重要因素。商界對相關社會問題的關注可達到企業持續的發展，並確保長遠成功。故此，除令投資者得到最多的利益外，本集團自二零零五年上市後一直發展本公司的企業社會責任理念。在此之前，本公司主席兼創辦人贊助了兩個專題研究坊，提高大眾對蘇州古城的遺產保護及修復的意識及對古城的城市規劃分別為一九九六年由易道公司及貝氏集團合辦的「蘇州：塑造古城新中國」以及一九九七年哈佛大學設計研究生院之「一體兩翼之間更新改造於蘇州，中國」。這兩個研究坊成功凝聚了一眾公民領袖、學術界及業界的頂尖人士，提出有關對當地古代遺產在商業、現代化及學術三方面作出平衡而富有社會環保意識的方案。

對社區的責任感

本集團曾獲香港公益金頒發榮譽獎／公益榮譽獎（二零零五年／零六年）、金獎／公益嘉許獎（二零零六年／零七年）。此外本集團一直支持由慈善團體舉辦的社區項目，包括由香港公益金舉辦的「公益服節日」，及過往已捐贈合共1,218,000港元予香港慈善團體。去年在四川發生災難性之大地震後，本集團之董事、員工及一間附屬公司亦捐款予慈善援助計劃。

於二零零五年十二月在香港聯交所主板上市前，本集團已在香港總部為香港城市大學的兩名學生進行暑假實習計劃。當時該等學生於部門主管密切指導下被分派進行企業及公司秘書工作。

於二零零八年三月，本集團在亞洲區一所大學挑選大學學生進行為期三個月的市場學商務發展實習計劃。藉此令參與者對中國房地產行業之市場學進一步了解。

作為一間上市公司，本集團當然重視為股東帶來盈利及回報。另一方面，本集團同時就提升利潤率及對社會貢獻之間取得平衡。因此，關注環境是執行企業社會責任計劃中其中一環。自二零零八年起，本集團採用環保紙印製二零零八年中報業績報告、二零零八年年報，以及於節日時寄出電子賀咭代替郵寄傳統賀咭，從而減少不必要的紙張消耗。

對員工的責任感

於二零零八年三月，本集團向其所有員工實行五天工作週，從而降低上下班成本，並讓員工在工作、健康及社交生活等之間取得更佳平衡。

除了法例規定的最低要求外，本集團亦為員工提供全面的醫療保障計劃，其中包括住院治療現金津貼及門診醫療計劃，並鼓勵香港及中國內地辦事處的所有員工定時進行健康檢查。

除強制性公積金計劃外，本集團亦自願付出超過法例規定的最低要求之額外供款予員工之香港公積金計劃。

有別於其他上市公司只提供購股權予董事及高級管理人員，本集團亦向香港所有不同階層之員工發行購股權。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Executive Directors

Mr. TAOCHAIFU Choofuang (also known as C.F. TAO), 86, is an Executive Director, Chairman of the Company and a founder of the Group. He is responsible for determining the overall business strategies of the Group. He graduated from Nanjing University 南京大學 with a Bachelor of Science degree in mechanical engineering. Mr. TAOCHAIFU had played a significant role in property investment and property development activities in the PRC since 1978. One of the most important PRC projects that Mr. TAOCHAIFU participated in was the development of Nanjing Jinling Hotel (南京金陵飯店) in Nanjing, one of the earliest 5-star hotels built in the PRC following the “opening up” of the PRC to the outside world in 1978. He was appointed as a director of New Heritage Investments Limited (“NH Investments”) in 1984. He was involved in establishing and supervising 北京亮馬河大廈有限公司 (Beijing Landmark Towers Co., Ltd.) (“BLTCL”), the joint venture with Beijing Tourism Administration to develop the Beijing Landmark Towers complex. Mr. TAOCHAIFU is the deputy chairman and an executive director of BLTCL. He was appointed as a director of New Heritage Development Limited (“NH Development”) in 1991. From 1991 onwards, he was responsible for forming 蘇州錦華苑建設發展管理有限公司 (Suzhou Garden Villa Development and Management Co., Ltd.) (“SGVDM”) and supervising the overall development of Suzhou Garden Villa and Suzhou Garden Court. He is also the chairman of SGVDM. Mr. TAOCHAIFU was accredited as an Honorary Citizen by the municipal government of Suzhou in 1995. He was also a former independent non-executive director of Jiangsu Expressway Company Limited, a company listed on the Main Board. Mr. TAOCHAIFU is the Honorary President of Hong Kong Federation of Overseas Chinese Associations Limited. He was granted the “World Outstanding Chinese” award in 2008. He was also awarded an Honorary Doctor Degree from The University of West Alabama in 2008. Mr. TAOCHAIFU was appointed as an executive director of the Company on 23 December 2004 and is the father of Mr. TAO Richard and Mr. TAO Paul.

Mr. TAO Richard, 47, is an Executive Director and Vice Chairman of the Company. He is responsible for the strategic planning and corporate development of the Group. Mr. TAO has a Bachelor of Science (First Class Honours) from the University of Newcastle Upon Tyne, and two Masters Degrees from the Massachusetts Institute of Technology. He was appointed as a director of NH Development, NH Investments and SGVDM in 2000, 2001 and 2004 respectively. He was appointed as an executive director of the Company on 23 December 2004. On 28 November 2006, he was appointed as a non-executive director to Japan Opportunities Fund II Limited, a closed-ended Japan property fund listed on the Channel Islands Stock Exchange (CISX Code: JOB). He is a son of Mr. TAOCHAIFU Choofuang and the brother of Mr. TAO Paul.

Mr. TAO Paul (also known as TAOCHAIFU Porn), 41, is the Managing Director of the Company. He graduated from the University of Cambridge, England with a Master of Arts degree. He also holds a Master of Science degree in Real Estate from the University of Greenwich, England and participated in the Program for Management Development at the Graduate School of Business Administration, Harvard University, USA. Mr. TAO has been actively involved in property development and investment in the PRC for over 10 years since joining the Group. Mr. TAO was initially responsible for the sales and marketing activities for the projects in Suzhou, and latterly in general management. He is a member of The 12th Committee of Suzhou City, Jiangsu Province Chinese People's Political Consultative Conference 中國人民政治協商會議江蘇省蘇州市第十二屆委員會委員. Mr. TAO is also a qualified solicitor in Hong Kong. He was appointed as a director of NH Development, SGVDM and NH Investments in 1997, 1999 and 2001 respectively. Mr. TAO was also appointed as a director of BLTCL in 2006. He was appointed as an executive director of the Company on 23 December 2004. He is a son of Mr. TAOCHAIFU Choofuang and the brother of Mr. TAO Richard.

執行董事

陶哲甫先生 (別名C.F. TAO), 現年86歲, 本公司執行董事兼主席, 為本集團創辦人, 負責釐定本集團的整體業務策略。彼畢業於南京大學, 取得機械工程理學士學位。自一九七八年以來, 陶先生一直在中國物業投資及物業發展業務上舉足輕重。南京市南京金陵飯店(為於一九七八年中國對外「開放」後中國最早期的五星級酒店項目之一)為陶先生曾參與的最重要中國項目之一。一九八四年, 彼獲委任為新繼企業有限公司(「新繼企業」)董事, 參與成立與北京市旅遊管理局合組的合營企業北京亮馬河大廈有限公司(「北京亮馬河」), 並負責監督工作, 以發展北京亮馬河綜合項目。陶先生現為北京亮馬河副董事長兼執行董事。一九九一年, 彼獲委任為新繼發展有限公司(「新繼發展」)董事, 自一九九一年起, 負責成立蘇州錦華苑建設發展管理有限公司(「錦華苑建設」)及監督錦華苑及錦麗苑的整體發展。此外, 彼亦兼任錦華苑建設主席。一九九五年, 陶先生獲蘇州市市政府加許為榮譽市民。彼亦為江蘇寧滬高速公路股份有限公司(一間於聯交所主板上市的公司)前獨立非執行董事。陶先生現為香港僑界社團聯會之名譽會長。於二零零八年, 彼榮獲世界傑出華人獎, 同時亦榮獲美國西阿拉巴馬州立大學榮譽博士學位。二零零四年十二月二十三日, 陶先生獲委任為本公司執行董事。彼乃陶家祈先生及陶錫祺先生的父親。

陶家祈先生, 現年47歲, 本公司執行董事兼副主席。彼負責本集團的策略規劃及企業發展。陶先生於紐卡索大學取得(一級榮譽)理學士學位, 以及於美國麻省理工學院取得兩個碩士學位。彼分別於二零零零年、二零零一年及二零零四年獲委任為新繼發展、新繼企業及錦華苑建設的董事。二零零四年十二月二十三日, 彼獲委任為本公司執行董事。於二零零六年十一月二十八日, 彼獲委任為Japan Opportunities Fund II Limited, 於海峽群島交易所上市之封閉式日本房地產基金(海峽群島交易所上市編號: JOB), 的非執行董事。彼乃陶哲甫先生的兒子及陶錫祺先生的胞兄。

陶錫祺先生 (別名TAOCHAIFU Porn), 現年41歲, 本公司董事總經理。彼畢業於英國劍橋大學, 取得文學碩士學位。彼亦持有英國格林威治大學房地產理科學士學位, 曾參加美國哈佛大學工商管理研究院開辦的管理發展課程。陶先生自十年前加盟本集團以來, 一直積極於中國從事物業發展及投資業務。陶先生初期負責本集團蘇州市各項目所有營銷及市場推廣活動, 其後負責整體管理。彼現為中國人民政治協商會議江蘇省蘇州市第十二屆委員會委員。陶先生亦為香港合資格律師。一九九七年、一九九九年及二零零一年, 彼分別獲委任為新繼發展、錦華苑建設及新繼企業的董事。二零零六年, 彼亦獲委任為北京亮馬河董事。二零零四年十二月二十三日, 彼獲委任為本公司執行董事。彼乃陶哲甫先生的兒子及陶家祈先生的胞弟。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Mr. KONG Mui Sum Lawrence, 60, is an Executive Director of the Company. He graduated in 1970 from the University of Hong Kong with a Bachelor of Social Sciences degree with honours majoring in Economics and Accounting. He is a fellow of the Institute of Chartered Shipbrokers, being qualified in 1977. He joined Ocean Shipping & Enterprises Limited in 1970 and has over 20 years of senior management experience. He joined the Group's associated companies in November 1999 and has been actively involved in the business planning and development of the Group's business in PRC, including but not limited to contract negotiations with third party professionals and contractors as well as project management. He was appointed as an executive director of the Company on 23 December 2004.

Mr. YIM Chun Leung, 47, is an Executive Director of the Company. Mr. YIM is a fellow member of The Chartered Association of Certified Accountants, a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. Mr. YIM also holds a Master of Business Administration degree. Mr. YIM has more than 24 years' experience in auditing, accounting and finance fields. Since 1994, Mr. YIM had worked for several listed companies as director or engaged in senior management position. He was an independent non-executive director of Era Information & Entertainment Limited from 30 September 2004 to 17 August 2007. Mr. YIM was appointed as an executive director of the Company on 23 December 2004 and is responsible for corporate finance matters of the Group.

Non-Executive Director

Mr. CHAN Bernard Charnwut, GBS, JP, 44, is a Non-Executive Director of the Company. Mr. CHAN is a graduate and is currently a Trustee of Pomona College in California, U.S.A.. He is a Hong Kong Deputy to the National People's Congress of the People's Republic of China. He serves as the Chairman of Lingnan University, the Antiquities Advisory Board, the Advisory Committee on Revitalisation of Historic Buildings, the Hong Kong-Thailand Business Council, the Council for Sustainable Development and the Vice Chairman of the council of Oxfam Hong Kong. In addition, Mr. CHAN serves as an advisor of Bangkok Bank Public Company Limited, Hong Kong Branch and the Chairperson of The Hong Kong Council of Social Service. Mr. Chan is currently an executive director and the President of both Asia Financial Holdings Ltd. and Asia Insurance Company, Limited. He is a non-executive director of City e-Solutions Limited, an independent non-executive director of each of Chen Hsong Holdings Limited, Kingboard Laminates Holdings Limited, China Resources Enterprise, Limited and Yau Lee Holdings Limited, all of which are listed on The Stock Exchange of Hong Kong Limited. He was appointed as a non-executive director of the Company on 14 November 2005.

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai, 47, is an Independent Non-Executive Director of the Company. Mr. WONG graduated from The University of British Columbia with a Master Degree of Business Administration in Finance and Management Information Systems, and a Degree of Bachelor of Applied Science in Electrical Engineering. He is a member of the Association of Certified General Accountants' Association of Canada. Mr. WONG has been working for a number of international financial institutions and has numerous experiences in the banking industry. Currently, he is a manager in Standard Chartered Bank (Hong Kong) Limited in Hong Kong. He has internal controls and financial reporting experience. Mr. WONG was appointed as an independent non-executive director of the Company on 14 November 2005.

江淼森先生，現年60歲，本公司執行董事。彼於一九七零年畢業於香港大學，取得社會科學榮譽學士學位，主修經濟及會計學。彼現為船務經紀專業學會資深會員，於一九七七年已取得專業資格。彼於一九七零年加盟海德船務航運企業有限公司，已積逾二十年任職高級管理人員經驗。彼於一九九九年十一月加盟本集團多間聯營公司，並一直積極於中國從事本集團的業務策劃及業務發展，包括惟不限於與第三方專業人士及承建商就合約進行磋商，以及項目管理。二零零四年十二月二十三日，彼獲委任為本公司執行董事。

嚴振亮先生，現年47歲，本公司執行董事。嚴先生為特許公認會計師公會資深會員，香港會計師公會執業會計師及英國英格蘭及威爾斯特許會計師公會會員。嚴先生同時擁有工商管理碩士學位。嚴先生在核數、會計及財務方面已積逾二十四年經驗。自一九九四年以來，嚴先生曾任職多家上市公司董事或高級管理層要職。彼於二零零四年九月三十日至二零零七年八月十七日獲委任為年代資訊影視有限公司之獨立非執行董事。嚴先生於二零零四年十二月二十三日起獲委任為本公司執行董事，負責本集團的企業融資事務。

非執行董事

陳智思先生，金紫荆星章、太平紳士，現年44歲，本公司非執行董事。陳先生畢業於美國加州Pomona College，現為該校校董。彼為全國人民代表大會之香港代表。陳先生擔任嶺南大學校董會主席，古物諮詢委員會主席，活化歷史建築諮詢委員會主席，港泰商會主席，可持續發展委員會主席以及香港樂施會副主席。此外，陳先生亦擔任泰國盤谷銀行香港分行之顧問，以及香港社會服務聯會主席。陳先生現為亞洲金融集團(控股)有限公司及亞洲保險有限公司之執行董事兼總裁。彼亦為City e-Solutions Limited之非執行董事；震雄集團有限公司、建滔積層板控股有限公司、華潤創業有限公司及有利集團有限公司之獨立非執行董事，該等公司均在香港聯合交易所有限公司上市。二零零五年十一月十四日，彼獲委任為本公司非執行董事。

獨立非執行董事

王家偉先生，現年47歲，本公司獨立非執行董事。王先生畢業於卑詩省大學，取得金融及管理資訊系統系工商管理碩士以及電子工程系應用科學學士學位。彼為加拿大註冊會計師協會會員。王先生任職於多家國際金融機構，並在銀行業積累廣泛經驗。目前，彼於渣打銀行(香港)有限公司任職經理，彼具有內部監控及財務申報的經驗。二零零五年十一月十四日，王先生獲委任為本公司獨立非執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Mr. SUN Leland Li Hsun, 47, is an Independent Non-Executive Director of the Company. Mr. SUN graduated from the University of California, Los Angeles with a Master Degree of Business Administration in 1986. Mr. SUN is the Chief Executive Officer and a founder of Pan Asian Mortgage Company Limited, a mortgage securitization conduit. Mr. SUN has over 20 years of secondary mortgage market experience in Asia and the United States, directly involved in the structuring, trading and distribution of mortgage-backed securities globally. In 1997, Mr. SUN was appointed by the Financial Secretary of the Hong Kong SAR government as the first Chief Operating Officer of The Hong Kong Mortgage Corporation and was entrusted with managing this 100% government-owned company. Previously, Mr. SUN was an Executive Director in the Fixed Income International Sales Department of GS (Asia) Securities Limited and was employed by Goldman Sachs from July 1986 to October 1994. He was also a Senior Managing Director of the Emerging Markets Fixed Income Sales Department with Bear Stearns Asia Limited from October 1994 to February 1996. He was appointed as an independent non-executive director of the Company on 14 November 2005.

Mr. CHAN Norman Enrique, 48, is an Independent Non-Executive Director of the Company. He was an Adjunct Assistant Professor of the Chinese University of Hong Kong from September 2001 to January 2002. He has experience in architectural design. Currently, he is a director of BTR Workshop Limited, an architectural and design company based in Hong Kong. He was appointed as an independent non-executive director of the Company on 14 November 2005.

孫立勳先生，現年47歲，本公司獨立非執行董事。孫先生在一九八六年畢業於加州大學洛杉磯分校，取得工商管理系碩士學位。孫先生乃宏亞按揭證券有限公司（一間按揭證券化公司）的行政總裁兼創辦人。孫先生於亞洲及美國第二按揭市場已積逾二十年經驗，直接參與環球按揭證券的架構設計、交易及分銷工作。一九九七年，孫先生獲香港特區政府財政司司長委任為香港按揭證券有限公司首位行政總監，負責營運成立這間政府全資擁有的公司。過去，孫先生於一九八六年七月至一九九四年十月期間，獲高盛僱用，並在GS (Asia) Securities Limited的Fixed Income International Sales Department出任執行董事。一九九四年十月至一九九六年二月期間，彼在貝爾斯登亞洲有限公司的Emerging Markets Fixed Income Sales Department出任高級董事總經理。二零零五年十一月十四日，彼獲委任為本公司獨立非執行董事。

陳樂文先生，現年48歲，本公司獨立非執行董事。彼於二零零一年九月至二零零二年一月期間曾任香港中文大學兼任助理教授，擁有建築設計方面經驗。目前，彼為香港一間建築設計公司BTR Workshop Limited的董事。二零零五年十一月十四日，彼獲委任為本公司獨立非執行董事。

Directors' Report

董事會報告

The Directors present their report together with the audited financial statements for the year ended 31 December 2008.

Principal Activities

The Group is principally engaged in property development and property investment businesses in the PRC.

Results and Dividend

The results of the Group for the year ended 31 December 2008 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 40 to 114.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2008.

Convertible Notes and Share Capital

Details of the movements in the Company's convertible notes and share capital during the year are set out in notes 27 and 28 to the financial statements respectively.

Reserves

Details of the movements in the reserves of the Company and the Group during the year are set out in note 30(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves

At 31 December 2008, the Company's reserves available for distribution, amounted to approximately HK\$30.6 million.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group are set out in note 13 to the financial statements.

Principal Properties

Details of the principal properties for investment purposes and under development are set out on pages 116 to 120.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事提呈其年報連同截至二零零八年十二月三十一日止年度之經審核財務報表。

主要業務

本集團主要在中國從事物業發展及物業投資業務。

業績及股息

本集團截至二零零八年十二月三十一日止年度的業績及本公司於該日的業務狀況載於第40至114頁的財務報表。

董事會不建議就截至二零零八年十二月三十一日止年度派發末期股息。

可換股票據及股本

本公司於年內之可換股票據及股本的變動詳情分別載於財務報表附註27及28。

儲備

本公司及本集團之儲備於年內之變動情況分別載於財務報表附註30(b)及綜合權益變動表。

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約30,600,000港元。

物業、廠房及設備

本集團之物業、廠房及設備的變動詳情載於財務報表附註13。

主要物業

作投資用途的主要物業及發展中物業之詳情載於第116至120頁。

優先購買權

本公司的組織章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

Directors' Report

董事會報告

Group Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 115.

Purchase, Sale or Redemption of Securities

The Company has not redeemed any of its shares during the year. Other than the issue of 34,545,000 shares by the Company during the year, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Directors

The directors of the Company during the year were as follows:

Executive Directors

Mr. TAOCHAIFU Choofuang (*Chairman*)
Mr. TAO Richard (*Vice Chairman*)
Mr. TAO Paul (*Managing Director*)
Mr. KONG Mui Sum Lawrence
Mr. YIM Chun Leung

Non-Executive Director

Mr. CHAN Bernard Charnwut

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

In accordance with the Company's articles of association, Mr. TAO Richard, Mr. KONG Mui Sum Lawrence and Mr. YIM Chun Leung will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company considers such Directors to be independent.

Biographical Details of Directors and Senior Management

Biographical details of the Directors and senior management are set out on pages 16 to 18.

集團財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於第115頁。

購回、出售或贖回上市證券

本公司於年內並無贖回本公司任何股份，除本公司於年內發行34,545,000股股份外，本公司及其附屬公司於年內並無買入或出售本公司任何股份。

董事

年內任職的董事如下：

執行董事

陶哲甫先生(*主席*)
陶家祈先生(*副主席*)
陶錫祺先生(*董事總經理*)
江淼森先生
嚴振亮先生

非執行董事

陳智思先生

獨立非執行董事

王家偉先生
孫立勳先生
陳樂文先生

根據本公司之組織章程細則，陶家祈先生、江淼森先生及嚴振亮先生將於應屆股東週年大會輪席告退，惟彼符合資格並願意膺選連任。

本公司已取得每位獨立非執行董事根據香港聯合交易所有限公司(「聯交所」)證券上市規則之規定作出之年度獨立性確認函，由此本公司視該等董事為獨立董事。

董事及高級管理人員之履歷

董事及高級管理人員之履歷詳情載於第16至18頁。

Directors' Service Contracts

The former service contracts entered into by the Company and each executive director were expired on 30 November 2007. On 7 September 2007, each of the executive directors of the Company has entered into a service contract with the Company for a term of two years commencing on 1 December 2007 and is subject to termination by the executive director giving not less than 3 months' written notice or by payment in lieu of such notice. The Company may immediately terminate the service contract without any compensation to the respective executive director under certain conditions, as set out in the service contracts.

The former letters of appointment entered into by the Company and the non-executive director and each of the independent non-executive directors of the Company were expired on 13 November 2008. On 22 October 2008, the non-executive director and each of the independent non-executive directors of the Company has entered into a letter of appointment with the Company for a term of three years commencing on 14 November 2008 and may be terminated by either party by giving one month's written notice.

Save as disclosed above, none of the directors of the Company proposed for re-election at the forthcoming annual general meeting has a contract of service with the Company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

In February 2009, each of the three executive directors (who are also the substantial shareholders) and each of the remaining six directors of the Company has served a written notice to the Company to voluntarily reduce by 50% and 10% of their monthly salary respectively for the period from March 2009 to June 2009.

Directors' Interests in Contracts

Details of Directors' interests in contracts of significance in relation to the Group's business are set out in the section headed "Connected Transaction" in this report.

董事服務合約

本公司與各執行董事訂立之前服務合約已於二零零七年十一月三十日到期。於二零零七年九月七日，各執行董事已與本公司訂立服務合約，任期為兩年，由二零零七年十二月一日開始，執行董事可向本公司發出不少於三個月的書面通知或代通知金終止其服務合約。於服務合約註明的某些情況下，本公司可立即終止其服務合約而無須向相關執行董事作出任何賠償。

本公司與本公司之非執行董事及各獨立非執行董事訂立之前委任書已於二零零八年十一月十三日到期。於二零零八年十月二十二日，本公司之非執行董事及各獨立非執行董事已與本公司訂立委任書，由二零零八年十一月十四日開始，任期為三年，其中一方可向另一方發出一個月的書面通知終止委任協議。

除上文披露者外，擬於即將舉行之股東週年大會上膺選連任之本公司董事概無與本公司或其附屬公司訂立任何不可由聘任公司於一年內不付賠償（法定賠償除外）而終止之服務合約。

於二零零九年二月，各三名執行董事（亦是主要股東）及各其餘六名公司董事已向本公司發出書面通知，由二零零九年三月至二零零九年六月期間，分別自願減收其每月薪金50%及10%。

董事的合約權益

董事的合約權益與本集團業務有關重大合約的詳情載於本年報內「關連交易」一節中。

Directors' Report

董事會報告

Directors' and Chief Executives' Interests in the Shares and Underlying Shares of the Company

As at 31 December 2008, the Directors had the following interests in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules"):

(A) Interest in shares and underlying shares under equity derivatives of the Company

Name of Director	Long position/ Short position	Capacity	Number of Shares held	Number of underlying Shares (under equity derivatives of the Company) 相關股份 數目(於本 公司股本 衍生工具下)	Aggregate Interests	Approximate percentage of the issued share capital of the Company 本公司已 發行股本之 概約百分比
董事姓名	好倉/淡倉	身份	所持 股份數目		權益總額	
Mr. TAOCHAIFU Choojuang 陶哲甫先生	Long Position 好倉	Interests of controlled corporation 受控法團權益	485,616,700 (Note 1) (附註1)		510,685,561	43.92
	Long Position 好倉	Personal interest 個人權益	11,515,000	13,553,861 (Note 2) (附註2)		
Mr. TAO Richard 陶家祈先生	Long Position 好倉	Interests of controlled corporation 受控法團權益	485,616,700 (Note 1) (附註1)		522,512,446	44.94
	Long Position 好倉	Personal interest 個人權益	22,701,757	14,193,989 (Note 2) (附註2)		
Mr. TAO Paul 陶錫祺先生	Long Position 好倉	Interests of controlled corporation 受控法團權益	485,616,700 (Note 1) (附註1)		522,512,446	44.94
	Long Position 好倉	Personal interest 個人權益	22,701,757	14,193,989 (Note 2) (附註2)		
Mr. KONG Mui Sum Lawrence 江森森先生	Long Position 好倉	Personal interest 個人權益	2,500,220	25,708,989 (Note 2) (附註2)	28,209,209	2.43
Mr. YIM Chun Leung 嚴振亮先生	Long Position 好倉	Personal interest 個人權益	1,232,605	25,708,989 (Note 2) (附註2)	26,941,594	2.32

董事及主要行政人員於本公司的股份及相關股份中擁有的權益

於二零零八年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條所置存的登記冊所示，董事於本公司的股份及相關股份中擁有的權益，或根據聯交所證券上市規則(「上市規則」)所載董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益如下：

(A) 於本公司股份的權益及於股本衍生工具下相關股份之權益

Directors' Report 董事會報告

Directors' and Chief Executives' Interests in the Shares and Underlying Shares of the Company (Cont'd)

(A) Interest in shares and underlying shares under equity derivatives of the Company (Cont'd)

Notes:

- Belbroughton Limited ("Belbroughton") is the legal and beneficial owner of 485,616,700 shares. Belbroughton is owned as to 20% by Seal United Investments Limited ("Seal United") and 80% by United Islands Group Limited ("United Islands"). Seal United is owned by Mr. TAOCHAIFU Choofuang ("Mr. C.F. TAO") and his spouse, Mrs. TAO POON Lai Yew Nancy ("Mrs. TAO") in equal proportions. United Islands is owned by Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard (the son of Mr. C.F. TAO), Mr. TAO Paul (the son of Mr. C.F. TAO) and Ms. TAO Miriam (the daughter of Mr. C.F. TAO) in equal proportions. Accordingly, Seal United, United Islands as well as Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam are deemed to be interested in 485,616,700 shares held by Belbroughton.
- Share options were granted on 4 April 2006, 4 July 2007, 18 October 2007, 29 April 2008, 21 July 2008 and 19 November 2008 respectively. Details of share options granted to the Directors of the Company are set out in part (B) of this section.

(B) Long position in underlying shares – share options

Under the share option scheme of the Company, share options may be granted to certain participants including the Directors and employees of the Company and its subsidiaries to subscribe for the shares of the Company. Details of share options granted to the Directors are as follows:

Name of Director 董事名稱	Date of grant dd/mm/yyyy 授出日期 日/月/年	Exercisable period dd/mm/yyyy 行使期間 日/月/年	Number of share options 購股權數目				Exercise price per share HK\$ 每股 行使價 港元
			Balance at 1 January 2008 於 二零零八年 一月一日 之餘額	Granted during the year 於年內 授出	Exercised during the year 於年內 行使	Balance at 31 December 2008 於 二零零八年 十二月 三十一日 之餘額	
Mr. TAOCHAIFU Choofuang 陶哲甫先生	04/04/2006	10/04/2006 – 09/04/2009	6,188,225	–	–	6,188,225	0.806 (Note)(附註)
	04/07/2007	04/07/2007 – 03/07/2010	3,765,636	–	–	3,765,636	0.635 (Note)(附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	29/04/2008	29/04/2008 – 28/04/2011	–	2,500,000	(2,500,000)	–	0.375
	21/07/2008	21/07/2008 – 20/07/2011	–	5,271,000	(5,271,000)	–	0.300
	19/11/2008	19/11/2008 – 18/11/2011	–	3,744,000	(3,744,000)	–	0.192

董事及主要行政人員於本公司的股份及相關股份中擁有的權益(續)

(A) 於本公司股份的權益及於股本衍生工具下相關股份之權益(續)

附註：

- Belbroughton Limited(「Belbroughton」)為485,616,700股股份的合法實益擁有人。Seal United Investments Limited(「Seal United」)及United Islands Group Limited(「United Islands」)分別擁有Belbroughton 20%及80%之權益。Seal United乃由陶哲甫先生(「陶哲甫先生」)及其配偶陶潘麗瑤女士(「陶太太」)按相等比例擁有。而United Islands則由陶哲甫先生、陶太太、陶家祈先生(陶哲甫先生之兒子)、陶錫祺先生(陶哲甫先生之兒子)及陶蘊怡女士(陶哲甫先生之女兒)按相等比例擁有。因此，Seal United、United Islands連同陶哲甫先生、陶太太、陶家祈先生、陶錫祺先生及陶蘊怡女士被視為於Belbroughton所持有之該等485,616,700股股份擁有權益。
- 購股權乃分別於二零零六年四月四日、二零零七年七月四日、二零零七年十月十八日、二零零八年四月二十九日、二零零八年七月二十一日及二零零八年十一月十九日授出。授予本公司董事之購股權詳情乃載於本節(B)項下。

(B) 相關股份之好倉－購股權

根據本公司之購股權計劃，購股權可授予若干參與人(包括董事及本公司及其附屬公司之僱員)以認購本公司之股份。授予董事之購股權詳情如下：

Directors' Report

董事會報告

Directors' and Chief Executives' Interests in the Shares and Underlying Shares of the Company (Cont'd)

董事及主要行政人員於本公司的股份及相關股份中擁有的權益(續)

(B) Long position in underlying shares – share options (Cont'd)

(B) 相關股份之好倉－購股權(續)

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目			Balance at 31 December 2008	Exercise price per share HK\$
			Balance at 1 January 2008	Granted during the year	Exercised during the year		
董事名稱	授出日期 日/月/年	行使期間 日/月/年	於 二零零八年 一月一日 之餘額	於年內 授出	於年內 行使	於 二零零八年 十二月 三十一日 之餘額	每股 行使價 港元
Mr. TAO Richard 陶家祈先生	04/04/2006	10/04/2006 – 09/04/2009	6,828,353	–	–	6,828,353	0.806 (Note)(附註)
	04/07/2007	04/07/2007 – 03/07/2010	3,765,636	–	–	3,765,636	0.635 (Note)(附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	29/04/2008	29/04/2008 – 28/04/2011	–	3,200,000	(3,200,000)	–	0.375
	21/07/2008	21/07/2008 – 20/07/2011	–	4,571,000	(4,571,000)	–	0.300
	19/11/2008	19/11/2008 – 18/11/2011	–	3,744,000	(3,744,000)	–	0.192
Mr. TAO Paul 陶錫祺先生	04/04/2006	10/04/2006 – 09/04/2009	6,828,353	–	–	6,828,353	0.806 (Note)(附註)
	04/07/2007	04/07/2007 – 03/07/2010	3,765,636	–	–	3,765,636	0.635 (Note)(附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	29/04/2008	29/04/2008 – 28/04/2011	–	3,200,000	(3,200,000)	–	0.375
	21/07/2008	21/07/2008 – 20/07/2011	–	4,571,000	(4,571,000)	–	0.300
	19/11/2008	19/11/2008 – 18/11/2011	–	3,744,000	(3,744,000)	–	0.192
Mr. KONG Mui Sum Lawrence 江淼森先生	04/04/2006	10/04/2006 – 09/04/2009	6,828,353	–	–	6,828,353	0.806 (Note)(附註)
	04/07/2007	04/07/2007 – 03/07/2010	3,765,636	–	–	3,765,636	0.635 (Note)(附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	29/04/2008	29/04/2008 – 28/04/2011	–	3,200,000	–	3,200,000	0.375
	21/07/2008	21/07/2008 – 20/07/2011	–	4,571,000	–	4,571,000	0.300
	19/11/2008	19/11/2008 – 18/11/2011	–	3,744,000	–	3,744,000	0.192
Mr. YIM Chun Leung 嚴振亮先生	04/04/2006	10/04/2006 – 09/04/2009	6,828,353	–	–	6,828,353	0.806 (Note)(附註)
	04/07/2007	04/07/2007 – 03/07/2010	3,765,636	–	–	3,765,636	0.635 (Note)(附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	29/04/2008	29/04/2008 – 28/04/2011	–	3,200,000	–	3,200,000	0.375
	21/07/2008	21/07/2008 – 20/07/2011	–	4,571,000	–	4,571,000	0.300
	19/11/2008	19/11/2008 – 18/11/2011	–	3,744,000	–	3,744,000	0.192

Directors' Report 董事會報告

Directors' and Chief Executives' Interests in the Shares and Underlying Shares of the Company (Cont'd)

(B) Long position in underlying shares – share options (Cont'd)

Note: Pursuant to the terms of the share option scheme, following the adjustment events arising from the changes in the Company's capital structure in 2007, the respective exercise prices per share of the unexercised options and the respective number of share options exercisable have been adjusted. The auditors of the Company have certified the adjustments were fair and reasonable.

Save as disclosed above, none of the Company's Directors, chief executives and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO at the date of this report.

Substantial Shareholders' Interests in Shares and Underlying Shares of the Company

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2008, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital:

Long position in shares

Name of Shareholder	Long position/ Short position	Capacity	Number of Shares held	Aggregate Interests	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東名稱	好倉/淡倉	身份	所持股份數目	權益總額	概約百分比	附註
Mrs. TAO POON Lai Yew Nancy 陶潘麗瑤女士	Long position 好倉	Interests of controlled corporation 受控法團權益	485,616,700	510,685,561	43.92	1
		Interest of spouse 配偶權益	25,068,861			
Belbroughton Limited	Long position 好倉	Beneficial owner 實益擁有人	485,616,700	485,616,700	41.76	1
Seal United Investments Limited	Long position 好倉	Interests of controlled corporation 受控法團權益	485,616,700	485,616,700	41.76	1
United Islands Group Limited	Long position 好倉	Interests of controlled corporation 受控法團權益	485,616,700	485,616,700	41.76	1
Ms. TAO Miriam 陶蘊怡女士	Long position 好倉	Interests of controlled corporation 受控法團權益	485,616,700	485,616,700	41.76	1
Tian Xiang Business Limited 天祥事務有限公司	Long position 好倉	Beneficial owner 實益擁有人	206,993,578	206,993,578	17.80	N/A

董事及主要行政人員於本公司的股份及相關股份中擁有的權益(續)

(B) 相關股份之好倉－購股權(續)

附註: 根據購股權計劃的條款，於二零零七年本公司股本結構之變動所引發的調整事件後，未行使購股權之每股股份各自之行使價及可行使之購股權各自股份數目已作出調整。本公司之核數師已證明有關調整乃公平和合理。

除上文披露者外，本公司之董事、主要行政人員或彼等之聯繫人概無於本公司或其任何相聯法團之股份及相關股份擁有任何權益或淡倉，而需按證券及期貨條例第352條於本報告日期予以記錄。

主要股東於本公司的股份及相關股份中擁有的權益

根據證券及期貨條例第XV部第336條須予存置的登記冊所示，於二零零八年十二月三十一日，本公司之主要股東(為本公司之發行股本的5%或以上)已通知本公司有關之權益，詳情如下：

股份之好倉

Directors' Report

董事會報告

Substantial Shareholders' Interests in Shares and Underlying Shares of the Company (Cont'd)

主要股東於本公司的股份及相關股份中擁有的權益(續)

Long position in shares (Cont'd)

股份之好倉(續)

Name of Shareholder	Long position/ Short position	Capacity	Number of Shares held	Aggregate Interests	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東名稱	好倉/淡倉	身份	所持股份數目	權益總額		附註
Spinnaker Capital Limited	Long position 好倉	Investment manager 投資經理	92,322,673	92,322,673	7.94	2
Spinnaker Asset Management – SAM Limited	Long position 好倉	Investment manager 投資經理	92,322,673	92,322,673	7.94	2
Deutsche Bank Aktiengesellschaft 德意志銀行	Long position 好倉	Person having a security interest in shares 對股份持有保證權益的人	92,322,673	92,322,673	7.94	3
Asia Financial Holdings Limited 亞洲金融集團(控股) 有限公司	Long position 好倉	Beneficial owner 實益擁有人	45,454,545	68,181,818	5.86	4
		Interests of controlled corporation 受控法團權益	22,727,273			
Oriental Pearl International Inc.	Long position 好倉	Beneficial owner 實益擁有人	58,268,871	58,268,871	5.01	5
Mr. KINOSHITA James Hajime 木下一先生	Long position 好倉	Interests of controlled corporation 受控法團權益	58,268,871	58,268,871	5.01	5
Mrs. KINOSHITA CHEUNG Yuen Shiu Lana 木下張婉笑女士	Long position 好倉	Interests of controlled corporation 受控法團權益	58,268,871	58,268,871	5.01	5

Substantial Shareholders' Interests in Shares and Underlying Shares of the Company (Cont'd)

Long position in shares (Cont'd)

Notes:

1. Belbroughton is the legal and beneficial owner of 485,616,700 shares. Belbroughton is owned as to 20% by Seal United and 80% by United Islands. Seal United is owned by Mr. C.F. TAO and his spouse, Mrs. TAO in equal proportions. United Islands is owned by Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam in equal proportions. Accordingly, Seal United, United Islands as well as Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam are deemed to be interested in 485,616,700 shares held by Belbroughton.
2. Spinnaker Capital Limited and Spinnaker Asset Management — SAM Limited (together "Spinnaker Group") are investment managers and the controlling shareholders of Spinnaker Global Opportunity Fund Limited ("GO Fund"), Spinnaker Global Emerging Markets Fund Limited ("GEM Fund") and Spinnaker Global Strategic Fund Limited ("GS Fund"). As at 31 December 2008, GO Fund, GEM Fund and GS Fund held 24,927,122 shares, 44,314,883 shares and 23,080,668 shares, respectively.
3. The shares are held under Deutsche Bank Aktiengesellschaft custody for Spinnaker Group.
4. These 68,181,818 underlying shares represent the shares which may be issued upon full conversion of 5% convertible notes in the aggregate principal amount of HK\$75 million with maturity date falling 60 months from 15 October 2007, the date of issue of the convertible notes.
5. Oriental Pearl International Inc. is the legal and beneficial owner of 58,268,871 shares, which is owned by Mr. KINOSHITA James Hajime and Mrs. KINOSHITA CHEUNG Yuen Shiu Lana in equal proportions. Accordingly, Mr. KINOSHITA James Hajime and Mrs. KINOSHITA CHEUNG Yuen Shiu Lana, both being independent third parties, are deemed to be interested in 58,268,871 shares.

Share Options

Details of the Company's share option scheme and the movements in the share options are set out in note 29 to the financial statements.

Major Suppliers and Customers

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

Purchases	
– the largest supplier	62%
– five largest suppliers combined	89%
Sales	
– the largest customer	2%
– five largest customers combined	7%

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

主要股東於本公司的股份及相關股份中擁有的權益(續)

股份之好倉(續)

附註：

1. Belbroughton 為 485,616,700 股股份的合法實益擁有人。Seal United 及 United Islands 分別擁有 Belbroughton 20% 及 80% 之權益。Seal United 乃由陶哲甫先生及其配偶陶太太按相等比例擁有。而 United Islands 則由陶哲甫先生、陶太太、陶家祈先生、陶錫祺先生及陶蘊怡女士按相等比例擁有。因此，Seal United、United Islands 連同陶哲甫先生、陶太太、陶家祈先生、陶錫祺先生及陶蘊怡女士被視為於 Belbroughton 所持有之該等 485,616,700 股股份擁有權益。
2. Spinnaker Capital Limited 及 Spinnaker Asset Management — SAM Limited (統稱「Spinnaker 集團」) 為投資經理，彼等乃 Spinnaker Global Opportunity Fund Limited (「GO 基金」)、Spinnaker Global Emerging Markets Fund Limited (「GEM 基金」) 及 Spinnaker Global Strategic Fund Limited (「GS 基金」) 之控股股東。截至二零零八年十二月三十一日，GO 基金、GEM 基金及 GS 基金分別持有 24,927,122 股、44,314,883 股及 23,080,668 股股份。
3. 股份乃由德意志銀行代 Spinnaker 集團託管。
4. 該等 68,181,818 股相關股份指全面兌換本金總額為 75,000,000 港元之 5% 可換股票據 (由二零零七年十月十五日 (可換股票據發行當日) 起計滿 60 個月當日到期) 而可予發行之股份。
5. Oriental Pearl International Inc. 為 58,268,871 股股份的合法實益擁有人，其由木下一先生及木下張婉笑女士按相等比例擁有。因此，同為獨立第三方木下一先生及木下張婉笑女士被視為於該等 58,268,871 股股份擁有權益。

購股權

有關本公司之購股權計劃及購股權變動的詳情載於財務報表附註 29。

主要供應商及客戶

本集團主要供應商及客戶所佔採購及銷售百分率如下：

採購額	
– 最大供應商	62%
– 五大供應商合併計算	89%
銷售額	
– 最大客戶	2%
– 五大客戶合併計算	7%

概無本公司董事或其任何聯繫人士或任何股東 (就董事所知擁有本公司已發行股本 5% 以上) 於本年度任何時間擁有本集團五大客戶之實益權益。

Directors' Report

董事會報告

Connected Transaction

During the year, the Group had the following connected transactions/continuing connected transaction, certain details of which were disclosed in compliance with the requirements of the Listing Rules.

1. Convertible Note Subscription Agreement

On 28 May 2007, Healthy Castle Investments Limited ("Healthy Castle"), a wholly owned subsidiary of the Company, entered into a convertible note subscription agreement with Key Apex Limited ("Key Apex") (a subsidiary of a company which is deemed to be controlled by the associates of Mr. CHAN Bernard Charnwut, the non-executive director of the Company) whereby Healthy Castle agreed to subscribe and Key Apex agreed to issue the US\$5.5 million convertible note with maturity date falling on the first anniversary of the date of issue of convertible note ("Due Date") at zero coupon. The principal amount of the convertible note will be repaid in full on the Due Date if the conditions to convert the convertible note cannot be fulfilled. Pursuant to the terms of the convertible note, shares representing approximately 10% of the enlarged issued share capital of Key Apex as at the date of conversion will be issued by Key Apex to Healthy Castle at the conversion price of US\$1.00 per share (being the par value of each share in the capital of Key Apex) on the date which falls three days after the date when the 99% owned subsidiary established in the PRC has obtained the land use right certificate of a piece of land in Shanghai in the PRC. The balance of the principal amount of convertible note after deduction of the total conversion price will be treated as an interest-free shareholder's loan advanced by Healthy Castle to Key Apex. This transaction was approved by the shareholders at the extraordinary general meeting of the Company on 20 June 2007. The convertible note issued on 18 July 2007 was converted into 10% equity interest in and shareholder's loan to Key Apex on 3 June 2008.

2. HK\$75 million 5% Convertible Notes Subscription Agreement

On 10 August 2007, the Company entered into a subscription agreement with Asia Financial Holdings Limited ("AFHL") and Asia Insurance Company, Limited ("AICL") (AICL is a subsidiary of AFHL which is controlled by the associates of Mr. CHAN Bernard Charnwut, the non-executive director of the Company) whereby the Company agreed to issue and AFHL and AICL agreed to subscribe the HK\$50 million and HK\$25 million 5% convertible note ("Convertible Notes") with maturity date falling 60 months from the date of issue of the Convertible Notes respectively. Pursuant to the term of the Convertible Notes, the holder of the Convertible Notes can convert the Convertible Notes at the conversion price of HK\$1.10 per share. The principal amount of HK\$35 million (HK\$25 million for AFHL and HK\$10 million for AICL) of the Convertible Notes shall be compulsorily converted at the conversion price of HK\$1.10 within seven business days if the closing price per share is HK\$1.10 or higher for ten consecutive trading days during the period from the issue day of the Convertible Notes up to five business days prior to the maturity date. This transaction was approved by the shareholders at the extraordinary general meeting of the Company on 10 October 2007. The Convertible Notes were issued on 15 October 2007.

關連交易

本集團於年內進行下列之關連交易／持續關連交易，其某些詳情已遵守上市規則的規定披露。

1. 可換股票據認購協議

於二零零七年五月二十八日，本公司的全資附屬公司康堡投資有限公司(「康堡」)與凱亞有限公司(「凱亞」)(視為被本公司非執行董事陳智思先生之聯繫人控制的公司之附屬公司)簽訂可換股票據認購協議，據此，康堡同意認購而凱亞同意發行5,500,000美元零息可換股票據，有關票據於發行日起計滿一週年(「到期日」)當日到期。若兌換可換股票據的條件不能達成，則可換股票據本金額將於到期日全數償還。根據可換股票據條款，待於中國成立且擁有99%權益的附屬公司取得位於中國上海一幅土地的土地使用權證當日後三日，凱亞將按換股價每股1.00美元(為凱亞每股股份面值)向康堡發行相等於凱亞於兌換日經擴大已發行股本約10%的股份。扣除總換股價後，可換股票據本金餘額將會當作康堡給予凱亞的免息股東貸款墊款處理。此項交易獲股東於二零零七年六月二十日的本公司股東特別大會批准。於二零零七年七月十八日發行之可換股票據已於二零零八年六月三日兌換為凱亞的10%股本權益以及股東貸款。

2. 75,000,000港元5%可換股票據認購協議

於二零零七年八月十日，本公司與亞洲金融集團(控股)有限公司(「亞洲金融」)及亞洲保險有限公司(「亞洲保險」)(亞洲保險為亞洲金融之附屬公司，亞洲金融由本公司非執行董事陳智思先生之聯繫人控制)簽訂認購協議，據此，本公司同意發行而亞洲金融及亞洲保險分別同意認購50,000,000港元及25,000,000港元之5%可換股票據(「可換股票據」)，可換股票據於發行日起計滿60個月當日到期。根據可換股票據條款，可換股票據持有人可以每股股份1.10港元兌換可換股票據。如自可換股票據發行當日至到期日前五個營業日期間連續十個交易日的每股收市價為1.10港元或以上，則可換股票據的本金額35,000,000港元(亞洲金融為25,000,000港元，而亞洲保險為10,000,000港元)須於七個營業日內強制按兌換價兌換。此項交易已獲股東於二零零七年十月十日的本公司股東特別大會批准。可換股票據於二零零七年十月十五日發行。

Connected Transaction (Cont'd)

3. Tenancy Agreement and Licence Agreement

On 26 November 2007, New Heritage Management Limited (“NH Management”), an indirect wholly-owned subsidiary of the Company, as tenant entered into a tenancy agreement with Fontwell Holdings Limited (“Fontwell”), (beneficially owned by Mr. C.F. TAO and his family members) as landlord for the lease of Room 2301, 23rd Floor, Fortis Tower (Formerly known as Fortis Bank Tower), Nos.77-79 Gloucester Road, Hong Kong and Nos.117-119 Jaffe Road, Hong Kong at a monthly rental of HK\$100,000 for the period from 1 February 2008 to 31 January 2009 and HK\$105,000 for the period from 1 February 2009 to 31 January 2010 (exclusive of government rates and management fees).

On 26 November 2007, NH Management as licensee entered into a licence agreement with Fontwell as licensor for obtaining the licence to use by the Group of car parking spaces nos. 28 and 51 on the 2nd Floor of Fortis Tower, Nos. 77-79 Gloucester Road, Hong Kong and Nos. 117-119 Jaffe Road, Hong Kong at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of 2 years commencing on 1 February 2008 and expiring on 31 January 2010.

On 27 February 2009, NH Management entered into a supplemental agreement with Fontwell to amend the terms of the Tenancy Agreement. Under the supplemental agreement, the monthly rental was reduced from HK\$105,000 to HK\$52,500 for the period from 1 March 2009 to 31 January 2010 (exclusive of government rates and management fees).

The independent non-executive directors of the Company have reviewed the above continuing connected transaction and confirmed that the above continuing connected transaction has been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the above relevant agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The auditors of the Company have confirmed in a letter to the board of directors of the Company to the effect that the above continuing connected transaction: (i) has been approved by the board of directors of the Company; (ii) has been entered into in accordance with the relevant agreements governing the transaction; and (iii) the aggregate annual amount of the transaction has not exceeded the relevant caps in the previous announcement.

關連交易(續)

3. 租賃協議及特許協議

於二零零七年十一月二十六日，新澤管理有限公司(「新澤管理」)，本公司間接全資附屬公司，(作為承租人)與Fontwell Holdings Limited(「Fontwell」)(陶哲甫先生及其家庭成員最終實益擁有)(作為業主)就租賃香港告士打道77-79號及香港謝斐道117-119號富通大廈(前稱為華比富通大廈)23樓2301室簽訂一份租賃協議，月租100,000港元，租期由二零零八年二月一日至二零零九年一月三十一日及月租105,000港元，租期由二零零九年二月一日至二零一零年一月三十一日(不包括政府差餉及管理費)。

於二零零七年十一月二十六日，新澤管理(作為特許使用人)與Fontwell(作為特許人)就領取香港告士打道77-79號及香港謝斐道117-119號富通大廈2樓第28及51號泊車位的許可證以供本集團使用而簽訂一份特許協議，許可證月費為7,000港元，不包括政府差餉及管理費，租期由二零零八年二月一日開始，至二零一零年一月三十一日屆滿，為期兩年。

於二零零九年二月二十七日，新澤管理與Fontwell訂立補充協議，以修訂租賃協議之條款。根據補充協議，由二零零九年三月一日至二零一零年一月三十一日止期間之每月租金由105,000港元減至52,500港元(不包括政府差餉及管理費)。

獨立非執行董事已審閱上述持續關連交易，並確認上述持續關連交易乃(i)本集團之日常及一般業務過程；(ii)按一般商業條款，或向本集團提供之條款不遜於向獨立第三者或由獨立第三者提供之條款；及(iii)根據上述有關協議按公平合理，且符合本公司股東整體利益之條款訂立。本公司之核數師已在致本公司董事會之函件中確認，上述關連交易：(i)已獲本公司董事會批准；(ii)交易都已根據相關協議之條款進行；以及(iii)於先前公告中披露該交易之年度總額並無超過相關上限。

Directors' Report

董事會報告

Exempt Continuing Connected Transaction

1. Fitness club agreement

In November 2004, 蘇州錦華苑建設發展管理有限公司 (Suzhou Garden Villa Development and Management Co. Ltd.) ("SGVDM") entered into an agreement with 上海克拉克海奇健身有限公司 (Clark Hatch Fitness Centers (Shanghai) Ltd.) ("Clark Hatch Shanghai") (Mr. TAO Paul, the Managing Director, has an indirect interest) (which was subsequently supplemented by a supplemental agreement dated 18 September 2005 made between the same parties) (collectively, the "Fitness Club Agreement"), pursuant to which SGVDM provides Clark Hatch Shanghai with the sports and fitness club premises with facilities located on the 3rd Floor, Block 11, Suzhou Garden Court (the "Club House"), and Clark Hatch Shanghai provides cleaning, maintenance, repair, operation and janitorial services for the Club House, for a term of 3 years commencing on 1 January 2005. During the term, Clark Hatch Shanghai is required to pay SGVDM a monthly rental in a sum (i) of RMB60,000 or (ii) equal to 30% of the monthly gross revenues (before taxes) received by Clark Hatch Shanghai from the operation of Club House, whichever is higher. In 2005, the Company has applied to the Stock Exchange for and the Stock Exchange has granted a waiver from strict compliance with the announcement requirement under Rule 14A.47 of the Listing Rules in respect of the transactions contemplated under the Fitness Club Agreement for the 2 years ending 31 December 2007. Since the total annual rental received by the Group from Clark Hatch Shanghai under the Fitness Club Agreement for the year ending 31 December 2007 was RMB720,000, therefore the transactions contemplated under the Fitness Club Agreement for the year ending 31 December 2007 was exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

On 31 December 2007, the Fitness Club Agreement was renewed at a monthly rental of RMB60,000 for a term of two years commencing on 1 January 2008.

2. Tenancy agreement of Hong Kong office

On 21 March 2005, NH Management as tenant entered into a tenancy agreement with Fontwell as landlord for the lease of Room 2301, 23rd Floor, Fortis Tower, Nos. 77-79 Gloucester Road, Hong Kong and Nos. 117-119 Jaffe Road, Hong Kong for the use by the Group at a monthly rental of HK\$49,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2005 and expiring on 31 January 2006. On 25 January 2006, the tenancy agreement was renewed at a monthly rental of HK\$72,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2006 and expiring on 31 January 2007. On 25 January 2007, the tenancy agreement was further renewed at a monthly rental of HK\$78,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2007 and expiring on 31 January 2008. On 26 November 2007, the tenancy agreement was further renewed. Details of which were disclosed under the section headed "Connected Transaction".

獲豁免持續關連交易

1. 健身會所協議

二零零四年十一月，蘇州錦華苑建設發展管理有限公司（「蘇州錦華苑」）與上海克拉克海奇健身有限公司（「上海克拉克」）（由董事總經理陶錫祺先生擁有間接權益）簽訂一份協議（該協議其後由上述協議雙方所訂立日期為二零零五年九月十八日的補充協議補充）（統稱「健身會所協議」）；據此，錦華苑建設向上海克拉克提供位於錦麗苑11座3樓的體育及健身會所物業連設施（「會所」）；而上海克拉克則為會所提供清潔、保養、維修、營運及庶務服務，由二零零五年一月一日開始，為期三年。於年期內，上海克拉克須向錦華苑建設支付月租金共(i)人民幣60,000元或(ii)相等於上海克拉克於經營會所所得每月總收益（除稅前）30%（以較高者為準）。於二零零五年，本公司已向聯交所申請，而聯交所亦已豁免本公司截至二零零七年十二月三十一日止兩個年度各年健身會所協議項下進行的交易，須嚴格遵守上市規則第14A.47條有關申報的規定。由於本集團根據健身會所協議於截至二零零七年十二月三十一日止年度自上海克拉克已收年租共人民幣720,000元，故此，截至二零零七年十二月三十一日止年度，根據健身會所協議進行之交易已獲豁免遵守上市規則有關申報、公告及獲得獨立股東批准的規定。

於二零零七年十二月三十一日，健身會所協議已被續期，月租人民幣60,000元，租期由二零零八年一月一日開始，為期兩年。

2. 香港辦事處之租賃協議

於二零零五年三月二十一日，新澤管理（作為承租人）與Fontwell（作為業主）就租賃香港告士打道77-79號及香港謝斐道117-119號富通大廈23樓2301室以供本集團使用而簽訂一份租賃協議，月租49,000港元，不包括政府差餉及管理費，租期由二零零五年二月一日開始，至二零零六年一月三十一日屆滿，為期一年。於二零零六年一月二十五日，該租賃協議已被續期，月租72,000港元，不包括政府差餉及管理費，租期由二零零六年二月一日開始，至二零零七年一月三十一日屆滿，為期一年。於二零零七年一月二十五日，該租賃協議已被再次續期，月租78,000港元，不包括政府差餉及管理費，租期由二零零七年二月一日開始，至二零零八年一月三十一日屆滿，為期一年。於二零零七年十一月二十六日，租賃協議已被再次續期。詳情載於「關連交易」一節內。

Exempt Continuing Connected Transaction (Cont'd)

3. Licence agreement

On 21 March 2005, NH Management as licensee entered into a licence agreement with Fontwell as licensor for obtaining the licence to use by the Group of car parking spaces nos. 28 and 51 on the 2nd Floor of Fortis Tower, Nos. 77-79 Gloucester Road, Hong Kong and Nos. 117-119 Jaffe Road, Hong Kong at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of one year commencing from 1 February 2005 to 31 January 2006. On 25 January 2006, the above licence agreement was renewed at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2006 and expiring on 31 January 2007. On 25 January 2007, the licence agreement was further renewed at a monthly licence fee of HK\$5,000, exclusive of government rates and management fees, for a term of one year commencing from 1 February 2007 to 31 January 2008. On 26 November 2007, the licence agreement was further renewed. Details of which were disclosed under the section headed "Connected Transaction".

Directors' Interest in Competing Business

During the year, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules was as follows:

Mr. C.F. TAO, Chairman of the Company, and his family members (including Mr. TAO Richard, Vice Chairman and Mr. TAO Paul, Managing Director) are interested in certain properties in the PRC which may constitute a competing business to the Group. The properties include two villas in Suzhou Garden Court of a total gross floor area of 770.38 sq.m. developed by a subsidiary of the Company.

Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 32 to 37 of this report.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

Auditors

The Company's auditors, Grant Thornton retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

TAOCHAIFU Choofuang (C.F. TAO)
Chairman

Hong Kong, 21 April 2009

獲豁免持續關連交易(續)

3. 特許協議

於二零零五年三月二十一日，新澤管理(作為特許使用人)與Fontwell(作為特許人)就領取香港告士打道77-79號及香港謝斐道117-119號富通大廈2樓第28及51號泊車位的許可證以供本集團使用而簽訂一份特許協議，許可證月費為7,000港元，不包括政府差餉及管理費，由二零零五年二月一日開始，至二零零六年一月三十一日屆滿，為期一年。於二零零六年一月二十五日，上述特許協議已被續期，許可證月費為7,000港元，不包括政府差餉及管理費，租期由二零零六年二月一日開始，至二零零七年一月三十一日屆滿，為期一年。於二零零七年一月二十五日，該特許協議已獲再次續期，許可證月費為5,000港元，不包括政府差餉及管理費，由二零零七年二月一日開始，至二零零八年一月三十一日屆滿，為期一年。於二零零七年十一月二十六日，特許協議已被再次續期。詳情載於「關連交易」一節內。

董事於競爭業務之權益

於年內，董事須根據上市規則之規定披露其擁有與本集團業務直接或間接構成或可能構成競爭之業務之權益如下：

陶哲甫先生(本公司主席)及其家庭成員(包括副主席陶家祈先生及董事總經理陶錫祺先生)擁有若干中國物業權益，此舉可能構成與本集團競爭的業務。該等物業其中包括由本公司一間附屬公司發展的蘇州錦麗苑兩幢別墅(總建築面積770.38平方米)。

企業管治

本公司所採納的主要企業管治常規的報告，載於本年報第32至37頁。

足夠的公眾持股量

根據本公司可從公開途徑取得的資料及就本公司董事所知，於本年報日期，本公司已發行股份之公眾持股量為不少於25%。

核數師

本公司核數師均富會計師行將任滿告退，彼符合資格並願膺選連任，有關續聘均富會計師行為本公司核數師之決議案將於應屆股東週年大會提呈。

承董事會命

主席
陶哲甫

香港，二零零九年四月二十一日

Corporate Governance Report

企業管治報告

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company.

Throughout the year ended 31 December 2008, the Group has complied with the code provisions (the "Code Provisions") set out in Appendix 14, the Code of Corporate Governance Practices, of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Board will continue to monitor and review the Group's corporate governance practices to ensure compliance with the Code Provisions.

Board Composition

The Board comprises five executive directors, one non-executive director and three independent non-executive directors. All five executive directors are members of the executive committee of the Company responsible for dealing with the business of the Company in accordance with all applicable rules and regulations, including but not limited to, the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules"). All Directors (including independent non-executive directors) have been consulted on all major and material matters of the Company.

The Board members for the year ended 31 December 2008 were:

Executive Directors

Mr. TAOCHAIFU Choofuang (*Chairman*)

Mr. TAO Richard (*Vice Chairman*)

Mr. TAO Paul (*Managing Director*)

Mr. KONG Mui Sum Lawrence

Mr. YIM Chun Leung

Non-executive Director

Mr. CHAN Bernard Charnwut

Independent Non-executive Directors

Mr. WONG Gary Ka Wai

Mr. SUN Leland Li Hsun

Mr. CHAN Norman Enrique

The numbers of independent non-executive directors have met the requirements under the Listing Rules and Mr. WONG Gary Ka Wai has appropriate accounting professional qualification. The Company has appointed a Managing Director instead of a chief executive officer.

The positions of the Chairman and the Managing Director are held separately by two executive directors to ensure their respective independence, accountability and responsibility. The Chairman is responsible for determining overall business strategies of the Group. The duty of the Chairman is to work closely with audit, nomination and remuneration committee of the Company and to ensure that all key and appropriate issues are discussed by the Board in a timely and constructive manner. The Managing Director is responsible for general management of the Group. The Managing Director is also responsible to work closely with the executive committee of the Company to ensure management strategies, plans and performance of the Group are appropriately represented to the Board and to provide guidance to the Board on major issues.

本公司致力建立良好之企業管治慣例及程序，本公司之企業管治原則著重優秀之董事局、透明度及向本公司所有股東問責。

截至二零零八年十二月三十一日止年度，本集團已遵守香港聯合交易所有限公司（「聯交所」）之證券上市規則所載的附錄十四《企業管治常規守則》所載之守則條文（「守則條文」）。

董事會將繼續監察及審核本集團之企業管治常規，以確保符合守則條文之規定。

董事局之組成

董事局由五名執行董事、一名非執行董事及三名獨立非執行董事組成，所有五名執行董事均為執行委員會成員，負責按照所有適用的規則及條例，其中包括，但不限於聯交所之證券上市規則（「上市規則」）處理本公司之業務。所有董事（包括獨立非執行董事）在本公司所有主要及重大事項上均被諮詢。

截至二零零八年十二月三十一日止年度之董事局成員為：

執行董事

陶哲甫先生（*主席*）

陶家祈先生（*副主席*）

陶錫祺先生（*董事總經理*）

江淼森先生

嚴振亮先生

非執行董事

陳智思先生

獨立非執行董事

王家偉先生

孫立勳先生

陳樂文先生

獨立非執行董事之數目已符合上市規則規定及王家偉先生亦具備適當之會計專業資格。本公司已委任一位董事總經理，代替委任一位行政總裁。

主席及董事總經理之職位分別由兩位執行董事出任，以確保其各自之獨立性、問責性及責任承擔。主席負責決定本集團之整體業務策略。主席之職責乃與本公司之審核委員會、提名委員會及薪酬委員會緊密合作，並確保董事會能夠就所有重要及適當事宜，進行及時和具建設性之討論。董事總經理負責本集團之一般管理。董事總經理亦須與本公司之執行委員會緊密合作，以確保管理策略、計劃及表現於董事會中獲得適當的代表，並就主要議題向董事會提供指導。

Corporate Governance Report

企業管治報告

Board Composition (Cont'd)

The Board is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specially delegated by the Board to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Mr. TAOCHAIFU Choofuang (C.F. TAO), the Chairman of the Company, is the father of Mr. TAO Richard, the Vice Chairman of the Company, and Mr. TAO Paul, Managing Director of the Company. Further details of the Directors are set out on pages 16 to 18 under the section headed "Biographical Details of Directors and Senior Management" of this report.

Each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The non-executive director and all the independent non-executive directors have contracts with the Company for a period of three years commencing from 14 November 2008 which may be terminated by either party by giving one month's written notice and subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company.

All the minutes of the Board meeting are kept by the company secretary and are available for inspection by the Directors and auditors of the Company.

Attendance Record at Board Meetings

For the year ended 31 December 2008, four regular full Board meetings were held to review the business of the Group and to approve the financial results of the Group and the attendance of individual members at the meetings of the Board are set out as follows:-

Executive Director

Mr. TAOCHAIFU Choofuang (Chairman)
Mr. TAO Richard (Vice Chairman)
Mr. TAO Paul (Managing Director)
Mr. KONG Mui Sum Lawrence
Mr. YIM Chun Leung

執行董事

陶哲甫先生 (主席)
陶家祈先生 (副主席)
陶錫祺先生 (董事總經理)
江淼森先生
嚴振亮先生

Non-Executive Director

Mr. CHAN Bernard Charnwut

非執行董事

陳智思先生

Independent Non-Executive Director

Mr. WONG Gary Ka Wai
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

獨立非執行董事

王家偉先生
孫立勳先生
陳樂文先生

董事局之組成(續)

董事會負責企業策略、年度及中期業績、繼承計劃、風險管理、重大收購、出售及資本交易，及其他主要營運及財務事宜。董事會特別委託管理層執行之主要企業事宜包括籌備年度及中期賬目，以供董事會於對外公布前批核、執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

陶哲甫先生(本公司主席)，為陶家祈先生(本公司副主席)及陶錫祺先生(本公司董事總經理)之父親。有關董事之詳情載於本年報內第16至18頁「董事及高級管理人員之履歷」一節中。

各獨立非執行董事已根據上市規則第3.13條之規定提交年度獨立性確認書。本公司認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，並根據指引之條款屬獨立人士。本公司之非執行董事及各獨立非執行董事已與本公司訂立合約，任期由二零零八年十一月十四日起計，任期為三年，若終止其服務合約，其中一方可向另外一方發出一個月的書面通知及根據本公司之組織章程細則，其均須至少每三年於股東週年大會上輪值告退。

董事會會議之所有會議記錄由公司秘書保存及可供本公司之董事及核數師審閱。

董事會會議出席記錄

截至二零零八年十二月三十一日止年度，本集團共召開四次定期董事會會議以審議本集團之業務及批准本集團之財務業績，董事會之會議中個別成員之出席情況列載如下：—

Meetings attended/Number of Meeting held 出席會議次數/舉行會議次數

Mr. TAOCHAIFU Choofuang (Chairman)	陶哲甫先生 (主席)	4/4
Mr. TAO Richard (Vice Chairman)	陶家祈先生 (副主席)	4/4
Mr. TAO Paul (Managing Director)	陶錫祺先生 (董事總經理)	4/4
Mr. KONG Mui Sum Lawrence	江淼森先生	4/4
Mr. YIM Chun Leung	嚴振亮先生	4/4
Mr. CHAN Bernard Charnwut	陳智思先生	4/4
Mr. WONG Gary Ka Wai	王家偉先生	4/4
Mr. SUN Leland Li Hsun	孫立勳先生	4/4
Mr. CHAN Norman Enrique	陳樂文先生	3/4

Corporate Governance Report

企業管治報告

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. The obligation to follow the Listing Rules are set out in the terms of the service contracts of each executive director and the letters of appointment of the non-executive director and each independent non-executive director. Having made specific enquiry of all the Directors, the Directors confirmed that they have complied with the required standard as set out in the Model Code for the year ended 31 December 2008.

Audit Committee

The Company established an Audit Committee on 14 November 2005 with terms of reference in compliance with the Code Provisions. The Audit Committee consists of independent non-executive directors only. The members of the Audit Committee are as follows:

Mr. WONG Gary Ka Wai (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

Mr. WONG Gary Ka Wai, who possesses a professional accounting qualification and relevant accounting experience, is the chairman of the Audit Committee. No member of the Audit Committee is a member of the former or existing auditors of the Company.

The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control systems of the Group. The Group's final results for the year ended 31 December 2008 have been reviewed by the members of the Audit Committee before submission to the Board for approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

Three meetings of the Audit Committee were held during the year. The attendance of each member is set out as follows:

Name of member		Meetings attended/Number of Meeting held
成員名稱		出席會議次數/舉行會議次數

Mr. WONG Gary Ka Wai	王家偉先生	3/3
Mr. SUN Leland Li Hsun	孫立勳先生	3/3
Mr. CHAN Norman Enrique	陳樂文先生	2/3

Nomination Committee

The Company established a Nomination Committee on 14 November 2005 with terms of reference in compliance with the Code Provisions. The members of the Nomination Committee consist of one executive director and two independent non-executive directors.

The members of the Nomination Committee are as follows:

Mr. CHAN Norman Enrique (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. TAO Paul

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為其董事進行證券交易之操守守則。各執行董事之服務合約條文及非執行董事及各獨立非執行董事之委任信件中已載有遵守上市規則之責任。經本公司向全體董事作出特定查詢後，全體董事確認，彼等於截至二零零八年十二月三十一日一直遵守標準守則所規定標準。

審核委員會

本公司於二零零五年十一月十四日成立審核委員會，並根據守則條文制訂職權範圍。審核委員會成員只包括獨立非執行董事。審核委員會成員如下：

王家偉先生(主席)
孫立勳先生
陳樂文先生

王家偉先生，彼具有專業會計資格及相關會計經驗，乃審核委員會主席。概無任何審核委員會之成員乃本公司之前任或現任核數師。

審核委員會的主要職務為檢討及批准本集團的財務申報程序及內部監控制度。本集團截至二零零八年十二月三十一日止年度之業績於呈董事會批准前已獲審核委員會審閱。審核委員會認為是次業績之籌備乃遵守適用之會計準則及已作出適當的披露。

於年內審核委員會共召開三次會議。每位成員之出席情況載列如下：

提名委員會

本公司於二零零五年十一月十四日成立提名委員會，並根據守則條文制訂職權範圍。提名委員會成員包括一名執行董事及兩名獨立非執行董事。

提名委員會成員如下：

陳樂文先生(主席)
孫立勳先生
陶錫祺先生

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Nomination Committee (Cont'd)

The primary duty of the Nomination Committee is making recommendations to the Board on appointment and removal of directors and management of Board succession. No director is appointed or removed during the year.

The Nomination Committee has considered the past performance, qualification, general market conditions and the Company's articles of association in selecting and recommending directors for retirement rotation.

The Nomination Committee resolved that all the existing directors should be recommended to be retained by the Company. Further, in accordance with the Company's articles of association, Mr. TAO Richard, Mr. KONG Mui Sum Lawrence and Mr. YIM Chun Leung would retire, and being eligible, would offer themselves for re-election at the forthcoming annual general meeting of the Company.

Two meetings of the Nomination Committee were held during the year. The attendance of each member is set out as follows:

Name of member 成員名稱	Meetings attended/Number of Meeting held 出席會議次數/舉行會議次數
Mr. CHAN Norman Enrique 陳樂文先生	1/2
Mr. SUN Leland Li Hsun 孫立勳先生	2/2
Mr. TAO Paul 陶錫祺先生	2/2

Remuneration Committee

The Company established a Remuneration Committee on 14 November 2005 with terms of reference in compliance with the Code Provisions. The members of the Remuneration Committee consist of one executive director and two independent non-executive directors.

The members of the Remuneration Committee are as follows:

Mr. SUN Leland Li Hsun (Chairman)
Mr. CHAN Norman Enrique
Mr. TAO Richard

The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management including the recommendation to the Board on the granting of share options to Directors pursuant to the share option scheme adopted by the Company.

During the year, the Remuneration Committee has considered and reviewed the existing terms of remunerations of all the Directors. The Remuneration Committee has considered factors including salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee considered that the existing terms of remunerations of the Directors were fair and reasonable.

提名委員會(續)

提名委員會的主要職務為就委任董事及罷免董事以及管理董事會繼任事宜向董事會提出建議。於年內並無委任或罷免董事。

提名委員會已考慮以往的表現、資格、一般市場環境及本公司之組織章程細則以甄選及推薦董事輪值告退。

提名委員會決議推薦所有現任董事在本公司留任。再者，根據本公司之組織章程細則，陶家祈先生，江淼森先生及嚴振亮先生將於應屆股東週年大會上告退，惟彼符合資格並願意膺選連任。

於年內提名委員會共召開兩次會議。每位成員之出席情況載列如下：

薪酬委員會

本公司於二零零五年十一月十四日成立薪酬委員會，並根據守則條文制訂職權範圍。薪酬委員會成員包括一名執行董事及兩名獨立非執行董事。

薪酬委員會成員如下：

孫立勳先生(主席)
陳樂文先生
陶家祈先生

薪酬委員會的主要職務為檢討及釐定應付予董事及高級管理人員的薪酬福利條款、花紅及其他報酬，包括向董事會建議按照公司採納的購股權計劃而向董事授出購股權。

於年內，薪酬委員會考慮及檢討所有董事現時的薪酬條款。薪酬委員會考慮之因素包括可比較公司之薪金水平、各董事所投入之時間及職責、集團其他的聘用條件及以表現為準則的薪酬條件。薪酬委員會認為現時董事的薪酬條款乃公平合理。

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Remuneration Committee (Cont'd)

Two meetings of the Remuneration Committee were held during the year. The attendance of each member is set out as follows:

Name of member 成員名稱		Meetings attended/Number of Meeting held 出席會議次數／舉行會議次數
Mr. SUN Leland Li Hsun	孫立勳先生	2/2
Mr. CHAN Norman Enrique	陳樂文先生	2/2
Mr. TAO Richard	陶家祈先生	2/2

Internal Control

The Board is responsible overall for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard both the interests of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and the review of all relevant financial, operational, compliance controls and risk management function within an established framework.

During the year under review, the Company continued the engagement of an external independent professional consultant to review the effectiveness of the Group's system of internal controls. Relevant applicable recommendations made by the same consultant in previous years have been implemented in stages by the Group to further enhance its internal control policies, procedures and practices.

The Board is of the view that the system of internal controls adopted for the year ended 31 December 2008 is sound and is effective to safeguard both the interests of the shareholders and the Group's assets.

Investor Relationship and Communication

The Company endeavors to maintain a high level of transparency in communicating with shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted regularly. The Company is committed to continue to maintain an open and effective investor communication policy and to update investors on relevant information on its business in a timely manner, subject to relevant regulatory requirements. In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the executive directors and designated senior executives according to established practices and procedures of the Company. The Company has announced its annual results of the year under review in a timely manner, which is before the time limits set out in the Listing Rules.

薪酬委員會(續)

於年內薪酬委員會共召開兩次會議。每位成員之出席情況載列如下：

內部監控

董事會負責本公司整個內部監控系統及檢討其效率。董事會致力落實有效及良好的內部監控系統，以保障股東利益及本集團資產。董事已委派管理層落實內部監控系統，並檢討已建立的架構內的所有相關財務、營運、遵守規例監控及風險管理效能。

於回顧年內，公司繼續外聘獨立專業顧問評估本集團以前的年度內部控制系統之成效。同一顧問於提出的相關適用推薦意見已獲本集團分階段實行以進一步改進其內部監控政策、程序和慣例。

董事會認為於二零零八年十二月三十一日年度採納之內部監控系統是健全及能有效地保障股東利益及本集團資產。

與投資者的關係及溝通

本公司與股東及投資界溝通時，一直盡量保持高透明度。本公司定期為機構投資者及分析員舉行簡報會及會議。本公司致力按照有關監管規定，繼續維持公開及有效的投資者溝通政策，並及時向投資者提供最新的業務資料。為確保與投資者及分析家維持有效、清晰而準確的溝通渠道，所有企業通訊事宜均按照本公司的既定慣例及程序，由執行董事及專責高級行政人員處理。本公司已於回顧年度內按時宣佈其年度業績及中期業績，宣佈時間早於上市規則規定的時間。

Directors' and Auditors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently.

It is the responsibility of the auditors to form an independent opinion, based on their audit, on those financial statements and to report their opinion to the members of the Company, as a body, and for no other purpose. The auditors do not assume responsibility towards or accept liability to any other person for the contents of the independent auditors' report.

The Directors acknowledge their responsibilities for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2008, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations; made adjustments and estimates that are prudent and reasonable; and have prepared the financial statements on the going concern basis. The Directors also ensure the timely publication of the financial statements of the Group.

Auditors' Remuneration

The fee in respect of audit and non-audit (review) services provided to the Group by independent auditors for the year ended 31 December 2008 amounted to HK\$1,030,000 and HK\$150,000 respectively.

董事及核數師就財務報表承擔之責任

董事須負責編製真實而公正之財務報表。在編製該等財務報表時，董事必須貫徹選擇及採用合適之會計政策。

核數師之責任是根據審核工作之結果，對該等財務報表作出獨立意見，將此意見僅向本公司成員報告，不作其他用途。核數師並不就獨立核數師報告書內容向任何其他人士負上責任或承擔法律責任。

董事確認，其職責為就每個財政期間編製可真實公平地反映本集團業務狀況及該期間之業績及現金流量之財務報表。編製截至二零零八年十二月三十一日止年度之財務報表時，對已挑選及貫徹應用合適之會計政策，採納適當的香港財務報告準則、香港會計準則及詮釋、審慎及合理地作出調整及估計，並以持續營運基準準備財務報表。董事亦確保準時刊發本集團之財務報表。

核數師酬金

截至二零零八年十二月三十一日止年度，獨立核數師對本集團提供的核數和非核數（審閱）服務所收取之費用分別為1,030,000港元及150,000港元。

Independent Auditors' Report

獨立核數師報告



Member of Grant Thornton International Ltd

To the members of New Heritage Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of New Heritage Holdings Ltd. (the "Company") set out on pages 40 to 114, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

致新澤控股有限公司各股東
(於開曼群島註冊成立的有限公司)

吾等已完成審核載於第40至114頁新澤控股有限公司(「貴公司」)的綜合財務報表，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，以及截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及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。該責任包括設計、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；及按情況作出合理的會計估計。

核數師的責任

吾等的責任是根據吾等對該等綜合財務報表的審核結果作出意見，並僅向作為實體的閣下報告意見，除此之外概無其他目的。吾等不會就本報告的內容向任何其他人士負責或承擔責任。

吾等已根據香港會計師公會頒佈的香港核數準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定此等財務報表不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以按情況設計適當的審核程序，但並非為對公司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會計估計的合理性，以及評價財務報表的整體列報方式。

Independent Auditors' Report

獨立核數師報告

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

Opinion

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

Grant Thornton

Certified Public Accountants
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

21 April 2009

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，綜合財務報表已按照香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的財務狀況及 貴集團截至該日止年度的虧損和現金流量，並已按照香港公司條例的披露規定適當編製。

均富會計師行

執業會計師
香港
皇后大道中15號
置地廣場
告羅士打大廈13樓

二零零九年四月二十一日

Consolidated Income Statement

綜合收益表

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

		Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Revenue	收益	5	91,715	184,560
Cost of sales	銷售成本		(68,480)	(127,627)
Gross profit	毛利		23,235	56,933
Other income	其他收入	5	3,782	31,018
Selling expenses	銷售開支		(8,482)	(5,833)
Administrative expenses	行政開支		(46,002)	(42,891)
Other operating (expense)/income	其他營運(開支)/收入		(16,513)	14,058
Finance costs	融資成本	7	(25,955)	(12,975)
Share of results of associates	應佔聯營公司業績		23,831	21,417
(Loss)/profit before taxation	除稅前(虧損)/盈利	8	(46,104)	61,727
Taxation	稅項	9	83	(16,162)
(Loss)/profit for the year	年度(虧損)/盈利		(46,021)	45,565
Attributable to:	以下人士應佔:			
Equity holders of the Company	本公司權益持有人		(33,225)	36,115
Minority interests	少數股東權益		(12,796)	9,450
			(46,021)	45,565
Dividends	股息	10	-	11,283
(Loss)/earnings per share	每股(虧損)/盈利	11		
- Basic (HK cents)	- 基本(港仙)		(2.9)	4.2
- Diluted (HK cents)	- 攤薄(港仙)		N/A	4.2

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2008
於二零零八年十二月三十一日

	Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Goodwill	商譽	12	37,048
Property, plant and equipment	物業、廠房及設備	13	29,665
Investment properties	投資物業	14	311,754
Interests in associates	聯營公司的權益	16	123,674
Available-for-sale financial asset	可供出售的金融資產	17	43,318
Deferred tax assets	遞延稅項資產	18	1,898
			547,357
Current assets	流動資產		479,742
Properties held under development	發展中物業	19	657,376
Properties held for sale	待售物業	20	58,753
Inventories	存貨	21	121
Accounts receivable	應收賬款	22	149
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	23	37,024
Pledged bank deposits	已抵押銀行存款	31	9,165
Cash at banks and in hand	銀行結存及現金	32	125,973
			888,561
Current liabilities	流動負債		849,901
Accounts payable	應付賬款	24	55,842
Accruals, deposits received and other payables	應計費用、已收按金及其他應付款項	25	35,133
Provision for tax	稅項撥備		10,886
Borrowings	借貸	26	82,649
			184,510
Net current assets	流動資產淨值		655,053
Total assets less current liabilities	總資產減流動負債		1,251,408
Non-current liabilities	非流動負債		
Borrowings	借貸	26	293,832
Convertible notes	可換股票據	27	72,212
Deferred tax liabilities	遞延稅項負債	18	30,009
			396,053
Net assets	資產淨值		847,183
EQUITY	權益		
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備		
Share capital	股本	28	11,628
Reserves	儲備	30(a)	754,075
Proposed final dividend	擬派末期股息	30(a)	-
			765,703
Minority interests	少數股東權益		90,857
Total equity	總權益		855,355

TAO Richard
陶家祈
Director
董事

TAO Paul
陶錫祺
Director
董事

Balance Sheet

資產負債表

As at 31 December 2008
於二零零八年十二月三十一日

		Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	15(a)	119,398	118,831
Current assets	流動資產			
Prepayments	預付款項		300	227
Amounts due from subsidiaries	應收附屬公司款項	15(b)	465,771	436,656
Cash at banks and in hand	銀行結存及現金		2,250	15,880
			468,321	452,763
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項		4,585	4,966
Financial guarantee contracts	財務擔保合約	36	1,333	7,179
			5,918	12,145
Net current assets	流動資產淨值		462,403	440,618
Total assets less current liabilities	總資產減流動負債		581,801	559,449
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	27	72,212	71,482
Deferred tax liabilities	遞延稅項負債	18	460	580
			72,672	72,062
Net assets	資產淨值		509,129	487,387
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本	28	11,628	11,283
Reserves	儲備	30(b)	497,501	464,821
Proposed final dividend	擬派末期股息	30(b)	–	11,283
Total equity	總權益		509,129	487,387

TAO Richard
陶家祈
Director
董事

TAO Paul
陶錫祺
Director
董事

Consolidated Cash Flow Statement

綜合現金流量表

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

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Cash flows from operating activities	經營活動的現金流量		
(Loss)/profit before taxation	除稅前(虧損)/盈利	(46,104)	61,727
Adjustments for:	調整項目：		
Depreciation	折舊	3,476	2,382
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損/(收益)	23	(6)
Loss on disposal of investment properties	出售投資物業的虧損	1,247	-
Gain on partial disposal of interests in subsidiaries	出售附屬公司部分權益的收益	-	(22,204)
Fair value adjustments on investment properties	投資物業公允價值調整	15,266	(14,058)
Share of result of associates	應佔聯營公司業績	(23,831)	(21,417)
Employee share-based payment expense	以股份支付僱員的開支	4,008	6,132
Impairment loss on other receivables	其他應收款項的減值虧損	2,503	-
Interest income	利息收入	(2,624)	(7,104)
Interest expenses	利息開支	25,955	12,975
Operating (loss)/profit before working capital changes	未計營運資金變動前經營(虧損)/盈利	(20,081)	18,427
Increase in properties held under development	發展中物業增加	(254,610)	(356,783)
Decrease in properties held for sale	待售物業減少	60,519	117,028
Decrease/(Increase) in inventories	存貨減少/(增加)	15	(21)
Decrease/(Increase) in accounts receivable	應收賬款減少/(增加)	365	(514)
Decrease/(Increase) in deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項減少/(增加)	42,310	(251,748)
Increase in accounts payable, accruals, deposits received and other payables	應付賬款、應計費用、已收按金及其他應付款項增加	28,853	83,194
Decrease/(Increase) in amount due from associates	應收聯營公司款項減少/(增加)	122	(35)
Decrease/(Increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	52,265	(53,629)
Cash used in operations	經營活動所用現金	(90,242)	(444,081)
Interest paid	已付利息	(14,692)	(8,301)
Income taxes paid	已付所得稅	(13,060)	(15,956)
Net cash used in operating activities	經營活動所用的現金淨額	(117,994)	(468,338)

Consolidated Cash Flow Statement

綜合現金流量表

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

	Note 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
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	(14,551)	(5,677)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	113	140
Proceeds from sale of investment properties	出售投資物業所得款項	5,260	-
Proceeds from partial disposal of interests in subsidiaries	出售附屬公司部分權益所得款項	-	71,832
Additions to investment properties	添置投資物業	-	(98,827)
Dividends received from an associate	收取一家聯營公司的股息	21,055	18,757
Interest received	已收利息	2,624	7,104
Net cash from/(used in) investing activities	投資活動產生/(所用)的現金淨額	14,501	(6,671)
Cash flows from financing activities	融資活動的現金流量		
Proceeds from issuance of share capital	發行股份所得款項	9,813	162,044
Share issue expenses	股份發行開支	-	(2,477)
Proceeds from issue of convertible notes	發行可換股票據所得款項	-	75,000
Borrowings raised	籌集貸款	244,900	458,761
Repayment of borrowings	償還貸款	(188,441)	(181,705)
Interest paid on convertible notes	已付可換股票據利息	(3,750)	(801)
Capital contribution by a minority shareholder of a subsidiary	一間附屬公司的少數股東出資	3,282	-
Dividends paid to Company's equity holders	已付本公司權益持有人股息	(11,372)	(7,135)
Dividends paid to minority shareholders	已付少數股東股息	(12,141)	(1,600)
Net cash from financing activities	融資活動產生的現金淨額	42,291	502,087
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(61,202)	27,078
Effect of foreign exchange difference	匯兌差額的影響	4,986	16,503
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	175,701	132,120
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	119,485	175,701

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益										Minority interests 少數股東 權益	Total 總計	
		Share capital 股本	Share premium 股份溢價	Share option reserves 購股權 儲備	Convertible notes reserves 可換股 票據 權益儲備	Merger reserve 合併儲備	Hotel property, plant and equipment revaluation reserve 酒店物業、 廠房及設備 重估儲備	Exchange reserve 匯兌儲備	Statutory reserve 法定儲備	Retained profits 保留盈利	Proposed dividend 擬派股息	Total		
		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	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
Balance at 1 January 2007	於二零零七年一月一日的結餘	7,135	223,643	7,628	-	89,936	(2,326)	(3,989)	6,346	122,998	7,135	458,506	10,654	469,160
Net income recognised directly in equity	於權益直接確認的淨收入	-	-	-	-	-	-	-	-	-	-	-	-	-
- Translation	- 折算	-	-	-	-	-	-	26,173	-	-	-	26,173	6,996	33,169
- Share of associate's translation	- 應佔聯營公司折算	-	-	-	-	-	-	4,939	-	-	-	4,939	-	4,939
- Share of associate's hotel property revaluation surplus	- 應佔聯營公司酒店物業重估盈餘	-	-	-	-	-	7,602	-	-	-	-	7,602	-	7,602
Profit for the year	年度盈利	-	-	-	-	-	-	-	-	36,115	-	36,115	9,450	45,565
Total recognised income and expense for the year	本年度確認的總收入及開支	-	-	-	-	-	7,602	31,112	-	36,115	-	74,829	16,446	91,275
Transfer	轉撥	-	-	-	-	-	-	-	8,316	(6,675)	-	1,641	(1,641)	-
Share of associate's statutory reserve	應佔聯營公司法定儲備	-	-	-	-	-	-	-	2,061	(2,051)	-	-	-	-
Minority interest arising from partial disposal of interests in subsidiaries	因出售附屬公司部分權益而產生的少數股東權益	-	-	-	-	-	-	-	-	-	-	-	49,628	49,628
Fair value adjustment on initial recognition of loans from minority shareholders	對少數股東貸款首次確認時進行公允價值調整	-	-	-	-	-	-	-	-	-	-	-	17,370	17,370
Employee share based compensation (note 29)	以股份支付的僱員薪酬(附註29)	-	-	6,132	-	-	-	-	-	-	-	6,132	-	6,132
Surplus on revaluation upon transfer from property, plant and equipment to investment property	物業、廠房及設備轉撥至投資物業時的重估盈餘	-	-	-	-	-	2,119	-	-	-	-	2,119	-	2,119
Arising from issue of ordinary shares on bonus issue (note 28(b))	以紅股方式發行普通股而產生(附註28(b))	143	(143)	-	-	-	-	-	-	-	-	-	-	-
Arising from issue of ordinary shares as 2006 scrip dividend (note 28(c))	因二零零六年以股代息計劃發行普通股而產生(附註28(c))	28	2,008	-	-	-	-	-	-	-	-	2,036	-	2,036
Arising from issue of ordinary shares on subscription (note 28(a))	因認購事項發行普通股而產生(附註28(a))	900	56,756	-	-	-	-	-	-	-	-	57,656	-	57,656
Arising from issue of ordinary shares upon rights issue (note 28(d))	因供股發行普通股而產生(附註28(d))	3,077	156,931	-	-	-	-	-	-	-	-	160,008	-	160,008
Share issue expenses	股份發行開支	-	(2,477)	-	-	-	-	-	-	-	-	(2,477)	-	(2,477)
Issue of convertible notes	發行可換股票據	-	-	-	3,650	-	-	-	-	-	-	3,650	-	3,650
Deferred tax liability arising on convertible notes	因可換股票據而產生的遞延稅項負債	-	-	-	(639)	-	-	-	-	-	-	(639)	-	(639)
Dividend relating to 2006 final dividend	有關二零零六年末期股息的股息	-	-	-	-	-	-	-	-	-	(7,135)	(7,135)	-	(7,135)
Dividend paid to minority shareholders	已付少數股東的股息	-	-	-	-	-	-	-	-	-	-	-	(1,600)	(1,600)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	-	-	(11,283)	11,283	-	-	-
Balance at 31 December 2007	於二零零七年十二月三十一日的結餘	11,283	436,718	13,760	3,011	89,936	7,395	27,123	16,713	139,104	11,283	756,326	90,857	847,183

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益										Minority interests 少數股東 權益	Total 總計	
		Share capital 股本	Share premium 股份溢價	Share option reserves 購股權 儲備	Convertible notes equity reserves 可換股 票據 權益儲備	Merger reserve 合併儲備	Hotel property, plant and equipment revaluation reserve 酒店物業、 廠房及設備 重估儲備	Exchange reserve 匯兌儲備	Statutory reserve 法定儲備	Retained profits 保留盈利	Proposed dividend 擬派股息	Total		
		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	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
Balance at 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日的結餘	11,283	436,718	13,760	3,011	89,936	7,395	27,123	16,713	139,104	11,283	756,326	90,857	847,183
Net income recognised directly in equity	於權益直接確認的淨收入													
- Translation	- 折算	-	-	-	-	-	-	31,338	-	-	-	31,338	16,450	47,788
- Share of associate's translation	- 應佔聯營公司折算	-	-	-	-	-	-	8,830	-	-	-	8,830	-	8,830
- Share of associate's hotel property revaluation deficit	- 應佔聯營公司酒店物業 重估虧蝕	-	-	-	-	-	(269)	-	-	-	-	(269)	-	(269)
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(33,225)	-	(33,225)	(12,796)	(46,021)
Total recognised income and expense for the year	本年度確認的總收入 及開支	-	-	-	-	-	(269)	40,168	-	(33,225)	-	6,674	3,654	10,328
Transfer	轉撥	-	-	-	-	-	-	-	565	(311)	-	254	(254)	-
Share of associate's statutory reserve	應佔聯營公司法定儲備	-	-	-	-	-	-	-	2,230	(2,230)	-	-	-	-
Capital contribution by a minority shareholder of a subsidiary	一間附屬公司的少數股東 出資	-	-	-	-	-	-	-	-	-	-	-	3,282	3,282
Fair value adjustment on initial recognition of loans from minority shareholders	對少數股東貸款首次確認時 進行公允價值調整	-	-	-	-	-	-	-	-	-	-	-	4,254	4,254
Employee share based compensation (note 29)	以股份支付的僱員薪酬 (附註29)	-	-	4,008	-	-	-	-	-	-	-	4,008	-	4,008
Dividend relating to 2007 final dividend	有關二零零七年末期股息的股息	-	-	-	-	-	-	-	-	(89)	(11,283)	(11,372)	-	(11,372)
Dividend paid to minority shareholders	已付少數股東的股息	-	-	-	-	-	-	-	-	-	-	-	(12,141)	(12,141)
Arising from issue of ordinary shares on exercise of share options (note 28 (e))	因行使購股權發行普通股 而產生(附註28(e))	345	11,218	(1,750)	-	-	-	-	-	-	-	9,813	-	9,813
Balance at 31 December 2008	於二零零八年十二月三十一日的結餘	11,628	447,936	16,018	3,011	89,936	7,126	67,291	19,508	103,249	-	765,703	89,652	855,355

Notes to the Financial Statements

財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The address of the Company's registered office and principal place of business are Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands and Room 2301, 23/F, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong respectively.

The principal activity of the Company is investment holding and the principal activities of the subsidiaries are set out in note 15.

The financial statements on pages 40 to 114 have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements for the year ended 31 December 2008 were approved by the directors on 21 April 2009.

2. ADOPTION OF NEW AND AMENDED HKFRSs

In current year, the Company and its subsidiaries (collectively known as the "Group") have applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by HKICPA, which are effective for the Group's financial statements for the annual period beginning on 1 January 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

1. 一般資料

本公司於開曼群島註冊成立為一間獲豁免有限公司。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司註冊辦事處及主要營業地點分別為Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands及香港灣仔告士打道77-79號富通大廈23樓2301室。

本公司的主要業務為投資控股，附屬公司的主要業務載於附註15。

載於第40至114頁的財務報表乃根據香港財務報告準則(「香港財務報告準則」)編製，此乃統稱，包括香港會計師公會(「香港會計師公會」)頒佈的所有適用個別香港財務報告準則、香港會計準則及詮釋。財務報表包括聯交所證券上市規則的適用披露規定，以及香港公司條例的披露要求。

截至二零零八年十二月三十一日止年度的財務報表已獲董事於二零零九年四月二十一日通過。

2. 採納新訂及經修訂香港財務報告準則

於本年度，本公司及其附屬公司(統稱為「本集團」)首次應用由香港會計師公會頒佈的下列新準則、修訂及詮釋(「新香港財務報告準則」)，該等準則適用於本集團於二零零八年一月一日開始的年度期間的財務報表。

香港會計準則第39號及香港財務報告準則第7號(修訂本)	重新分類金融資產
香港(國際財務報告準則)詮釋委員會 – 詮釋第11號	香港財務報告準則第2號—集團及庫存股份交易
香港(國際財務報告準則)詮釋委員會 – 詮釋第12號	服務經營權安排
香港(國際財務報告準則)詮釋委員會 – 詮釋第14號	香港會計準則第19號—界定福利資產的限制、最低資金要求及其相互作用

採納新香港財務報告準則對本期間或過往期間業績及財務狀況的編製及呈列方式並無重大影響。因此，毋須進行前期調整。

Notes to the Financial Statements

財務報表附註

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

2. ADOPTION OF NEW AND AMENDED HKFRSs (Cont'd)

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

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Statements and Obligations Arising on Liquidation ¹
HKAS 39 (Amendments)	Financial Instruments : Recognition and Measurement – Embedded Derivatives ²
HKAS 39 (Amendments)	Eligible Hedged Items ³
HKFRS 1 (Revised)	First-time Adoption of HKFRS ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate ¹
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised) and HKAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements ³
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 9 (Amendments)	Reassessment of Embedded Derivatives ²
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 15	Agreements for Construction of Real Estate ¹
HK(IFRIC) – Int 16	Hedges of Net Investment in a Foreign Operation ⁵
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfer of Assets from Customers ⁶
Various	Annual Improvements to HKFRSs 2008 ⁷

Notes:

- ¹ Effective for annual periods beginning on or after 1 January 2009
- ² Effective for annual periods ending on or after 30 June 2009
- ³ Effective for annual periods beginning on or after 1 July 2009
- ⁴ Effective for annual periods beginning on or after 1 July 2008
- ⁵ Effective for annual periods beginning on or after 1 October 2008
- ⁶ Effective for transfer received on or after 1 July 2009
- ⁷ Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRSs

HKAS 1 (Revised) "Presentation of Financial Statements" is expected to materially change the presentation of the Group's financial statements. This amendment affects the presentation of owner's changes in equity and introduces a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

2. 採納新訂及經修訂香港財務報告準則 (續)

於授權刊發此等財務報表日期，本集團並無提前採納下列經已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港會計準則第1號(經修訂)	呈列財務報表 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及香港會計準則第1號(修訂本)	可沽售金融工具及清盤時產生的責任 ¹
香港會計準則第39號(修訂本)	金融工具：確認及計量 – 嵌入式衍生工具 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	投資於一間附屬公司、共同控制實體或聯營公司的成本 ¹
香港財務報告準則第2號(修訂本)	以股份支付 – 歸屬條件及註銷 ¹
香港財務報告準則第3號(經修訂)及香港會計準則第27號(經修訂)	業務合併與綜合及獨立財務報表 ³
香港財務報告準則第7號(修訂本)	改善金融工具披露 ¹
香港財務報告準則第8號	營運分類 ¹
香港(國際財務報告準則詮釋委員會) – 詮釋第9號(修訂本)	重新評估嵌入式衍生工具 ²
香港(國際財務報告準則詮釋委員會) – 詮釋第13號	顧客忠誠計劃 ⁴
香港(國際財務報告準則詮釋委員會) – 詮釋第15號	房地產建造協議 ¹
香港(國際財務報告準則詮釋委員會) – 詮釋第16號	對沖境外經營淨投資 ⁵
香港(國際財務報告準則詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ³
香港(國際財務報告準則詮釋委員會) – 詮釋第18號	自客戶轉讓資產 ⁶
不同項目	二零零八年對香港財務報告準則的年度改善 ⁷

附註：

- ¹ 於二零零九年一月一日或以後開始的年度期間生效
- ² 於二零零九年六月三十日或以後完結的年度期間生效
- ³ 於二零零九年七月一日或以後開始的年度期間生效
- ⁴ 於二零零八年七月一日或以後開始的年度期間生效
- ⁵ 於二零零八年十月一日或以後開始的年度期間生效
- ⁶ 對於二零零九年七月一日或以後接獲的資產轉讓生效
- ⁷ 除特定香港財務報告準則另有說明外，一般於二零零九年一月一日或以後開始的年度期間生效

預計香港會計準則第1號(經修訂)「呈列財務報表」會對本集團財務報表的呈列造成重大影響。該修訂影響擁有人權益變動的呈列，並引入綜合收入報表。本集團可選擇以單一綜合收入報表方式(連同小計項目)，或以兩份獨立報表(一份獨立收入報表與一份綜合收入報表)方式呈列收支項目及其他綜合收入的組成部分。此項修訂不會對本集團的財務狀況或業績造成影響，惟將產生額外披露事項。

2. ADOPTION OF NEW AND AMENDED HKFRSs (Cont'd)

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

HKAS 23 (Revised) "Borrowing Costs" requires capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. The option of immediately expensing those borrowing costs, which is the accounting policy adopted by the Group in these financial statements, will be removed. In accordance with the transitional provisions, the Group shall apply HKAS 23 (Revised) on a prospective basis to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. In this regard, all borrowing costs directly attributable to the property development will be capitalised for property development project commenced since 1 January 2009, the directors are in the process to evaluate the impact on the Group's results and financial position.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the significant accounting policies set out below. The financial statements have been prepared on the historical cost basis except for the revaluation of investment properties, hotel properties and certain financial assets and liabilities which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) Basis of consolidation

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

2. 採納新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第8號「營運分類」可能會導致新增或經修訂披露事宜。董事正在識別香港財務報告準則第8號所界定的可呈報營運分類。

香港會計準則第23號(經修訂)「借貸成本」規定將購置、建造或生產合資格資產直接相關的借貸成本予以資本化。即時支銷該等借貸成本(本集團於此等財務報表內所採納的會計政策)的選擇權將被取消。根據過渡性條文，本集團預期將於二零零九年一月一日或以後起應用香港會計準則第23號(經修訂)，資本化合資格資產的有關借貸成本。就此而言，物業發展直接相關的所有借貸成本，將就二零零九年一月一日起開始的物業發展項目予以資本化，董事正在評估對本集團業績及財務狀況的影響。

董事目前正在評估首次應用其他新訂及經修訂香港財務報告準則的影響。到目前為止，董事的初步結論為，首次應用該等香港財務報告準則不大可能對本集團的業績及財務狀況造成重大影響。

3. 主要會計政策概要

(a) 編製基準

財務報表乃根據下文所載的主要會計政策編製。財務報表乃按歷史成本準則編製，並就以公允價值計量的投資物業、酒店物業及若干金融資產及負債的重估作出修訂。計量標準詳載於下文會計政策中。

惟須注意，編製財務報表時採用了會計估計及假設。儘管此等估計乃根據管理層對現行事務及行動的最佳知識及判斷而作出，實際結果可能與此等估計不同。涉及較高程度的判斷或複雜度的領域，或假設及估計對財務報表而言屬重要的領域於附註4披露。

(b) 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止的財務報表。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(c) Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable 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 excluded from consolidation from the date that control ceases.

Business combinations (other than for combining entities under common control) are accounted for by applying the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

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

3. 主要會計政策概要(續)

(c) 附屬公司

附屬公司指本集團有權控制其財務及經營政策的所有企業，以從業務中取利。現時可予行使的潛在表決權的存在及影響，已於評估本集團是否控制另一個實體時考慮到。附屬公司乃於控制權轉移予本集團當日起計全數綜合於賬目內，並於終止控制日期起計不再綜合有關賬目。

業務合併(除合併共同控制下的實體外)採用收購會計法入賬。此方法須對該附屬公司的所有可識別資產及負債(包括附屬公司的或然負債)於收購日按公允價值進行重估(無論該等項目於收購前是否已計入該附屬公司的財務報表)。於初步確認時，附屬公司的資產及負債以其公允價值計入綜合資產負債表，並以此作為日後按本集團的會計政策進行計量的基準。

在編製綜合財務報表時，關於集團各成員公司間的交易、交易結餘及未變現收益均予對銷。除非該項交易有證據證明所轉讓的資產出現減值，否則未變現虧損亦予以對銷。

於本公司的資產負債表內，附屬公司乃按成本值扣除累計減值虧損入賬。本公司根據於結算日的已收及應收股息將附屬公司的業績列賬。

少數股東權益指於非本集團擁有實益權益以及按非本集團金融負債入賬的損益賬及附屬公司淨資產部分。

少數股東權益乃於綜合資產負債表中，按獨立於本公司權益持有人應佔權益的權益入賬。少數股東權益應佔損益乃於綜合收益表中作為本集團業績配置獨立呈列。倘適用於少數股東的虧損超過少數股東應佔附屬公司的權益，則超出數額及適用於少數股東的進一步虧損會與少數股東權益對銷，惟以少數股東負有約束力的責任及能作出額外投資以抵銷有關虧損為限。否則，有關虧損於本集團的權益支銷。倘附屬公司其後錄得盈利，有關盈利僅於過往經本集團吸收的少數股東應佔虧損已收回後方可分配至少數股東權益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(d) Associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in a joint venture. In consolidated financial statements, investment in associates is initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(e) Goodwill

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (note 3(p)).

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

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

3. 主要會計政策概要(續)

(d) 聯營公司

聯營公司是指本集團對其有重大影響，通常持有其20%至50%投票權但既非附屬公司亦非合資企業的實體。綜合財務報表中，聯營公司的投資初期以成本值確認及其後按權益會計法入賬。根據權益會計法，本集團於聯營公司的權益乃按成本值入賬，並按本集團應佔聯營公司淨資產於收購後的變動減任何可識別減值虧損而作調整，除非已分類為持作出售用途(或包括在分類為持作出售已出售資產組別之內)。綜合收益表包括本集團應佔聯營公司收購後除稅後的年度業績，包括任何年內確認的於聯營公司投資相關商譽的減值虧損。

當本集團應佔聯營公司虧損相等於或超過其於該聯營公司的權益時，本集團不再確認進一步的虧損，惟其代表該聯營公司產生法律或推定責任或支付款項則除外。就此而言，本集團於聯營公司的權益乃按照權益會計法所作投資的賬面值，以及任何實質上構成本集團於聯營公司的淨投資一部分的任何長期權益。

本集團與其聯營公司進行交易的未變現收益，以本集團於聯營公司的權益為限進行對銷。除非該項交易有證據證明所轉讓的資產出現減值，否則未變現虧損亦予以對銷。

(e) 商譽

商譽是指業務合併或投資的成本超過本集團在被收購方的可識別資產、負債和或然負債的公允價值淨額中所佔權益的部分。

商譽按成本減去累計減值虧損後列賬。商譽會分配至現金產生單位，並且每年接受減值測試(附註3(p))。

本集團在被收購方的可識別資產、負債和或然負債的公允價值淨額中所佔權益，超過業務合併的成本部分，會即時在收益表中確認。

於其後出售附屬公司時，撥充商譽的所得數額乃作為釐定出售的盈虧多寡之用。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(f) Property, plant and equipment

(i) Depreciation

Depreciation is provided to write off the cost or valuation of property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Buildings	2% – 5%
Leasehold improvements	10% – 20%
Motor vehicles	20%
Operating and office equipment	5% – 20%
Furniture and fixtures	20%
Hotel properties	Period of the lease terms

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

(ii) Measurement bases

Property, plant and equipment, other than hotel properties, are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. 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 cost, such as repairs and maintenance are charged to the consolidated income statement during the period in which they are incurred.

Hotel properties held by an associate of the Group are stated at valuation determined by external professional valuers less accumulated depreciation and impairment losses.

Changes in the value of hotel properties are dealt with as movements in the hotel property, plant and equipment revaluation reserve. If the balance of this reserve is insufficient to cover a deficit, the excess of the deficit is charged to the consolidated income statement.

When assets are sold or retired, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is recognised in the consolidated income statement. Any revaluation surplus remaining in equity is transferred to retained profits on the disposal of hotel properties and certain buildings have been transferred as investment properties.

3. 主要會計政策概要(續)

(f) 物業、廠房及設備

(i) 折舊

物業、廠房及設備乃按其估計可使用年期以直線法按下列年率撇銷成本或估值計提折舊：

樓宇	2% – 5%
租賃物業裝修	10% – 20%
汽車	20%
營業及辦公室設備	5% – 20%
傢俬及裝置	20%
酒店物業	租賃年期

資產的折舊法及可使用年期於每個結算日檢討，並於適當時作出調整。

(ii) 計算基準

物業、廠房及設備(除酒店物業外)按成本減累計折舊及減值虧損列賬。資產成本包括其購買價及將該資產達致其營運狀況及運送至某地點作其擬定用途的任何直接相關成本。其後的成本僅會於與該項目有關的未來經濟利益可能流入本集團，而該項成本能可靠計算的情況下計入資產的賬面值，或確認為一項獨立資產(倘適用)。所有其他成本(如維修及保養)於產生期間內在綜合收益表支銷。

本集團的一間聯營公司所持有的酒店物業，乃按估值減累計折舊及減值虧損列賬。估值由外聘專業估值師釐定。

酒店物業價值的變動，乃作為酒店物業、廠房及設備重估儲備的變動處理。若該儲備的結餘不足以抵扣虧損，所超出的虧損額將於綜合收益表內支銷。

於資產出售或廢棄時，出售的任何損益(即出售所得款項淨額與資產賬面值的差額)於綜合收益表內確認。於出售酒店物業及已撥作投資物業的若干樓宇時，權益內剩餘的任何重估盈餘會轉撥至保留盈利內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. When the Group holds a property interest under an operating lease to earn rental income or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

Investment properties are measured initially at its cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are carried at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment properties. The carrying amounts recognised in the consolidated balance sheet reflect the prevailing market conditions at the balance sheet date.

Any gain or loss resulting from either a change in fair value or the sale of investment properties is immediately recognised in the consolidated income statement for the period in which they arise.

(h) Properties held under development

Properties held under development for future sale are included in current assets and comprise land held under operating lease (note 3(j)(ii)) and aggregate cost of development, materials and supplies, wages and other expenses ("Development costs"). Development costs are stated at the lower of cost and net realisable value less any impairment losses. Other expenses included (i) those costs that are incurred in bringing the properties held under development to their present location and condition and (ii) a systematic allocation of fixed overheads that are incurred on development of properties. Fixed overheads are indirect costs which remain relatively constant regardless of the size or volume of the development.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated selling expenses.

(i) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

The cost of properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the properties to their present location and condition.

3. 主要會計政策概要(續)

(g) 投資物業

持作長期租金收益或資本增值或同時兩者的物業分類為投資物業。倘本集團根據經營租賃持有一項物業權益以賺取租金收入或為資本增值，則該權益按各物業的基準以投資物業分類及入賬。分類為投資物業的任何該等物業權益按猶如融資租賃的方法入賬。

投資物業最初按其成本(包括任何直接應佔開支)計算。初步確認後，投資物業按公允價值列賬。公允價值乃由具足夠經驗的外聘專業估值師就投資物業的所在地及性質釐定。於綜合資產負債表確認的賬面值反映結算日當時的市況。

公允價值變動或出售投資物業產生的任何損益將於其產生的期間內在綜合收益表內確認。

(h) 發展中物業

持作於未來出售的發展中物業列為流動資產，包括根據經營租賃持有的土地(附註(3)(j)(ii))及開發成本總額、物料及供應品、工資及其他費用(「開發成本」)。開發成本按成本及可變現淨值(以較低者為準)減任何減值虧損列賬。其他開支包括(i)將發展中物業達致其現時所在地及狀況所產生的成本；及(ii)就發展物業產生並有系統地分配的固定間接開支。固定間接開支為持續較為穩定的間接成本，不論發展項目的規模或數量。

可變現淨值為日常業務過程中的估計售價減估計竣工成本及估計銷售開支。

(i) 待售物業

待售物業乃按成本及可變現淨值(以較低者為準)列賬。倘本集團完成發展的物業，成本乃透過攤分未售物業佔發展項目的發展成本總額而釐定。可變現淨值為日常業務過程中的估計售價減估計銷售開支。

待售物業的成本乃由全部購買成本、兌換成本及將物業運至現址及達至現狀所產生的其他成本所構成。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(j) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

Leasehold interest in land is up-front payments to acquire the land use rights. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis to write off the up-front payments over the lease terms.

Leasehold interest in land included in properties held under development and properties held for sale, of which the amortisation of prepaid land lease is capitalised as part of the building costs during the development period but charged to the consolidated income statement for completed properties.

Properties leased out under operating leases are included in investment properties in the consolidated balance sheet. The recognition of rental income is set out in note 3(u).

(ii) Operating lease charges as the lessee

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the consolidated income statement on a straight-line basis over the lease terms. Lease incentives received are recognised in the consolidated income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated income statement in the period in which they are incurred.

(k) Inventories

Inventories comprise consumable stores for own consumption which are stated at cost. Cost is determined using the weighted average method.

3. 主要會計政策概要(續)

(j) 租賃

如本集團認為，一項安排賦予於一段協定期間內使用某一指定資產的權利，並以付款或連串付款作為交換，該項安排(包括交易或連串交易)為或包含一項租賃。本集團經評估該項安排的實際內容後，釐定上述決定，並不會考慮該項安排是否屬租賃的法定形式。

(i) 本集團的資產租賃分類

對於本集團以租賃持有的資產，如果租賃使所有權的絕大部分風險和回報轉移至本集團，有關資產便會劃歸為以融資租賃持有；如果租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃，但下列情況除外：

土地租賃權益指收購土地使用權的首筆支付款項。該等款項乃按成本減累計攤銷及任何減值虧損列賬。首筆支付款項按租期以直線法計算攤銷予以撇銷。

發展中物業及待售物業包括土地租賃權益，當中的預繳土地租賃費攤銷會撥充發展期間的部分樓宇成本，但已落成物業則會在綜合收益表內扣除。

經營租賃項下租出的物業於綜合資產負債表列入投資物業。租金收入的確認載於附註3(u)。

(ii) 作為承租人的經營租賃開支

如果本集團是以經營租賃獲得資產的使用權，則根據租賃作出的付款，按租賃期以直線法在綜合收益表中支銷。所獲得的租賃優惠均在綜合收益表中確認為租賃淨付款總額的組成部分。或有租金在其產生的期間內在綜合收益表中支銷。

(k) 存貨

存貨包括供本身消耗的消耗品庫存材料，以按加權平均法釐定的成本列賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(I) Financial assets

Financial assets of the Group are available-for-sale financial asset, loans and receivables and cash at banks. Management determines the classification of the financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

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

Available-for-sale financial asset

Available-for-sale financial asset include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category is subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised directly in equity, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in the income statement. Interest calculated using the effective interest method is recognised in the income statement. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.

The Group designated the shareholder's loan relating to an unlisted investment as available-for-sale financial asset as the Group intends to capitalise the shareholder's loan as further investment in this investment.

Available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

3. 主要會計政策概要(續)

(I) 金融資產

本集團的金融資產乃分類為可供出售的金融資產、貸款及應收款項及銀行結存。管理層於初步確認時根據金融資產被收購的目的釐定金融資產的歸類，並(倘允許及適合)於每個報告日期重新評估該分類。

當且僅當本集團成為工具合約協議的一方，所有金融資產方被確認。金融資產於初步確認時按公允價值加直接應佔交易成本計量。

倘收取投資現金流量的權利屆滿或轉讓，而所有權絕大部分風險及回報亦已轉讓，則金融資產終止確認。本公司於每個結算日評估金融資產是否出現減值的客觀證據。倘出現該等客觀證據，公司將釐定減值虧損，並按照金融資產的分類予以確認。

可供出售的金融資產

可供出售的金融資產包括非衍生工具的金融資產，非衍生工具的金融資產被指定為該類別的金融資產或不符合資格列入任何其他類別的金融資產。所有該類別金融資產其後按公允價值計量。除減值虧損及貨幣資產的外匯匯兌盈虧外，公允價值變動產生的損益(不包括任何股息及利息收入)直接於權益中確認，惟直至終止確認金融資產時，先前於權益中確認的累積損益於收益表中確認。用實際利率法計算的利息於收益表中確認。於出售時，先前於權益中確認的累積損益將撥入收益表。

由於本集團擬將該股東貸款資本化為該投資進一步的投資，故本集團將與該非上市投資有關的股東貸款列為可供出售的金融資產。

於股本證券的可供出售投資(指並無交投活躍市場上報價及其公允價值亦不能可靠地計量者)及衍生工具(指與該無報價股本工具掛鉤並須透過交付該股本工具進行結算者)，於初步確認後各結算日按成本減任何可識別減值虧損計量。

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財務報表附註

For the year ended 31 December 2008
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(I) Financial assets (Cont'd)

Available-for-sale financial asset (Cont'd)

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in the income statement as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Reversals of impairment losses in respect of investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity. Impairment losses in respect of investment in debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment losses were recognised. Reversal of impairment losses in such circumstances are recognised in the income statement.

Loans and receivables

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

At each balance sheet date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. If any such evidence exists, the impairment loss is measured and recognised.

A provision for impairment on loans and receivables carried at amortised cost is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the loans and receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the loans and receivables are impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the income statement of the period in which the impairment occurs.

3. 主要會計政策概要(續)

(I) 金融資產(續)

可供出售的金融資產(續)

當可供出售的金融資產的公允價值減少已直接於權益中確認及有客觀證據表明資產減值時，從權益中扣除有關金額，並於收益表中確認為減值虧損。該金額乃按資產收購成本(扣除任何本金償還及攤銷)與當時公允現值的差額，減該資產先前於收益表中確認的任何減值虧損計量。

分類為可供出售的股本工具投資的減值虧損撥回，不得於收益表中確認。公允價值的其後增加直接於權益中確認。倘公允價值的其後增加客觀上與減值虧損確認之後發生的事項有關，則債務證券投資的減值虧損將予撥回。在此情況下，減值虧損的撥回於收益表中確認。

貸款及應收款項

貸款及應收款項均設有固定或可確定付款金額，為非衍生工具的金融資產，不會在活躍市場掛牌。貸款及應收款項其後使用實際利率法按攤銷成本減任何減值虧損計量。攤銷成本的計算已計及任何收購折讓或溢價，以及作為實際利率及交易成本一部分的費用。

本公司於每個結算日評估貸款及應收款項是否出現任何減值的客觀證據。倘出現該等客觀證據，減值虧損將予以計量及確認。

如有客觀證據表明本集團將不能根據貸款及應收款項的原本條款收取所有應收金額，則將對按攤銷成本列賬的貸款及應收款項的減值作出撥備。假如債務人出現重大財務困難，可能陷入破產或進行財務重組，導致拖欠或不能付款，會被視為表明貸款及應收款項已減值。如果有客觀證據表明按攤銷成本列賬的貸款及應收款項已出現減值虧損，資產的賬面值與估計未來的現金流量(不包括尚未出現的未來信貸虧損)以金融資產原本有效利率(即初步確認計算的有效利率)折現的現值之間差額確認虧損金額。虧損款額於減值產生期間在收益表中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(l) Financial assets (Cont'd)

Loans and receivables (Cont'd)

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

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

(m) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

3. 主要會計政策概要(續)

(l) 金融資產(續)

貸款及應收款項(續)

如果在以後期間減值虧損的金額減少，且這種減少客觀上與減值確認後發生的事項相關聯，則先前確認的減值虧損可撥回，惟有關撥回不應當使該項金融資產於減值撥回當日的賬面值超過其未確認減值的攤銷成本。撥回金額於撥回產生期間在收益表中確認。

倘對應收賬款的可收回性存疑但機會並非很低，則呆壞應收賬款的減值虧損採用備抵賬目列賬。倘本集團確認應收賬款能收回的機會很低，則視為不可收回的金額會從應收賬款中直接撇銷，而在備抵賬目中持有有關該應收賬款的任何金額則會撥回。若先前計入備抵賬目的金額其後收回，則相關備抵賬目會被撥回。備抵賬目的其他變動及先前直接撇銷的金額其後收回，均於收益表確認。

(m) 外幣

(i) 功能及呈列貨幣

本集團每個實體各自的財務報表中所列的項目均按該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算；綜合財務報表則以港元(本公司的功能及呈列貨幣)呈列。

(ii) 交易及結餘

在合併實體的個別財務報表中，外幣交易均按交易日期當時的匯率折算為功能貨幣。以外幣為單位的貨幣資產及負債均按結算日的匯率折算。結算有關交易及以外幣為單位的貨幣資產及負債按年終匯率折算而產生的外匯匯兌盈虧，於綜合收益表內確認。

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財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(m) Foreign currencies (Cont'd)

(ii) Transactions and balances (Cont'd)

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

(iii) Group companies

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

- (1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets or liabilities of the foreign entity and translated into the presentation currency, at the closing date.

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 shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

3. 主要會計政策概要(續)

(m) 外幣(續)

(ii) 交易及結餘(續)

按公允價值列賬而以外幣為單位的非貨幣項目按公允價值釐定當日的匯率重新折算，並作為公允價值盈虧的一部分呈報。以外幣按歷史成本列值的非現金項目不再另行折算。

(iii) 集團公司

功能貨幣與本集團的呈列貨幣存在差異的所有集團實體(各實體均無持有極高通脹率經濟地區的貨幣)的業績及財務狀況，乃按下列方式折算為呈列貨幣：

- (1) 每份資產負債表呈列的資產及負債均按結算日的收市匯率折算；
- (2) 每份收益表的收入及開支均按平均匯率折算(除非該平均值並不合理地接近於交易日當時匯率的累積影響；在此情況下，收入及開支於交易日折算)；及
- (3) 收購一家外國實體所產生的商譽及公允價值調整已作為外國實體的資產或負債處理，並於完成日期折算為呈列貨幣。

所有匯兌差異乃確認為獨立權益成份。

於綜合賬目時，因換算於外國業務的淨投資而產生的匯兌差額列入股東權益。倘外國業務已部分處置或出售，之前列為權益的匯兌差額於收益表中確認為出售盈虧的一部分。

Notes to the Financial Statements

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(n) Income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

(o) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3. 主要會計政策概要(續)

(n) 所得稅

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括就當期或以往報告期間須向財政機構履行的責任或其提出的申索，而有關責任或申索於結算日仍未支付。有關責任或申索乃根據所涉及及財政期間適用稅率及稅法，根據年內應課稅盈利計算。即期稅項資產或負債的所有變動於收益表中確認為稅項開支的一部分。

遞延稅項乃以負債法按財務報表所列資產及負債的賬面值與各自稅基於結算日的暫時差額計算。通常會就所有應課稅暫時差額確認遞延稅項負債。倘日後可能產生應課稅盈利用於抵銷可扣減的暫時差額、未動用稅項虧損及未動用稅項抵免，則會就所有可扣減的暫時差額、可結轉稅項虧損及其他未動用稅項抵免確認遞延稅項資產。

倘暫時差額源於商譽或來自初次確認不會影響應課稅或會計盈虧的交易(業務合併除外)中的資產及負債，則不會確認遞延稅項資產及負債。

於附屬公司的投資而產生的應課稅暫時差額會確認遞延稅項負債，惟倘本集團可控制暫時差額撥回及暫時差額可能不會於可見將來撥回則除外。

遞延稅項(不作折現)按預期於結清負債或變現資產的期間應用的稅率計算，惟該等稅率於結算日須為已實施或實際上已實施。

遞延稅項資產或負債的變動於收益表確認，或如涉及直接於權益扣除或計入權益的項目則於權益內確認。

(o) 現金及現金等價物

現金及現金等價物包括銀行結存及現金減按要求償還的銀行透支，乃為本集團現金管理的一部分。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(p) Impairment of assets

Goodwill, property, plant and equipment, investments in subsidiaries and interests in associates are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the rise specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. 主要會計政策概要(續)

(p) 資產減值

本集團的商譽、物業、廠房及設備、附屬公司的投資及聯營公司的權益均須進行減值測試。

商譽無論是否出現減值跡象，均須至少每年進行減值測試一次。其他所有資產，於出現任何跡象顯示賬面值可能無法收回時進行減值測試。

減值虧損按資產賬面值超出可收回金額部分即時確認為開支。可收回金額為反映市況的公允價值減出售成本與使用價值兩者的較高者。評估使用價值時，是以除稅前的折現率計算預計未來的現金流量的現值，而該折現率反映當時市場對金錢時間值及該項資產的特有風險評估。

就評估減值，如某類資產產生的現金流量不能大致獨立於其他資產所產生的現金流量，可收回金額按獨立產生現金流量的最小資產組別(即現金產生單位)釐定。因此，部分資產個別進行減值測試；部分則以現金產生單位的水平進行測試。商譽特別分配至預期可從相關業務合併的協同效益中獲得利益的現金產生單位，而該等現金產生單位代表本集團內部就管理用途監控商譽的最低級別。

就獲分配商譽的現金產生單位所確認的減值虧損初步計入商譽的賬面值。任何剩餘減值虧損按比例自現金產生單位的其他資產中扣除，惟資產賬面值將不會扣至低於其個別公允價值減出售成本，或使用價值(如可釐定)。

商譽減值虧損(包括於中期期間確認的減值虧損)不會於其後期間撥回。就其他資產而言，當用於釐定資產可收回金額的估計出現有利變動時撥回減值虧損，惟資產賬面值不得超過倘不確認減值虧損時釐定的賬面值(扣除折舊或攤銷)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(q) Financial liabilities

Financial liabilities include borrowings, accounts and other payables, deposits received and convertible notes.

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

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

Borrowings

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

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

Accounts and other payables and deposits received

Accounts and other payables and deposits received are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Convertible notes that contain an equity component

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

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

3. 主要會計政策概要(續)

(q) 金融負債

金融負債包括借貸、應付賬款及其他應付款項、已收按金及可換股票據。

金融負債在本集團成為工具合約協議一方時確認。所有與利息相關的支出均於收益表中確認為融資成本開支。若合約所指定的責任被解除、取消或到期時，金融負債即終止確認。

倘現有金融負債由同一貸方以大不相同的條款提供的另一項金融負債所取代，或現有負債的條款被大幅修訂，則上述替換或修訂被視為終止確認原有負債及確認新負債，兩者賬面值的差額於收益表中確認。

借貸

借貸最初按公允價值扣除已產生的交易成本確認入賬。借貸其後按攤銷成本列賬，如扣除交易成本之後的收益與贖回價值出現差額，則於借貸期內以實際利率法在收益表中確認。

除非本集團擁有無條件權利於結算日後延遲至少十二個月清償負債，否則借貸分類為流動負債。

應付賬款及其他應付款項及已收按金

應付賬款及其他應付款項及已收按金最初按公允價值確認，其後使用實際利率法按攤銷成本計量。

包括權益部分的可換股票據

可按持有人選擇轉換為權益股本的可換股票據，如因轉換而發行的股份數目及於當時收取的代價價值不會變動，則列作複合式金融工具入賬，當中包括負債部分及權益部分。

由本公司發行包括金融負債及權益部分的可換股票據於最初確認時分開歸類列入各自的負債及權益部分。於最初確認時，負債部分的公允價值使用類似非轉換債券當時的市場利率釐定。發行可換股票據所得款項與分配至負債部分的公允價值兩者的差額(即將票據轉換為權益的購股權)，列入權益作為可換股票據權益儲備。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(q) Financial liabilities (Cont'd)

Convertible notes that contain an equity component (Cont'd)

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

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

(r) Financial guarantee issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group or the Company issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within financial guarantee contracts. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable for a financial guarantee issued to lender in respect of borrowing to a third party, an immediate expense is recognised in the income statement on initial recognition of any deferred income. Where no consideration is received or receivable for financial guarantee issued by the Company to lenders in respect of borrowings to its subsidiaries, the amount is recognised in investments in subsidiaries as deemed capital contribution from the Company on initial recognition of any deferred income.

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

3. 主要會計政策概要(續)

(q) 金融負債(續)

包括權益部分的可換股票據(續)

負債部分其後使用實際利率法按攤銷成本列賬。權益部分將繼續保留於權益內，直至轉換或贖回票據為止。

倘票據獲轉換，可換股票據權益儲備及負債部分的賬面值於轉換時撥入股本及股份溢價，作為發行股份的代價。倘票據被贖回，可換股票據權益儲備直接撥入保留盈利。

(r) 發出的財務擔保

財務擔保合約為因指定債務人未能按債務工具的條款如期付款時，發行人(或擔保人)需支付指定金額予持有人以補償其所遭受損失的合約。

倘本集團或本公司發出財務擔保，該擔保的公允價值最初確認為財務擔保合約內的遞延收入。倘在發出該擔保時收取或可收取代價，該代價則根據適用於該類資產的本集團政策確認。倘就借款予第三方向借款人發出的財務擔保並無任何已收取或應收取代價，於最初確認任何遞延收入時，即時開支於收益表內確認。倘本公司就借款予其附屬公司而向借款人發出的財務擔保並無任何已收取或應收取代價，金額乃於初步確認任何遞延收入時當作本公司的出資，於附屬公司的投資中確認。

最初確認為遞延收入的擔保款額按擔保年期於收益表內攤銷為所發出的財務擔保收入。此外，倘擔保持有人可能根據有關擔保向本集團或本公司提出申索，而該筆向本集團或本公司提出的申索款額預計超過現時賬面值(即最初確認的金額減累計攤銷(如適用))，則確認撥備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(s) Employee benefits

(i) Employee share-based payment compensation

The Group operates an equity-settled, share-based compensation plan.

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

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

At the time when the share options are exercised, the amount previously recognised in share option reserves will be transferred to share premium. When the share options are forfeited or are not exercised at the expiry date, the amount previously recognised in share option reserves will be transferred to retained profits.

(ii) Short-term employee benefits

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

Non-accumulating compensated absences are not recognised until the time of leave.

3. 主要會計政策概要(續)

(s) 僱員福利

(i) 以股份支付的僱員薪酬

本集團設立權益結算以股份支付薪酬計劃。

所有為換取授予以股份支付薪酬的僱員服務乃按公允價值計量。此乃參考所獲購股權多少而間接釐定，其價值於授出日期評值並排除一切非市場歸屬條件的影響(例如，盈利率及銷售增長目標)。

所有以股份支付的薪酬最終於綜合收益表支銷，而權益中的購股權儲備則作相應調高。如歸屬期或其他歸屬條件適用，則開支按對預期歸屬的購股權數目的最佳估計於歸屬期確認。作出有關預期變成可行使購股權的數目的假設時，會將非市場歸屬條件納入考慮。如有跡象顯示預期歸屬的購股權數目與原估計有出入，則於其後修訂估計。如最終歸屬的購股權數目少於原估計者，則不就以往期間確認開支作出調整。

行使購股權時，購股權儲備先前確認的款項將轉撥至股份溢價。倘購股權於到期日被放棄或仍未獲行使，先前確認的購股權儲備的款項將轉撥至保留盈利。

(ii) 短期僱員福利

僱員應享的年假權利於應計予僱員時確認。因僱員於截至結算日止提供服務而產生的年假的估計負債會計提撥備。

非累計補假於休假時確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(s) Employee benefits (Cont'd)

(iii) Pension obligations

The Group contributes to a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which are available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as percentages of employees' basic salaries. The retirement benefit scheme cost charged to the consolidated income statement represents contributions payable by the Group to the MPF Scheme.

Pursuant to the relevant regulations in the PRC, the Group has participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of a subsidiary in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. The Group's contributions to the Schemes are expensed as incurred.

The assets of the MPF Scheme and the Scheme are held separately from those of the Group in independently administered funds.

(t) Share capital

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

(u) Revenue recognition

Revenue arising from sale of properties held for sale is recognised when the significant risks and rewards of ownership of these properties held for sale have been transferred to the purchasers and the Group retains neither continuing involvement to the degree usually associated with ownership nor effective control over properties held for sale. The transfer of risks and rewards of ownership is evidenced by the passing of possession of properties to the purchaser when the property hand-over confirmation is executed by the Group and the purchaser. Deposits and instalments received from purchasers prior to this stage and pre-sale are included in current liabilities and are not recognised as revenue.

3. 主要會計政策概要(續)

(s) 僱員福利(續)

(iii) 退休金責任

本集團遵照強制性公積金計劃條例的規定，對可供其香港僱員參與的定額供款退休福利計劃(「強積金計劃」)供款。本集團及各僱員對強積金計劃的供款乃按各僱員底薪百分比計算。自綜合收益表內扣除的退休福利計劃成本即本集團對強積金計劃的應繳供款。

根據中國相關規例，本集團已參與一項地方市政府退休福利計劃(「該計劃」)；據此，本集團須對該計劃就其僱員底薪作出若干百分比的供款，以作為彼等的退休福利基金。該地方市政府承諾對一間中國附屬公司旗下全部現有及未來退休僱員承擔退休福利責任。本集團對該計劃的唯一責任，為按上述該計劃規定持續供款。本集團對該計劃的供款於產生時支銷。

強積金計劃及該計劃的資產與本集團獨立管理基金中的資產分開持有。

(t) 股本

普通股分類為權益。股本乃按已發行股份的面值釐定。與發行股份相關的交易成本乃自股份溢價(減任何相關所得稅利益)扣減，以至成為直接撥入權益交易的成本增加。

(u) 收益確認

出售待售物業產生的收益，於該等待售物業擁有權的風險及回報經已大部分轉移至買家，而本集團不再繼續涉及一般與待售物業有關的擁有權，亦不再對待售物業具有實際控制權時確認。當本集團與買家簽立物業轉手確認書時將物業的管有權轉交買家，即屬轉移擁有權的風險及回報的憑證。於此階段及預售前向買家收取的訂金及分期款項列為流動負債，不會確認為收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(u) Revenue recognition (Cont'd)

Rental income receivable under operating leases is recognised as revenue in the consolidated income statement in equal instalments over the accounting periods covered by the lease terms. Lease incentives granted are recognised in the consolidated income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the period in which they are earned.

Dividend income is recognised as revenue when the right to receive payment is established.

Interest income is recognised as revenue on a time proportion basis using the effective interest method.

(v) Borrowing costs

All borrowing costs are expensed as incurred.

(w) Related parties

A party is considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Group;
 - has an interest in the Company that gives it significant influence over the Group;
 - has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;
- (iv) the party is a member of the key management personnel of the Group or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3. 主要會計政策概要(續)

(u) 收益確認(續)

經營租賃項下的應收租金收入，按租期涵蓋的會計期間以平均分期款項於綜合收益表內確認為收益。租賃涉及的獎勵金於綜合收益表內確認，作為應收總租金費用淨額的組成部分。或然租金在所賺取期間確認為收入。

股息收入於收取派付款項的權利獲確立時確認為收益。

利息收入按時間比例以實際利率法確認為收益。

(v) 借貸成本

所有借貸成本乃於產生時列作支出。

(w) 關連人士

以下人士被視為本集團的關連人士：

- (i) 該人士直接地，或間接地透過一位或多位中介者：
 - 控制本集團，或受本集團所控制，或與本集團受共同控制；
 - 持有本公司的權益以致足以對本集團產生重大的影響力；
 - 擁有本集團的共同控制權；
- (ii) 該人士為聯營公司；
- (iii) 該人士為共同控制實體；
- (iv) 該人士為本集團或其母公司的主要管理人員；
- (v) 該人士為第(i)或(iv)項所提及的任何人士的直系家屬；
- (vi) 該人士為實體而第(iv)或(v)項所提及的任何人士直接或間接地控制或共同控制該實體，或直接或間接地對該實體構成重大影響，或直接或間接地擁有該實體的重大投票權；或
- (vii) 該人士為本集團或與本集團有關連的實體為其僱員而設的離職後福利計劃。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(x) Segment reporting

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

In respect of business segment reporting, unallocated costs represent corporate expenses. Segment assets consist primarily of investment properties, deferred tax assets, properties held under development, properties held for sale, inventories, accounts receivable, deposits paid, prepayments and other receivables, pledged bank deposits and cash at banks and in hand, and exclude unallocated corporate assets. Segment liabilities comprise operating liabilities and exclude items such as provision for tax, certain corporate borrowings and convertible notes.

Capital expenditure comprises additions to property, plant and equipment, investment properties and fair value adjustments on investment properties.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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:

(i) Estimated fair value of investment properties

The investment properties of the Group were stated at fair value in accordance with the accounting policy stated in note 3(g). The fair value of the investment properties are determined by a firm of independently qualified professional surveyors and the fair value of investment properties as at respective year end are set out in note 14. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

3. 主要會計政策概要(續)

(x) 分部報告

根據本集團的內部財務報告，本集團已決定將業務分部作為主要報告方式呈列，而地域分部則作為次要報告方式呈列。

就業務分部報告而言，未分配成本指企業開支。分部資產主要包括投資物業、遞延稅項資產、發展中物業、待售物業、存貨、應收賬款、已付按金、預付款項及其他應收款項、已抵押銀行存款及銀行結存及現金，而不包括未分配企業資產。分部負債包括營運負債，而不包括一些項目如稅項撥備、若干企業借貸及可換股票據。

資本開支包括添置物業、廠房及設備，投資物業以及投資物業的公允價值調整。

就地域分部報告而言，收益乃根據客戶所在國家呈列，總資產及資本開支乃根據資產所在地呈列。

4. 重要會計估計及判斷

估計及判斷須持續進行評估，並根據過往經驗及其他因素，包括因應情況相信為合理的對未來事件的期望作出調整。

(a) 重要會計估計及假設

本集團就未來作出估計及假設。從推算所得的會計估計通常有別於相關實際結果。以下論述有關導致資產及負債的賬面值於下個財政年度出現重大調整的重大風險估計及假設：

(i) 投資物業公允價值估計

本集團的投資物業乃根據附註3(g)所列的會計政策按公允價值列賬。投資物業的公允價值經由一間獨立合資格專業測量師行釐定，有關投資物業於各年度結算日的公允價值載於附註14。有關估值乃根據若干假設釐定，惟受不確定因素所影響，可能與實際結果出現重大差異。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Cont'd)

(a) Critical accounting estimates and assumptions (Cont'd)

(i) Estimated fair value of investment properties (Cont'd)

In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet dates and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(ii) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3(p). The recoverable amounts of cash-generating unit have been determined based on value-in-use calculations. These calculations require the use of estimates. Details of the assumption used are set out in note 12.

(iii) Net realisable value of properties held for sale and properties held under development

Management determines the net realisable value of completed properties held for sale by using prevailing market data such as most recent sale transactions and market survey reports available from independent qualified professional surveyors, and internal estimates of costs based on quotes by suppliers.

Management's assessment of net realisable value of properties held under development requires the application of a risk-adjusted discount rate to estimate future discounted cash flows to be derived from these properties. These estimates requires judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions.

(iv) Impairment of accounts receivable

The Group's management assesses the collectability of accounts receivable. This estimate is based on the credit history of the Group's customers and the current market condition.

Management reassesses the impairment provision at each balance sheet date.

4. 重要會計估計及判斷(續)

(a) 重要會計估計及假設(續)

(i) 投資物業公允價值估計(續)

於作出判斷時，已考慮到主要根據於結算日當時市況及合適的資本化比率釐定的假設。有關估計會定期與實際市場數據及本集團訂立的實際交易比較。

(ii) 商譽減值

本集團按照附註3(p)所列的會計政策每年一次測試商譽有否出現減值。現金產生單位的可收回額按使用價值計算釐定。該等計算須作估計。所使用假設的詳情載於附註12。

(iii) 待售物業及發展中物業的可變現淨值

管理層採用最新銷售交易、獨立合資格專業測量師行提供的市場調查報告等市場數據，及由內部以供應商所報成本編製估算而釐定待出售的建成物業的可變現淨值。

管理層對發展中物業的可變現淨值的評估須應用經調整風險折現率來估計此等物業未來的折現現金流量。此等估算須根據附近地點的近期銷售交易、新物業銷售率、推廣費用(包括促銷的價格折扣)及有關預計完成物業的費用，法律和監管架構及一般市況，從而判斷出預期的銷售價格。

(iv) 應收賬款減值

本集團管理層會評估應收賬款的可收回性。此估計乃根據本集團客戶的信用記錄及現時市況釐定。

管理層會於各結算日重新評估減值撥備。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Cont'd)

(b) Critical judgements in applying the entity's accounting policies

(i) Revenue recognition

The Group has recognised revenue from sale of properties held for sale during the year as disclosed in note 5. The assessment of when an entity has transferred the significant risks and rewards of ownership to a buyer requires examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the transfer of the legal title or the passing of possession to the buyer. The Group believes that its recognition basis of sales as set out in note 3(u) is appropriate and is in line with the current practice adopted in the People's Republic of China ("PRC").

(ii) Taxation

The Group is subject to taxation in various jurisdictions. Significant judgement is required in determining the amount of the provision of tax and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in periods in which such determination are made.

The Group is subject to land appreciation tax ("LAT") in the PRC. However, the implementation and settlement of this tax varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised for certain its LAT calculation and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount on the appreciation of land value and its related LAT. The Group recognised LAT based on management's best estimates according to the understanding of the tax rules.

During the year, the Group incurred LAT of approximately HK\$788,000 (2007: HK\$7,918,000) which was charged to the consolidated income statement as taxation. The directors considered the amount charged to the consolidated income statement to be adequate as this is calculated according to the method which is in compliance with the existing rules and interpretation of LAT.

4. 重要會計估計及判斷(續)

(b) 應用實體會計政策的重要判斷

(i) 收益確認

本集團已確認來自本年度銷售待售物業的收益，並於附註5披露。評估實體何時已將擁有權的重大風險及回報轉移予買家時，須對交易情況進行審查。在大部分情況下，轉移擁有權的風險及回報的同時亦向買家轉交法定所有權或移交管有權。本集團相信，其銷售確認基準(見附註3(u))乃屬適當，並符合中華人民共和國(「中國」)現時的常規。

(ii) 稅項

本集團須繳納不同司法權區的稅項。釐定稅項撥備的金額及支付相關稅項的時間須作出重大判斷。當最終稅項結果不同於最初記錄的金額時，有關差額將對作出該等釐定期間的所得稅及遞延稅項撥備產生影響。

本集團須繳納中國土地增值稅(「土地增值稅」)。然而，中國城市不同稅收管轄區對土地增值稅的執行及結算不盡相同，而本集團尚未與中國任何地方稅務局落實其若干土地增值稅的計算及付款方法。因此，須作出重大判斷以釐定土地增值額及其相關土地增值稅。本集團根據管理層以其對稅務規則的理解作出的最佳估計，確認土地增值稅。

年內，本集團產生土地增值稅約788,000港元(二零零七年：7,918,000港元)，作為稅項自綜合收益表中扣除。董事認為，自綜合收益表中扣除的該項款額充足，因為此乃根據符合土地增值稅現有規則及詮釋的規定的方法計算。

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5. REVENUE AND OTHER INCOME

Revenue, which includes the Group's turnover and other income recognised during the year are as follows:

5. 收益及其他收入

收益包括本集團於本年度確認的營業額及其他收入，呈列如下：

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Revenue			
Turnover	營業額		
Proceeds from sale of properties held for sale	出售待售物業所得款項	76,948	175,679
Rental income	租金收入	14,767	8,881
		91,715	184,560
Other income			
Gain on partial disposal of interests in subsidiaries	出售附屬公司部分權益的收益	-	22,204
Interest income	利息收入	2,624	7,104
Exchange gain, net	匯兌收益淨額	225	1,078
Others	其他	933	632
		3,782	31,018

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6. SEGMENT INFORMATION – GROUP

(a) Primary reporting format – business segments

The Group is organised into two main business segments:

Property development : Property development and sale of properties held for sale
Property investment and leasing : Property rental and sale of investment properties

Inter-segment sales are charged at prevailing market prices.

6. 分類資料－集團

(a) 主要報告方式－業務分部

本集團業務分為兩個主要分部：

物業發展 : 物業發展及出售待售物業
物業投資及租賃 : 物業租金及出售投資物業

分部間銷售按當時市價計算。

		2008			
		Property development	Property investment and leasing	Elimination	Total
		物業發展	物業投資及租賃	對銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue:	收益：				
External customers	外界客戶	76,948	14,767	–	91,715
Inter-segment sales	分部間銷售	–	255	(255)	–
Total segment revenue	分部總收益	76,948	15,022	(255)	91,715
Segment results	分部業績	9,785	(7,257)	–	2,528
Other corporate income	其他公司收入				3,782
Unallocated expenses	未分配開支				(50,290)
Finance costs	融資成本				(25,955)
Share of results of associates	應佔聯營公司業績				23,831
Loss before taxation	除稅前虧損				(46,104)
Taxation	稅項				83
Loss for the year	年度虧損				(46,021)
Segment assets	分部資產	834,295	333,142	–	1,167,437
Unallocated assets	未分配資產				268,481
Total assets	總資產				1,435,918
Segment liabilities	分部負債	369,113	72,367	–	441,480
Unallocated liabilities	未分配負債				139,083
Total liabilities	總負債				580,563
Other segment items:	其他分部項目：				
Capital expenditure	資本開支				
– Unallocated	– 未分配				14,551
Depreciation	折舊				
– Unallocated	– 未分配				3,546
Fair value adjustments on investment properties	投資物業的公允價值調整	–	(15,266)	–	(15,266)

6. SEGMENT INFORMATION – GROUP (Cont'd)

6. 分類資料 – 集團(續)

(a) Primary reporting format – business segments (Cont'd)

(a) 主要報告方式 – 業務分部(續)

		2007			
		Property development	Property investment and leasing	Elimination	Total
		物業發展 HK\$'000 千港元	物業投資 及租賃 HK\$'000 千港元	對銷 HK\$'000 千港元	總計 HK\$'000 千港元
Revenue:	收益：				
External customers	外界客戶	175,679	8,881	–	184,560
Inter-segment sales	分部間銷售	–	50	(50)	–
Total segment revenue	分部總收益	175,679	8,931	(50)	184,560
Other income	其他收入	–	14,058	–	14,058
Total revenue	總收益	175,679	22,989	(50)	198,618
Segment results	分部業績	50,222	20,769	–	70,991
Other corporate income	其他公司收入				31,018
Unallocated expenses	未分配開支				(48,724)
Finance costs	融資成本				(12,975)
Share of results of associates	應佔聯營公司業績				21,417
Profit before taxation	除稅前盈利				61,727
Taxation	稅項				(16,162)
Profit for the year	年度盈利				45,565
Segment assets	分部資產	628,622	388,255	–	1,016,877
Unallocated assets	未分配資產				312,766
Total assets	總資產				1,329,643
Segment liabilities	分部負債	244,894	115,133	–	360,027
Unallocated liabilities	未分配負債				122,433
Total liabilities	總負債				482,460
Other segment items:	其他分部項目：				
Capital expenditure	資本開支				
– Segment	– 分部	–	98,827	–	98,827
– Unallocated	– 未分配				5,677
					104,504
Depreciation	折舊				
– Unallocated	– 未分配				2,392
Fair value adjustments on investment properties	投資物業的公允價值調整	–	14,058	–	14,058

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6. SEGMENT INFORMATION – GROUP (Cont'd)

(b) Secondary reporting format – geographical segments

No geographical segments information is presented as the operations, major customers and assets of the Group are substantially located in the PRC.

7. FINANCE COSTS

6. 分類資料－集團(續)

(b) 次要報告方式－地域分部

由於本集團的業務、主要客戶及資產大多位於中國，故並無呈列地域分部資料。

7. 融資成本

		2008	Group 本集團	2007
		HK\$'000		HK\$'000
		千港元		千港元
Interest charges on borrowings which are repayable within five years:	須於五年內償還的 借貸利息費用：			
Bank loans	銀行貸款	10,160		7,763
Bank overdrafts	銀行透支	123		465
Other loan	其他貸款	536		73
Imputed interest expense on loans from minority shareholders	少數股東貸款的應計 利息開支	6,783		3,741
		17,602		12,042
Interest charges on borrowings which are repayable after five years:	須於五年後償還的 借貸利息費用：			
Bank loans	銀行貸款	3,873		-
Interest charge on convertible notes	可換股票據的利息費用	4,480		933
		25,955		12,975

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8. (LOSS)/PROFIT BEFORE TAXATION

8. 除稅前(虧損)/盈利

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
(Loss)/profit before taxation is arrived at after charging:	除稅前(虧損)/盈利乃經扣除下列各項：		
Cost of properties held for sale recognised as expense	確認為開支的待售物業成本	64,365	117,028
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,546	2,392
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(70)	(10)
		3,476	2,382
Outgoings in respect of investment properties that generated rental income during the year	有關於年內產生租金收入之投資物業的開支	3,836	1,573
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租賃費用	2,223	1,782
Auditors' remuneration	核數師酬金	1,180	1,150
Staff costs, including directors' emoluments (note 33(a)) and retirement benefits cost	員工成本(包括董事酬金(附註33(a))及退休福利金)	28,431	30,306
Employee share-based payment expense (note 29)	以股份支付僱員開支(附註29)	4,008	6,132
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(7,344)	(8,352)
		25,095	28,086
Amount recognised as expense for retirement benefits cost	確認為退休福利成本的數額	1,763	1,589
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	23	-
Loss on disposal of investment properties (note (a))	出售投資物業的虧損(附註(a))	1,247	-
Impairment loss on other receivables	其他應收款項的減值虧損	2,503	-
Fair value adjustments on investment properties (note (a))	投資物業的公允價值調整(附註(a))	15,266	-
and crediting:	並已計入：		
Exchange gain, net	匯兌收益淨額	225	1,078
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	-	6
Fair value adjustments on investment properties (note (a))	投資物業的公允價值調整(附註(a))	-	14,058

Note:

附註：

(a) The amounts are included in "Other operating (expense)/income" on the face of the consolidated income statement.

(a) 該等金額計入綜合收益表的「其他營運(開支)/收入」內。

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9. TAXATION

9. 稅項

			Group 本集團
	Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Current tax – the PRC	即期稅項 – 中國		
– Corporate income tax	– 企業所得稅 (a)	1,835	12,637
– LAT	– 土地增值稅 (b)	788	7,918
– Tax refund	– 退稅 (c)	–	(6,207)
		2,623	14,348
Deferred taxation (note 18)	遞延稅項(附註18)	(2,706)	1,814
Total tax (credit)/charge for the year	年度稅項(抵免)/費用總額	(83)	16,162

Notes:

- (a) The 5th Session of the 10th National People's Congress approved the Corporate Income Tax Law of the PRC (the "New Corporate Income Tax Law") on 16 March 2007. According to the New Corporate Income Tax Law, the income tax rates for both domestic-invested and foreign-invested enterprises have been unified at 25% become effective from 1 January 2008. The Group's subsidiaries located in the PRC were subject to corporate income tax at a rate of 25% commenced on 1 January 2008 (2007: 33%).
- (b) Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including all finance costs and all property development expenditures. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.
- (c) According to approval documents dated 25 December 2007 issued by 蘇州高新技術產業開發國家稅務局, New Heritage Development Limited, a subsidiary of the Company, received amounts of approximately RMB6,027,000 during the year ended 31 December 2007. The amount represented tax refund obtained by New Heritage Development Limited under the reinvestment tax refund scheme in accordance with the relevant laws and regulations in the PRC.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in the profits tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. No Hong Kong profits tax has been provided as the Group had no estimated assessable profit for the year (2007: Nil).

附註：

- (a) 第十屆全國人民代表大會第五次會議於二零零七年三月十六日通過了中國企業所得稅法(「新企業所得稅法」)。根據新企業所得稅法，內資及外資企業所得稅率統一為25%，自二零零八年一月一日起生效。因此，本集團位於中國的附屬公司由二零零八年一月一日起，須按25%的稅率繳納企業所得稅(二零零七年：33%)。
- (b) 根據於一九九五年一月二十七日實施的中國土地增值稅暫行條例實施細則，所有因銷售或轉讓於中國的土地使用權、樓宇及相關設施而獲得的收益，均須繳納土地增值稅，稅款按土地增值額(即銷售物業所得款項減可扣減支出，包括所有融資成本及所有物業發展開支)以累進率計算，由30%至60%不等。銷售一般住宅物業可獲若干豁免，惟增值額不可超過可扣減項目(定義見相關中國稅法)總額的20%。銷售商用物業不會獲得豁免。
- (c) 根據蘇州高新技術產業開發國家稅務局於二零零七年十二月二十五日發出的批文，本公司的附屬公司新繼發展有限公司於截至二零零七年十二月三十一日止年度收到約人民幣6,027,000元的款項。該筆款項乃根據中國相關法律法規，新繼發展有限公司根據再投資退稅計劃可得的退稅。

於二零零八年六月二十六日，香港立法會通過2008年收入條例草案，當中包括將利得稅率由17.5%降低至16.5%，自二零零八/二零零九課稅年度生效。由於本集團於本年度並無任何估計應課稅盈利，故此並無就任何香港利得稅提撥準備(二零零七年：無)。

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9. TAXATION (Cont'd)

Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates is as follows:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
(Loss)/profit before taxation	除稅前(虧損)/盈利	(46,104)	61,727
Tax on (loss)/profit before taxation, calculated at the rates applicable in the tax jurisdiction concerned	按有關稅收管轄區內適用的稅率計算除稅前(虧損)/盈利的稅項	(10,028)	19,683
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	8,035	3,844
Tax effect of non-taxable revenue	毋須課稅收益的稅務影響	(3,279)	(6,742)
Tax effect of lower tax rate used for the recognition of deferred tax	調低用於確認遞延稅項的稅率所產生的稅務影響	-	(3,277)
Tax effect of temporary difference arising from withholding tax for undistributable profits	未分派盈利預扣稅項的暫時差額所產生的稅務影響	1,567	-
Tax refund	退稅	-	(6,207)
LAT charge	土地增值稅支出	788	7,918
Others	其他	2,834	943
Total taxation (credit)/charge	稅項(抵免)/費用總額	(83)	16,162

9. 稅項(續)

稅項開支與按適用稅率計算的會計(虧損)/盈利對賬如下:

10. DIVIDENDS

(a) Dividends attributable to the year:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Proposed 2007 final dividend of 1 HK cent per ordinary share	擬派二零零七年末期股息每股普通股1港仙	-	11,283

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of retained profits for the year.

結算日後的擬派末期股息並未於結算日確認為負債，但已列作當年度的保留盈利分派。

(b) Dividends attributable to the previous financial year, approved and paid during the year:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
2007 Final dividend	二零零七年末期股息	11,372	-
2006 Final dividend	二零零六年末期股息	-	7,135
		11,372	7,135

(a) 於本年度應佔股息:

(b) 年內已批准及支付的過往財政年度應佔股息:

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11. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss/earnings per share is based on the loss attributable to equity holders of the Company of approximately HK\$33,225,000 (2007: profit attributable to equity holders of the Company of approximately HK\$36,115,000) and on weighted average of 1,141,162,357 (2007: 866,334,121) ordinary shares in issue during the year.

No diluted loss per share is calculated for the year ended 31 December 2008 since the potential shares arising from the conversion of the Company's convertible notes and the effect of share options issued would decrease the loss per share attributable to equity holders of the Company and were not taken into account as they had an anti-dilutive effect.

In the calculation of the diluted earnings per share attributable to equity holders of the Company for the year ended 31 December 2007, the potential shares arising from the conversion of the Company's convertible notes would increase the earnings per share attributable to equity holders of the Company and was not taken into account as they had an anti-dilutive effect. Therefore, the diluted earnings per share attributable to equity holders of the Company is based on the profit attributable to equity holders of the Company of approximately HK\$36,115,000 and on weighted average of 866,882,894 ordinary shares outstanding during the year ended 31 December 2007, being the weighted average number of ordinary shares of 866,334,121 used in basic earnings per share calculation adjusted for the effect of share options issued of 548,773.

12. GOODWILL

Gross amount

Balance at 1 January and 31 December

總額

於一月一日及十二月三十一日結餘

Group 本集團	
2008 HK\$'000 千港元	2007 HK\$'000 千港元

37,048 37,048

The goodwill at 31 December 2008 comprises mainly goodwill arising from the acquisition of New Heritage Investments Limited of approximately HK\$33,672,000 in 2005.

The recoverable amount for the cash-generating units, the underlying hotel and property operations, in relation to New Heritage Investments Limited was determined based on value-in-use calculations, covering a detailed 12-year budget plan (note*) discounted at a rate of 5.94% (2007: 7.83%).

* The value-in-use calculations use cash flow projections based on a five year projection of the relevant cash-generating unit with a growth rate of 9% (2007: 11%). Cash flows beyond the five-year period are extrapolated assuming a nil growth rate.

The management's key assumptions for the Group have been determined based on past performance and their expectations for the market development. The weighted average growth rate used is consistent with the growth rate of Gross Domestic Products Index in the PRC. The discount rate used is pre-tax and reflects specific risks relating to the relevant cash-generating unit.

11. 每股(虧損)/盈利

每股基本虧損/盈利乃按本公司權益持有人應佔虧損約33,225,000港元(二零零七年:本公司權益持有人應佔盈利約36,115,000港元)及年內已發行普通股1,141,162,357股(二零零七年:866,334,121股)的加權平均數計算。

由於兌換本公司可換股票據產生的潛在股份及已發行購股權的影響會減少本公司權益持有人應佔每股虧損,且因具反攤薄影響而並無考慮在內,因此並無計算截至二零零八年十二月三十一日止年度每股攤薄虧損。

計算截至二零零七年十二月三十一日止年度的本公司權益持有人應佔每股攤薄盈利時,兌換本公司可換股票據產生的潛在股份會增加本公司權益持有人應佔每股盈利,但因有關股份具反攤薄影響,故並無考慮在內。因此,本公司權益持有人應佔每股攤薄盈利按本公司權益持有人應佔盈利約36,115,000港元及截至二零零七年十二月三十一日止年度已發行普通股866,882,894股的加權平均數計算,即已調整已發行購股權548,773份的影響而於計算每股基本盈利時所用的普通股866,334,121股的加權平均數。

12. 商譽

於二零零八年十二月三十一日的商譽主要包括於二零零五年收購新繼企業有限公司產生的商譽約33,672,000港元。

有關新繼企業有限公司現金產生單位、相關酒店及物業業務的可收回金額乃按使用價值計算,即根據詳細的12年期預算案(註*)以5.94%(二零零七年:7.83%)折現率計算。

* 使用價值計算法使用以相關現金產生單位的五年預測為基準的現金流量預測,並按五年內的增長率為9%(二零零七年:11%)計算。五年期間以後的現金流量則按零增長率的假設推定。

管理層對本集團的主要假設乃根據集團過往表現及管理層對市場發展的期望來釐定。所使用的加權平均增長率與中國的國內生產總值指數增長率相對應。所使用的折現率則為稅前並反映了與相關現金產生單位有關的特定風險。

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12. GOODWILL (Cont'd)

Management also believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of goodwill to exceed its recoverable amount.

Apart from the considerations described above in determining the value in use of the cash-generating units, the management is not currently aware of any other probable changes that would necessitate changes in their key assumptions.

12. 商譽(續)

管理層亦相信，主要假設中任何基於可收回金額的可能變動不會導致商譽賬面值超過其可收回金額。

除上述釐定現金產生單位使用價值的考慮因素外，管理層目前並不知悉任何其他可能變動而須改變其所用主要假設的情況。

13. PROPERTY, PLANT AND EQUIPMENT – GROUP

13. 物業、廠房及設備—本集團

		Buildings	Leasehold improvements	Motor vehicles	Operating and office equipment	Furniture and fixtures	Total
		樓宇	租賃物業裝修	汽車	營業及辦公室設備	傢俬及裝置	總計
		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
At 1 January 2007	於二零零七年一月一日						
Cost	成本	11,938	2,629	1,975	5,497	1,144	23,183
Accumulated depreciation	累計折舊	(2,707)	(949)	(1,508)	(2,194)	(383)	(7,741)
Net book amount	賬面淨額	9,231	1,680	467	3,303	761	15,442
Net book value	賬面淨值						
At 1 January 2007	於二零零七年一月一日	9,231	1,680	467	3,303	761	15,442
Additions	添置	–	3,595	704	756	622	5,677
Disposals	出售	–	–	(125)	(5)	(4)	(134)
Revaluation upon transfer to investment properties	轉撥至投資物業時重估	2,119	–	–	–	–	2,119
Transfer to investment properties (note 14)	轉撥至投資物業(附註14)	(4,045)	–	–	–	–	(4,045)
Depreciation	折舊	(232)	(855)	(189)	(861)	(255)	(2,392)
Exchange differences	匯兌差額	521	144	24	226	20	935
At 31 December 2007	於二零零七年十二月三十一日	7,594	4,564	881	3,419	1,144	17,602
At 31 December 2007	於二零零七年十二月三十一日						
Cost	成本	9,957	6,409	2,559	6,657	1,795	27,377
Accumulated depreciation	累計折舊	(2,363)	(1,845)	(1,678)	(3,238)	(651)	(9,775)
Net book amount	賬面淨額	7,594	4,564	881	3,419	1,144	17,602
Net book value	賬面淨值						
At 1 January 2008	於二零零八年一月一日	7,594	4,564	881	3,419	1,144	17,602
Additions	添置	10,129	2,895	125	357	1,045	14,551
Disposals	出售	–	(66)	(18)	(14)	(38)	(136)
Depreciation	折舊	(373)	(1,560)	(243)	(916)	(454)	(3,546)
Exchange differences	匯兌差額	557	311	31	242	53	1,194
At 31 December 2008	於二零零八年十二月三十一日	17,907	6,144	776	3,088	1,750	29,665
At 31 December 2008	於二零零八年十二月三十一日						
Cost	成本	20,830	9,626	2,653	7,500	2,846	43,455
Accumulated depreciation	累計折舊	(2,923)	(3,482)	(1,877)	(4,412)	(1,096)	(13,790)
Net book amount	賬面淨額	17,907	6,144	776	3,088	1,750	29,665

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13. PROPERTY, PLANT AND EQUIPMENT – GROUP (Cont'd)

Depreciation expenses have been included in:

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Consolidated balance sheet	綜合資產負債表		
– capitalised in properties held under development	– 撥充發展中物業資本	70	10
Consolidated income statement	綜合收益表		
– cost of sales	– 銷售成本	219	62
– administrative expenses	– 行政開支	3,257	2,320
		3,546	2,392

13. 物業、廠房及設備—本集團(續)

折舊開支包括在下列各項：

14. INVESTMENT PROPERTIES

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	310,867	180,475
Additions	添置	–	98,827
Disposals	出售	(6,507)	–
Transfer from property, plant and equipment (note 13)	轉自物業、廠房及設備(附註13)	–	4,045
Fair value adjustments	公允價值調整	(15,266)	14,058
Exchange differences	匯兌差額	22,660	13,462
Carrying amount at 31 December	於十二月三十一日賬面值	311,754	310,867

14. 投資物業

At 31 December 2008, certain investment properties of approximately HK\$139,150,000 (2007: HK\$129,470,000) were pledged to secure certain bank loans granted to the Group (note 26(a)).

Investment properties included leasehold interests in land located in the PRC with lease terms expiring from 2061 to 2065.

The fair value of the investment properties at 31 December 2008 was based on the valuation by DTZ Debenham Tie Leung Limited (“DTZ”), a firm of independent qualified professional surveyors. Valuations were based on the properties’ open market value on 31 December 2008. The properties have been valued by direct comparison method by making reference to comparable sales evidence as available in the relevant market and where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the respective properties as at the reporting date.

於二零零八年十二月三十一日，約139,150,000港元(二零零七年：129,470,000港元)的若干投資物業已予抵押，以擔保本集團獲授的若干銀行貸款(附註26(a))。

投資物業包括位於中國的土地租賃權益，租賃期於二零六一年至二零六五年間屆滿。

該等投資物業於二零零八年十二月三十一日的公允價值仍依據獨立合資格專業測量師戴德梁行有限公司(「戴德梁行」)所進行的評估。估值乃根據物業於二零零八年十二月三十一日的公開市值釐定。該等物業乃經參照於報告日期在相關市場上可資比較的銷售案例以直接比較法進行估值，並於適當時資本化源自現有租約的租金收入淨額及就各有關物業於報告日期的潛在逆轉作充份撥備。

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15. INTERESTS IN SUBSIDIARIES

(a) Investments in subsidiaries

		Company 本公司	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Unlisted, at cost	非上市，按成本值		112,147	111,652
Financial guarantees granted to subsidiaries (note 36)	授予附屬公司的財務擔保 (附註36)		7,251	7,179
			119,398	118,831

Particulars of the principal subsidiaries, each of which is a limited liability company, as at 31 December 2008 are as follows:

於二零零八年十二月三十一日主要附屬公司(均為有限公司)的詳情如下：

Company name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股/註冊資本	Attributable equity interest 應佔股本權益		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
New Heritage Corporation Limited (新澤企業有限公司)	British Virgin Islands ("BVI") 英屬維爾京群島	347 shares of US\$1 each 347股每股面值1美元	100%	-	Investment holding 投資控股
New Heritage Development Limited 新繼發展有限公司	Hong Kong ("HK") 香港	156 shares of HK\$1 each 156股每股面值1港元	-	90%	Investment holding 投資控股
New Heritage Investments Limited 新繼企業有限公司	HK 香港	6,260,000 shares of HK\$10 each 6,260,000股每股面值10港元	-	100%	Investment holding 投資控股
New Heritage (IP) Limited 新澤(產業)有限公司	BVI 英屬維爾京群島	1 share of US\$1 each 1股每股面值1美元	-	100%	Holding of trademark of the Group 持有本集團商標
New Heritage Land Limited 新澤地產有限公司	HK 香港	1 share of HK\$1 each 1股每股面值1港元	-	100%	Investment holding 投資控股
New Heritage Management Limited 新澤管理有限公司	HK 香港	1 share of HK\$1 each 1股每股面值1港元	-	100%	Administration vehicle of the Group (Hong Kong) 處理本集團行政工作(香港)
New Heritage Properties Limited 新澤物業有限公司	HK 香港	1 share of HK\$1 each 1股每股面值1港元	-	100%	Investment holding 投資控股
Prosper View Group Limited 協朗集團有限公司	HK 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元	-	46%	Investment holding 投資控股
World Margin Limited 世謙有限公司	HK 香港	800,000 shares of HK\$1 each 800,000股每股面值1港元	-	100%	Treasury vehicle of the Group (Hong Kong) 處理本集團的財資工作(香港)
Healthy Castle Investments Limited 康堡投資有限公司	BVI 英屬維爾京群島	1 share of US\$1 each 1股每股面值1美元	-	100%	Investment holding 投資控股

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15. INTERESTS IN SUBSIDIARIES (Cont'd)

(a) Investments in subsidiaries (Cont'd)

Company name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股／註冊資本	Attributable equity interest 應佔股本權益		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
Suzhou Garden Villa Development & Management Co., Ltd. 蘇州錦華苑建設發展管理有限公司	PRC 中國	US\$20,550,000 (2007: US\$12,150,000) 20,550,000美元 (二零零七年: 12,150,000美元)	-	86%	Properties development and investment (PRC) 物業發展及投資(中國)
Suzhou New Heritage GF Limited 蘇州新綉地產有限公司	PRC 中國	US\$26,600,000 26,600,000美元	-	55%	Properties development and investment (PRC) 物業發展及投資(中國)
Suzhou New Heritage Wuzhong Limited 蘇州新澤地產有限公司	PRC 中國	US\$9,300,000 9,300,000美元	-	54%	Properties development and investment (PRC) 物業發展及投資(中國)
Suzhou New Heritage WZA Limited 蘇州新興地產有限公司	PRC 中國	US\$5,000,000 5,000,000美元	-	100%	Properties development and investment (PRC) 物業發展及投資(中國)
New Heritage WJA Limited [^] 吳江新澤地產有限公司 [^]	PRC 中國	US\$31,000,000 31,000,000美元	-	94%	Properties development and investment (PRC) 物業發展及投資(中國)

[^] This subsidiary was established by the Group during the year.

[^] 該附屬公司於年內由本集團設立。

(b) Amounts due from subsidiaries

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

15. 於附屬公司的權益(續)

(a) 於附屬公司的投資(續)

(b) 應收附屬公司款項

該等款項乃無抵押、免息及須於要求時償還。

16. INTERESTS IN ASSOCIATES

		Notes 附註	Group 本集團	
			2008 HK\$'000 千港元	2007 HK\$'000 千港元
Share of net assets	應佔淨資產	(a)	123,224	111,887
Amounts due from associates	應收聯營公司款項	(b)	450	572
			123,674	112,459

16. 聯營公司的權益

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16. INTERESTS IN ASSOCIATES (Cont'd)

Notes:

(a) Particulars of associates as at 31 December 2008 are as follows:

Company name 公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立及營業地點	Percentage of interest held 所持權益百分比	Principal activities 主要業務
Beijing Landmark Towers Co., Ltd. 北京亮馬河大廈有限公司	PRC 中國	30.05%	Hotel ownership and property investment 擁有酒店及物業投資
China Malls Limited 中國商城有限公司	HK 香港	36%	Investment holding 投資控股
Art Shine Limited 朗雅有限公司	HK 香港	40%	Investment holding 投資控股

(b) The amounts due are unsecured, interest free and not repayable within twelve months from the balance sheet date.

(c) Summarised financial information of associates:

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Revenue	收益	322,599	287,337
Profit after taxation	稅後盈利	79,333	67,006
Non-current assets	非流動資產	523,219	542,854
Current assets	流動資產	48,164	50,743
Current liabilities	流動負債	134,201	175,267
Non-current liabilities	非流動負債	27,132	44,954

16. 聯營公司的權益(續)

附註：

(a) 於二零零八年十二月三十一日聯營公司的詳情如下：

(b) 結欠款項為無抵押、免息，並非自結算日起計十二個月內償還。

(c) 聯營公司財務資料概述如下：

17. AVAILABLE-FOR-SALE FINANCIAL ASSET

17. 可供出售的金融資產

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Unlisted equity investment:	非上市股本投資：		
– Equity securities, at cost	– 股本證券，按成本值	1	–
– Shareholder's loan	– 股東貸款	43,317	–
		43,318	–

During the year ended 31 December 2008, a prepayment of approximately HK\$43,318,000 included in deposits paid, prepayments and other receivables in the balance sheet as at 31 December 2007 (note 23) was converted into 10% equity interest in and a shareholder's loan to Key Apex Limited ("KAL"), a company of which Mr. Chan Bernard Charnwut, a non-executive director of the Company, is a director. KAL was incorporated in the BVI with a registered share capital of US\$1,000. KAL is an investment holding company and its subsidiary is engaged in property development project in the PRC.

截至二零零八年十二月三十一日止年度，在二零零七年十二月三十一日的資產負債表中計入已付按金、預付款項及其他應收款項的一筆預付款項約43,318,000港元(附註23)已兌換為由本公司非執行董事陳智思先生擔任董事的凱亞有限公司(「凱亞」)的10%股本權益及股東貸款。凱亞於英屬維爾京群島註冊成立，註冊股本為1,000美元。凱亞為一間投資控股公司，其附屬公司於中國從事物業發展業務。

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17. AVAILABLE-FOR-SALE FINANCIAL ASSET (Cont'd)

The shareholder's loan is capital in nature, non-interest bearing and has no fixed terms of repayment. The directors of the Company intend to capitalise the shareholder's loan as further investment in KAL and designated the shareholder's loan as available-for-sale financial asset shown as non-current. The shareholders' loans of KAL were provided by the shareholders of KAL in proportion to their shareholdings.

It is measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant and the probability of various estimates is significant. Accordingly, the directors of the Company are of the opinion that fair value cannot be measured reliably.

18. DEFERRED TAXATION

Deferred taxation is calculated under the balance sheet liability method using the applicable tax rates at balance sheet date.

The movement in deferred tax assets/(liabilities) arising from temporary differences are as follows:

17. 可供出售的金融資產(續)

股東貸款屬資本性質，免息及無固定還款期。本公司董事擬將該股東貸款資本化為對凱亞進一步的投資，並將該股東貸款歸類為可供出售的金融資產，以非流動資產列賬。凱亞的股東貸款乃由凱亞股東按彼等的持股比例提供。

由於對公允價值進行合理估算的範圍極廣，且很可能出現多種估算結果，故其金額於各結算日按成本除去減值計算。因此，本公司董事認為其公允價值無法可靠計量。

18. 遞延稅項

遞延稅項乃根據資產負債表負債法按結算日的適用稅率計算。

暫時差額產生的遞延稅項資產/(負債)的變動如下：

		Group				Company	
		本集團				本公司	
		Fair value adjustments on investment properties	In respect of provision for LAT	In respect of tax for undistributable profits	Convertible notes equity reserves	Total	Convertible notes equity reserves
		投資物業公允價值調整	有關土地增值稅撥備	有關不可分派盈利預扣稅	可換股票據權益儲備	總計	可換股票據權益儲備
		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
Balance at 1 January 2007	於二零零七年一月一日的結餘	(26,782)	2,419	-	-	(24,363)	-
Deferred tax charged to equity	於權益內扣除的遞延稅項	-	-	-	(639)	(639)	(639)
Deferred tax (charged)/credited to the income statement (note 9)	於收益表內(扣除)/撥回的遞延稅項(附註9)	(1,210)	(663)	-	59	(1,814)	59
Exchange differences	匯兌差額	(2,011)	10	-	-	(2,001)	-
Balance at 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日的結餘	(30,003)	1,766	-	(580)	(28,817)	(580)
Deferred tax credited/(charged) to the income statement (note 9)	於收益表內撥回/(扣除)的遞延稅項(附註9)	4,153	-	(1,567)	120	2,706	120
Exchange differences	匯兌差額	(2,132)	132	-	-	(2,000)	-
Balance at 31 December 2008	於二零零八年十二月三十一日的結餘	(27,982)	1,898	(1,567)	(460)	(28,111)	(460)

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18. DEFERRED TAXATION (Cont'd)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign-invested enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007 pursuant to the Caishui [2008] No. 1 dated 22 February 2008 issued by the State Tax Bureau of the PRC. A lower withholding tax rate may be applied if there is a tax treaty between China and jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries and associates established in the PRC in respect of earnings generated from 1 January 2008.

The following is the analysis of the deferred taxation balances for financial reporting purposes:

		Group 本集團		Company 本公司	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	1,898	1,766	–	–
Deferred tax liabilities	遞延稅項負債	(30,009)	(30,583)	(460)	(580)
		(28,111)	(28,817)	(460)	(580)

The amounts of the deferred tax credit not recognised during the year are as follows:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Tax effect of temporary differences attributable to tax losses net of fair value adjustments not recognised	公允價值調整的暫時差額的稅務影響 (扣除未確認稅項虧損)	2,887	1,112

19. PROPERTIES HELD UNDER DEVELOPMENT – GROUP

Properties held under development included leasehold interests in land located in the PRC with lease terms expiring from 2045 to 2077.

As at 31 December 2008, the carrying value of the leasehold interests in land amounted to HK\$520,597,000 (2007: HK\$298,045,000).

As at 31 December 2008, certain leasehold interests in land of approximately HK\$227,700,000 (2007: HK\$42,517,000) were pledged to secure certain bank loans granted to the Group (note 26(a)).

18. 遞延稅項(續)

根據中國企業所得稅法，於中國成立的外資企業向境外投資者宣派的股息須按10%繳納預扣稅。根據中國國家稅務總局於二零零八年二月二十二日發佈的財稅[2008]1號文件，此規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日以後產生的盈利。倘中國與有關境外投資者所在的司法權區之間訂有稅務協定，則可能適用較低的預扣稅率。就本集團而言，適用稅率為5%。因此，本集團須就於中國成立的附屬公司及聯營公司於二零零八年一月一日以後產生的盈利所分派的股息繳納預扣稅。

就財務報告目的而言，遞延稅項結餘分析如下：

年內未確認遞延稅項抵免款額如下：

19. 發展中物業—本集團

發展中物業包括位於中國的土地租賃權益，租賃期由二零四五年至二零七七年間屆滿。

於二零零八年十二月三十一日，土地租賃權益的賬面值為520,597,000港元(二零零七年：298,045,000港元)。

於二零零八年十二月三十一日，約227,700,000港元(二零零七年：42,517,000港元)的若干土地租賃權益已就本集團獲授的若干銀行貸款予以抵押(附註26(a))。

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20. PROPERTIES HELD FOR SALE – GROUP

Properties held for sale included leasehold interests in land located in the PRC with lease terms expiring from 2061 to 2075.

As at 31 December 2008, the carrying value of the leasehold interests in land amounted to HK\$11,187,000 (2007: HK\$1,639,000).

21. INVENTORIES – GROUP

Inventories represent low value consumables carried at cost.

22. ACCOUNTS RECEIVABLE

Accounts receivable generally have 30 to 60 days' credit terms and no interest is charged. All accounts receivable are denominated in Renminbi. The ageing analysis of the Group's accounts receivable is as follows:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Accounts receivable	應收賬款	149	514
Less: Provision for impairment loss	減：減值虧損撥備	–	–
		149	514

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Within 30 days	30天以內	112	249
31 – 60 days	31–60天	37	129
61 – 90 days	61–90天	–	50
91 – 365 days	91–365天	–	86
		149	514

The carrying amount of accounts receivable is considered a reasonable approximation of fair value as this financial asset, which is measured at amortised cost, is expected to be paid within a short timescale, such that the time value of money impact is not significant.

At each balance sheet date, the Group's accounts receivable are individually determined to be impaired. The individually impaired receivables, if any, are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision is recognised. The accounts receivable represents rental income from leasing properties. Monthly rents are normally received in advance and sufficient rental deposits are held to minimise credit risk.

20. 待售物業 – 本集團

待售物業包括位於中國的土地租賃權益，租賃期由二零六一年至二零七五年間屆滿。

於二零零八年十二月三十一日，土地租賃權益的賬面值為11,187,000港元（二零零七年：1,639,000港元）。

21. 存貨 – 本集團

存貨指按成本值入賬的低值易耗品。

22. 應收賬款

應收賬款的信貸期一般為30至60天及不計息。所有應收賬款以人民幣計值。本集團應收賬款的賬齡分析如下：

應收賬款的賬面值被視為合理接近公允價值，因該項金融資產乃按攤銷成本列賬，並預期於短期內支付，因此，並無重大的資金時值影響。

於各結算日，本集團的應收賬款個別釐定減值。個別減值應收賬款（如有）乃根據其客戶的信用記錄（如財務困難或拖欠付款）及現時市況確認。因此，已確認特定減值撥備。應收賬款指租賃物業的租金收入，每月租金通常預先收取，並持有充足的租金按金以減低信貸風險。

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22. ACCOUNTS RECEIVABLE (Cont'd)

Accounts receivable that were past due but not impaired are related to independent customers that had a good track record with the Group. Based on the past experience, management believed that no impairment allowance is necessary in respect of these balances as there had not been a significant change in credit quality and the balances were considered fully recoverable.

23. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

The carrying amounts of deposits paid and other receivables approximate to their fair values and those are neither past due nor impaired.

As at 31 December 2007, the deposits paid and prepayments included the following:

- (i) A land premium of approximately HK\$137,680,000 was prepaid for an acquisition of leasehold interests in land located in the PRC. Such acquisition was completed and this amount together with the remaining land premium has been transferred to properties held under development during the year ended 31 December 2008.
- (ii) On 28 May 2007, the Group entered into a Convertible Note Subscription Agreement (the "Agreement I") with KAL. Pursuant to the Agreement I, on 18 July 2007 the Group paid to KAL an amount of US\$5,500,000 (the "Principal") to subscribe for the Convertible Note (the "Note I").

Under the Agreement I:

- (a) The Note I is not transferable and will be mandatorily and automatically converted into 10% of the enlarged issued share capital of KAL within three days after the date when KAL has obtained the land use right certificate of a piece of land in Jiading District, Shanghai, the PRC.
- (b) If KAL is unable to obtain the land use right before the maturity of the Note I, the Principal will be repaid in full to the Group.

The Principal is in substance an interest-free prepayment for the purpose of investing in an equity interest in a related company and is therefore classified as "Prepayments".

On 3 June 2008, this prepayment was converted into 10% equity interest in and a shareholder's loan to KAL (note 17) in accordance with terms and conditions as set out in the Agreement I and the Note I. Further details of this transaction are set out in the circular of the Company dated 20 June 2007.

22. 應收賬款(續)

逾期但並無減值的應收賬款乃來自與本集團有良好過往記錄的獨立客戶。根據以往經驗，由於有關應收賬款的信貸質素並沒有重大改變，管理層認為可以悉數收回結餘，故相信毋需為該等結餘作任何減值撥備。

23. 已付按金、預付款項及其他應收款項

已付按金及其他應收款項的賬面值與其公允價值相若，且並無逾期或減值。

於二零零七年十二月三十一日，已付按金及預付款項列賬如下：

- (i) 約137,680,000港元的土地出讓金已經預付用於收購位於中國的土地租賃權益。有關收購已完成，該筆款項及餘下土地出讓金已轉撥至截至二零零八年十二月三十一日止年度的發展中物業。
- (ii) 於二零零七年五月二十八日，本集團與凱亞訂立可換股票據認購協議（「第一份協議」）。根據第一份協議，本集團於二零零七年七月十八日已向凱亞支付款額5,500,000美元（「本金」），以認購可換股票據（「第一批票據」）。

根據第一份協議：

- (a) 第一批票據不可轉讓，且於凱亞取得中國上海嘉定區一幅土地的土地使用權證當日後三日內，須強制自動轉換為凱亞經擴大已發行股本的10%。
- (b) 倘凱亞於第一批票據到期之前無法取得土地使用權，則須向本集團悉數退還本金。

本金實質上為投資一間關連公司的股本權益的免息預付款項，因此按「預付款項」列賬。

根據第一份協議及第一批票據所載條款及條件，該筆預付款項已於二零零八年六月三日轉換為凱亞的10%股本權益及借予凱亞的一筆股東貸款（附註17）。此項交易的進一步詳情載於本公司日期為二零零七年六月二十日的通函。

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Deposits paid and prepayments	已付按金及預付款項	9,239	233,872
Other receivables	其他應收款項	27,785	28,963
		37,024	262,835

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24. ACCOUNTS PAYABLE

The ageing analysis of the Group's accounts payable is as follows:

		Notes 附註	2008 HK\$'000 千港元	Group 本集團 2007 HK\$'000 千港元
Within 30 days	30天以內		724	1,110
31 – 60 days	31 – 60天		245	196
61 – 90 days	61 – 90天		46	160
91 – 365 days	91 – 365天		929	433
Over 365 days	365天以上		810	826
Rent received on behalf of landlords	代業主收取的租金	(a)	2,754	2,725
Accrued construction cost and other project-related expenses	應計建築成本及其他項目 相關開支	(b)	53,088	28,356
			55,842	31,081

Notes:

- (a) Rent received on behalf of landlords comprised net rental received from tenants after netting off fee charged to them provided by external service providers.
- (b) Included in the above amounts are construction cost and other project-related expense payable amounted to approximately HK\$53,088,000 at 31 December 2008 which were accrued based on the terms of the relevant agreements and the progress of the projects, and were not due for payment at 31 December 2008 (2007: HK\$28,356,000).

本集團應付賬款的賬齡分析如下：

附註：

- (a) 代業主收取的租金包括向租戶收取的租金扣除外界服務供應商所收取費用後的所得淨額。
- (b) 上述金額包括於二零零八年十二月三十一日應付建築成本及其他項目相關開支約53,088,000港元，為根據相關協議條款及項目進度累算，於二零零八年十二月三十一日尚未到期支付(二零零七年：28,356,000港元)。

25. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

		Notes 附註	2008 HK\$'000 千港元	Group 本集團 2007 HK\$'000 千港元
Deposits received	已收按金		10,769	5,376
Accruals and other payables	應計費用及其他應付款項		24,364	23,341
			35,133	28,717

25. 應計費用、已收按金及其他應付款項

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26. BORROWINGS

26. 借貸

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Borrowings are included the followings:	借貸列賬如下：		
– Bank overdrafts	– 銀行透支	6,488	14,811
– Bank loans	– 銀行貸款	259,580	188,627
– Other loan	– 其他貸款	–	9,630
– Loans from minority shareholders	– 少數股東貸款	110,413	86,206
		376,481	299,274
Less: Current portion due within one year included under current liabilities	減：列為流動負債於一年內到期的即期部分	(82,649)	(113,727)
Non-current portion included under non-current liabilities	列為非流動負債的非即期部分	293,832	185,547
Borrowings were repayable as follows:	須償還借貸如下：		
		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
		Notes 附註	
Within one year	一年內		
Bank overdrafts, unsecured	銀行透支，無抵押	6,488	14,811
Bank loans, unsecured	銀行貸款，無抵押	64,431	28,000
Bank loans, secured	銀行貸款，有抵押	11,730	59,064
Other loan, unsecured	其他貸款，無抵押	–	9,630
Loans from a minority shareholder, unsecured	一位少數股東貸款，無抵押	–	2,222
In the second year	第二年內		
Bank loans, unsecured	銀行貸款，無抵押	6,769	15,000
Bank loans, secured	銀行貸款，有抵押	5,980	5,564
Loans from minority shareholders, unsecured	少數股東貸款，無抵押	89,774	–
In the third to fifth year	三至五年		
Bank loans, unsecured	銀行貸款，無抵押	6,800	–
Bank loans, secured	銀行貸款，有抵押	132,940	80,999
Loans from minority shareholders, unsecured	少數股東貸款，無抵押	20,639	83,984
Borrowings repayable within five years	須於五年內償還的借貸	345,551	299,274
After the fifth year	五年以後		
Bank loans, unsecured	銀行貸款，無抵押	10,000	–
Bank loans, secured	銀行貸款，有抵押	20,930	–
Borrowings repayable after five years	須於五年後償還的借貸	30,930	–
		376,481	299,274

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26. BORROWINGS (Cont'd)

- (a) Bank loans were secured by pledge of certain investment properties and properties held under development of the Group, bank deposits of approximately HK\$6,265,000 (2007: HK\$54,606,000) of the Group and certain properties held by a related company, Fontwell Holdings Limited ("Fontwell") (note 34 (b)).
- (b) Loans from minority shareholders are initially recognised at fair value and subsequently stated at amortised cost. The principal amounts of the loans were approximately HK\$121,513,000 (2007: HK\$97,613,000). The fair value of the loans was calculated by reference to a market interest rate ("MIR") for an equivalent loan. The fair value of the loans at the grant date was approximately HK\$99,889,000 (2007: HK\$80,243,000), which was calculated using cash flows discounted at MIR of 6.75% per annum. The residual amount of HK\$21,624,000 (2007: HK\$17,370,000) is accounted for as capital contribution from the minority shareholders and included in minority interests.

The carrying amounts of the borrowings are denominated in the following currencies and have the following effective interest rates at the balance sheet date:

26. 借貸(續)

- (a) 銀行貸款以本集團若干投資物業及發展中物業、本集團約6,265,000港元(二零零七年: 54,606,000港元)的銀行存款及關連公司Fontwell Holdings Limited(「Fontwell」)持有的若干物業(附註34 (b))作為抵押。
- (b) 少數股東貸款首先按公允價值確認,其後按攤銷成本列賬。貸款本金額約121,513,000港元(二零零七年: 97,613,000港元)。貸款的公允價值參考等額貸款的市場利率(「市場利率」)計算。於授出日期的貸款公允價值約99,889,000港元(二零零七年: 80,243,000港元),乃根據現金流量按市場利率每年6.75厘折現計算。餘額21,624,000港元(二零零七年: 17,370,000港元)按少數股東注資入賬,並已計入少數股東權益。

借貸賬面值乃以下列貨幣為計值單位,於結算日的實際利率如下:

		Group 本集團			
		2008		2007	
		Interest rate per annum, effective as at 31 December 2008 於二零零八年 十二月三十一日 的實際年利率		Interest rate per annum, effective as at 31 December 2007 於二零零七年 十二月三十一日 的實際年利率	
		HK\$'000 千港元		HK\$'000 千港元	
Hong Kong dollars	港元	126,059	1.20% to 6.50%	68,031	4.29% to 7.25%
United States dollars	美元	78,842	6.75%	75,986	6.75%
Renminbi	人民幣	171,580	7.01% to 8.69%	155,257	5.56% to 7.01%
		376,481		299,274	

Borrowings were under floating interest rates.

借貸乃按浮動利率計息。

27. CONVERTIBLE NOTES

On 10 August 2007, the Company entered into a Convertible Notes Subscription Agreement (the “Agreement II”) with Asia Financial Holdings Limited (“AFH”) and Asia Insurance Company, Limited (“AICL”). Mr. Chan Bernard Charnwut, a non-executive director of the Company, is a director of AFH and AICL. Pursuant to the Agreement II, AFH and AICL agreed to acquire the convertible notes (the “Notes II”) at HK\$50,000,000 and HK\$25,000,000 respectively, in total of the principal amount of HK\$75,000,000 at interest rate of 5% per annum, payable in arrear on a quarterly basis on 31 March, 30 June, 30 September and 31 December of each year between the date of issue of the Notes II and the maturity date. The maturity date is 60 months from the date of issue of the Notes II.

The Notes II are not transferable and will not be allowed for redemption before the maturity date. Unless previously converted, the Company is obliged to redeem the Notes II on the maturity date at the redemption price of 110% of the principal amount of the Notes II outstanding together with accrued interest payables.

The principal amount of HK\$35,000,000 (HK\$25,000,000 for AFH and HK\$10,000,000 for AICL) of the Notes II shall be compulsorily converted at the conversion price of HK\$1.10 within seven business days if the closing price per share of the Company is HK\$1.10 or higher for ten consecutive trading days during the period between the date of issue of the Notes II and five business days prior to the maturity date.

In addition, the Notes II can be converted by the holder into ordinary shares of the Company at any part of the principal amount of the Notes II in the multiple of HK\$25,000,000, at a conversion price of HK\$1.10 per share, at any time during the period between the date of issue of the Notes II and the maturity date.

68,181,818 is the maximum number of ordinary shares that can be converted.

Further details of the terms and conditions of the Notes II were disclosed in the announcement and circular of the Company dated 17 August 2007 and 10 September 2007 respectively.

The Notes II were issued to AFH and AICL on 15 October 2007.

The fair values of the Notes II were determined by the directors of the Company with reference to the valuation performed by Norton Appraisals Limited, a firm of independent professional valuers with appropriate qualifications and recent experiences in the valuation of similar derivative instruments with reference to market values.

The methods and assumptions applied for the valuation of the Notes II are as follows:

The fair value of the liability component was calculated based on the present value contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the market interest rate for an equivalent non-convertible notes and remaining time to maturity.

27. 可換股票據

於二零零七年八月十日，本公司與亞洲金融集團(控股)有限公司(「亞洲金融」)及亞洲保險有限公司(「亞洲保險」)訂立可換股票據認購協議(「第二份協議」)。本公司非執行董事陳智思先生乃亞洲金融及亞洲保險的董事。根據第二份協議，亞洲金融及亞洲保險同意分別以50,000,000港元及25,000,000港元認購本金總額75,000,000港元的可換股票據(「第二批票據」)，年利率為5厘，須於第二批票據發行日期至到期日期間每年三月三十一日、六月三十日、九月三十日及十二月三十一日按季支付前期利息。到期日為自第二批票據發行日期起計60個月。

第二批票據不可轉讓，並且在到期日前不可贖回。除之前已兌換者外，本公司有責任於到期日按已發行第二批票據本金額的110%連同產生的應付利息為贖回價贖回第二批票據。

如自第二批票據發行當日至到期日前五個營業日期間連續十個交易日的本公司每股股份收市價為1.10港元或以上，則本金額為35,000,000港元(亞洲金融為25,000,000港元，而亞洲保險為10,000,000港元)的第二批票據須於七個營業日內強制按1.10港元的兌換價兌換。

此外，持有人可於第二批票據發行當日至到期日期間的任何時間按每股1.10港元的兌換價將任何部分本金額的第二批票據兌換為本公司普通股，兌換額須為25,000,000港元的倍數。

可兌換普通股的數目上限為68,181,818股。

第二批票據的條款及條件的進一步詳情分別於本公司日期為二零零七年八月十七日及二零零七年九月十日的公告及通函中披露。

已於二零零七年十月十五日向亞洲金融及亞洲保險發行第二批票據。

第二批票據的公允價值由本公司董事參考普敦國際評估有限公司作出的估值釐定，普敦國際評估有限公司乃擁有合適資格以及新近評估個案的獨立專業估值師，其評估基於類似型衍生工具的市場價值作參考。

第二批票據估值時所採用的方法及假設如下：

負債部分的公允價值基於合約釐定的未來現金流量按要求收益率折現的現值計算，而要求收益率則由等值不可換股票據的市場利率及到期日前的剩餘時間釐定。

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27. CONVERTIBLE NOTES (Cont'd)

The residual amount, representing the value of the equity conversion component, is included in the equity attributable to equity holders of the Company in convertible notes equity reserves, net of deferred tax.

The Notes II recognised in the balance sheet are calculated as follows:

27. 可換股票據(續)

餘額指權益轉換部分的價值，計入可換股票據權益儲備中本公司權益持有人應佔權益(扣除遞延稅項)。

於資產負債表內確認的第二批票據按如下方式計算：

		Group and Company
		本集團及本公司
		HK\$'000
		千港元
Fair value of convertible notes	可換股票據的公允價值	75,000
Equity component	權益部分	(3,650)
Liability component on initial recognition	初始確認的負債部分	71,350
Interest expense	利息開支	933
Interest paid	已付利息	(801)
Net carrying amount at 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日的賬面淨值	71,482
Interest expense	利息開支	4,480
Interest paid	已付利息	(3,750)
Net carrying amount at 31 December 2008	於二零零八年十二月三十一日的賬面淨值	72,212

The effective interest rate of the liability component is 6.28% per annum. Interest expense on the Notes II is calculated using the effective interest method by applying the effective interest rate to the liability component. During the year ended 31 December 2008, no convertible notes have been converted as ordinary shares of the Company.

負債部分的實際年利率為6.28厘。第二批票據的利息開支乃按實際利率法就負債部分以實際利率計算。於截至二零零八年十二月三十一日止年度，並無可換股票據獲兌換為本公司普通股。

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28. SHARE CAPITAL

28. 股本

		2008		2007	
	Notes	Number	HK\$'000	Number	HK\$'000
	附註	of shares	千港元	of shares	千港元
		股份數量		股份數量	
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股	30,000,000,000	300,000	30,000,000,000	300,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股	1,128,264,685	11,283	713,518,218	7,135
At 1 January	於一月一日				
Subscription for ordinary shares	認購普通股	(a)	-	90,017,210	900
Issue of ordinary shares on bonus issue	以紅股方式發行普通股	(b)	-	14,270,364	143
Issue of ordinary shares as 2006 scrip dividend	發行二零零六年以股代息普通股	(c)	-	2,750,343	28
Issue of ordinary shares upon rights issue	以供股方式發行普通股	(d)	-	307,708,550	3,077
Issue of ordinary shares on exercise of share options	因行使購股權而發行普通股	(e)	34,545,000	-	-
At 31 December	於十二月三十一日	1,162,809,685	11,628	1,128,264,685	11,283

Notes:

附註：

- (a) Pursuant to the master transfer agreement dated 17 October 2006, details of which were described in note 34(a) to this consolidated financial statements, 13,380,657 and 42,535,093 ordinary shares of the Company were issued to Belbroughton Limited on 29 June 2007 and 31 August 2007 respectively at a price of HK\$0.6405 each and 34,101,460 ordinary shares of the Company were issued to Peeli Limited on 31 August 2007 at a price of HK\$0.6405 each.
- (b) Pursuant to an ordinary resolution passed at the Annual General Meeting held on 1 June 2007, the Company approved a bonus share of 1 ordinary share per 50 ordinary shares in issue. On 11 June 2007, 14,270,364 ordinary shares of HK\$0.01 each were issued to shareholders of the Company.
- (c) On 4 July 2007, 2,750,343 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.74 per ordinary share upon election by shareholders to receive ordinary shares in the Company in lieu of the 2006 final dividend pursuant to the scrip dividend scheme as detailed in a circular dated 4 June 2007.
- (d) On 8 October 2007, 307,708,550 ordinary shares of HK\$0.01 each were issued pursuant to the rights issue at a price of HK\$0.52 per ordinary shares as detailed in a circular dated 10 September 2007 and an announcement on results of the rights issue dated 3 October 2007.
- (e) On 5 May 2008, 25 July 2008 and 8 December 2008, 8,900,000, 14,413,000 and 11,232,000 share options in issue pursuant to the share option scheme of the Company were exercised by certain directors of the Company at the subscription price of HK\$0.375, HK\$0.300, and HK\$0.192 per ordinary share respectively, resulting in issue of 34,545,000 shares of HK\$0.01 each (note 29).

- (a) 根據二零零六年十月十七日訂立的物業轉讓框架協議(詳情載於本綜合財務報表附註34(a))，Belbroughton Limited分別於二零零七年六月二十九日及二零零七年八月三十一日按每股0.6405港元獲發行本公司13,380,657股及42,535,093股普通股，而Peeli Limited於二零零七年八月三十一日按每股0.6405港元獲發行本公司34,101,460股普通股。
- (b) 根據二零零七年六月一日股東週年大會通過的普通決議案，本公司同意按每50股已發行普通股可獲發1股普通股作為紅股。於二零零七年六月十一日，本公司股東獲發行14,270,364股每股面值0.01港元的普通股。
- (c) 於二零零七年七月四日，在股東根據以股代息計劃(詳情載於日期為二零零七年六月四日的通函)選擇收取本公司普通股代替二零零六年末期股息後，已發行2,750,343股每股面值0.01港元的普通股，每股發行價0.74港元。
- (d) 於二零零七年十月八日，已根據供股發行307,708,550股每股面值0.01港元的普通股，每股發行價0.52港元，詳情載於日期為二零零七年九月十日的通函及二零零七年十月三日的供股結果公告。
- (e) 於二零零八年五月五日、二零零八年七月二十五日及二零零八年十二月八日，本公司若干名董事根據本公司購股權計劃分別行使8,900,000、14,413,000及11,232,000份已發行購股權，認購價分別為每股普通股0.375港元、0.300港元及0.192港元，因此而發行34,545,000股每股面值0.01港元的股份(附註29)。

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29. SHARE-BASED EMPLOYEE COMPENSATION

Pursuant to the written resolutions of all the then shareholders passed on 14 November 2005, the Company has conditionally adopted the Share Option Scheme (the "Scheme") for employee compensation.

The purpose of the Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants for their contributions to the Group and for such other purposes as the board of directors (the "Board") may approve from time to time.

Pursuant to the Scheme, the Board may, at its discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of the Company, its subsidiaries and associated companies; any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group or its associated companies; any consultants, professional and other advisers to each member of the Group or its associated companies (or persons, firms or companies proposed to be appointed for providing such services); any chief executives or substantial shareholders of the Company; any associates of any director, chief executive or substantial shareholder of the Company; and any employees (whether full-time or part-time) of substantial shareholders of the Company, provided that the Board may have absolute discretion to determine whether or not one falls within the above categories, (together, the "Participants" and each a "Participant"), to take up options ("Option(s)") to subscribe for shares at a price determined in accordance with the paragraph below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

The Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Scheme is adopted, after which period no further Options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect, and Options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of grant.

The subscription price in respect of each share issued pursuant to the exercise of Options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is accepted by the grantee or if such date of acceptance by the grantee is not a business day, the immediately preceding business day;
- (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which an offer is accepted by the grantee (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the shares where the Company has been listed for less than 5 business days as at the date on which an offer is accepted by the grantee); and

29. 以股份支付的僱員薪酬

根據當時全體股東於二零零五年十一月十四日通過的書面決議案，本公司已有條件採納購股權計劃（「該計劃」），作為僱員薪酬。

該計劃旨在讓本公司以靈活的方法，就參與者對本集團的貢獻及董事會（「董事會」）可能不時批准的其他目的，給予參與者激勵、獎勵、酬金、報酬及／或利益。

根據該計劃，董事會可酌情邀請本公司、其附屬公司及聯營公司的任何執行或非執行董事，包括獨立非執行董事或任何僱員（不論全職或兼職）；本集團各成員公司或其聯營公司的任何僱員、執行或非執行董事所設立的全權信託的任何全權益人；本集團各成員公司或其聯營公司的諮詢人、專業人士及其他顧問（或擬委任以提供該等服務的人士、商行或公司）；本公司任何主要行政人員或主要股東；本公司任何董事、主要行政人員或主要股東的任何聯繫人；及本公司主要股東的任何僱員（不論全職或兼職），惟董事會可全權酌情釐定有關人士是否屬於上述類別（上述人士均稱為及合稱「參與者」），以接納購股權（「購股權」），並根據下文確定的價格認購股份。

於釐定各參與者的資格標準時，董事會將考慮其可能酌情認為恰當的因素。

該計劃自獲採納日期起計有效期為十年，在限期後不會再授出購股權，惟在所有其他方面，該計劃的條文仍具有十足效力及作用，於該計劃期限內授出的購股權可按其授出條款繼續行使。

根據本文授出的購股權獲行使而發行的每股份份的認購價，將由董事會獨自釐定及知會參與者，而認購價最低為（以最高者為準）：

- (a) 於要約獲承授人接納的營業日（或如要約獲承授人接納當日並非營業日，則為緊接該日前的營業日）聯交所日報表所報的股份收市價；
- (b) 緊接要約獲承授人接納前五個營業日聯交所日報表所報的股份平均收市價（惟倘本公司於要約獲承授人接納當日前已上市的日子數少於五個營業日，則新發行價應用作股份上市前期間任何營業日的收市價）；及

29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

(c) the nominal value of a share

The total number of shares, which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares in issue on the date of commencement of dealings in the shares on the Stock Exchange ("Scheme Mandate Limit"), unless the Company obtains an approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit.

On 9 May 2008, an ordinary resolution regarding the refreshment of Scheme Mandate Limit was approved by the shareholders of the Company at the Annual General Meeting ("AGM"). Starting from 9 May 2008, further options to subscribe up to 113,716,468 ordinary shares of the Company, being 10% of the total number of shares in issue on the date of AGM are available to be granted under the Scheme.

Notwithstanding any other provisions of the Scheme, the maximum number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares in issue from time to time.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the Options granted to each participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Offer of an option ("Offer") shall be deemed to have been accepted by any Participant (the "Grantee") who accepts an Offer in accordance with the terms of the Scheme and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within 14 days from the date upon which the Offer is made.

All share-based employee compensation will be settled in equity.

29. 以股份支付的僱員薪酬(續)

(c) 一股股份面值

因行使根據該計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數，合共不得超過股份於聯交所開始買賣當日已發行股份總數的10%（「計劃授權限額」），惟本公司取得股東的批准則除外。計算該10%限額並不計及根據該計劃條款已失效的購股權。

於二零零八年五月九日，一項更新計劃授權限額的普通決議案於股東週年大會（「股東週年大會」）上獲本公司股東批准。自二零零八年五月九日起，根據該計劃，可進一步授出認購最多達113,716,468股本公司普通股的購股權，相當於股東週年大會日期已發行股份總數的10%。

儘管該計劃另有任何規定，於行使該計劃及本公司任何其他購股權計劃的已授出但尚未行使的所有未行使購股權時，最多可發行的股份數目不得超過不時已發行股份總數的30%。

除非獲股東批准，於任何十二個月期間因行使授予每名參與者的購股權（包括已行使及尚未行使的購股權）而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。

任何參與者（「承授人」）凡按照該計劃的條款接納購股權要約（「要約」），即被視為接納要約，而當載有接納要約的要約書副本由承授人妥為簽署，並在本公司作出要約當日起14日內，接獲承授人在接納購股權時須向本公司支付1.00港元作為授出購股權的代價後，與要約有關的購股權即被視為已授出並生效。

所有以股份支付的僱員薪酬均將於權益內結算。

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29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

Details of the Options granted by the Company pursuant to the Scheme and the Options outstanding as at 31 December 2008 were as follows:

29. 以股份支付的僱員薪酬(續)

於二零零八年十二月三十一日，本公司根據該計劃授出而尚未行使的購股權詳情如下：

Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Number of options 購股權數目				Balance at 31 December 2008	Exercise price per share HK\$	
		Balance at 31 December 2007 and 1 January 2008	Granted during the year	Exercised during the year	Lapsed during the year			
授出日期 (日/月/年)	行使期間 (日/月/年)	於二零零七年 十二月三十一日 及二零零八年 一月一日的結餘	於年內授出	於年內行使	於年內失效	於二零零八年 十二月三十一日 的結餘	每股行使價 港元	
Executive directors 執行董事								
Mr. Taochaifu Choofuang ("Mr. C.F. Tao") 陶哲甫先生	04/04/2006	10/04/2006 to 09/04/2009	6,188,225	-	-	-	6,188,225	0.806
	04/07/2007	04/07/2007 to 03/07/2010	3,765,636	-	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	3,600,000	-	-	-	3,600,000	0.524
	29/04/2008	29/04/2008 to 28/04/2011	-	2,500,000	(2,500,000)	-	-	0.375
	21/07/2008	21/07/2008 to 20/07/2011	-	5,271,000	(5,271,000)	-	-	0.300
	19/11/2008	19/11/2008 to 18/11/2011	-	3,744,000	(3,744,000)	-	-	0.192
			13,553,861	11,515,000	(11,515,000)	-	13,553,861	
Mr. Tao Richard ("Mr. Richard Tao") 陶家祈先生	04/04/2006	10/04/2006 to 09/04/2009	6,828,353	-	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	3,765,636	-	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	3,600,000	-	-	-	3,600,000	0.524
	29/04/2008	29/04/2008 to 28/04/2011	-	3,200,000	(3,200,000)	-	-	0.375
	21/07/2008	21/07/2008 to 20/07/2011	-	4,571,000	(4,571,000)	-	-	0.300
	19/11/2008	19/11/2008 to 18/11/2011	-	3,744,000	(3,744,000)	-	-	0.192
			14,193,989	11,515,000	(11,515,000)	-	14,193,989	
Mr. Tao Paul ("Mr. Paul Tao") 陶錫祺先生	04/04/2006	10/04/2006 to 09/04/2009	6,828,353	-	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	3,765,636	-	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	3,600,000	-	-	-	3,600,000	0.524
	29/04/2008	29/04/2008 to 28/04/2011	-	3,200,000	(3,200,000)	-	-	0.375
	21/07/2008	21/07/2008 to 20/07/2011	-	4,571,000	(4,571,000)	-	-	0.300
	19/11/2008	19/11/2008 to 18/11/2011	-	3,744,000	(3,744,000)	-	-	0.192
			14,193,989	11,515,000	(11,515,000)	-	14,193,989	

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For the year ended 31 December 2008
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29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

29. 以股份支付的僱員薪酬(續)

Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Balance at 31 December 2007 and 1 January 2008	Number of options 購股權數目			Balance at 31 December 2008	Exercise price per share HK\$
			Granted during the year	Exercised during the year	Lapsed during the year		
授出日期 (日/月/年)	行使期間 (日/月/年)	於二零零七年 十二月三十一日 及二零零八年 一月一日的結餘	於年內授出	於年內行使	於年內失效	於二零零八年 十二月三十一日 的結餘	每股行使價 港元
Executive directors (Cont'd) 執行董事(續)							
Mr. Kong Mui Sum Lawrence 江森森先生	04/04/2006	10/04/2006 to 09/04/2009	6,828,353	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	3,765,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	3,600,000	-	-	3,600,000	0.524
	29/04/2008	29/04/2008 to 28/04/2011	-	3,200,000	-	3,200,000	0.375
	21/07/2008	21/07/2008 to 20/07/2011	-	4,571,000	-	4,571,000	0.300
	19/11/2008	19/11/2008 to 18/11/2011	-	3,744,000	-	3,744,000	0.192
			14,193,989	11,515,000	-	25,708,989	
Mr. Yim Chun Leung 嚴振亮先生	04/04/2006	10/04/2006 to 09/04/2009	6,828,353	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	3,765,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	3,600,000	-	-	3,600,000	0.524
	29/04/2008	29/04/2008 to 28/04/2011	-	3,200,000	-	3,200,000	0.375
	21/07/2008	21/07/2008 to 20/07/2011	-	4,571,000	-	4,571,000	0.300
	19/11/2008	19/11/2008 to 18/11/2011	-	3,744,000	-	3,744,000	0.192
			14,193,989	11,515,000	-	25,708,989	
Employees of the Group 本集團僱員	04/04/2006	10/04/2006 to 09/04/2009	5,360,257	-	-	4,340,272	0.806
	04/07/2007	04/07/2007 to 03/07/2010	6,269,785	-	-	4,744,702	0.635
	18/10/2007	18/10/2007 to 17/10/2010	7,966,000	-	-	6,364,000	0.524
	29/04/2008	29/04/2008 to 28/04/2011	-	5,500,000	-	5,100,000	0.375
	21/07/2008	21/07/2008 to 20/07/2011	-	8,406,000	-	8,406,000	0.300
	19/11/2008	19/11/2008 to 18/11/2011	-	7,830,000	-	7,830,000	0.192
			19,596,042	21,736,000	-	36,784,974	
			89,925,859	79,311,000	(34,545,000)	130,144,791	

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29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

Details of the Options granted by the Company pursuant to the Scheme and the Options outstanding as at 31 December 2007 were as follows:

29. 以股份支付的僱員薪酬(續)

於二零零七年十二月三十一日，本公司根據該計劃授出的購股權及未行使購股權詳情如下：

Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Number of options 購股權數目					Balance at 31 December 2007	Exercise price per share* HK\$	
		Balance at 1 January 2007	Granted during the year	Adjustment on changes in share structure during the year	Exercised during the year	Lapsed during the year			
授出日期 (日/月/年)	行使期間 (日/月/年)	於二零零七年一月一日的結餘	於年內授出	年內對股份架構變動的調整	於年內行使	於年內失效	於二零零七年十二月三十一日的結餘	每股行使價* 港元	
Executive directors									
執行董事									
Mr. C.F. Tao 陶哲甫先生	04/04/2006	10/04/2006 to 09/04/2009	5,800,000	-	388,225	-	-	6,188,225	0.806
	04/07/2007	04/07/2007 to 03/07/2010	-	3,600,000	165,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	-	3,600,000	-	-	-	3,600,000	0.524
			5,800,000	7,200,000	553,861	-	-	13,553,861	
Mr. Richard Tao 陶家祈先生	04/04/2006	10/04/2006 to 09/04/2009	6,400,000	-	428,353	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	-	3,600,000	165,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	-	3,600,000	-	-	-	3,600,000	0.524
			6,400,000	7,200,000	593,989	-	-	14,193,989	
Mr. Paul Tao 陶錫祺先生	04/04/2006	10/04/2006 to 09/04/2009	6,400,000	-	428,353	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	-	3,600,000	165,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	-	3,600,000	-	-	-	3,600,000	0.524
			6,400,000	7,200,000	593,989	-	-	14,193,989	
Mr. Kong Mui Sum Lawrence 江森森先生	04/04/2006	10/04/2006 to 09/04/2009	6,400,000	-	428,353	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	-	3,600,000	165,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	-	3,600,000	-	-	-	3,600,000	0.524
			6,400,000	7,200,000	593,989	-	-	14,193,989	
Mr. Yim Chun Leung 嚴振亮先生	04/04/2006	10/04/2006 to 09/04/2009	6,400,000	-	428,353	-	-	6,828,353	0.806
	04/07/2007	04/07/2007 to 03/07/2010	-	3,600,000	165,636	-	-	3,765,636	0.635
	18/10/2007	18/10/2007 to 17/10/2010	-	3,600,000	-	-	-	3,600,000	0.524
			6,400,000	7,200,000	593,989	-	-	14,193,989	

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29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

29. 以股份支付的僱員薪酬(續)

	Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Number of options 購股權數目					Balance at 31 December 2007	Exercise price per share* HK\$
			Balance at 1 January 2007	Granted during the year	Adjustment on share structure changes during the year	Exercised during the year	Lapsed during the year		
Employees of the Group 本集團僱員	授出日期 (日/月/年)	行使期間 (日/月/年)	於二零零七年一月一日的結餘	於年內授出	年內對股份架構變動的調整	於年內行使	於年內失效	於二零零七年十二月三十一日的結餘	每股行使價* 港元
	04/04/2006	10/04/2006 to 09/04/2009	6,116,000	-	336,257	-	(1,092,000)	5,360,257	0.806
	04/07/2007	04/07/2007 to 03/07/2010	-	5,994,000	275,785	-	-	6,269,785	0.635
	18/10/2007	18/10/2007 to 17/10/2010	-	7,966,000	-	-	-	7,966,000	0.524
			6,116,000	13,960,000	612,042	-	(1,092,000)	19,596,042	
			37,516,000	49,960,000	3,541,859	-	(1,092,000)	89,925,859	

* The exercise price and number of Options outstanding have been adjusted in accordance with the terms of the Scheme as a result of issue of ordinary shares on bonus issue (note 28(b)) and upon rights issue (note 28(d)) during the year ended 31 December 2007 are set out as follows:

For Options granted on 4 April 2006, 36,424,000 outstanding options exercisable at HK\$0.86 each have been adjusted to 38,861,894 options exercisable at HK\$0.806 each.

For Options granted on 4 July 2007, 23,994,000 outstanding options exercisable at HK\$0.664 each have been adjusted to 25,097,965 options exercisable at HK\$0.635 each.

* 截至二零零七年十二月三十一日止年度，由於以紅股方式發行普通股(附註28(b))及於供股後(附註28(d))，根據該計劃的條款對未行使購股權的行使價及數目進行的調整列載如下：

對於二零零六年四月四日授出的購股權，可按每股0.86港元行使的36,424,000份未行使購股權已調整為可按每股0.806港元行使的38,861,894份購股權。

對於二零零七年七月四日授出的購股權，可按每股0.664港元行使的23,994,000份未行使購股權已調整為可按每股0.635港元行使的25,097,965份購股權。

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

29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

Options outstanding and weighted average exercise price for the reporting periods presented are as follows:

		2008		2007	
		Number	Weighted average exercise price	Number	Weighted average exercise price
		數目	加權平均行使價 HK\$ 港元	數目	加權平均行使價 HK\$ 港元
Outstanding at 1 January	於一月一日未行使	89,925,859	0.68	37,516,000	0.86
Granted	授出	79,311,000	0.28	49,960,000	0.59
Adjustments	調整	-	-	3,541,859	-
Exercised	行使	(34,545,000)	0.28	-	-
Lapsed	失效	(4,547,068)	0.63	(1,092,000)	0.86
Outstanding at 31 December	於十二月三十一日未行使	130,144,791	0.54	89,925,859	0.68
Exercisable at 31 December	於十二月三十一日可行使	130,144,791		89,925,859	

Options granted on 4 July 2007:

The fair values of Options of approximately HK\$2,967,000 granted on 4 July 2007 were determined using the Binomial Option Pricing Model. Significant inputs into the calculation included a weighted average share price on issue date of HK\$0.6608 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of 1.54% and a volatility rate of 37.78%, based on expected share price. Risk-free annual interest rate was determined at 4.265%.

The underlying expected volatility was determined with reference to the historical volatilities of the Company over one year period.

Options granted on 18 October 2007:

The fair values of Options of approximately HK\$3,165,000 granted on 18 October 2007 were determined using the Binomial Option Pricing Model. Significant inputs into the calculation included a weighted average share price on issue date of HK\$0.5001 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of 2.97% and a volatility rate of 53.87%, based on expected share price. Risk-free annual interest rate was determined at 3.573%.

The underlying expected volatility was determined with reference to the historical volatilities of the Company over one year period.

29. 以股份支付的僱員薪酬(續)

於報告期間的未行使購股權及加權平均行使價呈列如下：

		2008		2007	
		Number	Weighted average exercise price	Number	Weighted average exercise price
		數目	加權平均行使價 HK\$ 港元	數目	加權平均行使價 HK\$ 港元
Outstanding at 1 January	於一月一日未行使	89,925,859	0.68	37,516,000	0.86
Granted	授出	79,311,000	0.28	49,960,000	0.59
Adjustments	調整	-	-	3,541,859	-
Exercised	行使	(34,545,000)	0.28	-	-
Lapsed	失效	(4,547,068)	0.63	(1,092,000)	0.86
Outstanding at 31 December	於十二月三十一日未行使	130,144,791	0.54	89,925,859	0.68
Exercisable at 31 December	於十二月三十一日可行使	130,144,791		89,925,859	

於二零零七年七月四日授出的購股權：

於二零零七年七月四日授出的購股權的公允價值約2,967,000港元乃以二項式期權定價模式釐定。此項計算所運用的重要數據，包括於發行日的加權平均股價0.6608港元以及上表所述的行使價。此外，此項計算已考慮按預期股價計算的1.54%的預期股息率及37.78%的波幅。無風險年利率定為4.265厘。

相關預期波幅乃參照本公司一年以上時期的歷史波幅釐定。

於二零零七年十月十八日授出的購股權：

於二零零七年十月十八日授出的購股權的公允價值約3,165,000港元乃以二項式期權定價模式釐定。此項計算所運用的重要數據，包括於發行日的加權平均股價0.5001港元以及上表所述的行使價。此外，此項計算已考慮按預期股價計算的2.97%的預期股息率及53.87%的波幅。無風險年利率定為3.573厘。

相關預期波幅乃參照本公司一年以上時期的歷史波幅釐定。

29. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

Options granted on 29 April 2008:

The fair values of Options of approximately HK\$1,610,000 granted on 29 April 2008 were determined using the Binomial Option Pricing Model. Significant inputs into the calculation included a weighted average share price on issue date of HK\$0.375 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of 2.70% and a volatility rate of 47.84%, based on expected share price. Risk-free annual interest rate was determined at 1.564%.

The underlying expected volatility was determined with reference to the historical volatilities of the Company over one year period.

Options granted on 21 July 2008:

The fair values of Options of approximately HK\$1,238,000 granted on 21 July 2008 were determined using the Binomial Option Pricing Model. Significant inputs into the calculation included a weighted average share price on issue date of HK\$0.30 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of 3.39% and a volatility rate of 57.66%, based on expected share price. Risk-free annual interest rate was determined at 1.727%.

The underlying expected volatility was determined with reference to the historical volatilities of the Company over one year period.

Options granted on 19 November 2008:

The fair values of Options of approximately HK\$1,160,000 granted on 19 November 2008 were determined using the Binomial Option Pricing Model. Significant inputs into the calculation included a weighted average share price on issue date of HK\$0.18 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of 5.55% and a volatility rate of 63.43%, based on expected share price. Risk-free annual interest rate was determined at 0.551%.

The underlying expected volatility was determined with reference to the historical volatilities of the Company over one year period.

In total, employee compensation expense of HK\$4,008,000 (note 8) has been included in the consolidated income statement (2007: HK\$6,132,000) for the year ended 31 December 2008, the corresponding amount of which has been credited to share option reserves (note 30). No liabilities were recognised due to share-based employee compensation.

During the year ended 31 December 2008, 34,545,000 options (2007: Nil) were exercised resulting in issue of 34,545,000 ordinary shares of HK\$0.01 each and no options (2007: Nil) were expired pursuant to the Scheme. The weighted average remaining contractual life of the Options outstanding at 31 December 2008 is approximately 1.58 years (2007: 2.06 years).

The weighted average closing prices of the shares immediately before the date of exercise the share options on 5 May 2008, 25 July 2008 and 8 December 2008 are HK\$0.373, HK\$0.350 and HK\$0.294 respectively.

29. 以股份支付的僱員薪酬(續)

於二零零八年四月二十九日授出的購股權：

於二零零八年四月二十九日授出的購股權的公允價值約1,610,000港元乃以二項式期權定價模式釐定。此項計算所運用的重要數據，包括於發行日的加權平均股價0.375港元以及上表所述的行使價。此外，此項計算已考慮按預期股價計算的2.70%的預期股息率及47.84%的波幅。無風險年利率定為1.564厘。

相關預期波幅乃參照本公司一年以上時期的歷史波幅釐定。

於二零零八年七月二十一日授出的購股權：

於二零零八年七月二十一日授出的購股權的公允價值約1,238,000港元乃以二項式期權定價模式釐定。此項計算所運用的重要數據，包括於發行日的加權平均股價0.30港元以及上表所述的行使價。此外，此項計算已考慮按預期股價計算的3.39%的預期股息率及57.66%的波幅。無風險年利率定為1.727厘。

相關預期波幅乃參照本公司一年以上時期的歷史波幅釐定。

於二零零八年十一月十九日授出的購股權：

於二零零八年十一月十九日授出的購股權的公允價值約1,160,000港元乃以二項式期權定價模式釐定。此項計算所運用的重要數據，包括於發行日的加權平均股價0.18港元以及上表所述的行使價。此外，此項計算已考慮按預期股價計算的5.55%的預期股息率及63.43%的波幅。無風險年利率定為0.551厘。

相關預期波幅乃參照本公司一年以上時期的歷史波幅釐定。

截至二零零八年十二月三十一日止年度的綜合收益表中共計入4,008,000港元(附註8)的僱員薪酬開支(二零零七年：6,132,000港元)，其相應金額已計入購股權儲備(附註30)中。由於僱員薪酬以股份支付，因此並無確認任何負債。

截至二零零八年十二月三十一日止年度，根據該計劃，34,545,000份購股權(二零零七年：無)獲行使，導致發行34,545,000股每股面值0.01港元的普通股，另並無購股權(二零零七年：無)到期。於二零零八年十二月三十一日，尚未行使的購股權加權平均剩餘合約年期約為1.58年(二零零七年：2.06年)。

於二零零八年五月五日、二零零八年七月二十五日及二零零八年十二月八日，緊接購股權行使日期前的股份加權平均收市價分別為0.373港元、0.350港元及0.294港元。

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

30. RESERVES

30. 儲備

(a) Group

(a) 本集團

		Notes	2008 HK\$'000 千港元	2007 HK\$'000 千港元
		附註		
Retained profits	保留盈利		103,249	139,104
Share premium	股份溢價	(i)	447,936	436,718
Share option reserves	購股權儲備		16,018	13,760
Convertible notes equity reserves	可換股票據權益儲備		3,011	3,011
Merger reserve	合併儲備	(ii)	89,936	89,936
Hotel property, plant and equipment revaluation reserve	酒店物業、廠房及設備 重估儲備		7,126	7,395
Statutory reserve	法定儲備	(iii)	19,508	16,713
Exchange reserve	匯兌儲備		67,291	27,123
			754,075	733,760
Proposed final dividend	擬派末期股息		–	11,283
			754,075	745,043

The movements of the Group's reserves for the year are presented in the consolidated statement of changes in equity of the financial statements.

本集團儲備於年內的變動，於財務報表的綜合權益變動表中呈列。

(i) Under the Companies Law, Cap.22 Law 3 of 1962, as consolidated and revised, of the Cayman Islands, the share premium account is distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(i) 根據開曼群島法例第22章公司法(一九六二年第三號法例，經綜合及修訂)，股份溢價賬可分派予本公司股東，惟緊隨擬分派股息日期後，本公司須有能力償還於日常業務中到期的債務。

(ii) The merger reserve of the Group represents the excess of the nominal value of the share capital of the subsidiaries acquired pursuant to the Group's reorganisation completed on 23 June 2005 over the nominal value of the Company's shares issued in exchange therefor.

(ii) 本集團的合併儲備，為本集團於二零零五年六月二十三日完成的本集團重組中所收購附屬公司的股本面值，超出為換取該等股本而發行的本公司股份面值的差額。

(iii) According to the relevant PRC Laws, companies established in the PRC are required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the entity's registered capital. The transfer of this reserve must be made before the distribution of dividend to the entity's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the entity.

(iii) 根據相關中國法例，於中國成立的公司須按中國會計規則釐定的除稅後純利，將最少10%轉撥至法定儲備，直至該儲備結餘達至該公司註冊資本50%，並必須於向該公司的股東分派股息前轉撥至此儲備。法定儲備為不可分派，如該公司清盤則除外。

(iv) Of the consolidated loss attributable to equity holders of the Company of HK\$33,225,000 for the year (2007: profit attributable to equity holders of the Company of HK\$36,115,000), profit of HK\$19,293,000 (2007: HK\$8,600,000) has been dealt with in the financial statements of the Company for the year.

(iv) 年內本公司權益持有人應佔綜合虧損為33,225,000港元(二零零七年：本公司權益持有人應佔盈利為36,115,000港元)，當中盈利19,293,000港元(二零零七年：8,600,000港元)已於本公司年度財務報表中處理。

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30. RESERVES (Cont'd)

30. 儲備(續)

(b) Company

(b) 本公司

		Share premium	Share option reserves	Convertible notes equity reserves	Contributed surplus	Retained profits	Proposed final dividend	Total
		股份溢價	購股權儲備	可換股票據 權益儲備	實繳盈餘	保留盈利	擬派 末期股息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note)	(note)	(note)	(note)	(note)	(note)	(note)
		(附註)	(附註)	(附註)	(附註)	(附註)	(附註)	(附註)
Balance at 1 January 2007	於二零零七年 一月一日的結餘	223,643	7,628	-	(22)	14,037	7,135	252,421
Profit for the year	年度盈利	-	-	-	-	8,600	-	8,600
Employee share based compensation (note 29)	以股份支付的僱員薪酬 (附註29)	-	6,132	-	-	-	-	6,132
Arising from issue of ordinary shares on bonus issue (note 28(b))	以紅股方式發行普通股 而產生 (附註28(b))	(143)	-	-	-	-	-	(143)
Arising from issue of ordinary shares as 2006 scrip dividend (note 28(c))	二零零六年以股代 息計劃發行普通股 而產生(附註28(c))	2,008	-	-	-	-	-	2,008
Arising from issue of ordinary shares on subscription (note 28(a))	認購事項發行普通股 而產生 (附註28(a))	56,756	-	-	-	-	-	56,756
Arising from issue of ordinary shares upon rights issue (note 28(d))	供股發行普通股 而產生 (附註28(d))	156,931	-	-	-	-	-	156,931
Share issue expenses	股份發行開支	(2,477)	-	-	-	-	-	(2,477)
Issue of convertible notes	發行可換股票據	-	-	3,650	-	-	-	3,650
Deferred tax liability arising on convertible notes	因可換股票據而產生 的遞延稅項負債	-	-	(639)	-	-	-	(639)
Dividend paid relating to 2006 final dividend	有關二零零六年末期 股息的已付股息	-	-	-	-	-	(7,135)	(7,135)
Proposed final dividend	擬派末期股息	-	-	-	-	(11,283)	11,283	-
Balance at 31 December 2007 and 1 January 2008	於二零零七年十二月 三十一日及 二零零八年一月一日 的結餘	436,718	13,760	3,011	(22)	11,354	11,283	476,104
Profit for the year	年度盈利	-	-	-	-	19,293	-	19,293
Employee share based compensation (note 29)	以股份支付的僱員薪酬 (附註29)	-	4,008	-	-	-	-	4,008
Arising from issue of ordinary shares on exercise of share options (note 28(e))	行使購股權發行普 通股而產生 (附註28(e))	11,218	(1,750)	-	-	-	-	9,468
Dividend paid relating to 2007 final dividend	有關二零零七年末期 股息的已付股息	-	-	-	-	(89)	(11,283)	(11,372)
Balance at 31 December 2008	於二零零八年十二月 三十一日的結餘	447,936	16,018	3,011	(22)	30,558	-	497,501

Note: These reserve accounts comprise the Company's reserves of HK\$497,501,000 (2007: HK\$464,821,000) in the balance sheet of the Company.

附註：該等儲備賬包括本公司資產負債表內的本
公司儲備497,501,000港元(二零零七年：
464,821,000港元)。

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For the year ended 31 December 2008
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30. RESERVES (Cont'd)

(b) Company (Cont'd)

The contributed surplus of the Company represents the excess of the net asset value of the subsidiaries acquired pursuant to the Group's reorganisation completed on 23 June 2005 over the nominal value of the Company's shares issued in exchange therefor.

31. PLEDGED BANK DEPOSITS

30. 儲備(續)

(b) 本公司(續)

本公司的實繳盈餘，為本集團於二零零五年六月二十三日完成的本集團重組中所收購附屬公司的資產淨值，超出的差額部份以等值面值發行股份支付。

31. 已抵押銀行存款

		Group 本集團	
		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
		Notes 附註	
Analysis of pledged bank deposits:	已抵押銀行存款分析：		
Deposit pledged against banking facilities granted to the mortgagee	就受押人獲授銀行融資而抵押的存款	(a) 2,900	6,824
Deposit pledged against bank loans (note 26(a))	就銀行貸款而抵押的存款 (附註26(a))	(b) 6,265	54,606
		9,165	61,430

Notes:

- (a) The bank deposits were pledged as security in favour of banks and financial institutions in the PRC which provided mortgage loan to purchasers of properties for the period from the date of draw-down of mortgage loans to the date when the certificates for housing ownership and certificates of others' interest for housing ownership (collectively known as "Certificates") are granted to the property purchasers. Such charges would be released when the Certificates are granted to the property purchasers. This deposit earns interest at floating rates based on daily bank deposits rates.
- (b) The effective interest rate of short-term bank deposits are ranging from 1.00% to 2.88% (2007: 1.88% to 2.38%) and not eligible for immediate cancellation upon the settlement of pledged facilities.

附註：

- (a) 由提取按揭貸款當日起，直至置業者獲批授房屋所有權證及房屋所有權其他權證(統稱為「該等證明」)止，銀行存款已抵押予多家向置業者提供按揭貸款的國內銀行及金融機構，作為抵押品。該等抵押將於置業者獲授該等證明時解除。該存款以每日銀行存款利率，按浮動利率計息。
- (b) 短期銀行存款的實際利率為1.00厘至2.88厘(二零零七年：1.88厘至2.38厘)，並不可於償還抵押融資額時立即撤銷。

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財務報表附註

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

32. CASH AND CASH EQUIVALENTS

Analysis of cash and cash equivalents is as follows:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Cash at banks and in hand	銀行結存及現金	125,973	175,701
Bank overdrafts (note 26)	銀行透支(附註26)	(6,488)	-
		119,485	175,701

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in a currency other than the functional currency of the Group to which they relate:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Renminbi	人民幣	112,841	76,595
United States dollar	美元	7,604	10,972

As at 31 December 2007 and 2008, cash and cash equivalents denominated in Renminbi are deposited with banks in the PRC, the conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The effective interest rate of cash at banks is in range of 0.01% to 4.75% and those have maturity within 30 days.

32. 現金及現金等價物

現金及現金等價物分析如下：

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Cash at banks and in hand	銀行結存及現金	125,973	175,701
Bank overdrafts (note 26)	銀行透支(附註26)	(6,488)	-
		119,485	175,701

於資產負債表的現金及現金等價物，乃以下列本集團功能貨幣以外的貨幣列值：

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Renminbi	人民幣	112,841	76,595
United States dollar	美元	7,604	10,972

於二零零七年及二零零八年十二月三十一日，現金及現金等價物以人民幣為單位存於中國多家銀行，將該等以人民幣為單位的結存兌換為外幣須受中國政府頒佈的外匯法規所限制。

銀行結存的實際利率為0.01厘至4.75厘，並於30日內到期。

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33. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

33. 董事及高級管理人員酬金

(a) Directors' emoluments

(a) 董事酬金

		Fees	Salaries, allowance and other benefit in kind*	Share-based payment expense	Contribution to retirement benefit scheme	Total
		董事酬金	薪金、津貼及其他實物利益*	以股份支付僱員的開支	退休金計劃供款	總計
		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
2008	二零零八年					
Executive directors	執行董事					
Mr. C. F. Tao	陶哲甫先生	–	1,462	564	81	2,107
Mr. Richard Tao	陶家祈先生	–	2,113	593	107	2,813
Mr. Paul Tao	陶錫祺先生	–	2,113	593	107	2,813
Mr. Kong Mui Sum Lawrence	江森森先生	–	2,113	593	107	2,813
Mr. Yim Chun Leung	嚴振亮先生	–	2,437	593	124	3,154
		–	10,238	2,936	526	13,700
Non-executive director	非執行董事					
Mr. Chan Bernard Charnwut	陳智思先生	140	–	–	–	140
Independent non-executive directors	獨立非執行董事					
Mr. Wong Gary Ka Wai	王家偉先生	210	–	–	–	210
Mr. Sun Leland Li Hsun	孫立勳先生	140	–	–	–	140
Mr. Chan Norman Enrique	陳樂文先生	140	–	–	–	140
		490	–	–	–	490
		630	10,238	2,936	526	14,330

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33. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(a) Directors' emoluments (Cont'd)

	Fees	Salaries, allowance and other benefit in kind*	Share-based payment expense	Contribution to retirement benefit scheme	Total
	董事酬金 HK\$'000 千港元	薪金、津貼及其他實物利益* HK\$'000 千港元	以股份支付僱員的開支 HK\$'000 千港元	退休金計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
2007					
Executive directors					
Mr. C. F. Tao	–	2,038	884	101	3,023
Mr. Richard Tao	–	2,664	884	131	3,679
Mr. Paul Tao	–	2,869	884	142	3,895
Mr. Kong Mui Sum Lawrence	–	2,665	884	131	3,680
Mr. Yim Chun Leung	–	3,163	884	156	4,203
	–	13,399	4,420	661	18,480
Non-executive director					
Mr. Chan Bernard Charnwut	126	–	–	–	126
Independent non-executive directors					
Mr. Wong Gary Ka Wai	189	–	–	–	189
Mr. Sun Leland Li Hsun	126	–	–	–	126
Mr. Chan Norman Enrique	126	–	–	–	126
	441	–	–	–	441
	567	13,399	4,420	661	19,047

* These amounts include gratuity and bonuses.

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

57,575,000 share options (note 29) were granted to the directors of the Company during the year (2007: 36,000,000).

(b) Senior management emoluments

The five individuals whose emoluments were the highest in the Group for the year included five (2007: five) directors whose emoluments are reflected in the analysis presented above.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2007: Nil).

33. 董事及高級管理人員酬金(續)

(a) 董事酬金(續)

* 金額包括約滿酬金及花紅。

年內，概無任何有關董事放棄或同意放棄任何酬金的安排(二零零七年：無)。

年內，本公司董事獲授57,575,000份購股權(附註29)(二零零七年：36,000,000份)。

(b) 高級管理人員酬金

本年度本集團五名最高薪酬人士包括五名(二零零七年：五名)董事的酬金，已如上分析。

年內，本集團概無向董事支付任何酬金，以吸引其加盟本集團或作為加盟本集團的入職獎勵或離職補償(二零零七年：無)。

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34. RELATED PARTY TRANSACTIONS

Apart from those transactions and balances with related parties disclosed elsewhere in the financial statements, the following transactions are carried out with related parties:

	Notes 附註	2008 HK\$'000 千港元	Group 本集團 2007 HK\$'000 千港元
Acquisition of investment properties from: 向下列人士收購投資物業:	(a)		
– Ms. Tao Miriam 陶蘊怡女士	(a)(i)	–	18,438
– Ms. Hon Hing Tong Patricia 韓慶棠女士	(a)(ii)	–	13,045
– Mr. Richard Tao 陶家祈先生		–	13,062
– Ms. Tao Yi Hou Mildred 陶伊皓女士	(a)(iii)	–	18,500
– Ms. Ong Ker Shing 王可欣女士	(a)(iv)	–	18,464
– Lakeside Consultants Limited 湖濱諮詢有限公司	(a)(v)	–	2,198
– Eastside Properties Limited 東方物業有限公司	(a)(vi)	–	2,346
– Lanick Group Limited 朗利集團有限公司	(a)(vii)	–	2,241
– Cosmopolitan Group Limited 世界性集團有限公司	(a)(viii)	–	2,320
Rental expenses to Fontwell 向上海克拉克海奇健身	(b)	(1,260)	(992)
Rental income from Clark Hatch Fitness Centers (Shanghai) Limited 有限公司(「克拉克海奇」)			
“Clark Hatch”) 收取租金收入	(c)	806	742
Membership fee to Clark Hatch 克拉克海奇的會籍費	(c)	(282)	–

(a) On 17 October 2006, the Company and certain connected parties of the Company, namely Ms. Tao Miriam, Ms. Hon Hing Tong Patricia, Mr. Richard Tao, Ms. Tao Yi Hou Mildred, Ms. Ong Ker Shing, Eastside Properties Limited, Cosmopolitan Group Limited, Lakeside Consultants Limited and Lanick Group Limited (collectively known as the “Vendors”) entered into a master transfer agreement, pursuant to which the Company agreed to purchase 82 units of Suzhou Garden Villa (collectively known as the “Properties”) from the Vendors at a consideration of RMB87,975,000. The consideration was determined with reference to the valuation of the properties of RMB103,500,000 as at 31 August 2006, estimated by DTZ. The completion of acquisition of the Properties is conditional upon fulfilment of certain conditions by the Group and the Vendors on or before 31 December 2007. During the year ended 31 December 2007, the Group acquired all of the Properties at total consideration of approximately RMB91,542,000, including expenditure directly attributable to the acquisition.

Pursuant to this master transfer agreement, the Vendors or any parties directed by the Vendors agreed to subscribe for new shares of the Company for not more than 90,017,210 ordinary shares at HK\$0.6405 each. The net proceeds from the subscription after deducting related expenses will be used as the general working capital of the Group. During the year ended 31 December 2007, the Company issued 90,017,210 ordinary shares at HK\$0.01 each (note 28(a)). Issue of shares on subscription were non-cash transactions for settlement of the remaining balances due to the Vendors.

34. 關連人士交易

除財務報表所披露與關連人士進行的交易及往來結餘外，本集團與關連人士已進行以下交易：

(a) 於二零零六年十月十七日，本公司及本公司若干關連人士，包括陶蘊怡女士、韓慶棠女士、陶家祈先生、陶伊皓女士、王可欣女士、東方物業有限公司、世界性集團有限公司、湖濱諮詢有限公司及朗利集團有限公司(統稱「賣方」)訂立一項物業轉讓框架協議，據此，本公司同意向賣方購買蘇州錦華苑82個單位(統稱「該等物業」)，代價為人民幣87,975,000元。該代價乃經參照戴德梁行所作該等物業於二零零六年八月三十一日的估值人民幣103,500,000元而釐定。收購該等物業的完成，須待本集團及賣方於二零零七年十二月三十一日或以前達成若干條件後，方可落實。截至二零零七年十二月三十一日止年度，本集團以總代價約人民幣91,542,000元(包括收購的直接應佔開支)收購所有該等物業。

根據該物業轉讓框架協議，賣方或任何賣方指定人士同意按每股0.6405港元認購不超過90,017,210股本公司新普通股。認購所得款項淨額扣除相關開支後，將用作本集團一般營運資金。截至二零零七年十二月三十一日止年度，本公司按每股0.01港元發行90,017,210股普通股(附註28(a))。於認購時發行股份為非現金交易，以償付結欠賣方的剩餘款項。

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34. RELATED PARTY TRANSACTIONS (Cont'd)

- (a) (Cont'd)
- (i) Ms. Tao Miriam is the daughter of Mr. C.F. Tao.
 - (ii) Ms. Hon Hing Tong Patricia is the wife of Mr. Paul Tao.
 - (iii) Ms. Tao Yi Hou Mildred is the niece of Mr. C.F. Tao.
 - (iv) Ms. Ong Ker Shing is the daughter of Ms. Tao Yi Hou Mildred.
 - (v) Mr. Richard Tao is a director and the beneficial owner of this company.
 - (vi) Mr. C.F. Tao's wife is a director and the beneficial owner of this company.
 - (vii) Mr. Paul Tao is a director and the beneficial owner of this company.
 - (viii) Ms. Tao Miriam is a director and the beneficial owner of this company.
- (b) Mr. C.F. Tao, Mr. Richard Tao and Mr. Paul Tao have beneficial interests in Fontwell. The charge by Fontwell was in accordance with the terms of the underlying agreements.
- (c) Mr. Richard Tao and Mr. Paul Tao are directors of Clark Hatch and Mr. Paul Tao has beneficial interests in Clark Hatch. The charge to Clark Hatch was in accordance with the terms of the underlying agreements. The membership fee was charged at terms mutually agreed by both parties.
- (d) Key management personnel compensation

The directors are of the opinion that the key management personnel were solely the executive directors of the Company, details of whose emoluments are set out in note 33(a) above.

34. 關連人士交易(續)

- (a) (續)
- (i) 陶蘊怡女士為陶哲甫先生的女兒。
 - (ii) 韓慶棠女士為陶錫祺先生的妻子。
 - (iii) 陶伊皓女士為陶哲甫先生的姪女。
 - (iv) 王可欣女士為陶伊皓女士的女兒。
 - (v) 陶家祈先生為該公司董事及實益擁有人。
 - (vi) 陶哲甫先生的妻子為該公司董事及實益擁有人。
 - (vii) 陶錫祺先生為該公司董事及實益擁有人。
 - (viii) 陶蘊怡女士為該公司董事及實益擁有人。
- (b) 陶哲甫先生、陶家祈先生及陶錫祺先生於Fontwell中擁有實益權益。Fontwell乃根據相關協議的條款收取費用。
- (c) 陶家祈先生及陶錫祺先生為克拉克海奇的董事，而陶錫祺先生亦於克拉克海奇中擁有實益權益。向克拉克海奇收取的費用乃根據相關協議的條款收取。會籍費乃按訂約雙方共同協定的條款收取。
- (d) 主要管理人員薪酬

董事認為，主要管理人員僅包括本公司執行董事，彼等薪酬詳情載於上述附註33(a)。

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35. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

35. 承擔及經營租賃安排

(a) Capital commitments

(i) *Capital commitments in respect of properties held under development for the Group*

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Contracted but not provided for	已簽約惟未撥備	156,023	117,251

(ii) *Attributable share of associate's capital commitments in respect of acquisition of property, plant and equipment*

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Contracted but not provided for	已簽約惟未撥備	1,932	1,783

(b) Operating lease arrangements

(i) *The Group had future aggregate minimum lease receipts under non-cancellable operating leases which are receivable as follows:*

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Not later than one year	不超過一年	10,093	10,209
Later than one year and not later than five years	一年後但不超過五年	2,211	6,192
		12,304	16,401

The Group leases out its investment properties (note 14) under operating lease arrangements which run for initial periods of less than one year to three years or expire at dates as mutually agreed between the Group and the respective tenants, without an option to renew the lease terms at the expiry date. The terms of the leases generally also require the tenants to pay security deposits.

(a) 資本承擔

(i) 本集團有關發展中物業的資本承擔

(ii) 應佔聯營公司就收購物業、廠房及設備的資本承擔的部分

(b) 經營租賃安排

(i) 本集團根據不可撤銷經營租賃應收取的未來最低租金費用總額如下：

本集團根據經營租賃安排租出其投資物業(附註14)，初步為期少於一年至三年或按本集團與相關租戶共同協定的日期屆滿，惟並無於屆滿日續租的選擇權。租約條款一般亦規定租戶支付保證按金。

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35. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (Cont'd)

(b) Operating lease arrangements (Cont'd)

(ii) *The Group had future aggregate minimum lease payments under non-cancellable operating leases which are payable as follows:*

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Not later than one year	不超過一年	1,681	2,153
Later than one year and not later than five years	一年後但不超過五年	122	2,145
		1,803	4,298

The Group leases a number of properties under operating lease arrangements which run for initial periods of two years or expire at dates as mutually agreed between the Group and the respective landlords, without an option to renew the lease terms at the expiry date.

As at 31 December 2007 and 2008, the Group had no contingent rentals receivable or payable.

本集團根據經營租賃安排租賃多項物業，初步為期兩年或按本集團與相關業主共同協定的日期屆滿，惟並無於屆滿日續租的選擇權。

於二零零七年及二零零八年十二月三十一日，本集團並無任何應收或應付或然租金。

36. FINANCIAL GUARANTEE CONTRACTS – COMPANY

The Company provided corporate guarantees to certain banks for all unsecured bank loans and overdrafts granted to subsidiary (note 26).

The fair value of the financial guarantee contracts recognised in the Company's balance sheet was HK\$72,000 during the year ended 31 December 2008 (2007: HK\$7,179,000). The fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the subsidiary. Such financial guarantee contracts have terms of one to three years.

35. 承擔及經營租賃安排(續)

(b) 經營租賃安排(續)

(ii) 本集團根據不可撤銷經營租賃應支付的未來最低租金費用總額如下：

36. 財務擔保合約—本公司

本公司就授予一間附屬公司的所有無抵押銀行貸款及透支，向若干銀行提供公司擔保(附註26)。

截至二零零八年十二月三十一日止年度，在本公司資產負債表內確認的財務擔保合約的公允價值為72,000港元(二零零七年：7,179,000港元)。財務擔保合約的公允價值乃按期權定價模式釐定，當中涉及的主要假設為一間附屬公司違約的可能性。有關財務擔保合約的期限為一至三年。

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37. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing properties commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as set out in the table below.

The debt-to-equity ratio at balance sheet date was as follows:

		Group 本集團	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Total debt	總負債	580,563	482,460
Add: Proposed dividend (note 10(a))	加：擬派股息(附註10(a))	-	11,283
Less: Cash and cash equivalents (note 32)	減：現金及現金等價物(附註32)	(119,485)	(175,701)
Net debt	淨負債	461,078	318,042
Total equity	總權益	855,355	847,183
Less: Proposed dividend (note 10(a))	減：擬派股息(附註10(a))	-	(11,283)
Adjusted capital	經調整資本	855,355	835,900
Debt-to-equity ratio	負債權益比率	54%	38%

The increase in the debt-to-equity ratio during the year resulted primarily from the increase in borrowings raised for the future and existing property development projects.

37. 資本管理政策及程序

本集團管理資本的主要目標是保障本集團可持續經營能力，以不斷為股東提供回報及為其他利益相關方帶來利益。方法包括依照風險水平釐定物業價格，及以合理的成本進行融資。

本集團根據經濟狀況之變動及相關資產的風險特性從而作出對其資本結構的相應調整。為維持或調整資本結構，本集團或會調整向股東派付股息的金額、發行新股份、向股東返還資本、作出新的債務融資或出售資產以減少負債。

本集團按負債相對經調整資本比率之基準監察其資本結構。該比率的計算見下表。

於結算日，本集團的負債權益比率如下：

年內負債權益比率上升主要是由於就日後及現有物業發展項目增加借貸所致。

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38. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group is exposed to a variety of financial risks: currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not have any written risk management policies and guidelines. However, the board of directors meets periodically and cooperates closely with key management to analyse and formulate strategies to manage and monitor financial risks.

The Group is not engaged in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. See also note 38(f) for a summary of financial assets and liabilities by category.

(a) Currency risk

The Group reports its results in Hong Kong dollars. The Group's primary foreign currency exposure arises from its property development and investment activities in the PRC. The functional currency of these operations is Renminbi and most of the financial instruments are denominated in Renminbi. The Group's exposure to currency risk is minimal.

(b) Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's floating interest rate borrowings. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The following table details the interest rate profile of the Group's and the Company's borrowings at the balance sheet date.

	Group 本集團				Company 本公司			
	2008		2007		2008		2007	
	Effective interest rate 實際利率	HK\$'000 千港元	Effective interest rate 實際利率	HK\$'000 千港元	Effective interest rate 實際利率	HK\$'000 千港元	Effective interest rate 實際利率	HK\$'000 千港元
Fixed rate borrowings:	固定利率借貸：							
Loans from minority shareholders	6.75%	110,413	6.75%	83,984	-	-	-	-
Convertible notes	6.28%	72,212	6.28%	71,482	6.28%	72,212	6.28%	71,842
		182,625		155,466	-	72,212	-	71,482
Variable rate borrowings:	變動利率借貸：							
Bank overdrafts	4.25%-6.50%	6,488	6.50%-7.00%	14,811	-	-	-	-
Bank loans	1.20%-8.69%	259,580	4.29%-7.25%	188,627	-	-	-	-
Loan from a minority shareholder	-	-	6.75%	2,222	-	-	-	-
Other loan	-	-	6.48%-6.57%	9,630	-	-	-	-
		266,068		215,290	-	-	-	-
Total borrowings		448,693		370,756		72,212		71,482

38. 財務風險管理的政策及目標

本集團承受多種財務風險：外匯風險、利率風險、信貸風險及流動資金風險。本集團的整體風險管理重點在於金融市場的不可預測性，並尋求將對本集團財務表現的潛在不利影響降至最低。本集團現時並無任何明文的風險管理政策及指引。然而，董事會定期召開會議，並與主要管理人員緊密合作，以分析及制定措施以管理及監控財務風險。

本集團並無從事以投機為目標的金融資產買賣，亦無出售期權。本集團所面對的最主要財務風險載列如下。有關按類別列示金融資產及負債概要亦可參閱附註38(f)。

(a) 外匯風險

本集團的業績以港元呈列。本集團的主要外匯風險來自其於中國的物業發展及投資活動。該等業務的功能貨幣為人民幣，而大部分金融工具亦以人民幣列值。本集團承受的外匯風險十分輕微。

(b) 利率風險

本集團因利率變動而承受的利率風險主要與本集團的浮息借貸有關。本集團並無使用任何衍生工具合約對沖其利率風險。然而，管理層對利率風險進行監控，並會於必要時考慮對沖重大利率風險。

下表詳細列載本集團及本公司於結算日有關借貸利率的情況。

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38. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

(b) Interest rate risk (Cont'd)

At 31 December 2008, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss after tax and decrease/increase retained profits by approximately HK\$2,076,000 (2007: decrease/increase the Group's profit after tax and retained profits by approximately HK\$1,658,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for financial instruments in existence for the whole year. The 100 basis points increase or decrease represents management's assessment of reasonably possible change in interest rates over the period until the next annual balance sheet date. The same basis of analysis is also performed at 31 December 2007.

(c) Credit risk

The Group's credit risk is primarily attributable to accounts and other receivables, deposits paid and bank deposits. The Group's exposures to these credit risks are monitored on an ongoing basis.

The Group continuously monitors defaults of customers and other counterparties, identifies either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external reports on customers and other counterparties are obtained and used.

None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of accounts and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk for liquid funds is considered minimal, since the counterparties are reputable banks with high quality of external credit ratings.

The Company's maximum exposure to credit risk which will cause a financial loss to the Company due to financial guarantee contracts provided to its subsidiary, the Company is exposed to credit risk for maximum amount of HK\$94,488,000 (2007: HK\$120,811,000), being the amount of contingent liabilities in relation to financial guarantee contracts issued.

(d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In the opinion of the directors of the Company, the Group does not have any significant liquidity risk exposure.

The Group's policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term financial liabilities.

38. 財務風險管理的政策及目標(續)

(b) 利率風險(續)

於二零零八年十二月三十一日，假設所有其他變量保持不變，估計整體利率上升/下跌100個基點會增加/減少本集團除稅後虧損及減少/增加保留盈利約2,076,000港元(二零零七年：減少/增加本集團除稅後盈利及保留盈利約1,658,000港元)。

上述敏感度分析乃假設利率變動已於結算日發生，且計入全年存在的金融工具利率風險而釐定。增加或減少100個基點為管理層對下一年度結算日之前期間利率的合理可能變動的估計。有關分析亦應用於二零零七年十二月三十一日的數據。

(c) 信貸風險

本集團的信貸風險主要來自應收賬款及其他應收款項、已付按金及銀行存款。本集團持續監控其所承受的信貸風險。

本集團不斷地監控個別或同類客戶及其他交易方的拖欠情況，並於信貸風險控制中考慮這些資料。倘成本合理，本集團會購買及利用有關客戶及其他交易方的外部報告。

本集團的金融資產概無以附屬抵押品或其他信貸升級形式作為抵押。

關於應收賬款及其他應收款項，本集團並無任何重大信貸風險集中於任何個別交易方或任何性質相似的交易方。由於本集團的交易方均為信譽良好及外部信貸評級高的銀行，因此有關流動資金的信貸風險可視作十分輕微。

本公司所承受的最高信貸風險來自向其一間附屬公司提供財務擔保合約，這可能會導致本公司蒙受財務虧損；本公司所承受信貸風險的最高金額為94,488,000港元(二零零七年：120,811,000港元)，即所發出財務擔保合約有關的或然負債金額。

(d) 流動資金風險

於管理流動資金風險時，本集團監控及維持現金及現金等價物達到管理層認為充足的水平，以便為本集團業務提供資金及減低現金流量波動的影響。本公司董事認為，本集團並無任何重大流動資金風險。

本集團的政策為定期監控其流動資金需要，以確保本集團維持充裕現金儲備來滿足其短期及長期金融負債的流動資金需要。

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38. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

(d) Liquidity risk (Cont'd)

The maturity profile of the Group's and the Company's financial liabilities as at balance sheet date, based on the contractual undiscounted payments, is as follow:

		Group 本集團							Company 本公司						
		Total contractual		On demand	Less than 6 months	6 to 12 months	1 to 5 years	After 5 years	Total contractual		On demand	Less than 6 months	6 to 12 months	1 to 5 years	
		Carrying amount	undiscounted cash flow						Carrying amount	undiscounted cash flow					
		賬面值	現金流量總額	按要求	少於六個月	十二個月	一年至五年	五年以上	賬面值	現金流量總額	按要求	少於六個月	十二個月	一年至五年	
HK\$'000	HK\$'000	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	千港元	
Year 2008	二零零八年														
Accounts payable	應付賬款	55,842	55,842	55,842	-	-	-	-	-	-	-	-	-	-	
Deposits received and other payables	已收按金及其他應付款項	22,963	22,963	22,963	-	-	-	-	31	31	31	-	-	-	
Borrowings	借貸	376,481	444,488	6,488	77,147	12,993	309,541	38,319	-	-	-	-	-	-	
Convertible notes	可換股票據	72,212	89,219	-	1,875	1,875	85,469	-	72,212	89,219	-	1,875	1,875	85,469	
		527,498	612,512	85,293	79,022	14,868	395,010	38,319	72,243	89,250	31	1,875	1,875	85,469	

		Group 本集團							Company 本公司						
		Total contractual		On demand	Less than 6 months	6 to 12 months	1 to 5 years	After 5 years	Total contractual		On demand	Less than 6 months	6 to 12 months	1 to 5 years	
		Carrying amount	undiscounted cash flow						Carrying amount	undiscounted cash flow					
		賬面值	現金流量總額	按要求	少於六個月	十二個月	一年至五年	五年以上	賬面值	現金流量總額	按要求	少於六個月	十二個月	一年至五年	
HK\$'000	HK\$'000	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	千港元	
Year 2007	二零零七年														
Accounts payable	應付賬款	31,081	31,081	31,081	-	-	-	-	-	-	-	-	-	-	
Deposits received and other payables	已收按金及其他應付款項	21,747	21,747	21,747	-	-	-	-	31	31	31	-	-	-	
Borrowings	借貸	299,274	339,799	14,811	99,643	8,463	216,882	-	-	-	-	-	-	-	
Convertible notes	可換股票據	71,482	92,969	-	1,875	1,875	89,219	-	71,482	92,969	-	1,875	1,875	89,219	
		423,584	485,596	67,639	101,518	10,338	306,101	-	71,513	93,000	31	1,875	1,875	89,219	

38. 財務風險管理的政策及目標(續)

(d) 流動資金風險(續)

於結算日，本集團及本公司的金融負債到期情況如下(基於合約未折現付款)：

Notes to the Financial Statements

財務報表附註

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

38. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

(e) Fair value

The fair value of convertible notes is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

Some of the Group's financial instruments are measured at fair values. Fair value estimates are made at a specific point in time and are based on relevant market information. These estimates are subjective by nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(f) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at balance sheet dates may be categorised as follows. See notes 3(l) and 3(q) for explanations about how the classification of financial instruments affects their subsequent measurement.

38. 財務風險管理的政策及目標(續)

(e) 公允價值

可換股票據的公允價值乃根據公認定價模式，按照使用當前可觀察市場交易價格或利率的折現現金流量分析而釐定。

本集團部分金融工具以公允價值計量。公允價值是於特定時間根據有關市場資料作出估計。該等估計屬主觀性質，涉及不明朗因素及須作重大判斷的事項，因此並不能準確釐定。假設條件的改變可能對估計有重大影響。

(f) 按類別列示金融資產及負債概要

於結算日確認的本集團金融資產及負債賬面值可劃分如下。有關金融工具分類如何影響其後計量，請參閱附註3(l)及3(q)的說明。

	Group 本集團		Company 本公司	
	2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Financial assets	金融資產			
Loans and receivables:	貸款及應收賬款：			
Accounts receivable	149	514	-	-
Deposits paid and other receivables	28,013	193,841	-	-
Cash and bank balances	135,138	237,131	2,250	15,880
	163,300	431,486	2,250	15,880
Financial liabilities	金融負債			
Financial liabilities measured at amortised costs:	按攤銷成本計量的金融負債：			
Accounts payable	55,842	31,081	-	-
Deposits received and other payables	22,963	21,747	31	31
Borrowings	376,481	299,274	-	-
Convertible notes	72,212	71,482	72,212	71,482
Financial guarantee contracts	-	-	1,333	7,179
	527,498	423,584	73,576	78,692

Group Financial Summary

集團財務概要

Consolidated Income Statement

綜合收益表

		For the year ended 31 December 截至十二月三十一日止年度				
		2008	2007	2006	2005	2004
		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	收入	91,715	184,560	207,957	149,089	197,710
(Loss)/Profit from operations	經營(虧損)/盈利	(43,980)	53,285	107,076	80,199	49,270
Finance costs	融資成本	(25,955)	(12,975)	(5,180)	(3,219)	—
Share of results of associates	應佔聯營公司業績	23,831	21,417	19,147	8,018	—
(Loss)/Profit before taxation	除稅前(虧損)/盈利	(46,104)	61,727	121,043	84,998	49,270
Taxation	稅項	83	(16,162)	(43,893)	(26,086)	(16,195)
(Loss)/Profit for the year	年度(虧損)/盈利	(46,021)	45,565	77,150	58,912	33,075
Attributable to equity holders of the Company	本公司權益持有人	(33,225)	36,115	73,316	55,934	31,389

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December 於十二月三十一日				
		2008	2007	2006	2005	2004
		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
Non-current assets	非流動資產	547,357	479,742	332,607	248,987	90,726
Current assets	流動資產	888,561	849,901	269,515	243,248	115,896
Current liabilities	流動負債	(184,510)	(194,848)	(86,180)	(122,038)	(115,472)
Non-current liabilities	非流動負債	(396,053)	(287,612)	(46,782)	(30,012)	(89,251)
Net assets	淨資產	855,355	847,183	469,160	340,185	1,899

List of Principal Properties

主要物業

1. Investment Properties

投資物業

Properties	Interest attributable to the Group	Approximate Total Gross Floor Area (sq.m.)	Type	Lease Term
物業	集團所佔權益	總建築面積約 (平方米)	類別	租期
The Shopping arcade of Phase I and all shops on Level 1 at Zone A of Phase 5, Suzhou Garden Villa, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區獅山路98號錦華苑第一期購物商場及第五期一樓A區所有商舖	86%	11,023	Commercial 商業	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日至二零六二年十月十八日，為期七十年
Shops on Levels 1, 2 and 3 of Block 11 and the basement, Suzhou Garden Court, 1333 Bin He Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區濱河路1333號錦麗苑第11座一樓、二樓、三樓多間商舖及地庫	86%	4,440	Commercial 商業	70 years from 16 January 1995 to 15 January 2065 由一九九五年一月十六日至二零六五年一月十五日，為期七十年
Flats 1A and 1B of Jin Hua Tower; Flat 1B of Jin Sing Tower and Villa J101, Suzhou Garden Villa Phase 1, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區獅山路98號錦華苑第一期錦華樓1A及1B室；錦興樓1B室及J101別墅	86%	600	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日至二零六二年十月十八日，為期七十年

List of Principal Properties

主要物業

1. Investment Properties (Cont'd)

投資物業(續)

Properties	Interest attributable to the Group	Approximate Total Gross Floor Area (sq.m.)	Type	Lease Term
物業	集團所佔權益	總建築面積約 (平方米)	類別	租期
<p>Flats 1A, 6A, 11A, 12A, 12C, 17A and 18A of Jin Guo Tower, Flats 1A, 2A to 2D, 3A to 3D, 4A to 4D, 5A to 5D, 6A to 6D, 7A to 7D, 8A to 8D, 9A to 9D, 10A to 10D, 11A to 11D, 12A to 12D, 15A to 15D, 16A to 16D, 17A to 17D, 18A to 18D, 19A to 19D and 20A to 20D of Jin Sing Tower, Suzhou Garden Villa Phase 2, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC</p> <p>中國江蘇省蘇州市新區獅山路98號錦華苑第二期錦國樓1A、6A、11A、12A、12C、17A及18A室、錦興樓1A、2A至2D室、3A至3D室、4A至4D室、5A至5D室、6A至6D室、7A至7D室、8A至8D室、9A至9D室、10A至10D室、11A至11D室、12A至12D室、15A至15D室、16A至16D室、17A至17D室、18A至18D室、19A至19D室及20A至20D室</p>	86%	12,381	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日至二零六二年十月十八日，為期七十年
<p>Flats 1B, 1D, 1E, 1F, 2A and 2B of Jin An Tower, Flats 1B, 1D, 1E and 1F, 2A, 2B, 17B, 17D and 19B to 19D of Jin Bon Tower, Suzhou Garden Villa Phase 3, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC</p> <p>中國江蘇省蘇州市新區獅山路98號錦華苑第三期錦安樓1B、1D、1E、1F、2A及2B室、錦邦樓1B、1D、1E及1F室、2A、2B、17B、17D及19B至19D室</p>	86%	2,806	Residential 住宅	70 years from 19 October 1991 to 18 October 2061 由一九九一年十月十九日至二零六一年十月十八日，為期七十年

List of Principal Properties

主要物業

1. Investment Properties (Cont'd)

投資物業(續)

Properties	Interest attributable to the Group	Approximate Total Gross Floor Area (sq.m.)	Type	Lease Term
物業	集團所佔權益	總建築面積約 (平方米)	類別	租期
Beijing Landmark Towers, 8 East 3rd Ring North Road, Chaoyang District, Beijing, the PRC 中國北京市朝陽區東三環北路8號 北京亮馬河大廈	30.05%*	15,504	Hotel 酒店	The land use rights of the property have been vested in Beijing Landmark Towers Co., Ltd. by allocation for a term from 30 January 1986 to 7 October 2020 該物業的土地使用權已按劃撥方式授予北京亮馬河大廈有限公司，年期由一九八六年一月三十日起至二零二零年十月七日屆滿
		50,768	Office 辦公室	
		22,663	Shop 商舖	
		15,504	Service Apartment 服務式公寓	
		25,705	Basements 地庫	

* Group under "Interests in associates" in note 16 to the financial statement

* 載入財務報表附註16「於聯營公司的權益」一節。

List of Principal Properties

主要物業

2. Properties held under development 發展中物業

Properties 物業	Interest attributable to the Group 集團所佔權益	Approximate Total Site Area (sq.m.) 總地盤面積約 (平方米)	Approximate Total Gross Floor Area (sq.m.) 總建築面積約 (平方米)	Type 類別	Estimated Date of Completion 估計竣工日期	Progress 進展狀況
Wuzhong Garden Court situated at south side of Nanxijiang Road and east side of Mingxi Road, Wuzhong District, Suzhou, Jiangsu Province, the PRC 錦悅苑 位於中國江蘇省蘇州市 吳中區南溪江路南側及 明溪路東側	54%	41,579	61,484	Residential	Phase I November 2007	Completed
				Residential	Phase II November 2008	Completed
				Commercial	Phase III 2009	Under construction
				住宅	第一期 二零零七年十一月	已竣工
				住宅	第二期 二零零八年十一月	已竣工
商業	第三期 二零零九年	建築中				
Taihu Garden Court situated at Ling Tang Road North, West of Mu Guang Canal, Guangfu Town, Wuzhong District, Suzhou, Jiangsu Province, the PRC 錦澤苑 位於中國江蘇省蘇州市 吳中區光福鎮 凌塘路北側 木光運河西側	55%	131,445	92,037	Residential	Phase I 2009	Under construction
					Phase II 2010 – 2011	Planning in progress
				住宅	第一期 二零零九年	建築中
		第二期 二零一零年至 二零一一年	籌劃中			

List of Principal Properties

主要物業

2. Properties held under development (Cont'd)

發展中物業(續)

Properties 物業	Interest attributable to the Group 集團所佔權益	Approximate Total Site Area (sq.m.) 總地盤面積約 (平方米)	Approximate Total Gross Floor Area (sq.m.) 總建築面積約 (平方米)	Type 類別	Estimated Date of Completion 估計竣工日期	Progress 進展狀況
Lakeside Garden Court situated at East shore of Long Zhong Lake in Shengze Town, Wujiang City, Suzhou, Jiangsu Province, the PRC 錦盛苑 位於中國江蘇省 蘇州吳江市盛澤鎮 郎中蕩東側	94%	86,236	155,225	Residential/ Commercial 住宅／商業	2010 – 2012 二零一零年至 二零一二年	Planning in progress 籌劃中
Office tower and retail arcade to be situated at Ta Yun Road West, Yue Lai Xi East, Economic Development Zone, Wuzhong District, Suzhou, Jiangsu Province, the PRC 辦公室大樓及零售商場 將位於中國江蘇省蘇州市 吳中區經濟開發區 塔韻路西側 越來溪東側	100%	14,592	58,368	Commercial/ Office 商業／ 辦公室	2012 二零一二年	Planning in progress 籌劃中



新澤控股有限公司
New Heritage Holdings Ltd.

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)
香港聯交所股份代號: 95 HKSE Stock Code: 95

香港灣仔告士打道77-79號富通大廈23樓2301室
Room 2301, 23/F Fortis Tower, 77-79 Gloucester Road,
Wanchai, Hong Kong

電話 Tel: (852) 2520 1620

傳真 Fax: (852) 2865 6506

網址 Website: www.nh-holdings.com

電郵 Email: enquiry@nh-holdings.com

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