

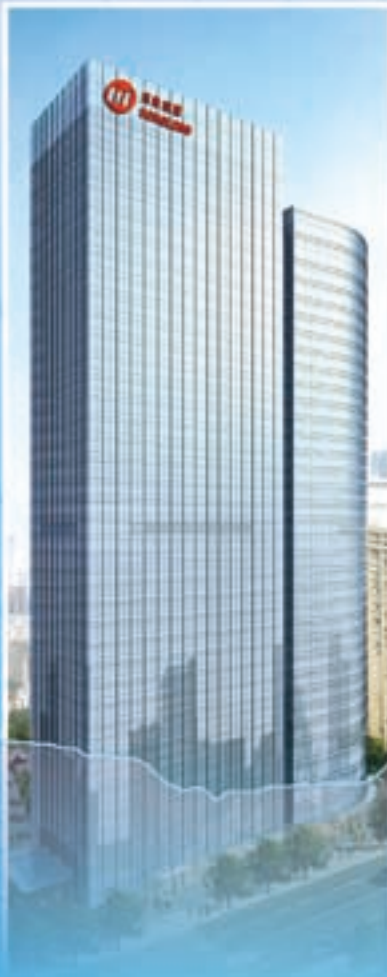


鴻隆控股
HONG LONG
Holdings

鴻隆控股有限公司
Hong Long Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

(Stock Code 股份編號: 1383)



Annual Report 2008
年報

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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. ZENG Yunshu (*Chairman and President*)
Mr. ZHANG Yiyan (*Vice Chairman and Co-President*)
Dr. HAN Qinchun (*Vice Chairman and Co-President*)
Mr. ZENG Sheng (*Vice Chairman and Co-President*)
Ms. YE Qingdong (*Vice President*)
Mr. OUYANG Junxin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LI Jun
Mr. CHEUNG Ngai Lam
Mr. Wang Fosong

AUTHORISED REPRESENTATIVES

Mr. ZENG Yunshu
Dr. HAN Qinchun

COMPANY SECRETARY

Mr. CHU Kin Wang, Peleus (FCPA, FCCA, ACIS)

AUDITORS

KPMG

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman KY1-1111
The Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Level 8, Hong Long Building
Nanhai Avenue
Nanshan District
Shenzhen, Guangdong Province
The PRC

董事會

執行董事

曾雲樞先生(主席及總裁)
張奕炎先生(副主席及聯席總裁)
韓秦春博士(副主席及聯席總裁)
曾勝先生(副主席及聯席總裁)
葉慶東女士(副總裁)
歐陽俊新先生

獨立非執行董事

李珺博士
張毅林先生
王佛松先生

授權代表

曾雲樞先生
韓秦春博士

公司秘書

朱健宏先生 (FCPA、FCCA、ACIS)

核數師

畢馬威會計師事務所

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman KY1-1111
The Cayman Islands

中國主要營業地點

中國
廣東省深圳
南山區
南海大道
鴻隆大廈8樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 5105
51/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
The Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

IN HONG KONG:

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

IN THE PRC:

China Construction Bank
Industrial and Commercial Bank of China
China Bank of Communications
Agricultural Bank of China
Hua Xia Bank
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank

INVESTOR RELATIONS

For other information relating to the company, please contact
Corporate Communications Department
website: www.hlkg.net
e-mail: ir@hlkg.net

香港主要營業地點

香港
灣仔
港灣道18號
中環廣場51樓
5105室

開曼群島主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
The Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

在香港:
香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

在中國:

中國建設銀行
中國工商銀行
中國交通銀行
中國農業銀行
華夏銀行
興業銀行
上海浦東發展銀行

投資者關係

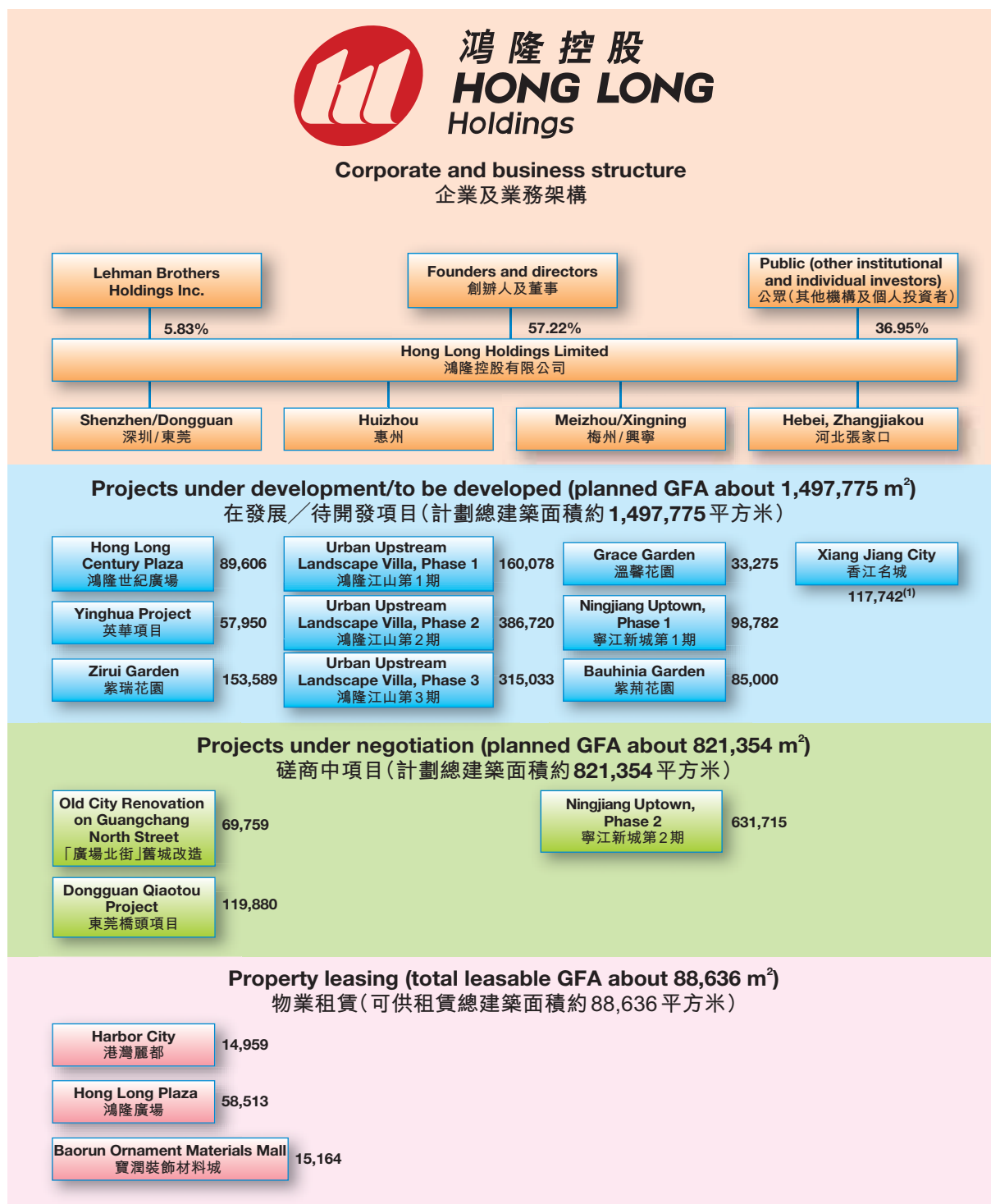
有關本公司的其他資料
請聯絡企業傳訊部
網址: www.hlkg.net
電郵: ir@hlkg.net

Corporate Development Milestone 公司發展里程

2002	April: First property development project. Commenced construction for Harbor City 4月：首個物業開發項目。港灣麗都動工
2003	May: First move into property leasing business. Acquired 88.95% equity in Hong Long Commercial 5月：首次進軍物業租賃業務。收購鴻隆商業管理 88.95% 股權 September: Completed construction for Harbor City 9月：港灣麗都竣工
2004	September: First move beyond Shenzhen. Acquired 51% equity in Huizhou Yintaida 9月：首次踏出深圳。收購惠州銀泰達 51% 股權
2005	February: Commenced construction for Hong Long Plaza 2月：鴻隆廣場動工 March: Acquired 85.71% equity in Yinghua 3月：收購英華 85.71% 股權 June: Commenced construction for Hong Long High Technology Industrial Park 6月：動工興建鴻隆高科技工業園
2006	April: Acquired further 4.68% equity in Hong Long Commercial 4月：進一步收購鴻隆商業管理 4.68% 股權 May: Completed the acquisition of 134 shops in Baorun Ornament Materials Mall 5月：完成收購寶潤裝飾材料城 134 間商舖 November: Disposal of Hong Long High Technology Industrial Park 11月：出售鴻隆高科技工業園 December: Grand opening of Hong Long Plaza shopping mall 12月：鴻隆廣場盛大開幕
2007	February: First move into international capital market. Listed on the HK Stock Exchange and raised net proceeds of approximately RMB466 million (approximately HK\$472 million) 2月：首次進軍國際資本市場。在香港聯交所上市並籌得資金淨額約人民幣 466,000,000 元 (約港幣 472,000,000 元) March: Acquired the remaining 6.37% equity interest in Hong Long Commercial and become the indirect wholly-owned subsidiary of the Company 3月：收購鴻隆商業管理餘下 6.37% 權益，從而間接全資擁有該公司 April: Acquired Yifeng Plaza, Shenzhen 4月：收購深圳藝豐廣場 June: Acquired 50% interest in Nam Fong Garden, Guangzhou and subsequently sold in November 6月：收購廣州南方花園 50% 權益並隨後於 11 月出售 July: Acquired 100% interest in Grace Garden 7月：收購溫馨花園 100% 權益 September: First fund raising exercise after listing. Issue of Senior Note and raised net proceeds of approximately RMB645 million (approximately US\$86 million) 9月：上市後首次集資活動。發行優先票據並籌得資金淨額約人民幣 645,000,000 元 (約 86,000,000 美元) October: Completed the acquisition of remaining 49% equity in Huizhou Yintaida 10月：完成收購惠州銀泰達餘下 49% 股權 November: First move beyond Guangdong. Acquired 100% interest in Xiang Jiang City, Zhangjiakou, Hebei 11月：首次踏出廣東。收購河北張家口香江名城 100% 權益 December: Commenced construction for Ningjiang Uptown in Xingning 12月：在興寧動工興建寧江新城
2008	February: Approval obtained for acquiring additional gross floor area ("GFA") of approximately 5,719 square meters ("m ² ") in Yifeng Plaza. 2月：獲批收購藝豐廣場額外總建築面積約 5,719 平方米。 March: Established a 90% owned subsidiary in Dongguan for a potential project. 3月：為潛在項目在東莞成立一家擁有 90% 權益的附屬公司。 March: Entered into agreement for acquiring 100% interest in Zirui Garden. 3月：訂立協議收購紫瑞花園的 100% 權益。 June and July: Further acquire 2,197 m ² in Yifeng Plaza at a consideration of approximately RMB21,200,000. 6月及 7月：進一步以約人民幣 21,200,000 元收購藝豐廣場 2,197 平方米面積。
2009	March: Entered into agreement for disposing 18% equity interest in Huizhou Yintaida. 3月：簽定協議出售惠州銀泰達 18% 股權。

The company's corporate and business structure as of 31 December 2008 was as follows:

於2008年12月31日，本公司的企業及業務架構如下：



(1) After the deduction of the GFA sold in 2007 and 2008
已扣除於2007年及2008年出售之建築面積

Properties Portfolio Overview 物業組合概覽

LIST OF PROPERTIES

PROPERTY DEVELOPMENT BUSINESS COMPLETED PROJECTS

Project name	Place	Site area (square meters)	Residential	Actual GFA (square meters)			Total	Sold area (square meters)	Commencement/ completion date	Interest attributable to the group
				Shop	Office	Others ⁽¹⁾				
Harbor City	Shenzhen	19,822	61,252	14,959	–	19,366	95,577	75,901	2002/Q2-2003/Q3	100%
Hong Long Plaza	Shenzhen	19,832	72,035	64,397	–	36,198	172,630	136,250	2005/Q1-2006/Q4	100%
Hong Long High Technology Industrial Park	Shenzhen	119,326	–	–	–	237,939	237,939	237,939	2005/Q2-2006/Q4	100%
		158,980	133,287	79,356	–	293,503	506,146	450,090		

PROPERTIES UNDER DEVELOPMENT/TO BE DEVELOPED

Project name	Place	Site area (square meters)	Residential	Planned GFA (square meters)			Total	Saleable area (square meters)	commencement/ completion date	attributable to the group
				Shop	Office	Others ⁽¹⁾				
Hong Long Century Plaza	Shenzhen	N/A	12,996	12,293	53,805	10,512	89,606	79,094	2008/Q2-2009/Q4	100%
Yinghua	Shenzhen	9,237	48,180	6,980	–	2,790	57,950	55,160	2010/Q4-2011/Q4	85.71%
Zirui Garden	Shenzhen	43,538	90,199	5,934	–	57,456	153,589	96,133	2008/Q1-2011/Q4	100%
Urban Upstream Landscape Villa (Phase 1)	Huizhou	120,580	114,542	11,913	–	33,623	160,078	126,455	2007/Q2-2009/Q4	100% ⁽²⁾
Urban Upstream Landscape Villa (Phase 2)	Huizhou	301,843	303,397	28,000	–	55,323	386,720	331,397	2009/Q4-2011/Q4	100% ⁽²⁾
Urban Upstream Landscape Villa (Phase 3)	Huizhou	77,519	240,870	14,406	–	59,757	315,033	255,276	2011/Q4-2013/Q4	100% ⁽²⁾
Grace Garden	Meizhou	5,570	30,795	1,500	–	980	33,275	32,295	2007/Q4-2009/Q4	100%
Ningjiang Uptown Phase 1	Xingning	38,827	86,232	7,025	–	5,525	98,782	93,257	2007/Q3-2010/Q4	100%
Bauhinia Garden	Xingning	28,526	75,500	8,500	–	1,000	85,000	84,000	2010/Q1-2011/Q4	100%
Xiang Jiang City	Zhangjiakou	152,603	158,889	9,661	40,000	4,780	213,330	208,550	2007/Q3-2010/Q4	100%
		778,243	1,161,600	106,212	93,805	231,746	1,593,363	1,361,617		

PROJECTS UNDER NEGOTIATION

Project name	Place	Site area (square meters)	Residential	Planned GFA (square meters)			Total	Saleable area (square meters)	commencement/ completion date	attributable to the group
				Shop	Office	Others ⁽¹⁾				
Ningjiang Uptown Phase 2	Xingning	243,455	538,542	63,173	–	30,000	631,715	601,715	2011/Q4-2013/Q4	100%
Old city renovation on Guangchang North Street	Shenzhen	10,636	29,759	20,000	–	20,000	69,759	49,759	2009/Q4-2011/Q4	100%
Dongguan Qiaotou	Dongguan	47,952	95,904	23,976	–	–	119,880	119,880	2009/Q4-2011/Q4	90%
		302,043	664,205	107,149	–	50,000	821,354	771,354		

PROPERTY LEASING BUSINESS

Project name	Place	100% owned by the group	
		Leaseable area (square meters)	
Harbor City	Shenzhen	3,136	
Hong Long Plaza	Shenzhen	58,513	
Baorun Ornament Materials Mall	Shenzhen	7,653	
		69,302	

PROPERTY FOR OWN USE

Project name	Place	100% owned by the group	
		Useable area (square meters)	
8/F, Hong Long Building	Shenzhen	748	

(1) Includes club house and car parking spaces.

(2) In March 2009, entered into agreement for disposing 18% equity interest to independent third parties.

Properties Portfolio Overview 物業組合概覽

物業概覽

房地產開發業務 已完成項目

項目名稱	地點	土地面積 (平方米)	實際建築面積(平方米)				合計	已銷售面積 (平方米)	動工/ 竣工時間	本集團 所佔權益
			住宅	商舖	寫字樓	其他 ⁽¹⁾				
港灣麗都	深圳	19,822	61,252	14,959	—	19,366	95,577	75,901	2002/Q2-2003/Q3	100%
鴻隆廣場	深圳	19,832	72,035	64,397	—	36,198	172,630	136,250	2005/Q1-2006/Q4	100%
鴻隆高科技工業園	深圳	119,326	—	—	—	237,939	237,939	237,939	2005/Q2-2006/Q4	100%
		158,980	133,287	79,356	—	293,503	506,146	450,090		

在開發/待開發項目

項目名稱	地點	土地面積 (平方米)	規劃建築面積(平方米)				合計	可銷售面積 (平方米)	規劃動工/ 竣工時間	本集團 所佔權益
			住宅	商舖	寫字樓	其他 ⁽¹⁾				
鴻隆世紀廣場	深圳	不適用	12,996	12,293	53,805	10,512	89,606	79,094	2008/Q2-2009/Q4	100%
英華項目	深圳	9,237	48,180	6,980	—	2,790	57,950	55,160	2010/Q4-2011/Q4	85.71%
紫瑞花園	深圳	43,538	90,199	5,934	—	57,456	153,589	96,133	2008/Q1-2011/Q4	100%
鴻隆江山1期	惠州	120,580	114,542	11,913	—	33,623	160,078	126,455	2007/Q2-2009/Q4	100% ⁽²⁾
鴻隆江山2期	惠州	301,843	303,397	28,000	—	55,323	386,720	331,397	2009/Q4-2011/Q4	100% ⁽²⁾
鴻隆江山3期	惠州	77,519	240,870	14,406	—	59,757	315,033	255,276	2011/Q4-2013/Q4	100% ⁽²⁾
溫馨花園	梅州	5,570	30,795	1,500	—	980	33,275	32,295	2007/Q4-2009/Q4	100%
寧江新城1期	興寧	38,827	86,232	7,025	—	5,525	98,782	93,257	2007/Q3-2010/Q4	100%
紫荊花園	興寧	28,526	75,500	8,500	—	1,000	85,000	84,000	2010/Q1-2011/Q4	100%
香江名城	張家口	152,603	158,889	9,661	40,000	4,780	213,330	208,550	2007/Q3-2010/Q4	100%
		778,243	1,161,600	106,212	93,805	231,746	1,593,363	1,361,617		

在洽談項目

項目名稱	地點	土地面積 (平方米)	規劃建築面積(平方米)				合計	可銷售面積 (平方米)	規劃動工/ 竣工時間	本集團 所佔權益
			住宅	商舖	寫字樓	其他 ⁽¹⁾				
寧江新城2期	興寧	243,455	538,542	63,173	—	30,000	631,715	601,715	2011/Q4-2013/Q4	100%
廣場北舊城改造	深圳	10,636	29,759	20,000	—	20,000	69,759	49,759	2009/Q4-2011/Q4	100%
東莞橋頭項目	東莞	47,952	95,904	23,976	—	—	119,880	119,880	2009/Q4-2011/Q4	90%
		302,043	664,205	107,149	—	50,000	821,354	771,354		

物業租賃業務

項目名稱	地點	本集團佔 100%權益	
		可出租面積 (平方米)	
港灣麗都	深圳	3,136	
鴻隆廣場	深圳	58,513	
寶潤裝飾材料城	深圳	7,653	
		69,302	

自用物業

項目名稱	地點	本集團佔 100%權益	
		可用面積 (平方米)	
鴻隆大廈8樓	深圳	748	

- (1) 含住客會所和停車位
(2) 於2009年3月簽協議向獨立第3方出讓18%權益

Group Financial Summary 集團財務概要

RESULTS

業績

		For the year ended 31 December 截至12月31日止年度				
		2008	2007	2006	2005	2004
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	119,628	411,677	521,040	148,541	197,745
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	62,120	180,352	566,343	7,250	760
Profit from operations	經營溢利	122,290	486,196	927,783	79,471	55,254
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額	58,533	(28,182)	432	–	–
Finance costs	融資成本	(90,227)	(55,091)	(23,170)	(361)	(2,197)
Profit before taxation	除稅前溢利	90,596	402,923	905,045	79,110	53,057
Income tax	所得稅	(87,236)	(152,421)	(206,779)	(14,814)	(12,858)
Profit for the year	本年度溢利	3,360	250,502	698,266	64,296	40,199
Profit attributable to equity shareholders of the company	本公司權益股東應佔溢利	3,546	250,685	698,969	63,531	40,160

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

		At 31 December 於12月31日				
		2008	2007	2006	2005	2004
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	1,368,908	1,282,002	1,010,645	231,540	107,223
Current assets	流動資產	2,455,402	2,250,053	738,829	594,312	299,780
Current liabilities	流動負債	(1,255,575)	(822,079)	(818,239)	(576,893)	(334,911)
Non-current liabilities	非流動負債	(908,932)	(1,070,250)	(86,812)	(101,861)	(2,062)
Minority interests	少數股東權益	(13,082)	(12,268)	(23,091)	(24,694)	(11,157)
Equity attributable to equity shareholders of the company	本公司權益股東應佔權益	1,646,721	1,627,458	821,332	122,404	58,873

The group's results for the financial year ended 31 December 2008 ("2008 Results") showed a substantial decline as compared to that for the year 2007, mainly due to:

1. the current volatile global financial market and economic slowdown as well as the macro-economic control policy adopted by the PRC Government on the real estate industry, which posted an adverse impact on the property market in the PRC. The revenue of the group declined substantially and the progress of development of various projects, in particular, Hong Long Century Plaza (formerly known as Yifeng Plaza), was slower than expected;
2. the group recorded an one-off gain of RMB140 million as a result of the disposal of the interests in Trisum Investment Limited (2008: nil); and
3. the group's investment properties, mainly including Hong Long Plaza completed at the end of 2006, recorded appreciation in fair value of RMB180 million in 2007. Under the depressing environment of the property market in 2008, the appreciation in the fair value of the investment properties of the group declined substantially to RMB62.12million.

The group is taking the following measures to ensure its smooth operation:

1. adjust the construction and pre-sale plans according to the status of the market and funding;
2. stringent control of cost, including construction cost and administrative expenses, while management and human resources deployment will be further improved; and
3. explore different financing channels actively.

本集團截至2008年12月31日止財政年度的業績(「2008年業績」)較2007年年度顯著轉差，其主要原因是：

1. 目前環球金融市場動蕩及經濟放緩，再加上中國政府對房地產行業採取宏觀調控政策，中國房地產市場受到不利影響。本集團之收入顯著下降，各項目尤其是鴻隆世紀廣場(前稱藝豐廣場)之開發進度亦比預期的緩慢；
2. 本集團在2007年出售豐深投資有限公司的權益而錄得一次性收益人民幣1.4億元(2008年：零)；及
3. 本集團的投資物業(主要含在2006年底完工的鴻隆廣場)在2007年錄得公平值之升值人民幣1.8億元。2008年在物業市場氣氛不佳環境下，本集團投資物業公平值之升值顯著下降至人民幣6,212萬元。

本集團正採取以下措施以確保營運健全：

1. 按市場及資金情況來調整建設及銷售計劃；
2. 嚴謹控制成本，包括在建設成本及行政方面，進一步改善管理及人手安排；及
3. 積極尋求不同的融資渠道。

MARKET REVIEW AND OUTLOOK

During the first half of 2008, the government continued to implement a series of appropriately tight macro-economic control policies adopted since 2007 in order to keep housing prices at a reasonable level. From the end of 2007, demand in the property market declined and housing transactions dropped as consumers generally expected that the government would continue to formulate new control policies on the real estate market and the housing prices would keep decreasing. According to the National Bureau of Statistics, the GFA of commodity housing sold in the country was 620 million m². in 2008, representing a decrease of 19.7% as compared to 2007. The total amount of transactions in commodity housing in 2008 was RMB2.4 trillion, representing a decrease of 19.5% as compared to 2007. In 2008, real estate developers in the PRC were generally subject to the pressure posed by the decline in both selling prices and trading volumes.

During the second half of 2008, the sub-prime crisis intensified, causing the global credit default swap market to break down. In light of the difficulties to be faced by the manufacturing industry and industrial exports, the Central Government of the PRC swiftly adjusted relevant policies and implemented aggressive financial and monetary policies, such as cutting the benchmark interest rate for one year loans by 2.16%, and lowering down the reserve requirement ratio several times from the peak of 17.5%. The Central Government further announced a substantial economic stimulus plan with an aggregate amount of RMB4 trillion in November 2008 to increase domestic demand and promote economic development. Under such policies, it is expected that the PRC maintains gross domestic product growth in 2009. In addition, as inflation pressure and concerns over inflation were mitigated, there would be more room for the Central Government to further lower down the interest rate when necessary. Notwithstanding that such policies were not designed for directly supporting the real estate market, cutting loan benchmark interest rate and reserve requirement ratio was considered to be favourable for boosting consumers' confidence in the market. Since the third quarter of 2008, various local governments began to issue policies that helped supporting stable development of the real estate market to different extents. Transaction volumes of the real estate market showed signs of recovery at the end of 2008, among which, transaction volume of the fourth quarter of 2008 saw a significant increase comparing with the first half of 2008. Although the market confidence had not been fully restored at the end of 2008, the market was basically stable.

2009 will still be a year of risks and opportunities. On one hand, the negative impact on the global financial market as a result of deleveraging will continue to influence the PRC's export market, which will in turn inevitably affect the employment market and the gross domestic product growth of the PRC. On the other hand, central banks of most countries, including the PRC, had already adopted individual considerable economic stimulus plans and quantitative loosening policies in an attempt to reverse such economic contraction within a short period of time.

市場回顧及展望

2008上半年，政府為控制房價在合理的水平而繼續執行自2007年以來所採取的一系列適度從緊的宏觀調控政策。自2007年末起，消費者普遍預期政府將繼續出臺房地產市場調控政策，房價將繼續下調。各種因素結合最終導致需求萎縮，成交量下降。據國家統計局數據顯示，2008年全國商品房銷售總樓面面積為6.2億平方米，同比2007年下降19.7%。2008年商品房成交總額為人民幣2.4萬億元，同比2007年亦下降19.5%。2008年，中國房地產開發商普遍面臨著銷售價格以及交易量雙雙下降的壓力。

2008下半年，次級按揭危機加劇，觸發全球信用違約掉期市場崩潰，中國中央政府針對製造業和工業出口將面對的困難，迅速調整相關政策，實施了積極的財政及貨幣政策，其中包括將一年期貸款基準利率先後下調2.16%，並將存款準備金率從最高的17.5%作數度下調。中央政府在2008年11月更公布推出總額為人民幣4萬億元的巨額刺激經濟方案以擴大內需，推動經濟發展。在這些政策帶動下，預計2009年中國國內生產總值會保持增長。此外，通脹壓力及對通脹的擔憂亦有所舒緩，為中央政府提供了在必要時進一步下調利率的空間。儘管這些政策出臺的目的並非直接支持房地產市場，但市場普遍認為下調貸款基準利率和存款準備金率將有助於恢復消費者對房地產市場的信心。自2008年第三季度至今，各地地方政府陸續出臺不同程度的扶持房地產市場平穩發展的政策。房地產市場交易量在2008年底已逐步出現回暖跡象，其中2008年第四季度交易量較2008年上半年錄得顯著回升。儘管截至2008年底市場信心並未完全恢復，但市場基本已經穩定下來。

2009年將仍是風險與機遇並存的一年。一方面，去槓桿化對全球金融市場的負面影響將繼續衝擊中國出口市場，從而將無可避免地影響中國就業市場和國內生產總值的增長。另一方面，大多數國家的央行，包括中國，已經採取了各自的巨額刺激經濟方案和量化寬鬆政策，目的是要在最短的時間內扭轉現時的經濟萎縮情況。

MARKET REVIEW AND OUTLOOK (CONT'D)

In respect of the domestic real estate market, we expect market integration in 2009 will provide investment opportunities. Notwithstanding that the real estate market had been through certain periodic adjustments in 2008, the improving trend of the market in the fourth quarter of 2008 is expected to continue in 2009, despite the selling prices will still be lower than the highest recorded in 2007. We expect the economic stimulus plan of RMB4 trillion will start to show its positive effect by the second half of 2009. If the PRC's gross domestic product can maintain a stable growth during the first half of 2009, consumers' confidence on the real estate market will probably be further strengthened.

In 2008, land acquisition activities of most real estate developers declined and the number of new projects also dropped. Growth in supply for commodity housing is expected to slow down in the coming few years and the market will be able to restore to equilibrium not later than 2010. In the long run, demand for quality housing from the affluent population, especially the growing middle class, the urbanization and the opening up of the Chinese society will lead to long-term opportunities for well managed property developers.

The housing issue and the relevant reform has long been the Central Government's priority. In 2008, the government introduced more specific guidelines for policy housing, including low-rent housing, economically affordable housing and capped price housing, to improve the welfare housing system. It is the Central Government's long-term mission to improve the people's living conditions. At present, there is concern that the supply of policy housing will suppress the demand in the commodity residential property market. The group believes that policy housing is designed for markets and customers different from the group's target in commodity housing, which is mainly the middle-class. The introduction of policy housing will certainly provide more diversity to the residential property market. The market of low-end commodity housing will gradually shrink and be replaced by policy housing despite that such transition may take years to complete. However, following the growth of the middle-class population and their demand for quality living, the group will continue to implement "comprehensive quality management", improve product quality and enhance after-sales service with a view of building the "Hong Long" brand.

To conclude, the group remains prudently optimistic regarding its prospect in 2009 despite of the downward pressure in gross profit margin. The group will continue to strictly control the development cycles of various projects and maintain a well-balanced land bank and solid financial structure. The management is confident in profit making and maintaining a stable development while positioning well for opportunities under such a difficult environment in 2009.

市場回顧及展望 (續)

就國內房地產市場而言，我們預計2009年市場的整合將帶來投資良機。儘管房地產市場在2008年經歷了周期性調整，但預計2008年第四季度房地產市場出現的回暖趨勢在2009年將持續，雖然銷售均價較2007年的最高位將會有所調整。我們預期中央政府出臺的人民幣4萬億元刺激經濟方案能在2009年下半年逐漸發揮積極作用。假若2009年上半年中國的國內生產總值保持平穩的增長，消費者對房地產市場的信心將有望進一步加強。

2008年，大多數房地產開發商的土地購置活動普遍減少，新增工程的數目下降。預期商品住房供應增長在未來幾年內將持續減速，預計在2010年或之前供求將恢復平衡。長遠來看，國內漸漸富裕的人群尤其是中產階層對高質量住房的需求，以及城市化的進程和中國社會的開放都為擁有優良管理的房地產開發商提供了長期發展良機。

解決住房問題及其相關政策一直是中國中央政府的一項重要工作。2008年，政府對政策性住房，包括廉租房、經濟適用房和兩限房，制定了更為具體的政策措施，以完善住房保障體系。改善百姓居住條件是中央政府的長期工作目標。目前，市場上存在著擔心政策性住房的供應會抑制商品房需求的聲音。本集團認為政策性住房的市場及目標客戶群與本集團的商品房產品所針對的主要中產客戶並不相同。政策性住房的出現最終令住宅市場上的多元化越趨明顯。低端商品房的市場將進一步收縮並逐步由政策性住房的供應所代替，儘管有關過渡可能需時多年。然而，隨著中產階層的崛起以及他們對居住環境的訴求，集團將繼續推行「全面質量管理」，提高產品質量，加強售後服務將有助進一步打造「鴻隆」品牌。

總括而言，本集團對2009年的發展前景保持審慎樂觀態度，雖然毛利率將面對下調的壓力，本集團繼續嚴格控制各項目開發周期，保持合理的土地儲備和穩健的財務結構。管理層有信心持盈保泰，並在2009年的市場困境下先求穩守，後謀突破。

SOCIAL RESPONSIBILITY

The group is pleased to assume its social responsibilities and help the unprivileged and the poor. During the first half of 2008, staff of the group actively participated in community events to support the relief work as Sichuan, PRC was hit by a serious earthquake on 12 May. The total amount raised by the group in various events reached RMB430,000.

STRENGTHENING CORPORATE GOVERNANCE

The group has been committed to enhancing its corporate management in an effort to further protect the shareholders' interests and ensure the group's stable development. In light of the volatile global financial market, both investors and regulatory institutions have raised their requirements on corporate governance and transparency. In 2008, the group had adopted risk management measures in order to regularly monitor the group's status on internal control, help assessing various projects and formulate policies applicable to all projects or individual project.

In 2008, the group had also appointed Mr. Zhang Yiyang and Mr. Wang Fosong, an academician of the Chinese Academy of Sciences, as deputy chairman and an independent non-executive director of the Board respectively.

Awarded by the valuable working experience from Mr. Wang Fosong and Mr. Zhang Yiyang, the company's internal management and external coordination will move toward the sound development.

ACKNOWLEDGMENTS

Lastly, on behalf of the Board, I would like to express my sincere appreciation to all shareholders, business partners, local governments, customers and staff for their unwavering care and support.

ZENG Yunshu

Chairman

24 April 2009

社會責任

本集團樂於承擔其應盡的社會責任，奉獻力量扶弱濟貧。2008年上半年，中國遭遇了嚴重的5.12四川大地震。本集團的員工積極參與抗災救災有關的公益活動。2008年本集團各項捐贈總額為人民幣43萬元。

強化企業管治

本集團一直致力提升企業管理水平，以此更好維護股東的利益，及確保本集團能有穩健的發展。在全球金融市場動蕩的情況下，投資者和各監管機構均提高了對企業管治和透明度的要求。在2008年本集團採取了風險管理措施，以定期檢查集團內部監控情況，協助進行項目評估，及制定適用於各項目或個別項目的策略。

同時，本集團於2008年委任了張奕炎先生及中國科學院王佛松院士分別為董事局副主席及獨立非執行董事。

本集團願借助王佛松院士、張奕炎先生多年的資深工作經驗來強化對內的管理及對外協調工作，將促進公司的良好發展。

致謝

最後，對全體股東、合作夥伴、地方政府、客戶以及公司各員工一直以來愛護和支持，本人謹代表董事局向您們致最高的敬意。

曾雲樞

主席

2009年4月24日

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Revenue of the group for 2008 was RMB119.6 million, representing a decrease of RMB292.1 million (or 71%) over 2007.
- Profit attributable to equity shareholders of the company for 2008 was RMB3.5 million, representing a decrease of RMB247.2 million (or 99%) over 2007.
- Basic earnings per share for 2008 was RMB0.34 cents, representing a decrease of RMB23.85 cents (or 99%) over 2007.
- Total assets increased from RMB3.53 billion to RMB3.82 billion.
- Leverage (total bank loans and interest-bearing borrowings divided by total assets) decreased from 33.3% to 31.6%.
- In addition to the existing properties under development of approximately 1,497,775 m² GFA, the group continues to pursue further expansion in land reserves of approximately 821,354 m² GFA and is optimistic about the future prospect.

營運及財務摘要

- 2008年本集團的收入為人民幣119.6百萬元，較2007年減少人民幣292.1百萬元（即71%）。
- 2008年本公司權益股東應佔溢利為人民幣3.5百萬元，較2007年減少人民幣247.2百萬元（即99%）。
- 2008年每股基本盈利為人民幣0.34仙，較2007年減少人民幣23.85仙（即99%）。
- 總資產由人民幣35.3億元增加至人民幣38.2億元。
- 槓桿比率（銀行貸款及計息借貸總額除以總資產）由33.3%減少至31.6%。
- 除總建築面積約1,497,775平方米的現有建築中物業外，本集團繼續尋求進一步拓展土地儲備總建築面積約821,354平方米並對前景充滿信心。

FINANCIAL REVIEW

財務回顧

		Note 附註			increase/(decrease) 增/(減)	
			2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	RMB'000 人民幣千元	% 百分比
Turnover	營業額	1				
Property development	物業開發		64,147	362,933	(298,786)	-82%
Property leasing	物業租賃		55,481	48,744	6,737	14%
			119,628	411,677	(292,049)	-71%
Gross profit	毛利	1	45,912	234,683	(188,771)	-80%
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	2	62,120	180,352	(118,232)	-66%
Gain on disposal of a jointly controlled entity	出售共同控制實體收益	3	-	140,765	(140,765)	-100%
Other net income/(loss)	其他收益/(虧損)淨額	4	37,097	(24,608)	61,705	>-100%
Other revenue	其他收入	5	55,491	40,476	15,015	37%
Selling and distribution expenses	銷售及分銷費用	6	(5,226)	(11,347)	6,121	-54%
General and administrative expenses	一般及行政費用	7				
- Share option expenses	- 認股權費用		(342)	(29,352)	29,010	-99%
- others	- 其他		(31,931)	(24,417)	(7,514)	31%
Other operating expenses	其他營運費用	8				
- Share option expenses	- 認股權費用		(15,376)	(15,376)	-	0%
- others	- 其他		(25,455)	(4,980)	(20,475)	>100%
Net change in fair value of derivative financial instruments	衍生金融工具公允值的變動淨額	9				
- convertible note	- 可換股票據		-	(49,544)	49,544	-100%
- Senior Note	- 優先票據		58,533	21,362	37,171	>100%
Finance costs	融資成本	10				
- loan note and convertible note	- 貸款票據及可換股票據		-	(22,065)	22,065	-100%
- Senior Note	- 優先票據		(89,813)	(23,276)	(66,537)	>100%
- others	- 其他		(414)	(9,750)	9,336	-96%
Income tax	所得稅	11				
- enterprises income tax	- 企業所得稅		(16,059)	(41,822)	25,763	-62%
- land appreciation tax	- 土地增值稅		661	(98,291)	98,952	>-100%
- changes in tax rate on opening deferred tax balances	- 稅率變動對期初遞延稅項結餘的影響		(66,081)	-	(66,081)	N/A
- deferred tax	- 遞延稅項		(5,757)	(12,308)	6,551	-53%
Profit for the year	本年度溢利		3,360	250,502	(247,142)	-99%

FINANCIAL REVIEW (CONT'D)

Note:

- 1. Turnover and gross profit:** Turnover comprises of sales proceeds of properties delivered and property leasing income. There was substantial drop in revenue, since in 2008 we only delivered approximately 21,731m² of residential units and 223m² of shops in Xiang Jiang City, while in 2007 we delivered approximately 3,743 m² of retail shops in Hong Long Plaza and approximately 67,678m² of residential units and 5,957m² of shops in Xiang Jiang City. The average selling prices and thus gross profit of retail shops are much higher than that of residential units.
- 2. Net increase in fair value of investment properties:** The substantial increase in 2007 was due to the completion of Hong Long Plaza in late 2006.
- 3. Gain on disposal of a jointly controlled entity:** In 2007, the group disposed a jointly controlled entity and generated a gain of approximately RMB140,765,000 which there was no such item in 2008.
- 4. Other net income/(loss):** The profit in 2008 was mainly due to the exchange gain arising on translation of Senior Note which is denominated in US dollars upon cancellation of swap agreement.
- 5. Other revenue:** The increase in 2008 was mainly due to the compensation income on cancellation of swap agreement related to the Senior Note.
- 6. Selling and distribution expenses:** The decrease in 2008 was mainly due to less advertisement incurred for sales of properties.
- 7. General and administrative expenses:** The decrease in share option expenses, a non-cash item, was due to less option granted during 2008. The increase in other general expenses was mainly due to the increase of manpower required to handle various properties under development.
- 8. Other operating expenses:** The increase in 2008 was mainly due to provision of impairment on loans and receivables.
- 9. Net change in fair value of derivative financial instruments:** In September 2007, the company issued Senior Note with warrant. The change in fair value, as assessed by independent valuer, of that component has been recorded as income or expense in the income statement. In 2007, there was loss arising on conversion of convertible note into shares of the company.
- 10. Finance costs:** The increase in 2008 was mainly due to the interest expense incurred for the Senior Note issued in September 2007.
- 11. Income tax:** The substantial decrease of enterprise income tax and land appreciation tax in 2008 was mainly due to less sales of properties and thus the corresponding profits. The substantial increase of effect of changes in tax rate on opening deferred tax balances was mainly due to the additional provision for deferred tax on accumulated increase in fair value of investment properties due to the increase in applicable tax rates from 15% to 25%.

財務回顧(續)

附註：

- 1. 營業額及毛利：**營業額包括交付物業的銷售所得款及物業租賃收入。由於我們於2008年僅交付香江名城約21,731平方米的住宅單位及223平方米的零售商舖，收入因而大幅減少，而我們於2007年則交付鴻隆廣場約3,743平方米的零售商舖以及香江名城約67,678平方米住宅單位及5,957平方米的零售商舖。零售商舖的平均售價及毛利因而遠高於住宅單位。
- 2. 投資物業的公允值的增加淨額：**於2007年大幅增加原因為於2006年末落成鴻隆廣場。
- 3. 出售共同控制實體收益：**於2007年，本集團出售一間共同控制實體，並產生約人民幣140,765,000元的收益，而於2008年則並無此項目。
- 4. 其他收益／(虧損)淨額：**2008年的溢利主要由於取消掉期協議後換算以美元計值的優先票據產生匯兌收益所致。
- 5. 其他收入：**於2008年增加主要由於註銷有關優先票據的掉期協議所得的賠償收入所致。
- 6. 銷售及分銷費用：**於2008年減少主要由於就銷售物業所付的廣告費用較少所致。
- 7. 一般及行政費用：**非現金項目認股權費用減少，原因為於2008年授出較少認股權。其他一般費用增加，主要由於處理不同發展中物業所需的人手增加所致。
- 8. 其他營運費用：**於2008年增加主要由於計提貸款及應收款項減值準備所致。
- 9. 衍生金融工具的公允值變動淨額：**於2007年9月，本公司發行附有認股權的優先票據。該部分的公允值變動(由獨立估值師評估)應以收入或支出於收益表列賬。於2007年，於將可換股票據轉換為本公司股份時產生了虧損。
- 10. 融資成本：**於2008年增加主要由於2007年9月發行的優先票據支付的利息費用所致。
- 11. 所得稅：**企業所得稅及土地增值稅於2008年大幅減少，主要由於物業銷售及毛利減少。稅率變動對期初遞延稅項結餘的影響大幅增加主要由於適用稅率由15%增加至25%而就投資物業先前公允值增加的遞延稅項計提額外準備。

FINANCIAL REVIEW (CONT'D)

SEGMENT ANALYSIS

While principally engaged in the development of mid-ranged residential and commercial properties in the PRC, the group expects stronger recurrent cash flow from commercial properties leasing in the future. In 2008, property development income and property leasing income accounted for approximately 54% and 46% respectively.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Cash and cash equivalents and pledged deposits as at 31 December 2008 amounted to approximately RMB103.9 million (31 December 2007: RMB573.5 million) which including RMB43.8 million, USD4.7 million, and HKD31.5 million.

The group had total borrowings of approximately RMB1,209.8 million as at 31 December 2008 (31 December 2007: RMB1,175.4 million), approximately RMB510.1 million was repayable within one year, RMB699.7 million was repayable more than one year but less than five years inclusive. Except for the Senior Note, all of the group's borrowings carried interest at floating interest rates. The group's total bank loans and interest-bearing borrowings divided by total assets as at 31 December 2008 was 31.6% (31 December 2007: 33.3%).

As at 31 December 2008, the group had current assets of approximately RMB2,455.4 million (31 December 2007: RMB2,250.1 million) and current liabilities of approximately RMB1,255.6 million (31 December 2007: RMB822.1 million).

CHARGE ON ASSETS

As at 31 December 2008, bank loans of approximately RMB650.1 million were secured by certain bank deposits, investment properties and properties for future development and under development for sale of the group of approximately RMB49.8 million, RMB1,212 million and RMB194.1 million respectively.

SENIOR NOTE

For the details of Senior Note, please refer to note 24(b) to the financial statement.

財務回顧 (續)

分部分析

本集團主要於中國從事中檔住宅及商業物業開發，同時預期今後可從物業租賃業務產生較強大的經常性現金流量。於2008年，物業發展收入及物業租賃收入分別約佔54%及46%。

流動資金、財務資源及負債比率

於2008年12月31日，現金及現金等價物及已抵押存款約達人民幣103.9百萬元(2007年12月31日：人民幣573.5百萬元)，包括人民幣43.8百萬元、4.7百萬美元及31.5百萬港元。

於2008年12月31日，本集團的借貸總額約為人民幣1,209.8百萬元(2007年12月31日：人民幣1,175.4百萬元)，須於一年內償還的借貸額約人民幣510.1百萬元；多於一年，但少於5年償還(首尾兩年包括在內)約為人民幣699.7百萬元。除優先票據外，本集團全部借貸均以浮定息率計息。而本集團於2008年12月31日的銀行貸款及計息借貸總額除以總資產為31.6%(2007年12月31日：33.3%)。

於2008年12月31日，本集團有流動資產約人民幣2,455.4百萬元(2007年12月31日：人民幣2,250.1百萬元)及流動負債約人民幣1,255.6百萬元(2007年12月31日：人民幣822.1百萬元)。

對資產的抵押

於2008年12月31日，銀行貸款約人民幣650.1百萬元分別由本集團分別約值人民幣49.8百萬元、人民幣1,212百萬元及人民幣194.1百萬元的若干銀行存款、投資物業及開發中及有待開發的銷售物業作抵押。

優先票據

有關優先票據之詳情，請參考財務報表附註24(b)。

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The group's monetary assets, loans and transactions are principally denominated in Renminbi. Except for the Senior Note, all of the group's borrowings are denominated in Renminbi. The group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure as at 31 December 2008.

CONTINGENT LIABILITIES

Save for the guarantees given to banks for mortgage facilities (at a maximum of RMB370 million) granted to purchasers of the group's properties and the litigation claim of RMB21 million, as details disclosed in note 35 to the financial statement, the group had no other material contingent liabilities as at 31 December 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 force of approximately 300 employees. Of this, most were stationed in the PRC. The remuneration of employees was in line with the market trend and commensurable to the level of pay in the industry. Remuneration of the group's employees includes basic salaries, bonuses and long-term incentives (such as pre-IPO Share Options and Share Option Scheme). Total staff costs incurred for the year 2008 was approximately RMB18.2 million.

FINAL DIVIDEND

The Board of Directors ("Board") does not recommend the payment of a dividend for the year 2008 (2007: nil).

匯率波動風險及有關對沖

本集團的貨幣資產、貸款和交易主要以人民幣計值。除優先債券外，本集團借貸全部以人民幣計值。於2008年12月31日，本集團並沒有參與任何衍生工具活動及並無對任何金融工具作出承擔以對沖資產負債表的風險。

或然負債

除就授予本集團物業買方之抵押信貸給予銀行之擔保(最高為人民幣370百萬元)及人民幣21百萬元訴訟索償外，(其詳情刊載於財務報表附註35)，本集團於2008年12月31日並無任何其他重大或然負債。

財資政策及資本結構

本集團就其財資政策採取審慎策略，並專注於風險管理及與本集團之相關業務有直接關係之交易。

僱員

於2008年12月31日，本集團擁有約300名員工，員工絕大部份在中國工作。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(如首次公開發售前認股權及認股權計劃)。2008年所產生的員工成本總額約為人民幣18.2百萬元。

末期股息

董事會(「董事會」)已議決不宣派截至2008年度之股息(2007年：無)。

BUSINESS REVIEW

The group is principally engaged in the development of mid-range residential and commercial properties as well as commercial properties leasing in the Guangdong and Hebei, the PRC.

The group expanded its business presence in Guangdong, including Shenzhen, Huizhou, Meizhou and Xingning. The group has further expanded beyond Guangdong by acquiring Xiang Jiang City project in Zhangjiakou of Hebei. The expansion signifies the group's successful launch of the projects and confidence in second and third tier cities in the PRC where there is great demand for better living environment.

For investment properties portfolio, the group's leasable GFA increased to approximately 89,000m², out of which, the group owned approximately 59,000m² Hong Long Plaza following its completion in late 2006. Hong Long Plaza generates recurring cash inflows supplement to the group's future investment plan.

Summary of development and status of existing projects are reported in the following paragraphs.

Hong Long Century Plaza (formerly known as Yifeng Plaza): In April 2007, the group acquired approximately 70,000m² GFA in a public auction at a consideration of approximately RMB482 million. It is a complex of offices, residential units and retail shops located at the prime location in Luohu district, Shenzhen. In February 2008, the group obtained approval to further acquire area of approximately 5,719m² GFA at consideration of approximately RMB63 million. During 2008, the group further acquired approximately 2,197m² GFA at consideration of approximately RMB21.2 million. The group has commenced renovation works and expects to obtain the approval for pre-sales to be launched in July 2009 and to deliver the units in or around the end of 2009.

Grace Garden: In July 2007, the group acquired 100% equity interest in a PRC company, which holds a piece of land in Meizhou, at consideration of RMB11 million. The project, named Grace Garden, consists of 2 residential blocks and some retail shops of approximately 33,275m² GFA. The group commenced the pre-sales in June 2008. The group has substantially completed the construction of the first block and plans to deliver the units in or around June 2009.

業務回顧

本集團主要在中國廣東省及河北省從事中檔住宅及商業物業的開發和商業物業的租賃業務。

我們擴大了於廣東的業務版圖，包括深圳、惠州、梅州及興寧。本集團透過取得位於河北省張家口的香江名城項目而擴展至廣東以外。該擴展象徵著本集團所推出項目的成功，並確立信心發展對優質生活環境有龐大需求的二線城市。

在投資物業組合方面，隨著鴻隆廣場於2006年尾竣工後（其中約59,000平方米為本集團所擁有），本集團可供租賃之總建築面積增加至約89,000平方米。鴻隆廣場產生經常性現金流入，補充本集團的未來投資計劃所需。

現有項目之發展及狀況於下文概述。

鴻隆世紀廣場（前稱藝豐廣場）：於2007年4月，本集團透過公開拍賣以約人民幣482百萬元的代價收購藝豐廣場約70,000平方米面積。鴻隆世紀廣場是一座含寫字樓、住宅單位及零售商舖的綜合樓宇，位於深圳羅湖區黃金地段。於2008年2月，本集團獲批以約人民幣63百萬元的代價，進一步收購約5,719平方米。於2008年6月及7月，本集團以約人民幣21.2百萬元進一步收購約2,197平方米面積。翻新工程已開始，本集團預期取得預售批准並於2009年7月開始預售，並且於2009年年末或前後交付單位。

溫馨花園：於2007年7月，本集團以人民幣11百萬元代價收購一間中國公司的100%股本權益，該公司於梅州擁有一幅土地，已發展為一項名為溫馨花園的項目，包括面積約33,275平方米之兩幢住宅大廈及若干零售商店。本集團於2008年6月開始預售。本集團已完成第一幢大廈之大部份工程，並計劃於2009年6月或前後交付單位。

BUSINESS REVIEW (CONT'D)

Ningjiang Uptown: In October 2007, the group formed a new wholly-owned subsidiary in Xingning city for development of a landmark project named Ningjiang Uptown. The phase 1 is a large scale complex of 9 residential blocks and some retail shops of approximately 98,782m² GFA. The group commenced the pre-sales in October 2008. The group is actively pursuing the completion of construction of the first 5 blocks and plans to deliver the units in or around the end of 2009. In addition, the group has paid deposits of approximately RMB132.8 million for land reserve of approximately 243,455m² site area for Ningjiang Uptown phase 2 of approximately 631,715m² GFA in December 2007.

Xiang Jiang City: In November 2007, the group completed the acquisition of an intermediate holding company, which holds 100% interest in Xiang Jiang City project in Zhangjiakou of Hebei. It is a residential and commercial complex of approximately 213,330m² GFA. Xiang Jiang City is a developing project upon acquisition by the group. The group has delivered approximately 73,635m² and 21,954m² GFA in 2007 and 2008 respectively and generated revenue of approximately RMB171.7 million and RMB64.1 million respectively. Further, the group plans to deliver the other units under development in or around the end of 2009.

Huizhou Urban Upstream Landscape Villa: The total site area and planned GFA is 499,942m² and 861,831m² respectively. Out of which, the site area and planned for phase 1 GFA is 120,580m² and 160,078m² respectively. The group commenced the pre-sales of phase 1 in October 2008. Due to the market and economic situations, the group has slowed down the pace of construction and plans to deliver part of the units of phase 1 in or around the end of 2009. In March 2009, the group disposed 18% equity interest in the subsidiary which holds the project. The group believes that the disposal will provide the funds to finance part of the construction costs for other properties under development of the group. Taking into account the benefits of the disposal, the group is of the view that the terms of the disposal are fair and reasonable and is in the interests of the group and its shareholders as a whole.

Zirui Garden: In March 2008, the group entered into an agreement with an independent third party for acquiring 100% equity interest in Shenzhen City Zirui Real Estate Development Company Limited ("Shenzhen Zirui") by phases. Shenzhen Zirui holds the Zirui Garden project in Buji County, Shenzhen. Zirui Garden consists of premier villa, residential units and retail shops with planned GFA of approximately 153,589m². The group plans to construct and deliver by phases in 2010 to 2011.

業務回顧(續)

寧江新城：於2007年10月，本集團於興寧市開立一間新組成的全資附屬公司，發展一項名為寧江新城的龐大地標項目。第1期為9幢大廈及若干零售商店組成的大型綜合樓宇，總建築面積約98,782平方米。本集團於2008年10月開始預售。本集團正積極建設首5幢大廈，並計劃於2009年末前後交付單位。此外，本集團已於2007年12月就寧江新城第2期總建築面積約631,715平方米之土地儲備約243,455平方米支付按金約人民幣132.8百萬元。

香江名城：於2007年11月，本集團完成收購一間中層控股公司，該公司持有河北省張家口香江名城項目的100%權益。香江名城為一項住宅與商業綜合樓宇，總建築面積約213,330平方米。於被本集團收購時，香江名城為一個發展中項目。本集團已於2007年及2008年分別交付總建築面積約75,635平方米及21,954平方米，分別帶來收入約人民幣171.7百萬元及人民幣64.1百萬元。此外，本集團計劃於2009年年末或前後交付其他開發中之單位。

惠州鴻隆江山項目：總地盤面積及規劃總建築面積分別為499,942平方米及861,831平方米。而其中第1期之地盤面積及規劃總建築面積分別為120,580平方米及160,078平方米，本集團於2008年10月開始預售。由於市場及經濟情況不理想，本集團已放慢建築進度並計劃於2009年末前後交付第一期部份單位。於2009年3月，本集團出售持有該項目之附屬公司之18%股本權益。本集團相信出售將為本集團其他建築中物業之建築成本提供部分財務資源。考慮到出售帶來之利益，本集團認為出售之條款乃公平合理，並符合本集團及其股東之整體利益。

紫瑞花園：於2008年3月，本集團與一獨立第三方訂立協議，分階段收購深圳市紫瑞房地產開發有限公司(「深圳紫瑞」)100%股本權益。深圳紫瑞持有於深圳布吉鎮紫瑞花園。紫瑞花園由高級別墅、住宅單位及零售商店組成，規劃總建築面積約153,589平方米。本集團計劃分階段於2010年及2011年建築及交付。

BUSINESS REVIEW (CONT'D)

Bauhinia Garden: In July 2004, the group acquired a land of site area of 28,526m² near the train station of Xingning city for the development of Bauhinia Garden with planned GFA of approximately 85,000m². The group plans to commence the development until 2010.

Yinghua project: In March 2005, the group acquired 85.71% equity interest in Shenzhen Yinghua Development Company Limited ("Yinghua") which holds a land of site area of 9,237m² with planned GFA of 57,950m². The group plans to commence the development in late 2010.

Guangchang North Street: In 2007, the group obtained approval from Luohu district government, Shenzhen, for an old city renovation on Guangchang North Street (「廣場北街」舊城改造). It is located at the south of Hongbao Road (紅寶路), the west of Heping Road (和平路) and Dongmen Old Street (東門老街), the north of Shennan Road East (深南東路) and Shun Hing Plaza (深圳信興廣場地王大廈) and the east of Baoan Road South (寶安南路). It is located in the central commercial district of Luohu district of Shenzhen. The first phase of the project will occupy site area and planned GFA of 11,000m² and 70,000m² respectively. The group is negotiating with the local land planning authorities and expects to obtain a clear indication on the proceeding in or around the end of 2009.

In October 2007, the group established a wholly-owned subsidiary in Danshui of Huizhou, namely Huizhou Xing Wo Property Development Limited ("Xingwo"). Xingwo is considering the redevelopment of a site located in the landmark of Danshui. The site area is approximately 53,000m² with residential units and retail shops of approximately 425,000m² GFA. Due to the slow down of economic growth and in particular the expected demand for middle class properties in the local area, the group decided to suspend the project and shall proceed to dissolve the company shortly. The group does not consider there is material effect since it only incurred insignificant operating expenses for the project.

In March 2008, the group established a 90% owned subsidiary in Dongguan. The group is considering a residential and commercial complex of approximately 119,880m² GFA. The group plans to develop the project by phases in late 2009.

業務回顧 (續)

紫荆花園：於2004年7月，本集團收購興寧市火車站附近之一幅地盤面積為28,526平方米之土地，以開發紫荆花園，其規劃總建築面積約85,000平方米。本集團計劃於2010年開始開發工作。

英華項目：於2005年3月，本集團收購深圳市英華實業發展有限公司(「英華」)85.71%之股本權益，英華持有地盤面積9,237平方米及規劃總建築面積57,950平方米之土地。本集團計劃於2010年末開始開發工作。

廣場北街：於2007年，本集團獲得深圳羅湖區政府批准進行「廣場北街」舊城改造項目。廣場北街項目位於紅寶路以南、和平路及東門老街以西、深南東路及深圳信興廣場地王大廈以北與寶安南路以東。廣場北街位於深圳羅湖區的商業區。項目首期地盤面積及規劃總建築面積分別為11,000平方米及70,000平方米。本集團正與當地土地規劃部門磋商，並預期於2009年末前後取得有關進展之清晰指示。

於2007年10月，本集團於惠州淡水成立一間名為惠州興沃房地產開發有限公司(「興沃」)的全資附屬公司。興沃正考慮重新開發一個位於淡水地標區的地盤。地盤面積約53,000平方米，將建成總建築面積約425,000平方米的住宅單位及零售商店。由於經濟增長放緩，尤其是當地對中檔物業的預期需求下降，本集團決定暫停該項目並於短期內著手解散該公司。由於項目只產生輕微營運費用，故本集團認為不會構成重大影響。

於2008年3月，本集團於東莞成立一間90%權益附屬公司。本集團正考慮一項總建築面積約119,880平方米的住宅及商業綜合樓宇。本集團計劃於2009年年末分階段開發及交付有關項目。

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Zeng Yunshu, aged 55, is the chairman, president, an executive director and a member of the remuneration committee of the company. Mr. Zeng is one of the founders of Hong Long Properties (Shenzhen) Company Limited ("Hong Long Shenzhen"), the major operating subsidiary of the group. Mr. Zeng has been serving as the president of Hong Long Shenzhen since its establishment. He is responsible for determining the overall business strategies and planning, making investment decisions and determining the overall business management direction of the group. Prior to the establishment of the group, Mr. Zeng worked in the Xingning City and Meizhou municipal governments from 1981 to 1990. Mr. Zeng worked in Shenzhen Petrochemical Industry (Group) Co. Ltd. from 1991. During the period from March 1993 to March 2002, Mr. Zeng was a director of Shenzhen Cairun Properties Development Company Limited, a PRC limited company engaged in the businesses of trading and property development. In September 2000, Mr. Zeng established Hong Long Shenzhen. Currently, he is a committee member of the People's Political Consultative Committee of Meizhou, Guangdong Province and the deputy president of Meizhou Overseas Friendship Association (梅州市海外聯誼會). In 2004, Mr. Zeng was awarded the title of "Outstanding Contributor" for the development of Xingning's economy. Mr. Zeng has more than 16 years experience in the development and management of properties. He is a director of Grand Prosperity Limited ("Grand Prosperity"), a controlling shareholder of the company. Mr. Zeng has entered into a service contract with the company for a term of 3 years, commencing from 22 February 2007 but subject to retirement by rotation and, being eligible, re-election in the forthcoming annual general meeting in accordance with the company's articles of association. Mr. Zeng is the father of Mr. Zeng Sheng, an executive director of the company.

Mr. Zhang Yiyang, aged 58, is vice-chairman, co-president and an executive director of the company. Mr. Zhang is a postgraduate of economic studies, a senior accountant, and qualified as a certified public accountant of the PRC in 1994. Mr. Zhang was the workshop supervisor, head of operation and factory director of Guangdong Xingning Second Agricultural Machinery Factory from 1970 to 1979; the corporate finance section head, vice chief and chief of Xingning Finance Bureau, Guangdong from 1979 to 1989; and vice director of the general inspection office for taxation and finance of Shenzhen, assistant to chief and office director of Shenzhen Finance Bureau, director of general affair division and director of account division of Shenzhen Finance Bureau since 1989. Beginning from 2001, Mr. Zhang has acted as the Party secretary, member of Party committee and section head of disciplinary section of the Bureau, overseeing duties such as the supervision and review of finance matters.

董事

執行董事

曾雲樞先生，55歲，本公司主席、總裁、執行董事兼薪酬委員會之成員。曾先生為本集團主要經營附屬公司鴻隆地產(深圳)有限公司(「鴻隆深圳」)之其中一名創始人。鴻隆深圳成立後，曾先生一直出任其總裁。曾先生負責決定本集團的整體業務戰略及規劃，作出投資決策以及決策整體業務的管理方向。在本集團成立前，曾先生於1981年至1990年曾在興寧市及梅州市政府部門工作。自1991年，曾先生任職於深圳石化工業集團股份有限公司。於1993年3月至2002年3月期間，曾先生擔任深圳財潤房地產開發有限公司(一間於中國成立的公可，主要從事貿易及房地產開發業務)的董事。於2000年9月，曾先生成立鴻隆深圳。目前，彼亦是廣東省梅州市政協理事以及梅州市海外聯誼會副會長。於2004年，曾先生獲授予發展興寧經濟「突出貢獻者」的稱號。曾先生擁有超過16年豐富的物業開發和管理經驗。彼為本公司控股股東Grand Prosperity公司(「Grand Prosperity」)之董事。曾先生與本公司訂立為期三年的服務合約，自2007年2月22日生效，惟彼須根據本公司組織章程於應屆股東週年大會上輪席退任及獲膺選連任(如合資格)。曾先生為本公司執行董事曾勝之父親。

張奕炎先生，58歲，本公司副主席，聯席總裁兼執行董事，張先生為經濟學研究生畢業，正高級會計師職稱，1994年取得中華人民共和國註冊會計師資格。1970年至1979年在廣東興寧農機二廠任車間主任、業務主管及廠長職務。1979年至1989年在廣東興寧財政局先後任企業財務股股長、副局長及局長。自1989年在深圳市財政局先後任深圳市稅收財務大檢查辦公室副主任、財政局局長助理兼辦公室主任、綜合處長、會計處長。2001年開始任局機關黨委書記、黨組成員、紀檢組長，分管財政監督檢查工作等。

DIRECTORS (CONT'D)

Mr. Zhang has entered into a service contract with the company which provides for a period of 3 years, commencing from 6 October 2008. According to the articles of association of the company, Mr. Zhang shall hold office until the forthcoming annual general meeting but subject to retirement by rotation, being eligible, for re-election in accordance with the company's articles of association.

Dr. Han Qinchun, aged 51, is the vice chairman, co-president of the company and an executive director. Dr. Han joined the group in early 2006. Dr. Han is mainly responsible for determining the overall planning and development strategy together with Mr. Zeng Yunshu. Dr. Han is also responsible for the investment, financing and project planning of the group. Dr. Han has over 21 years experience in the PRC property sector, including architectural planning and design, real estate development and management and corporate finance. He was heavily involved in management activities including investment evaluation and implementation, project development and leasing for Shanghai Square, Shanghai Gateway Plaza and Shenzhen Shun Hing Di Wang Plaza. From 2001 to 2006, Dr. Han was engaged in investment banking and securities businesses with several investment banks in Hong Kong. Dr. Han graduated from the Department of Architecture of Xi'an University of Architecture and Technology (西安建築科技大學) with a bachelor degree in architectural planning and design. In 1999, Dr. Han obtained a doctorate degree of philosophy in Real Estate Economic and Management from The University of Hong Kong, and he obtained the professional qualification of a registered real estate appraiser in the PRC in 1997. Dr. Han has entered into a service contract with the company for a term of 3 years, commencing from the 22 February 2007 but subject to retirement by rotation and, being eligible, re-election in accordance with the company's articles of association.

董事(續)

張先生已與本公司訂立為期三年的服務合約，自2008年10月6日生效。根據本公司組織章程，張先生的任期至本公司應屆股東週年大會止，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

韓秦春博士，51歲，現為本公司副主席，聯席總裁兼執行董事。韓博士於2006年年初加入本集團。韓博士與曾雲樞先生一起主要負責作出總體規劃和發展策略的決定。韓博士同時負責本集團投資、融資和專案規劃決策等。韓博士在中國房地產領域擁有逾21年經驗，當中包括建築規劃設計、房地產開發及管理、企業融資等領域。彼曾積極參與管理活動，包括投資評估及實施、項目開發及租賃上海廣場、上海嘉匯廣場及深圳信興地王大廈。韓博士從2001年至2006年先後在香港多家投資銀行從事投資銀行和證券業務工作。韓博士於西安建築科技大學建築系獲建築規劃設計專業學士學位。於1999年，韓博士獲香港大學房地產經濟及管理博士學位，另於1997年獲取得中國註冊房地產估價師專業資格。韓博士與本公司訂立為期三年的服務合約，自2007年2月22日生效，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

DIRECTORS (CONT'D)

Mr. Zeng Sheng, aged 29, is vice chairman, co-president and an executive director of the company. Mr. Zeng joined the group in 2001. He is responsible for marketing and participating in overall planning of the group's businesses. Mr. Zeng graduated from Shenzhen University in 2001 with a degree majoring in information engineering. Mr. Zeng was appointed the general manager of Shenzhen Hong Long Commercial Management Company Limited in 2002. In October 2003, Mr. Zeng completed the EMBA course in Ling Nan College of Zhongshan University. Currently, Mr. Zeng is a council member (理事) of Shenzhen Chamber of International Commerce. Mr. Zeng is the son of Mr. Zeng Yunshu. He is a director of Grand Prosperity. Mr. Zeng has entered into a service contract with the company for a term of 3 years, commencing from 22 February 2007 but subject to retirement by rotation and, being eligible, re-election in the forthcoming annual general meeting in accordance with the company's articles of association.

Ms. Ye Qingdong, aged 42, is vice president and an executive director of the company. Ms. Ye is also the general manager of Hong Long Shenzhen. She joined the group in 2001. She possesses an engineer qualification and is responsible for overseeing the group's properties development and operation. Ms. Ye graduated from Xinjiang Engineering Institute (新疆工學院) in 1988 with a degree in engineering majoring in industrial and civil architecture. Ms. Ye also completed the Executive MBA Program of Shanghai University of Finance and Economic in 2007. Ms. Ye has over 12 years of experience in architecture and structural design, project assessment as well as development. Before joining the group, Ms. Ye had worked in 新疆自治區紡織設計院 (Xinjiang Textile Design College) and 中糧地產(集團)股份有限公司 (COFCO Property (Group) Joint Stock Company Limited), a company, whose shares are listed on Shenzhen Stock Exchange. Ms. Ye was named "2003年深圳50佳地產高級經理人" (The best 50 Senior Manager of Shenzhen Property for Year 2003) in 2003. Ms. Ye has entered into a service contract with the company for a term of 3 years, commencing from 22 February 2007 but subject to retirement by rotation and, being eligible, re-election in accordance with the company's articles of association.

董事(續)

曾勝先生，29歲，現為本公司副主席，聯席總裁，執行董事。曾先生於2001年加入本集團，負責市務和參與本集團業務的整體規劃。曾先生於2001年畢業於深圳大學，取得信息工程學位。於2002年獲委任為深圳鴻隆商業管理有限公司的總經理。於2003年10月，曾先生完成修讀中山大學嶺南學院行政工商管理碩士課程。目前，曾先生為深圳國際商會理事。曾先生為曾雲樞先生的兒子。彼為Grand Prosperity之董事。曾先生與本公司訂立為期三年的服務合約，自2007年2月22日生效，惟須根據本公司組織章程於應屆股東週年大會上輪席退任及獲膺選連任(如合資格)。

葉慶東女士，42歲，現為本公司副總裁兼執行董事，葉女士亦為鴻隆深圳總經理。彼於2001年加入本集團。彼擁有工程師的資格並負責監管本集團的房地產開發和經營。葉女士於1988年畢業於新疆工學院，考獲主修工業及土木建築的工程學士學位。葉女士亦於2007年在上海財經大學，考獲高級人員工商管理碩士學位。葉女士於建築及結構設計、項目評估及開發等領域，擁有逾12年經驗。在加入本集團之前，葉女士曾任職於新疆自治區紡織設計院及中糧地產(集團)股份有限公司(該公司的股份於深圳證券交易所上市)。葉女士於2003年獲譽為「2003年深圳五十佳地產高級經理人」。葉女士與本公司訂立為期三年的服務合約，自2007年2月22日生效，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

DIRECTORS (CONT'D)

Mr. Ouyang Junxin, aged 39, is an executive director of the company. Mr. Ouyang joined the group in 2000 and is responsible for the corporate finance and overall financial matters of the group. Mr. Ouyang graduated from 鄭州市黃河科技大學商貿學院 (the Business and Trade School of Huanghe Science and Technology University in Zhengzhou City) in 1993 specialising in industrial economic management. Mr. Ouyang was a finance manager of Shenzhen Baoan Fu Xing Industry Development Company (later renamed as “Shenzhen Cairun Property Development Company Limited” (深圳市財潤房地產開發有限公司)) from 1993 to 1996. He has more than 11 years experience in finance and accounting management. Mr. Ouyang has entered into a service contract with the company for a term of 3 years, commencing from 22 February 2007 but subject to retirement by rotation and, being eligible, re-election in accordance with the company’s articles of association.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Li Jun, aged 47, joined the company in January 2007 as an independent non-executive director, the chairman of the remuneration committee and the member of the audit committee and the nomination committee, respectively. Dr. Li has extensive experience in enterprise management and investment risk control. Dr. Li is currently a non-executive director of Global Flex Holdings Limited (Stock Code: 471) and an independent non-executive director of Zhejiang Glass Company, Limited (Stock Code: 739) respectively, he resigned an executive director of Superb Summit International Timber Company Limited (Stock Code: 1228) on 10 February 2009, all of the companies are listed on the Hong Kong Stock Exchange. Dr. Li has entered into a service contract with the company until the forthcoming annual general meeting but subject to retirement by rotation and, being eligible, re-election in accordance with the company’s articles of association.

Mr. Cheung Ngai Lam, aged 40, joined the company in January 2007 as an independent non-executive director, the chairman of audit committee, a member of the remuneration committee and nomination committee. Mr. Cheung is a member of the American Institute of Certified Public Accountants and CPA Australia. Mr. Cheung obtained a Bachelor Degree in Social Sciences from the University of Hong Kong in 1991, a Master of Accounting Degree from Curtin University of Technology, Perth, Australia in 1997 and a Master of Science (Investment Management) Degree in Finance from the Hong Kong University of Science and Technology

董事(續)

歐陽俊新先生，39歲，現為本公司執行董事。歐陽先生於2000年加入本集團，負責本集團企業融資及整體財務事宜。歐陽先生於1993年畢業於鄭州市黃河科技大學商貿學院，主修工業經濟管理。歐陽先生由1993年至1996年於深圳市寶安富興實業發展公司(後更名為深圳市財潤房地產開發有限公司)任職財務經理。彼於金融及會計管理擁有逾11年的工作經驗。歐陽先生與本公司訂立為期三年的服務合約，自2007年2月22日生效，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

獨立非執行董事

李珺博士，47歲，於2007年1月加入本公司，任獨立非執行董事和薪酬委員會主席及審核委員會及提名委員會之成員。李博士於企業管理及投資風險控制方面擁有豐富經驗。李博士現分別為佳邦環球控股有限公司(股份編號：471)的非執行董事及浙江玻璃股份有限公司(股份編號：739)的獨立非執行董事，於2009年2月10日辭任奇峰國際木業有限公司(股份編號：1228)的執行董事，上述公司均在香港聯交所上市。李博士與本公司訂立服務合約至應屆股東週年大會止，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

張毅林先生，40歲，於2007年1月加入本公司，任獨立非執行董事，審核委員會主席，薪酬委員會及提名委員會會員。張先生為美國執業會計師公會會員及澳大利亞會計師公會成員。張先生於1991年獲香港大學頒授社科學士，1997年獲澳大利亞柏斯科廷科技大學頒授會計碩士，及2001年獲香港科技大學頒授理學碩士(投資管理學)。從2008年7月4日至今，他為香港上市公司奮發國際控股有限公司(股份

DIRECTORS (CONT'D)

in 2001. He is an independent non-executive director of Benefun International Holdings Limited (Stock Code: 1130), a Hong Kong listed company, since 4 July 2008. He was an independent non-executive director of Mascotte Holdings Limited (Stock Code: 136), a Hong Kong listed company, during the period from 9 March 2005 to 7 April 2008. Mr. Cheung currently works as the Corporate Development Director for Profound Heavy Industrial Limited before that he was engaged by Norstar Automobile Industrial Holding Limited. Mr. Cheung has extensive experience in accounting and capital markets; he served at Deloitte Touche from 1991 to 1994, and he was the Vice President and Executive Vice President of Daiwa Securities and Japan Asia Securities from 1994 to 2002 and 2002 to 2005 respectively. Mr. Cheung also worked as the Corporate Finance Director of Grant Thornton from 2005 to 2008. Mr. Cheung has entered into a service contract with the company until the forthcoming annual general meeting but subject to retirement by rotation and, eligible for re-election in accordance with the company's articles of association.

Mr. Wang Fosong, aged 76, is an independent non-executive director, member of the audit committee and the chairman of the nomination committee. He is an academician of the Chinese Academy of Sciences and academician of the Third World Academy of Sciences. He acted as director of Changchun Institute of Applied Chemistry of Chinese Academy of Sciences, vice director of the Chinese Academy of Sciences, member of Presidium of the Chinese Academy of Sciences Academic Divisions, chairman of Chemistry Division, vice chairman of China Petroleum Society, vice chairman of Chinese Material Research Society. He is currently the chief of the High Polymer Science Committee of China Chemical Society, vice chairman of China Association of Senior Scientists and Technicians and vice chairman of China International Culture Exchange Centre. Mr. Wang was a member of the 7th Chinese People's Political Consultative Conference, a member of the 8th and 9th National People's Congress Standing Committee and the National People's Congress Foreign Affairs Committee. He was awarded with the National Scientific and Technological Progress Special Prize, National Natural Science Award, International Award of the Society of High Polymer Science, Japan and Science and Technology Advancement Award of Ho Leung Ho Lee Foundation. Mr. Wang has been an independent chairman of a company which was listed in the main board of Singapore Stock Exchange in November 2005. The company has ceased the listing status after acquisition by investor in April 2007.

董事(續)

編號：1130)之獨立非執行董事。彼於2005年3月9日至2008年4月7日期間曾任香港上市公司馬斯葛集團有限公司(股份編號：136)之獨立非執行董事。張先生現為偉業重工有限公司企業發展部總監，在此前任職於北泰汽車工業控股有限公司。張先生於會計及資本市場方面累積了豐富經驗。張先生曾於1991年至1994年在德勤會計師事務所任職；於1994年至2002年和2002年至2005年期間分別擔任日資大和證券和日亞證券之副總裁和執行副總裁。張先生亦曾於2005年至2008年期間任均富會計行之企業融資部總監。張先生與本公司訂立服務合約至應屆股東週年大會止，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

王佛松先生，76歲，本公司獨立非執行董事，審核委員會成員及提名委員會主席。王先生為中國科學院院士，發展中國家科學院院士。歷任中國科學院長春應用化學研究所所長，中國科學院副院長，中國科學院學部主席團成員，化學學部主任，中國石油學會副理事長，中國材料研究會副理事長。現任中國化學會高分子學科委員會主任委員，中國老科技工作者協會副理事長，中國國際文化交流中心副理事長。王先生是第七屆全國政協委員，第八屆及第九屆全國人大常務委員會委員，全國人大外事委員會委員。曾獲國家科技進步特等獎，國家自然科學獎，日本高分子學會國際獎及何梁何利科學技術進步獎等獎項。王先生曾擔任一家公司之獨立主席，該公司於2005年11月在星加坡交易所主板上市。此公司隨著被投資者收購後於2007年4月取消上市地位。

DIRECTORS (CONT'D)

Mr. Wang has entered into a service contract with the company which provides for an initial period of 1 year, commencing from 6 October 2008. According to the articles of association of the company, Mr. Wang shall hold office until the forthcoming annual general meeting but subject to retirement by rotation and eligible for re-election in accordance with the company's articles of association.

SENIOR MANAGEMENT

Mr. Chu Kin Wang, Peleus, aged 44, joined the company in 2006 and is the company secretary of the company. Mr. Chu has over 20 years experience in corporate finance, audit, accounting and taxation. He is the company secretary of the company responsible for corporate finance, financial reporting and compliance and company secretarial matters of the group. Mr. Chu graduated from The University of Hong Kong with a Master Degree in Business Administration. Mr. Chu is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also an associate member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.

Ms. Wei Haiyan, aged 33, is the group's deputy chief executive and the deputy general manager of Hong Long Shenzhen. Ms. Wei has completed all the courses in the master of digital management programme at the CIMS Engineering Technology Research Centre, Tsinghua University. Ms. Wei is mainly responsible for the administration and human resources of the group. She graduated from the International Finance Department of Shenzhen University in 1993, majoring in International Finance. She has over 11 years experience in management. Ms. Wei is a committee member of the People's Political Consultative Committee of Meizhou, Guangdong Province.

董事(續)

王先生已與本公司訂立初步為期一年的服務合約，自2008年10月6日生效。根據本公司組織章程，王先生的任期至本公司應屆股東週年大會止，惟須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

高級管理人員

朱健宏先生，44歲，於2006年加盟本公司，並為本公司之公司秘書。朱先生於企業財務、審核、會計及稅務方面擁有逾20年經驗。彼為本公司公司秘書，負責本集團的企業財務、財務申報及合規及公司秘書事宜。朱先生畢業於香港大學，獲頒工商管理碩士學位。朱先生為香港會計師公會及特許公認會計師公會資深會員，亦是英國特許秘書及管理人員公會及香港公司秘書公會會員。

魏海燕女士，33歲，現任本集團副總裁及鴻隆深圳副總經理。魏女士完成清華大學國家CIMS工程技術研究中心信息化管理研究生全部課程。魏女士主要負責本集團行政、人事方面的管理工作。彼於1993年在深圳大學國際金融系畢業，主修國際財務。魏女士在管理方面擁有逾11年的工作經驗。魏女士為廣東省梅州市政協委員。

SENIOR MANAGEMENT (CONT'D)

Ms. Zhong Lili, aged 48, joined the group at the end of 2001 and is currently deputy chief executive of the group and deputy general manager of Hong Long Shenzhen. She is responsible for the overall legal affairs of the group. Ms. Zhong graduated from the Southwest University of Political Science and Law (西南政法大學) and obtained a Bachelor Degree in Law in 1984. Ms. Zhong worked at the Policy Research Office of the Department of Justice of Sichuan Province (四川省司法廳政策研究室) in 1984 and she was appointed as a lecturer of the Law School at the Southwest China Institute for Nationalities (西南民族學院) in 1991. Ms. Zhong worked as a legal adviser to a company listed on Shenzhen Stock Exchange in 1998 and was appointed as a legal consultant in a state-owned enterprise in 1999. Ms. Zhong has extensive knowledge in PRC legal affairs and approximately 21 years in law practice.

Mr. Xie Xinhao, aged 54, joined the group in 2003 and is deputy chief executive of the group and financial controller of Hong Long Shenzhen. He is responsible for the financial affairs of the group. Mr. Xie has many years of experience in finance and accounting practice and in real estate development and management in the PRC. Before joining the group in 2003, Mr. Xie had worked in a state-owned enterprise and a property developing company.

Mr. Li Hansheng, aged 56, joined the group in 2004. He is currently deputy chief executive of the group and general manager of Huizhou Yintaida Company Limited ("Huizhou Yintaida"), an operating subsidiary under HongLong Shenzhen. He is responsible for the overall development matters of Huizhou Yintaida. Mr. Li graduated from the Central China Normal University (華中師範大學) and worked in Shenzhen Property Trading Centre (深圳市房地產交易中心) in 1994. In 2004, Mr. Li joined Hong Long Shenzhen which appointed him as the general manager of Huizhou Yintaida. Mr. Li has many years experience in the sale of real estate in Shenzhen.

Mr. Xu Jianyi, aged 54, joined the group in 2007. He is currently deputy chief executive of the group and general manager of the Investment Development Centre of the group, and is responsible for the investment and planning affairs in the real estate development projects of the group. Mr. Xu positioned in a Hong Kong listed company engaging in real estate development from 1995 to 2003, and was responsible for the acquisition, development and management work. Mr. Xu has over 11 years experience in real estate development and management.

高級管理人員 (續)

仲力立女士，48歲，於2001年底加入本集團，現任本集團副總裁及鴻隆深圳副總經理。彼負責本集團的整體法律事務。仲女士於1984年畢業於西南政法大學，獲授法學學士學位。1984年，彼於四川省司法廳政策研究室工作，1991年調任西南民族學院法學院任講師。於1998年，仲女士擔任一家於深圳證券交易所上市公司的法律顧問，並於1999年獲委任為一間國有企業的法律顧問。仲女士擁有廣泛中國法律事務知識及約21年的實務經驗。

謝新浩先生，54歲，於2003年加入本集團，現任本集團副總裁及鴻隆深圳財務總監。彼負責本集團的財務工作。謝先生於金融及會計執業方面以及中國房地產開發及管理方面擁有多年經驗。於2003年加入本集團前，謝先生曾受聘於一家國有企業及一家房地產開發公司。

李漢生先生，56歲，於2004年加入本集團，現任本集團副總裁並於惠州銀泰達實業有限公司(「惠州銀泰達」)，鴻隆深圳旗下經營附屬公司任總經理。彼負責惠州銀泰達的整體開發工作。李先生畢業於華中師範大學，於1994年在深圳市房地產交易中心工作。於2004年，李先生加入鴻隆深圳，被公司派駐擔任惠州銀泰達總經理職務。李先生於深圳房地產銷售領域擁有多年經驗。

徐建義先生，54歲，於2007年加入本集團，現為本集團副總裁及集團投資開發中心總經理並負責本集團房地產項目投資及策劃事務。徐先生於1995年至2003年在另外一家香港上市的房地產公司任職，負責收購、開發及管理等等事務。徐先生於房地產開發行業及管理擁有逾11多年的經驗。

SENIOR MANAGEMENT (CONT'D)

Mr. Cao Yongfeng, aged 35, joined the group in 2003. He was the deputy chief controller of the construction division of Hong Long Shenzhen and is responsible for overseeing the construction works of the group's property development projects. Mr. Cao has been appointed general manager of Zhajiakun Century Way Real Estate Development Company Limited, a wholly-owned subsidiary of the group in November 2007. He was technical supervisor for a large construction engineering company from 1997 to 2000. He has over 9 years experience in property development. Mr. Cao graduated from the School of Architecture of Chang Sha Railway University (長沙鐵道學院) in 1997.

Mr. Chen Liangman, aged 42, joined the group in 2002. He is the group's sales director and is responsible for the overall sales affairs of the group. Mr. Chen graduated from Jiangsu Chemical Engineering College (江蘇化工學院) in 1990. In 1997, Mr. Chen was an officer of the trading department in Zhonglian Properties Company (中聯房地產公司) and a sales manager in Jinghetian Industrial Company (景河田實業公司), both companies are located in Shenzhen. Mr. Chen joined the group in 2002 as sales manager.

高級管理人員(續)

曹永峰先生，35歲，於2003年加入本集團，曾擔任鴻隆深圳的工程部副總監並現負責監管本集團物業開發項目的建築工程管理工作。曹先生於2007年11月被委任為張家口中惠房地產開發有限公司，本集團一間全資附屬公司的總經理。彼於1997年至2000年期間在一家大型建設工程公司擔任技術主管。彼於物業開發行業擁有逾9年經驗。曹先生於1997年畢業於長沙鐵道學院建築工程專業。

陳良滿先生，42歲，於2002年加入本集團。彼為本集團的銷售總監，負責本集團的整體銷售事務。於1990年，陳先生於江蘇化工學院畢業。於1997年，陳先生擔任中聯房地產公司及景河田實業公司的交易部主任。該兩間公司均位於深圳市。陳先生於2002年加入本集團擔任銷售經理。

The board of directors (the "Board") are pleased to present their annual report and the audited consolidated financial statements of the company and its subsidiaries (collectively referred to as the "group") for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The company acts as an investment holding company. The principal activities of its subsidiaries as at 31 December 2008 are set out in note 16 to the financial statements.

CORPORATE REORGANISATION

Pursuant to a group reorganisation scheme to rationalise the structure of the group in preparation for the public listing of the company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the shares of the company were listed on the Main Board of the Stock Exchange on 22 February 2007 (the "Listing Date").

Details of the group reorganisation are fully explained in the paragraph headed "Corporate Reorganisation" in Appendix VII to the prospectus of the company dated 8 February 2007 (the "Prospectus").

RESULTS AND DIVIDEND

The results of the group for the year are set out in the consolidated income statement on page 58.

The directors do not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: Nil).

SHARE CAPITAL

Details of the movements in the issued share capital of the company during the year are set out in note 31 to the financial statements.

董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱為「本集團」)截至2008年12月31日止年度的年報及經審核綜合財務報表。

主要業務及附屬公司

本公司為投資控股公司。於2008年12月31日，其附屬公司之主要業務載於財務報表附註16。

企業重組

為籌備本公司股份在香港聯合交易所有限公司(「聯交所」)公開上市，本集團據此曾進行集團重組計劃，以優化本集團的架構，本公司股份於2007年2月22日(「上市日期」)在聯交所主板上市。

集團重組詳情在本公司於2007年2月8日刊發的招股章程(「招股章程」)附錄七「公司重組」一段詳述。

業績及股息

本集團於本年度之業績載於第58頁之綜合損益表。

董事並不建議派發截至2008年12月31日止年度的末期股息(2007年：無)。

股本

本公司年內已發行股本變動詳情載於財務報表附註31。

RESERVES

Profit attributable to equity shareholders of the company, before dividends, of approximately RMB3,546,000 (2007: RMB250,685,000) have been transferred to reserves. Details of the movements in the reserves of the group and the company during the year are set out in note 31 to the financial statements.

DONATIONS

Charitable donations made by the group during the year amounted to RMB430,000.

INVESTMENT PROPERTIES

Details of the investment properties of the group during the year are set out in note 17 to the financial statements.

PROPERTIES, PLANT AND EQUIPMENT

Details of the movement in properties, plant and equipment of the group and the company during the year are set out in note 15 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the group's largest customer and the five largest customers taken together accounted for 10.0% and 24.0% of the aggregate of the group's total turnover for the year.

During the year, the aggregate purchases attributable to the group's largest supplier and the five largest suppliers taken together accounted for 20.0% and 26.8% of the group's total purchases for the year.

None of the directors, their respective associates or, so far as the directors are aware, any shareholder who owns more than 5% of the issued share capital of the company has any interest in any of the said top five customers and suppliers of the group for the year.

儲備

本公司權益股東應佔溢利(未扣除股息)約人民幣3,546,000元(2007年:人民幣250,685,000元)已轉撥至儲備。本集團及本公司年內儲備變動的詳情載於財務報表附註31。

捐款

本集團年內作出之慈善捐款為人民幣430,000元。

投資物業

本集團於年內的投資物業詳情載於財務報表附註17。

物業、機器及設備

本集團及本公司於年內的物業、機器及設備詳情載於財務報表附註15。

主要客戶及供應商

年內,本集團最大客戶及五大客戶之總銷售額分別佔本集團本年度總營業額的10.0%及24.0%。

年內,本集團最大供應商及五大供應商之總採購額分別佔本集團本年度總採購的20.0%及26.8%。

概無董事、彼等各自之聯繫人、或就董事所知擁有本公司已發行股本5%之任何股東於年內擁有本集團上述任何五大客戶及供應商的權益。

DIRECTORS

The directors who held office during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. ZENG Yunshu *(Chairman and President)*
Mr. ZHANG Yiyun *(appointed on 6 October 2008)*
Dr. HAN Qinchun
Mr. ZENG Sheng
Ms. YE Qingdong
Mr. OUYANG Junxin

NON-EXECUTIVE DIRECTORS:

Mr. ZHANG Huaqiao *(resigned on 26 September 2008)*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. LI Jun
Mr. CHEUNG Ngai Lam
Mr. WANG Fosong *(appointed on 6 October 2008)*
Ms. LIN Wei Fang *(resigned on 6 October 2008)*

BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the current directors are set out on page 21 to page 26 of this annual report.

DIRECTORS' SERVICE CONTRACTS AND ROTATION

Each of the executive directors has entered into a service contract with the company for a term of 3 years commencing from the Listing Date or their respective dates of appointment. Each service contract will continue thereafter until terminated by not less than six months' notice in writing served by either party. Each of the independent non-executive directors has been appointed to hold the office until the end of the forthcoming general meeting. In addition, the appointment of each of directors is subject to retirement by rotation and, being eligible, offer themselves for re-election in accordance with the company's articles of association.

董事

本公司年內及截至本報告日期之在任董事如下：

執行董事：

曾雲樞先生 *(主席兼總裁)*
張奕炎先生 *(於2008年10月6日獲委任)*
韓秦春博士
曾勝先生
葉慶東女士
歐陽俊新先生

非執行董事：

張化橋先生 *(於2008年9月26日辭任)*

獨立非執行董事：

李珺博士
張毅林先生
王佛松先生 *(於2008年10月6日獲委任)*
林偉芳女士 *(於2008年10月6日辭任)*

董事履歷

現任董事履歷詳情載於本年報第21至26頁。

董事之服務合約及輪席

各執行董事與本公司訂立為期三年的服務合約，自上市日期或彼等各自之委任日期起生效。各服務合約將一直生效，直至任何一方發出最少六個月書面通知終止為止。各獨立非執行董事的任期至應屆股東週年大會結束為止。此外，各董事之委任須根據本公司組織章程輪席退任及獲膺選連任(如合資格)。

DIRECTORS' SERVICE CONTRACTS AND ROTATION (CONT'D)

In accordance with the provisions of the company's articles of association, Mr. Zeng Yunshu, Mr. Zhang Yiyan, Dr. Han Qinchun, Mr. Zeng Sheng, Dr. Li Jun, Mr. Cheung Ngai Lam and Mr. Wang Fosong, will retire from the Board at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

Other than disclosed above, none of the directors has entered or has proposed to enter into any service contract with the company or any of its subsidiaries which is not expiring or determinable by the employing company within one year without payment of compensation other than statutory compensation.

DIRECTORS' EMOLUMENTS

Details of directors' emoluments on a named basis are set out in note 10 to financial statements.

ANNUAL CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The company had received written confirmation from each of the independent non-executive directors of their independence pursuant to rule 3.13 of the rules governing the listing of securities on the Stock Exchange (the "Listing Rules") and both the Board and the nomination committee considered all independent non-executive directors are independent.

董事之服務合約及輪席(續)

根據本公司組織章程規定，曾雲樞先生、張奕炎先生、韓秦春博士、曾勝先生、李珺博士、張毅林先生及王佛松先生須於應屆股東週年大會退任，惟彼等符合資格並願意重選。

除上述所披露者外，概無董事已或擬與本公司或任何其附屬公司訂立不可於一年內不支付賠償(法定賠償除外)則終止之服務合約。

董事袍金

按姓名分類之董事袍金詳情載於財務報表附註10。

獨立非執行董事之年度確認書

本公司已收到各位獨立非執行董事有關彼等根據聯交所證券上市規則(「上市規則」)第3.13條發出的年度獨立的書面確認書，而董事會及提名委員會均認為所有獨立非執行董事均具獨立性。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2008, the interests of the directors in the shares, underlying shares and debentures of the company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") as recorded in the register required to be kept by the company under section 352 of the SFO or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers (the "Model Code") were as follows:

LONG POSITION IN THE SHARES OF THE COMPANY

於本公司股份之好倉

Name of Director	董事姓名	Number of shares			Number of underlying shares held under equity derivatives	Total	Percentage of aggregate interests to total number of shares in issue* 佔已發行股份總數之百分比*
		Personal interests	Family interests	Corporate interests			
		個人權益	家族權益	公司權益	按股本衍生工具持有相關股份之數目	總計	%
Mr. Zeng Yunshu	曾雲樞先生	2,426,000 ¹	-	-	-	2,426,000	0.23
Dr. Han Qinchun	韓秦春博士	9,908,000 ¹	-	-	-	9,908,000	0.95
Mr. Zeng Sheng	曾勝先生	380,000 ¹	-	582,320,000 ²	-	582,700,000	56.02
Ms. Ye Qingdong	葉慶東女士	102,000 ¹	-	-	5,000,000 ³	5,102,000	0.49
Mr. Ouyang Junxin	歐陽俊新先生	104,000 ¹	-	-	2,000,000 ³	2,104,000	0.20
Dr. Li Jun	李珺博士	-	-	-	1,000,000 ³	1,000,000	0.10
Mr. Cheung Ngai Lam	張毅林先生	-	-	-	1,000,000 ³	1,000,000	0.10

Notes:

- This represents interests held by the relevant director as beneficial owner.
- This represents interests held by Mr. Zeng Sheng through Grand Prosperity Limited ("Grand Prosperity"), which holds 582,320,000 shares of the company. Mr. Zeng Sheng has 80% interest in Grand Prosperity, he is therefore deemed to be interested in 582,320,000 shares of the company.

董事於股份、相關股份或債券中之權益

於2008年12月31日，董事於本公司或其任何相聯法團（按證券及期貨條例第XV部之涵義）（「相聯法團」）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須存置之登記冊所記錄或根據上市發行人董事進行證券交易之標準守則（「標準守則」）而另行知會本公司及聯交所之權益如下：

附註：

- 此指由相關董事作為實益擁有人持有之權益。
- 此指由曾勝先生透過Grand Prosperity Limited（「Grand Prosperity」）持有之權益，而Grand Prosperity持有582,320,000股本公司股份。曾勝先生擁有Grand Prosperity之80%權益，因而彼視為擁有582,320,000股本公司股份之權益。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES (CONT'D)

3. This represents interests in options held by the relevant director as a beneficial owner to subscribe for the relevant underlying shares granted by the company under the Pre-IPO Share Options or Shares Option Scheme, details of which are set out in the section headed Share Option.

* The percentage has been adjusted based on the total number of shares of the company in issue as at 31 December 2008 (i.e. 1,040,250,000 shares).

Save as disclosed above, as at 31 December 2008, none of the directors had any other interests or short positions in the shares, underlying shares or debentures of the company or any of its Associated Corporations which had been entered in the register kept by the company pursuant to Section 352 of the SFO or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the company or any of its subsidiaries or its holding companies was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事於股份、相關股份或債券中之權益(續)

3. 此指由相關董事作為實益擁有人持有之認股權權益，可認購根據首次公開發售前認股權或認股權計劃授予之相關股份，有關詳情載於「認股權」一節。

* 百分比已根據本公司於2008年12月31日已發行之股份總數(即1,040,250,000股)作出調整。

除上文所披露者外，於2008年12月31日，概無董事於本公司或其任何相聯法團之股份、相關股份或債券中擁有記入根據證券及期貨條例第352條所存置之登記冊或根據標準守則另行知會本公司及聯交所之任何其他權益或淡倉。

董事於重大合約的權益

本公司或任何其附屬公司或其控股公司概無訂立任何董事於其中直接或間接擁有重大權益而於年結日或年內任何時間仍然生效的重大合約。

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

In order to protect the group's interest in its current business activities, each of Grand Prosperity, Mr. Zeng Sheng and Mr. Zeng Yunshu has as covenantor entered into the deed of non-competition (the "Deed of Non-competition") dated 31 January 2007 in favour of the company, the details of which are set out in the section headed "Relationship with the Controlling Shareholders" of the Prospectus. Pursuant to the Deed of Non-competition, each of the covenantors has undertaken, subject to the terms therein, to the company (for itself and for the benefit of its subsidiaries) that it/he would not, and would procure that its/his associates and/or companies controlled by it/him (other than the group) would not, either on its/his own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or engaged in or acquire or hold an interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the group's business, those other businesses of the group as set out in the Prospectus, in Hong Kong, the PRC and any other country or jurisdiction to which the group markets or sells its products and/or in which any member of the group carries on business mentioned above from time to time. The company has received an annual declaration from each of Grand Prosperity, Mr. Zeng Sheng and Mr. Zeng Yunshu for its/his respective compliance with the undertakings under the Deed of Non-competition.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

As at 31 December 2008, the number of outstanding option shares granted by the company under the Pre IPO-Share Options and Share Option Scheme to the directors to subscribe for shares of the company, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code is set out in the section headed "Share Option" of this report below.

董事於競爭業務中的權益

為保障本集團目前業務活動中的利益，Grand Prosperity、曾勝先生及曾雲樞先生作為授約人，各自於2007年1月31日訂立以本公司為受益人的不競爭契約（「不競爭契約」），有關詳情載於招股章程之「與控股股東的關係」一節。根據不競爭契約，各授約人已向本公司（代表其本身及為其附屬公司的利益）承諾，在不競爭契約的條款規限下，其將不會和將促使其聯繫人士及／或其所控制的公司（除本集團外）不會（不論其本身或聯合或代表任何人士、商號或公司）直接或間接在香港、中國及任何其他本集團推廣或銷售其產品及／或本集團任何成員公司不時進行上述業務的國家或司法管轄區，直接或間接於任何參與或準備參與任何與本集團業務競爭或很大機會直接或間接與本集團業務競爭的任何業務中擁有權益、參與經營或取得或持有權益（於各種情況下，不論是作為股東、夥伴、代理或其他身份及不論為賺取盈利、回報或其他）。本公司已收到Grand Prosperity、曾勝先生及曾雲樞先生各自就已遵守不競爭契約下的承諾而發出的年度聲明。

董事購買股份及債券的權利

於2008年12月31日，按照證券及期貨條例第352條須存置之登記冊所記錄或根據標準守則另行向本公司及聯交所知會，本公司根據首次公開發售前認股權及認股權計劃授予可認購本公司股份之尚未行使認股權數目載於本報告下文「認股權」一節。

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES (CONT'D)

Apart from the aforesaid, at no time during the year was the company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2008, the interests of those persons (other than the directors) in the shares of the company as recorded in the register required to be kept by the company under Section 336 of the SFO were as follows:

董事購買股份及債券的權利(續)

除上述外，年內本公司、其附屬公司、其同系附屬公司或其控股公司概無訂立任何安排，致使董事可透過購買本公司股份或任何其他法團之股份而獲益。

主要股東於本公司股本之權益

於2008年12月31日，於本公司股份擁有根據證券及期貨條例第336條本公司須存置之登記冊所記錄之權益之該等人士(董事除外)如下：

Name 名稱	Capacity in which shares were held 於所持有股份之身份	Number of shares 股份數目	Number of underlying shares held under equity derivatives 按股本衍生 工具持有相關 股份之數目	Percentage of shares to total number of shares in issue % 股份佔已發行 股份總數 之百分比 %
Zeng Sheng ¹ 曾勝 ¹	Beneficial owner 實益擁有人	380,000	—	0.04%
	Interest of controlled corporation 受控公司權益	582,320,000	—	55.98%
Grand Prosperity ¹	Beneficial owner 實益擁有人	582,320,000	—	55.98%
Lehman Brothers Holdings Inc. ² ("LB HLD")	Interest of controlled corporation 受控公司權益	60,608,000	9,000,000	6.69%

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY (CONT'D)

Notes:

1. This represents (i) 582,320,000 shares held by Grand Prosperity which is owned as to 80% by Mr. Zeng Sheng and 20% by Mr. Zeng Yunshu, both of them are executive directors and (ii) 380,000 shares held by Mr. Zeng Sheng as beneficial owner.
 2. Lehman Brothers Commercial Corporation Asia Limited ("LBCCA"), which holds in total of 69,608,000 interests in the company as beneficial owner, is owned 50% interests by each of LBCCA Holdings I LLC ("LBCCA I") and LBCCA Holdings II LLC ("LBCCA II"). Both LBCCA I and LBCCA II themselves are wholly owned by LB HLD and accordingly, the shares in which LBCCA are shown to be interested are also included in the shares in which LB HLD is shown to be interested. The number of shares held and underlying shares held under equity derivatives has been adjusted based on the information from LB HLD.
- * The percentage has been adjusted based on the total number of shares of the company in issue as at 31 December 2008 (i.e. 1,040,250,000 shares).

Save as disclosed above, as at 31 December 2008, the company had not been notified of any interests and short positions in the shares and underlying shares of the company which had been recorded in the register required to be kept under section 336 of the SFO.

PUBLIC FLOAT

Based on the information that is publicly available to the company from the Listing Date and up to the date of this report and within the knowledge of the directors, there was sufficiency of public float of the company's securities as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the company's Articles of Association or the laws in the Cayman Islands.

主要股東於本公司股本之權益(續)

附註：

1. 此代表 (i) Grand Prosperity 持有之 582,320,000 股股份，而 Grand Prosperity 分別由曾勝先生及曾雲樞先生（均為執行董事）擁有 80% 及 20% 權益及 (ii) 曾勝先生作為實益擁有人持有之 380,000 股股份。
 2. Lehman Brothers Commercial Corporation Asia Limited ("LBCCA") (作為實益擁有人持有本公司共 69,608,000 權益) 由 LBCCA Holdings I LLC ("LBCCA I") 及 LBCCA Holdings II LLC ("LBCCA II") 各自擁有 50% 權益。LBCCA I 及 LBCCA II 本身均由 LB HLD 全資擁有，因此，LBCCA 所示擁有權益之股份亦計入 LB HLD 所示擁有權益之股份內。所持有之股份及根據股本衍生工具持有之相關股份之數目已按 LB HLD 提供之資料作出調整。
- * 百分比已根據本公司於 2008 年 12 月 31 日已發行之股份總數（即 1,040,250,000 股）作出調整。

除上文所披露者外，於 2008 年 12 月 31 日，本公司並無獲知會於本公司股份及相關股份中擁有根據證券及期貨條例第 336 條須存置之登記冊所記錄之任何權益及淡倉。

公眾持股量

根據由上市日期至本報告日期本公司所獲公開資料及就董事所知，本公司具有符合上市規則所規定本公司證券之充足公眾持股量。

優先權

本公司之公司組織章程或開曼群島法例並無有關優先權之條文。

SHARE OPTION

On 31 January 2007, in recognition of the contributions made by employees of the group towards its growth and success, an aggregate of 23,000,000 share options of the company (the "Pre-IPO Share Options") have been granted by the company to, and accepted by the relevant employees prior to listing of the company's share on the Stock Exchange. On the same day, a share option scheme (the "Share Option Scheme") was adopted by the shareholder's written resolution of the company.

The Listing Committee of Stock Exchange has granted the listing of, and permission to deal in the shares of the company which may fall to be issued pursuant to the exercise of the options which granted and/or may be granted under the Pre-IPO Share Options and/or Share Option Scheme, subsequently.

As at 31 December 2008, a total of 81,139,000 share options were outstanding which comprised 19,000,000 share options and 62,139,000 share options granted under the Pre-IPO Share Options and the Share Option Scheme respectively.

The following is a summary of the principal terms of the Pre-IPO Share Options and the Share Option Scheme:

(A) PRE-IPO SHARE OPTIONS

Purpose

Recognition of the contributions made by employees of the group towards its growth and success.

Exercise Period

Since 22 August 2007 to 21 February 2012 unless extended in writing by the Board (and approved by the independent non-executive directors) in its absolute discretion. Each of the Pre-IPO Share Options (to the extent not already exercised) shall lapse automatically at the end of such option period.

Exercise Price

HK\$0.60 per shares to be issued pursuant to the exercise of the Pre-IPO Share Options, representing a discount of 75% to the maximum IPO Offer Price as described in the Prospectus. The exercise price was determined in recognition of the contributions made to the group by the respective grantees of the Pre-IPO Share Options.

認股權

於2007年1月31日，為表彰本集團的僱員對其成長及成功所作出之貢獻，本公司於本公司股份在聯交所上市前向有關僱員授出合共23,000,000份本公司認股權（「首次公開發售前認股權」），並獲該等僱員接納。同日，根據本公司之股東書面決議案，本公司亦採納一項認股權計劃（「認股權計劃」）。

聯交所上市委員會已批准因根據首次公開發售前認股權及／或認股權計劃授出及／或可能授出之認股權獲行使而須予發行之本公司股份上市及買賣。

於2008年12月31日，共計81,139,000份認股權未獲行使，包括分別根據首次公開發售前認股權及認股權計劃授出之19,000,000份認股權及62,139,000份認股權。

以下乃首次公開發售前認股權及認股權計劃之主要條款之概要：

(A) 首次公開發售前認股權

目的

表彰本集團僱員對其成長及成功所作出之貢獻。

行使期

自2007年8月22日起 至2012年2月21日止，除非獲董事會全權酌情以書面方式延長（及獲獨立非執行董事批准）則作別論。每份未獲行使之首次公開發售前認股權將於該認股權期限結束時自動失效。

行使價

每股0.60港元因首次公開發售前認股權獲行使而將予發行之股份，較招股章程所述之最高首次公開發售價折讓75%。行使價乃就表彰首次公開發售前認股權之各自承授人對本集團作出之貢獻而釐定。

SHARE OPTION (CONT'D)

(A) PRE-IPO SHARE OPTIONS (CONT'D)

Other Conditions

- (1) The grant of the Pre-IPO Share Options is subject to the following additions conditions:
 - (a) the commencement of dealings in shares;
 - (b) any exercise of the Pre-IPO Share Options must be made in full and not in part;
 - (c) the Pre-IPO Share Options are personal to the relevant grantees and shall not be transferred or assigned, and shall constitute a term of the employment of the relevant grantees by the group;
 - (d) the grantees of the Pre-IPO Share Options shall adhere to any undertaking or restrictions that may be further imposed on them by the company, the Stock Exchange or the sponsor as described in the Prospectus; and
 - (e) any exercise of the Pre-IPO Share Options shall be further subject to any guidelines issued by the company from time to time in order to ensure full compliance with the Listing Rules.
- (2) The grantees shall not dispose of their respective shares issued pursuant to the exercise of the Pre-IPO Share Options granted to them in the following manner:
 - (a) in any number greater than 30% of all the shares of issued pursuant to the Pre-IPO Share Options granted to them within (2) two years from the Listing Date;
 - (b) in any number greater than 60% of all the Shares issued pursuant to the Pre-IPO Share Options granted to them within (3) three years from the Listing Date; and

認股權 (續)

(A) 首次公開發售前認股權 (續)

其他條件

- (1) 授出首次公開發售前認股權須受以下附加條件規限：
 - (a) 股份開始買賣；
 - (b) 首次公開發售前認股權必須全部而非部份予以行使；
 - (c) 首次公開發售前認股權屬有關承授人個人所有，不得轉讓或授讓，並構成本集團聘用有關承授人之一項條件；
 - (d) 首次公開發售前認股權之各承授人須遵循本公司、聯交所或招股章程所述之保薦人可能進一步對彼等施加之任何承諾或限制；及
 - (e) 首次公開發售前認股權之任何行使須受本公司不時所發出任何指引之進一步規限，以確保全面遵守上市規則之規定。
- (2) 承授人不得以下列方式出售彼等因行使獲授予之首次公開發售前認股權而發行之股份：
 - (a) 自上市日期起計兩年內，高於彼等獲授予根據首次公開發售前認股權而發行之所有股份30%之任何數目；
 - (b) 自上市日期起計三年內，高於彼等獲授予根據首次公開發售前認股權而發行之所有股份60%之任何數目；及

SHARE OPTION (CONT'D)

(A) PRE-IPO SHARE OPTIONS (CONT'D)

(c) all the shares issued pursuant to the Pre-IPO Share Options granted to them within (4) four years from the Listing Date.

(3) The Pre-IPO Share Options (if not already exercised) held by each individual grantee shall lapse automatically upon cessation of his/her employment with the group, regardless of how such cessation of employment arises.

(B) SHARE OPTION SCHEME

Purpose

Recognize and acknowledge the contributions that the grantees had made or may make to the group.

Participants

Eligible participants include:

- (a) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the group or a company in which the group holds an interest or a subsidiary of such company ("Affiliate");
- (b) the trustee of any trust the beneficiary of which or an discretionary trust the discretionary objects of which include any director, employee, consultant professional, customer, supplier, agent, partner or adviser of or contractor to the group or an Affiliate; or
- (c) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the group or an Affiliate.

認股權 (續)

(A) 首次公開發售前認股權 (續)

(c) 自上市日期起計四年內，彼等獲授予根據首次公開發售前認股權而發行之所有股份。

(3) 各個別承授人所持有之首次公開發售前認股權(倘並未行使)會於本集團終止聘用該承授人時失效(不論任何終止情況)。

(B) 認股權計劃

目的

表彰及感謝承授人過往或可能對本集團所作出之貢獻。

參與者

合資格參與者包括：

- (a) 本集團、本集團持有權益之公司或該公司附屬公司之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴或諮詢人或承建商(「聯屬人」)；
- (b) 任何信託受託人之受益人或任何全權信託之全權對象，包括本集團或聯屬人之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴、諮詢人或承建商；或
- (c) 本集團或聯屬人之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴、諮詢人或承辦商所實益擁有之公司。

SHARE OPTION (CONT'D)

(B) SHARE OPTION SCHEME (CONT'D)

Price of Shares

Determined by the Board and shall not be less than the higher of:

- (a) the nominal value of the share;
- (b) the closing price of (1) one share on the Stock Exchange at the offer date, which must be a trading day; and
- (c) the average closing price of the share on the Stock Exchange for the five business days immediately preceding the offer date.

Total number of Shares available for issue and the percentage of the issued shares capital that it represents as at the date of this annual report

104,025,000 Shares, being approximately 10% of the issued shares of the company.

Maximum entitlement of each participant

Not exceed 1% of the shares in issue in any 12-month period.

Period within which the securities must be taken up under the option

Subject to the discretion by the Board and, in the absence of which, from the date of acceptance to the earlier of the date on which such option lapses and 10 years from the date of offer.

Minimum period for which an option must be held before it can be exercised

Subject to the discretion by the Board.

Amount payable on acceptance

HK\$10.00 payable upon acceptance of the offer.

Period within which calls/loans must be made/repaid

Not applicable.

認股權(續)

(b) 認股權計劃(續)

股價

由董事會釐定，且不得低於以下之最高者：

- (a) 股份之面值；
- (b) 於發售日期(須為營業日)股份在聯交所之每股收市價；及
- (c) 緊接發售日期前五個營業日股份在聯交所之平均收市價。

可發行股份總數及於本年報日期佔已發行股份之百分比

104,025,000 股股份，佔本公司已發行股份約 10%。

每名參與者之最高配額

不超過於任何十二個月期間已發行股份之 1%。

根據認股權認購證券之期限

由董事會酌情釐定，而如並無釐定，由接納日期起至有關認股權失效之日及由授出日期起計滿十年(以較早發生者為準)。

認股權行使前必須持有之最短期限

由董事會酌情釐定。

接納時應付金額

於接納時應付港幣 10.00 元。

付款金額/貸款須作出/償還之期限

不適用。

SHARE OPTION (CONT'D)

(B) SHARE OPTION SCHEME (CONT'D)

Remaining life of the scheme

The scheme will be valid and effective until 31 January 2017, after which no further options will be granted but the provisions of the scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the scheme and remain unexercised immediately prior to 31 January 2017 shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the scheme.

Movements of the option shares, which were granted under the Pre-IPO Share Options, during the year ended 31 December 2008 are listed below in accordance with rule 17.07 of the Listing Rules:

Category	類別	As at 01.01.2008	During the year 年內			As at 31.12.2008	Exercise price 行使價 HK\$ 港元	Exercise period 行使期
			Granted 已授出	Exercised 已行使	Lapsed*/ cancelled 已失效*/ 已註銷			
Directors	董事							
Ms. Ye Qingdong	葉慶東女士	5,000,000	-	-	-	5,000,000	0.60 22.08.2007- 21.02.2012	
Mr. Ouyang Junxin	歐陽俊新先生	2,000,000	-	-	-	2,000,000	0.60 22.08.2007- 21.02.2012	
Continuous Contracts Employees	持續合約僱員	12,000,000	-	-	-	12,000,000	0.60 22.08.2007- 21.02.2012	
Total	總計	19,000,000	-	-	-	19,000,000		

Notes:

- The vesting period for all option granted is six months from the Listing Date.
- The exercise price of the shares options, representing a discount of 75% to the maximum IPO Offer Price as described in the Prospectus.

認股權 (續)

(B) 認股權計劃 (續)

該計劃之餘下年期

該計劃將生效及有效直至2017年1月31日，此後將不會授出任何認股權，但該計劃之條文於所有其他方面將維持十足效力及有效。於該計劃期內授出且於緊接2017年1月31日前仍未獲行使但符合上市規則條文之認股權，將可繼續根據彼等之授出條款予以行使，儘管該計劃之期限已屆滿。

於截至2008年12月31日止年度內，根據首次公开发售前認股權授出之認股權變動如下(乃根據上市規則第17.07條)：

附註：

- 所有已授出認股權之歸屬期為由上市日期起計六個月。
- 認股權之行使價較招股章程所述之最高首次公开发售價折讓75%。

SHARE OPTION (CONT'D)

(B) SHARE OPTION SCHEME (CONT'D)

Movements of the option shares, which were granted under the Share Option Scheme, during the year ended 31 December 2008 are listed below in accordance with rule 17.07 of the Listing Rules:

Category	類別	Date of grant 授出日期	As at 於 01.01.2008	During the year 年內			As at 於 31.12.2008	Exercise price 行使價 HK\$ 港元	Exercise period 行使期
				Granted 已授出	Exercised 已行使	Lapsed/ cancelled 已失效/ 已註銷			
Directors	董事								
Mr. Zhang Huaqiao ⁴	張化橋先生 ⁴	15.05.2007	7,000,000	-	-	(7,000,000)	-	1.84 15.11.2007-14.05.2017	
Dr. Li Jun	李珺博士	15.05.2007	1,000,000	-	-	-	1,000,000	1.84 15.11.2007-14.05.2017	
Mr. Cheung Ngai Lam	張毅林先生	15.05.2007	1,000,000	-	-	-	1,000,000	1.84 15.11.2007-14.05.2017	
Ms. Lin Wei Fang ⁵	林偉芳女士 ⁵	15.05.2007	1,000,000	-	-	(1,000,000)	-	1.84 15.11.2007-14.05.2017	
Continuous Contract Employees	持續合約僱員								
		15.05.2007	13,309,000	-	-	(170,000)	13,139,000	1.84 15.11.2007-14.05.2017	
		10.10.2007	1,000,000	-	-	-	1,000,000	2.99 10.04.2008-09.10.2017	
Consultants	顧問								
		15.05.2007	18,000,000	-	-	-	18,000,000	1.84 15.11.2007-14.05.2017	
		10.10.2007	5,000,000	-	-	(5,000,000)	-	2.99 10.04.2008-09.10.2017	
		10.10.2007 [#]	20,000,000	-	-	-	20,000,000	2.99 10.10.2008-09.10.2017	
		13.02.2008	-	8,000,000	-	-	8,000,000	1.70 13.08.2008-12.08.2018	
Total	總計		67,309,000	8,000,000	-	(13,170,000)	62,139,000		

Notes:

- The vesting period for all the options granted is six months from the date of acceptance of the offer, save as the one marked with "#", the vesting period is one year from the date of acceptance of the offer.
- The exercise price of the share options is subject to the adjustment in case of right or bonus issues, or other similar changes in the company's share capital.
- When the share options are lapsed or cancelled, the amount previously recognised in capital reserve will be transferred to retained profits.
- Mr. Zhang resigned as non-executive director of the company on 26 September 2008.
- Ms. Lin resigned as independent non-executive director of the company on 6 October 2008.

認股權 (續)

(B) 認股權計劃 (續)

於截至2008年12月31日止年度內，根據認股權計劃授出之認股權變動如下（乃根據上市規則第17.07條列）：

附註：

- 所有已授出認股權之歸屬期為由接納授出日期起計六個月，惟該認股權附註「#」記號，其歸屬期為由接納授出日期起計一年。
- 認股權之行使價將因應供股或發行紅股或本公司股本之其他類似變動而作出調整。
- 當認股權已失效或被註銷，早前於資本儲備確認為之數額將轉撥至保留溢利。
- 張先生於2008年9月26日辭任本公司非執行董事一職。
- 林女士於2008年10月6日辭任本公司獨立非執行董事一職。

SHARE OPTION (CONT'D)

(C) FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS

The estimate of the fair value of the share options granted is measured based on both the Black-Scholes pricing model and the binomial lattice model. The contractual life and expectations of early exercise of the share options were used as inputs into relevant models.

Fair value of share options and assumptions

Fair value at measurement date	於計量日期的公允值	HK\$0.78 0.78港元	HK\$0.47 0.47港元	HK\$0.64 0.64港元	HK\$0.54 0.54港元
Share price	股價	N/A 不適用	HK\$1.84 1.84港元	HK\$2.93 2.93港元	HK\$1.61 1.61港元
Exercise price	行使價	HK\$0.60 0.60港元	HK\$1.84 1.84港元	HK\$2.99 2.99港元	HK\$1.70 1.70港元
Expected volatility (expressed as weighted average volatility used in the models)	預期波幅(以該等模式中採用的加權平均波幅表示)	47.9%	48.9%	51.1%	56.2%
Option life (expressed as weighted average life used in the models)	認股權年期(以該等模式中採用的加權平均年期表示)	3 years 3年	3.25 years 3.25年	10 years 10年	10 years 10年
Expected dividends	預期股息	4.4%	3.4%	1.2%	0.0%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(以外匯基金票據計算)	4.0%	4.2%	4.3%	2.7%
Valuation model used	採用的估值模式	Black-Scholes 伯力克-舒爾斯	Black-Scholes 伯力克-舒爾斯	Binomial 二項式	Binomial 二項式

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

Share options were granted under a service condition. The condition has not been taken into account the fair value measurement of the services received on the grant date. There were no market conditions associated with the share options granted.

認股權(續)

(C) 認股權的公允值及假設

所授予認股權的公允值估計乃根據伯力克-舒爾斯定價模式及二項式點陣模式計量。認股權的合約年期及預期提早行使乃作為數據輸入有關模式。

認股權的公允值及假設

		Grant date 授出日期			
		31 January 2007 2007年1月31日	15 May 2007 2007年5月15日	10 October 2007 2007年10月10日	13 February 2008 2008年2月13日
Fair value at measurement date	於計量日期的公允值	HK\$0.78 0.78港元	HK\$0.47 0.47港元	HK\$0.64 0.64港元	HK\$0.54 0.54港元
Share price	股價	N/A 不適用	HK\$1.84 1.84港元	HK\$2.93 2.93港元	HK\$1.61 1.61港元
Exercise price	行使價	HK\$0.60 0.60港元	HK\$1.84 1.84港元	HK\$2.99 2.99港元	HK\$1.70 1.70港元
Expected volatility (expressed as weighted average volatility used in the models)	預期波幅(以該等模式中採用的加權平均波幅表示)	47.9%	48.9%	51.1%	56.2%
Option life (expressed as weighted average life used in the models)	認股權年期(以該等模式中採用的加權平均年期表示)	3 years 3年	3.25 years 3.25年	10 years 10年	10 years 10年
Expected dividends	預期股息	4.4%	3.4%	1.2%	0.0%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(以外匯基金票據計算)	4.0%	4.2%	4.3%	2.7%
Valuation model used	採用的估值模式	Black-Scholes 伯力克-舒爾斯	Black-Scholes 伯力克-舒爾斯	Binomial 二項式	Binomial 二項式

預期波幅乃根據歷史波幅(根據認股權的加權平均餘下年期計算), 並就根據公開可用的資料調整任何預期變動的未來波幅。

認股權根據服務狀況批授。該狀況並無計及所收取服務於授出日期的公允值計量。認股權批授並無與市場條件有關。

PENSION SCHEMES

The pension schemes of the company and its subsidiaries are primarily in form of contributions to the PRC statutory public welfare fund and Hong Kong's Mandatory Provident Funds, respectively.

CONNECTED TRANSACTIONS

During the year, the company did not have any connected transactions which were subject to the requirements of the Listing Rules.

MANAGEMENT CONTRACTS

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

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

Neither the company nor any of its subsidiaries had purchased, sold, or redeemed any of the company's listed securities during the year.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board adopted the Model Code. The directors have confirmed their compliance with the required standards as set out in the Model Code during the year ended 31 December 2008.

POST BALANCE SHEET EVENT

Details of significant events occurring after the balance sheet date as set out in note 37 to the financial statements.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment in forthcoming annual general meeting of the company. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Zeng Yunshu
Chairman

24 April 2009

退休金計劃

本公司及其附屬公司之退休金計劃主要分別為中國法定公益金供款計劃及香港強制性公積金。

關連交易

年內，本公司並無進行任何須遵守上市規則規定之關連交易。

管理合約

年內概無訂立或存在任何關於本公司業務全部及任何重要部分之管理及行政合約。

購買、出售或贖回本公司上市證券

年內，本公司或任何其附屬公司概無購買、出售或贖回任何本公司上市證券。

董事進行證券交易之守則

董事會已採納標準守則。董事確認彼等於截至2008年12月31日止年度內一直遵守標準守則所載之規定標準。

資產負債表日後事項

資產負債表日後發生之重大事項詳情載於財務報表附註37。

核數師

畢馬威會計師事務所任滿告退，惟表示願意於本公司之應屆股東週年大會上膺選連任。有關重新委任畢馬威會計師事務所為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

曾雲樞
主席

2009年4月24日

The company has always recognised the importance of shareholders transparency and accountability. It is the belief of the Board that shareholders can maximise their benefits from good corporate governance. The company is committed to ensure high standards of corporate governance in the interest of its shareholders.

The directors of the company acknowledge their responsibility for 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 the consolidated 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.

(A) CORPORATE GOVERNANCE PRACTICES

The company has adopted the code provisions set out in the Code of Corporate Governance Practices (the "Code") as stated in Appendix 14 to the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), which has been revised and the amendments became effective on 1 January 2009. As far as the Code is concerned, the company complies with all aspects of the Code except for the Code of A.2.1 regarding the separation of roles of chairman and president (chief executive officer) which, in the company's opinion, would not be appropriate for the adoption by the company. The role of chairman and president (chief executive officer) of the company are performed by the same individual, 曾雲樞先生 (Mr. Zeng Yunshu). The Board meets regularly to consider major matters affecting the operations of the company. The Board considered that this structure does not impair the balance of power and authority between the Board and the management of the company and believes that this structure enables the group to make and implement decision promptly and efficiently. Therefore, the Board are of the view that the role of chairman and president (chief executive officer) of the company can be performed by the same individual.

本公司深明對股東的透明度及問責之重要性。董事會相信股東可從良好之企業管治中獲得最大的裨益。本集團致力確保良好的企業管治標準，以符合股東利益。

本公司董事知悉彼等有關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呈列該等綜合財務報表的責任。此責任包括設計、實行及維持有關編製及真實而公平地呈列該等綜合財務報表的內部監控，以使該等財務報表並不存在任何由於欺詐或錯誤而導致的重大錯誤陳述；選擇及應用適當的會計政策；及根據情況作出合理的會計估計。

(A) 企業管治常規

本集團已採納香港聯合交易所有限公司證券上市規則（「上市規則」），經已作出修訂，而有關修訂已於2009年1月1日生效）附錄十四所載的企業管治常規守則（「守則」）的守則條文。就所涉及的守則而言，本公司遵守守則的所有方面，惟守則第A.2.1條有關主席與總裁（行政總裁）的角色應各自獨立除外，而本公司認為並不適合採納此項守則。本公司的主席及總裁（行政總裁）均由同一人士即曾雲樞先生擔任。董事會定時召開會議以審議影響本公司營運的重大事宜。董事會認為此架構不會損害董事會與管理層之間的權力與授權的平衡，並相信此架構可令本集團迅速及有效地作出和實施決策。因此，董事會認為，本公司主席與總裁（行政總裁）的角色可由同一人士擔任。

(B) DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Specific enquiry has been made to all directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code.

In addition, the company has adopted provisions of the Model Code as written guidelines for relevant employees (as defined in provision A.5.4 of Appendix 14 to the Listing Rules) in respect of their dealings in the securities of the company. Such relevant employees shall abide by the provisions of the Model Code.

In consideration of the new amendments to the Model Code (the "Amendments"), which became effective on the 1st quarter of 2009, the Board has revised its Model Code corresponding to the Amendments.

(C) BOARD OF DIRECTORS

COMPOSITION

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the company and to the exercising of independent opinion.

The directors who held office during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. ZENG Yunshu (Chairman and President)
Mr. ZHANG Yiyao (appointed on 6 October 2008)

Dr. HAN Qinchun
Mr. ZENG Sheng
Ms. YE Qingdong
Mr. OUYANG Junxin

NON-EXECUTIVE DIRECTORS:

Mr. ZHANG Huaqiao (resigned on 26 September 2008)

(B) 董事進行的證券交易

董事會已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的行為守則。年內，本公司已就是否有任何違反標準守則的事項向全體董事作出具體查詢，而彼等均確認彼等已全面遵守標準守則所載標準。

此外，本公司亦已就有關僱員買賣本公司證券而採納標準守則條文作為彼等的書面指引(定義見上市規則附錄十四條文第A.5.4條)。有關僱員須按照標準守則的條文行事。

考慮到標準守則的新修訂(「修訂」，已於2009年第一季生效)，董事會已根據修訂對其標準守則作出相應修改。

(C) 董事會

組成

董事會之組成確保了本公司業務運作及獨立意見所需要的技能及經驗。

年內及直至本報告日期止在任董事如下：

執行董事：

曾雲樞先生 (主席兼總裁)
張奕炎先生 (於2008年10月6日獲委任)

韓秦春博士
曾勝先生
葉慶東女士
歐陽俊新先生

非執行董事：

張化橋先生 (於2008年9月26日辭任)

(C) BOARD OF DIRECTORS (CONT'D)

COMPOSITION (CONT'D)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. LI Jun	
Mr. CHEUNG Ngai Lam	
Mr. WANG Fosong	(appointed on 6 October 2008)
Ms. LIN Wei Fang	(resigned on 6 October 2008)

The biographical details of the current directors are set out on page 21 to page 26 of this annual report.

NUMBER OF MEETINGS HELD AND ATTENDANCE

The Board normally has four scheduled meetings a year and meet at other times as and when required to review financial and internal control, risk management, company strategy and operating performance of the group. During the year ended 31 December 2008, a total number of 10 regular and adhoc Board meetings, 2 audit committee meetings, 2 remuneration committee meetings and 2 nomination committee meeting were held. Minutes of these meetings are kept by the company secretary of the company and are open for inspection by the directors.

(C) 董事會 (續)

組成 (續)

獨立非執行董事：

李珺博士	
張毅林先生	
王佛松先生	(於2008年10月6日獲委任)
林偉芳女士	(於2008年10月6日辭任)

現任董事履歷載於本年報第21頁至第26頁。

已舉行會議及出席的次數

董事會一般每年舉行四次會議，並在有需要時舉行會議檢討本集團的財務及內部監控、風險管理、公司策略及營運業績。截至2008年12月31日止年度內，合共舉行了10次定期及特別董事會會議、2次審核委員會會議、2次薪酬委員會會議及2次提名委員會會議。該等會議的紀錄由本公司公司秘書保存，並公開供董事查閱。

(C) BOARD OF DIRECTORS (CONT'D)

NUMBER OF MEETINGS HELD AND ATTENDANCE (CONT'D)

The individual attendance records of each director, on a named basis, at the meetings of the Board, audit committee, remuneration committee and nomination committee during the year ended 31 December 2008 are set out below:

Name of Directors	董事姓名	Attendance/Number of Meetings entitled to attend 出席/有權出席會議的次數			
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Mr. ZENG Yunshu	曾雲樞先生	10/10	–	2/2	–
Mr. ZHANG Yiyan ¹	張奕炎先生 ¹	5/5	–	–	–
Dr. HAN Qinchun	韓秦春博士	10/10	–	–	–
Mr. ZENG Sheng	曾勝先生	10/10	–	–	–
Ms. YE Qingdong	葉慶東女士	10/10	–	–	–
Mr. OUYANG Junxin	歐陽俊新先生	10/10	–	–	–
Mr. ZHANG Huaqiao ²	張化橋先生 ²	3/3	–	–	–
Dr. LI Jun	李珺博士	6/10	2/2	2/2	2/2
Mr. CHEUNG Ngai Lam	張毅林先生	6/10	2/2	2/2	2/2
Mr. WANG Fosong ³	王佛松先生 ³	2/5	–	–	–
Ms. LIN Wei Fang ⁴	林偉芳女士 ⁴	2/5	2/2	–	1/1

Notes:

1. Mr. ZHANG Yiyan was appointed on 6 October 2008.
2. Mr. ZHANG Huaqiao resigned on 26 September 2008.
3. Mr. WANG Fosong was appointed on 6 October 2008.
4. Ms. LIN Wei Fang resigned on 6 October 2008.

(C) 董事會 (續)

已舉行會議及出席的次數 (續)

截至2008年12月31日止年度內，按姓名分類的每位董事出席董事會會議、審核委員會、薪酬委員會及提名委員會的個別出席記錄載列如下：

附註：

- 張奕炎先生於2008年10月6日獲委任。
張化橋先生於2008年9月26日辭任。
王佛松先生於2008年10月6日獲委任。
林偉芳女士於2008年10月6日辭任。

(C) BOARD OF DIRECTORS (CONT'D)

RESPONSIBILITY OF THE BOARD

The Board is responsible to ensure that there is a competent executive management which is able to run the company in a sound and efficient manner. The Board is also responsible for establishing the company's business strategies and plans from time to time to ensure that the operations of the company are conducted effectively.

The Board is responsible for preparation of the financial statements. In preparing the financial statements, the generally accepted accounting principles in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made.

The Board also conducts appropriate internal control procedures and reviews risk management strategies and policies of the company to ensure that the company runs its business in compliance with all legal and regulatory requirements with prudence and integrity.

RESPONSIBILITY OF THE DIRECTORS

Each executive director is delegated individual authority and responsibility to oversee and monitor the operations of a specific business unit, and to implement the strategies and policies set out by the Board. The independent non-executive directors provide independent opinion and share their knowledge and experiences with the other members of the Board, audit committee, remuneration committee and nomination committee.

ANNUAL CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The company has received, from each independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Board and the nomination committee consider all of the independent non-executive directors are independent.

TERMS OF NON-EXECUTIVE DIRECTORS

Each of the non-executive and independent non-executive directors has been appointed to hold the office until the forthcoming annual general meeting. In addition, the appointment of each of the non-executive and independent non-executive directors is subject to retirement by rotation in accordance with the company's Articles of Association.

(C) 董事會 (續)

董事會責任

董事會負責確保行政管理層能使本公司妥善及有效經營，並不時制定本公司業務策略及計劃，以確保有效營運。

董事會負責編製財務報表。於編製財務報表時，已採納香港公認會計原則，使用及貫徹應用適當的會計政策，並作出合理審慎的判斷及估計。

董事會亦進行適當內部監控程序，並檢討本公司的風險管理策略及政策，以確保本公司在符合所有法例及監管規定的情況下審慎而真誠地經營業務。

董事責任

各執行董事獲個別授權監督及監察特定業務單位的運作，並推行董事會制定的策略及政策。獨立非執行董事提供獨立意見，並與董事會、審核委員會、薪酬委員會及提名委員會其他成員分享相關知識及經驗。

獨立非執行董事的年度確認書

本公司已收到每位獨立非執行董事根據上市規則第3.13條發出的年度獨立確認書。董事會及提名委員會認為，所有獨立非執行董事均具獨立性。

非執行董事任期

每位非執行董事及獨立非執行董事的任期至應屆股東週年大會結束為止。此外，獲委任的每位非執行董事及獨立非執行董事須根據本公司的組織章程輪席退任。

(D) REMUNERATION OF DIRECTORS

The Board has established a remuneration committee ("RC") with written terms of reference as suggested under the code provision under the Code. The RC comprises the following three members:

- (i) Dr. Li Jun, chairman of RC (*independent non-executive director*);
- (ii) Mr. Zeng Yunshu (*executive director, chairman & president of the Board*); and
- (iii) Mr. Cheung Ngai Lam (*independent non-executive director*).

The RC meets at least once a year to determine the remuneration policy for the directors and senior management. During the year ended 31 December 2008, a total number of 2 meetings were held to determine the remuneration policy for the directors and/or senior management. The attendance records of the RC, on a named basis, are set out under section of "Number of Meetings Held and Attendance" on page 49 of this annual report.

The RC has primary responsibility for making recommendations for approval by the Board with respect to matters relating to the remuneration of the executive directors of the company. The major responsibilities of the remuneration committee are:

- (i) to make recommendations on the company's policies and structure for all the remuneration of the directors;
- (ii) to propose the specific remuneration packages of the executive directors, and to make recommendations on the remuneration of the non-executive directors for the Board's approval;
- (iii) to review and propose performance-based remuneration for executive directors by reference to corporate goals and objectives resolved by the Board from time to time; and
- (iv) to administer and make determinations with regard to the company's share option scheme.

During the year, the Board approved all the recommendations of the RC. Details of the amount of directors' emoluments during the year ended 31 December 2008 are set out in note 10 to the financial statements.

(D) 董事薪酬

董事會已成立薪酬委員會，並按守則的守則條文建議制定書面職權範圍。薪酬委員會由以下三名成員組成：

- (i) 李珺博士，薪酬委員會主席(獨立非執行董事)；
- (ii) 曾雲樞先生(執行董事，董事會主席兼總裁)；及
- (iii) 張毅林先生(獨立非執行董事)。

薪酬委員會每年至少舉行一次會議，以釐定董事及高級管理層的薪酬政策。截至2008年12月31日止年度內，合共舉行了2次會議，以釐定董事及／或高級管理層的薪酬政策。按姓名分類的出席薪酬委員會會議的出勤記錄載於年報第49頁的「已舉行會議及出席的次數」一節。

薪酬委員會主要負責就有關本公司執行董事的薪酬事宜提出推薦意見，以供董事會批准。薪酬委員會的主要責任為：

- (i) 就本公司有關董事所有薪酬的政策及架構提出推薦意見；
- (ii) 就執行董事的特別薪酬待遇提出建議，及就非執行董事的薪酬提出推薦意見以供董事會批准；
- (iii) 參照董事會不時議決的公司目標及宗旨、建議執行董事基於表現的薪酬；及
- (iv) 管理本公司的認股權計劃並就此作出決定。

年內，董事會批准了薪酬委員會的所有推薦意見。截至2008年12月31日止年度內，有關董事袍金款額的詳情載於財務報表附註10。

(E) AUDIT COMMITTEE

The Board has established an audit committee ("AC") with written terms of reference as suggested under the code provision under the Code. The AC comprises the following three members, all of them are independent non-executive directors:

- (i) Mr. Cheung Ngai Lam (*chairman of AC*);
- (ii) Dr. Li Jun; and
- (iii) Mr. Wang Fosong.

The AC meets at least twice a year to review and approve the group's financial reporting process and internal control system. During the year ended 31 December 2008, a total number of 2 meetings were held. The attendance records of the AC, on a named basis, are set out under section of "Number of Meetings Held and Attendance" on page 49 of this annual report.

The AC acknowledged the new amendments to the terms of reference of the AC under the Listing Rules in relation to, inter alia, abolishment of the requirement of appointment of qualified accountants and the amendments to the terms of reference of the AC and thereafter appropriate actions have been taken by the Board and the AC accordingly.

The major responsibilities of the AC are:

- (i) to make recommendations with respect to the appointment, re-appointment and removal of the company's external auditors, and to evaluate their independence, objectivity and effectiveness of the audit process;
- (ii) to review and monitor the interim and annual financial statements, reports and accounts of the company, and to review significant and judgemental financial reporting issues contained therein;
- (iii) to review the company's financial controls, internal controls and risk management systems; and
- (iv) to discuss with the management the system of internal controls, and to ensure that the management has discharged its duties and responsibilities in implementing an effective internal control system.

The group's annual results for the year ended 31 December 2008 have been reviewed by AC.

(E) 審核委員會

董事會已成立審核委員會，並按守則的守則條文建議制定書面職權範圍。審核委員會由以下三名成員（均為獨立非執行董事）組成：

- (i) 張毅林先生（*審核委員會主席*）；
- (ii) 李珺博士；及
- (iii) 王佛松先生。

審核委員會每年至少舉行兩次會議，以檢討及批准本集團的財務申報程序及內部監控系統。截至2008年12月31日止年度內，合共舉行了2次會議。按姓名分類的出席審核委員會會議的出勤記錄載於本年報第49頁的「已舉行會議及出席的次數」一節。

審核委員會知悉上市規則下有關審核委員會職權範圍的新修訂，該等新修訂關於（其中包括）廢除委任合資格會計師的規定及對審核委員會職權範圍作出的修訂，而董事會及審核委員會亦已於其後採取適當的行動。

審核委員會的主要責任為：

- (i) 就委任、重新委任及罷免本公司的外聘核數師提出推薦意見，以及客觀評估彼等的獨立性及審核程序的成效；
- (ii) 檢討及監察本公司的中期及年度財務報表、報告及賬目，以及檢討其中所載的重大及決策性財務申報事宜；
- (iii) 檢討本公司的財務監控、內部監控及風險管理系統；及
- (iv) 與管理層討論內部監控系統，以及確保管理層於落實有效的內部監控系統方面已履行其職責及責任。

本集團截至2008年12月31日止年度的年度業績已由審核委員會審閱。

(E) AUDIT COMMITTEE (CONT'D)

AUDITOR'S REMUNERATION

During the year ended 31 December 2008, the fees paid/payable to auditors in respect of audit services and non-audit services provided by the auditors to the group were as follows:

Nature of services	服務性質	2008	2007
		HK\$'000 港幣千元	HK\$'000 港幣千元
Audit	核數	1,800	2,084
IPO services	上市服務	-	3,138
Others	其他	600	696
Total	總計	2,400	5,918

(F) NOMINATION COMMITTEE

The Board has established a nomination committee ("NC") with written terms of reference as suggested under the code provision under the Code. The members of nomination committee are independent non-executive directors, namely:

- (i) Mr. Wang Fosong (*chairman of NC*);
- (ii) Dr. Li Jun; and
- (iii) Mr. Cheung Ngai Lam.

The NC meets at least once a year to make recommendations to the Board on the appointment of directors and the management of the Board's succession. During the year ended 31 December 2008, a total number of 2 meetings were held. The attendance records of the nomination committee, on a named basis, are set out under section of "Number of Meetings Held and Attendance" on page 49 of this annual report.

(E) 審核委員會 (續)

核數師酬金

截至2008年12月31日止年度，就核數師向本集團提供的核數服務及非核數服務而已付／應付予核數師的費用如下：

	2008	2007
	HK\$'000 港幣千元	HK\$'000 港幣千元
Audit	1,800	2,084
IPO services	-	3,138
Others	600	696
Total	2,400	5,918

(F) 提名委員會

董事會已成立提名委員會，並按守則的守則條文建議制定書面職權範圍。提名委員會由以下三名成員（均為獨立非執行董事）組成：

- (i) 王佛松先生 (*提名委員會主席*)；
- (ii) 李珺博士；及
- (iii) 張毅林先生。

提名委員會每年至少舉行一次會議，以就委任董事及董事會繼承管理向董事會提出推薦意見。截至2008年12月31日止年度內，合共舉行了2次會議。按姓名分類的出席提名委員會會議的出勤記錄載於本年報第49頁的「已舉行會議及出席的次數」一節。

(F) NOMINATION COMMITTEE (CONT'D)

The major responsibilities of the NC are:

- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
- (iii) to assess the independence of independent non-executive directors; and
- (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the president (chief executive officer).

During the year, the Board approved all the recommendations of the NC. The retirement and rotation of the following directors at the forthcoming annual general meeting have been approved by the NC:-

- (i) Mr. ZENG Yunshu (executive director);
- (ii) Mr. ZHANG Yiyao (executive director);
- (iii) Dr. HAN Qinchun (executive director);
- (iv) Mr. ZENG Sheng (executive director);
- (v) Dr. LI Jun (independent non-executive director);
- (vi) Mr. CHEUNG Ngai Lam (independent non-executive director); and
- (vii) Mr. WANG Fosong (independent non-executive director).

(G) INTERNAL CONTROL

The Board has the responsibility to maintain an effective internal control system in order to protect the group's assets and shareholders' interests. The Board and AC shall also conduct periodic reviews to ensure the effectiveness of the group's internal control system. The internal control system includes a well established corporate structure and organisation with clearly defined lines of responsibility and authority. Each department is responsible for its daily operations, and is also required to implement and monitor the strategies and policies adopted by the Board and effective employment of the resources of the company, in order to avoid misappropriation of resources and damages made to the company's assets, and prevent against errors and fraud.

(F) 提名委員會 (續)

提名委員會的主要責任為：

- (i) 定期檢討董事會的架構、規模及組成(包括技能、知識及經驗)及就任何建議調整向董事會提出推薦建議；
- (ii) 物色具備合適資格可擔任董事之人士，及挑選獲提名出任董事之人士或就此向董事會提出推薦意見；
- (iii) 評估獨立非執行董事的獨立性；及
- (iv) 就有關委任或重新委任董事以及董事尤其是主席及總裁(行政總裁)繼任計劃的相關事宜向董事會提出推薦意見。

年內，董事會批准了提名委員會的所有推薦意見。下列董事於應屆股東週年大會上輪席和退任已獲提名委員會批准：

- (i) 曾雲樞先生(執行董事)；
- (ii) 張奕炎先生(執行董事)；
- (iii) 韓秦春博士(執行董事)；
- (iv) 曾勝先生(執行董事)；
- (v) 李珺博士(獨立非執行董事)；
- (vi) 張毅林先生(獨立非執行董事)及
- (vii) 王佛松先生(獨立非執行董事)。

(G) 內部監控

董事會有責任維持及檢討公司的內部監控系統，以保障集團的資產及股東的權益。董事會及審核委員會定期檢討本集團內部監控系統以確保其效用性。內部監控系統包括公司的結構和組織，清楚界定各部門的職責範圍和權屬。各部門不僅負責日常業務的操作，還需要實施及監察董事會所決定的政策、策略及整體的資源有效運用，以防止濫用資源、資產受損、防止錯失及欺詐行為的發生。

(G) INTERNAL CONTROL(CONT'D)

The Board and AC assess the effectiveness of the internal control system and procedures based on information derived from discussions with the management of the company and its external auditors. The Board and AC believe that the existing internal control system is adequate and effective.

The review covers all material controls, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, qualifications and experience of staff of the company's accounting and financial reporting function, and their training programmes and budget.

The Board has established a clearly defined scope of activities, responsibility and authority for each department and its management staff within the group. The group has a defined goal for each department to accomplish, these goals were discussed in the Board meeting and pass on to the management through the executive directors. These goals will be implemented and closely monitored by the executive directors who shall review the operational and financial results from time to time, and to take any necessary actions for the improvement of its business activities.

(H) INVESTOR RELATIONS

The company is committed to maintain high level of transparency in communicating with shareholders and the investment community at large. The company provides information in relation to the company and its business in its annual report which is to be dispatched to shareholders of the company on a timely basis. The group's corporate website (<http://www.hlkg.net/>) also provides an effective communication medium through which the public and investors can obtain updated information about the group.

All the shareholders of the company are to be given a 21 days' notice of the date and venue of the company's Annual General Meeting where the shareholders have an opportunity to communicate directly with the Board.

(G) 內部監控 (續)

董事會及審核委員會參考公司管理層及外聘核數師所提供的資料，評估內部監控及其程序之有效性。董事會及審核委員會相信現時之內部監控系統已經足夠及有效地運用。

審核涵蓋所有重大監控範疇，包括財務、營運和合規監控、風險管理職能以及資源足夠性、本公司會計及財務申報部門的員工資歷及經驗，以及彼等的培訓計劃及預算。

董事會對各行政管理人員設有清晰而明確的權責。本集團訂立明確的目標予各部門來完成，各項目標均在董事會會議決定後，由執行董事交給各管理部門執行。各執行董事會密切監察公司的各項業務、審閱業務進度和財務報告、檢討及作出相應的改善。

(H) 投資者關係

本公司在與股東及投資者溝通方面竭力保持高透明度，亦透過定期向本公司股東寄發年報以提供有關本公司及其業務資料。本集團的公司網站(<http://www.hlkg.net/>)更是公眾及投資者獲得本集團最新資料的有效溝通媒介。

本公司會於舉行股東週年大會前21天向全體股東寄發有關股東週年大會日期及地點的通告，會上股東可直接與董事會溝通。



Independent Auditor's Report to the Shareholders of Hong Long Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hong Long Holdings Limited (hereinafter referred to as the "company") set out on pages 58 to 152, which comprise the consolidated and the 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether

致鴻隆控股有限公司股東
之獨立核數師報告
(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第58頁至第152頁鴻隆控股有限公司(以下簡稱為「本公司」)的綜合財務報表,此綜合財務報表包括於2008年12月31日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

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

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們謹向整體股東報告。除此以外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。

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

審核涉及執行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

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
24 April 2009

估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2008年12月31日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》之披露要求妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓
2009年4月24日

Consolidated Income Statement 綜合損益表

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

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

		Note 附註	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Turnover	營業額	4 & 14	119,628	411,677
Cost of sales	銷售成本		(73,716)	(176,994)
Gross profit	毛利		45,912	234,683
Other net income/(loss)	其他收益/(虧損)淨額	5	37,097	(24,608)
Other revenue	其他收入	6	55,491	40,476
Selling and distribution expenses	銷售及分銷費用		(5,226)	(11,347)
General and administrative expenses	一般及行政費用		(32,273)	(53,769)
Other operating expenses	其他營運費用		(40,831)	(20,356)
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	17	62,120	180,352
Gain on disposal of a jointly controlled entity	出售共同控制實體收益	7	-	140,765
Profit from operations	經營溢利		122,290	486,196
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額		58,533	(28,182)
Finance costs	融資成本	8(a)	(90,227)	(55,091)
Profit before taxation	除稅前溢利	8	90,596	402,923
Income tax	所得稅	9	(87,236)	(152,421)
Profit for the year	本年度溢利		3,360	250,502
Attributable to:	以下人士應佔：			
Equity shareholders of the company	本公司權益股東		3,546	250,685
Minority interests	少數股東權益		(186)	(183)
Profit for the year	本年度溢利		3,360	250,502
Earnings per share (RMB cents)	每股盈利(人民幣仙)	13		
Basic	基本		0.34	24.19
Diluted	攤薄		0.34	23.63

The notes on pages 65 to 152 form part of these financial statements.

第65頁至第152頁的附註屬本財務報表的一部分。

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2008 於二零零八年十二月三十一日

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

		Note	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	11,053	9,772
Investment properties	投資物業	17	1,319,606	1,257,486
Deferred tax assets	遞延稅項資產	29(b)	38,249	14,744
			1,368,908	1,282,002
Current assets	流動資產			
Inventories	存貨	19	1,602,452	932,860
Trade and other receivables	應收賬款及其他應收款	20	528,486	519,306
Prepaid land costs	預付土地成本	20(d)	219,549	220,620
Trading securities	買賣證券	18	967	3,733
Pledged deposits	抵押存款	22	59,846	176,433
Cash and cash equivalents	現金及現金等價物	23	44,102	397,101
			2,455,402	2,250,053
Current liabilities	流動負債			
Bank loans	銀行貸款	25	510,124	219,019
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	26	402,576	314,578
Receipts in advance	預收賬款	27	86,094	34,652
Rental and other deposits	租賃及其他按金	28	11,129	10,944
Taxation payable	應付稅項	29(a)	245,652	242,886
			1,255,575	822,079
Net current assets	流動資產淨值		1,199,827	1,427,974
Total assets less current liabilities	資產總值減流動負債		2,568,735	2,709,976
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	24	699,725	956,386
Deferred tax liabilities	遞延稅項負債	29(b)	209,207	113,864
			908,932	1,070,250
Net assets	資產淨值		1,659,803	1,639,726

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2008 於二零零八年十二月三十一日

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

		Note 附註	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Equity	權益			
Share capital	股本		10,296	10,296
Reserves	儲備		1,636,425	1,617,162
Total equity attributable to equity shareholders of the company	本公司權益股東應佔權益總額	31	1,646,721	1,627,458
Minority interests	少數股東權益	31	13,082	12,268
Total equity	權益總額		1,659,803	1,639,726

Approved and authorised for issue by the Board of directors on 24 April 2009.

董事會於2009年4月24日批准並授權刊發。

Zeng Yunshu
曾雲樞
Executive Director
執行董事

Zeng Sheng
曾勝
Executive Director
執行董事

The notes on pages 65 to 152 form part of these financial statements.

第65頁至第152頁的附註屬本財務報表的一部分。

Balance Sheet 資產負債表

At 31 December 2008 於二零零八年十二月三十一日

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

		Note	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	130	467
Interests in subsidiaries	於附屬公司的權益	16	1,087,055	909,353
			1,087,185	909,820
Current assets	流動資產			
Other receivables	其他應收款	20	22,303	25,758
Pledged deposits	抵押存款	22	31,849	164,406
Cash and cash equivalents	現金及現金等價物	23	28,161	122,935
			82,313	313,099
Current liabilities	流動負債			
Other payables and accruals	其他應付款及預提費用	26	38,110	98,789
Net current assets	流動資產淨值		44,203	214,310
Total assets less current liabilities	資產總值減流動負債		1,131,388	1,124,130
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	24	519,725	555,708
Net assets	資產淨值		611,663	568,422
Equity	權益			
Share capital	股本		10,296	10,296
Reserves	儲備		601,367	558,126
Total equity	權益總額	31	611,663	568,422

Approved and authorised for issue by the Board of directors on 24 April 2009.

董事會於2009年4月24日批准並授權刊發。

Zeng Yunshu

曾雲樞

Executive Director

執行董事

Zeng Sheng

曾勝

Executive Director

執行董事

The notes on pages 65 to 152 form part of these financial statements.

第65頁至第152頁的附註屬本財務報表的一部分。

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

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

	Note 附註	2008		2007	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total equity at 1 January	於1月1日的權益總額		1,639,726		844,423
Profit for the year	本年度溢利	31	3,360		250,502
Total recognised income and expense for the year	本年度已確認收入及費用總額		3,360		250,502
Attributable to:	以下人士應佔：				
– equity shareholders of the company	– 本公司權益股東		3,546		250,685
– minority interests	– 少數股東權益		(186)		(183)
			3,360		250,502
Movements in equity arising from capital transactions:	資本交易產生的權益變動：				
Shares issued pursuant to the global offering and upon the exercise of the over-allotment option, net of share issuing costs	根據全球發售及因超額配股權獲行使而發行的股份(扣除股份發行成本)	31	–		465,599
Conversion of convertible note	轉換可換股票據	31	–		117,624
Equity-settled share-based payments	以股份為結算基礎的付款	31	15,717		44,727
Shares issued under share option scheme	根據認股權計劃發行的股份	31	–		2,531
Establishment of a subsidiary in the PRC	於中國成立一間附屬公司	31	1,000		–
Acquisition of additional interests in subsidiaries	收購附屬公司的額外權益	31	–		(85,680)
			16,717		544,801
Total equity at 31 December	於12月31日的權益總額		1,659,803		1,639,726

The notes on pages 65 to 152 form part of these financial statements.

第65頁至第152頁的附註屬本財務報表的一部分。

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

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

	Note	2008	2007
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	90,596	402,923
Adjustments for:	調整項目：		
– interest income	– 利息收入	6	(38,497)
– finance costs	– 融資成本	8(a)	90,227
– amortisation and depreciation	– 攤銷及折舊	8(c)	2,908
– loss/(gain) on disposal of property, plant and equipment	– 出售物業、廠房及設備虧損/(收益)	5	67
– net increase in fair value of investment properties	– 投資物業的公允值的增加淨額	17	(62,120)
– net change in fair value of derivative financial instruments	– 衍生金融工具的公允值的變動淨額		(58,533)
– net realised and unrealised losses/(gains) on trading securities	– 買賣證券的已變現及未變現虧損/(收益)淨額	5	3,097
– gain on disposal of a jointly controlled entity	– 出售共同控制實體收益	7	–
– equity-settled share-based payments	– 以股份為結算基礎的付款	30	15,717
– impairment losses on trade and other receivables	– 應收賬款及其他應收款的減值虧損		19,104
– dividend income	– 股息收入		(24)
– net exchange gain	– 匯兌收益淨額		(55,966)
Operating profit before changes in working capital	營運資金變動前的經營溢利	18,433	172,751
Increase in inventories	存貨增加	(352,706)	(535,538)
(Increase)/decrease in trade and other receivables	應收賬款及其他應收款(增加)/減少	(23,815)	9,709
Increase in prepaid land costs	預付土地成本增加	–	(132,776)
Decrease/(increase) in pledged deposits	抵押存款減少/(增加)	116,587	(138,809)
(Decrease)/increase in trade and other payables, and accruals	應付賬款、其他應付款及預提費用(減少)/增加	(40,526)	24,008
Increase/(decrease) in receipts in advance	預收賬款增加/(減少)	51,442	(176,040)
Increase in rental and other deposits	租賃及其他按金增加	185	174
Cash used in operations	營運動用的現金	(230,400)	(776,521)
PRC income tax paid	已付中國所得稅	(12,632)	(32,897)
Net cash used in operating activities	經營活動動用的現金淨額	(243,032)	(809,418)

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

(Expressed in Renminbi Thousand Yuan) (以人民幣千元列示)

	Note	2008	2007
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Investing activities			
Expenditure on investment properties	17	-	(72,634)
Purchase of property, plant and equipment	15	(2,835)	(4,814)
Proceeds from disposal of property, plant and equipment		11	110
Acquisition of subsidiaries, net of cash acquired	38	(84,589)	(88,487)
Acquisition of additional interests in subsidiaries		-	(85,680)
Acquisition of a jointly controlled entity		-	(173,917)
Proceeds from disposal of a jointly controlled entity		-	314,682
Purchase of trading securities		(9,030)	(2,830)
Proceeds from sale of trading securities		8,699	896
Interest received		20,861	38,497
Contribution by minority shareholder		1,000	-
Dividend income		24	-
Net cash used in investing activities		(65,859)	(74,177)
Financing activities			
Drawdown of bank loans		330,000	1,051,698
Repayment of bank loans		(259,573)	(732,001)
Repayment of loan note		-	(126,673)
Pledged deposits for long-term bank loans		-	(10,053)
Proceeds from issuance of new shares		-	468,130
Proceeds from issuance of Senior Note		-	645,455
Interest paid		(110,533)	(40,814)
Net cash (used in)/generated from financing activities		(40,106)	1,255,742
Net (decrease)/increase in cash and cash equivalents		(348,997)	372,147
Effect of foreign exchange rate changes		(4,002)	(6,586)
Cash and cash equivalents at 1 January		397,101	31,540
Cash and cash equivalents at 31 December		44,102	397,101

The notes on pages 65 to 152 form part of these financial statements.

第 65 頁至第 152 頁的附註屬本財務報表的一部分。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

1 PRINCIPAL PLACE OF BUSINESS

Hong Long Holdings Limited is a company incorporated and domiciled in the Cayman Islands. Its principal place of business is at 8/F., Hong Long Building, Nantai Avenue, Nanshan District, Shenzhen, 518067, the People's Republic of China (the "PRC") and has its registered office at Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111, the Cayman Islands.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the group and the company. Information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these financial statements are discussed in note 3.

1 主要營業地點

鴻隆控股有限公司為一家於開曼群島註冊成立和以該地為居籍的公司，主要營業地點位於中華人民共和國（「中國」）深圳南山區南海大道鴻隆大廈8樓（郵編：518067），而註冊辦事處位於Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111, the Cayman Islands。

2 主要會計政策概要

(a) 遵例聲明

該等財務報表已按照香港會計師公會頒佈的所有適用香港財務報告準則（「香港財務報告準則」）（其集體辭彙包括所有個別適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋，香港普遍採納的會計原則及香港公司條例有關披露的規定所編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則的適用披露條文。下文載列本集團所採納的主要會計政策。

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則，並於本集團及本公司的本會計期間首次生效或可提早採納。因初步確認該等與本集團有關的新訂及經修訂準則而產生的有關任何會計政策變動的資料已於此等財務報表內反映，並於附註3討論。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of preparation of the financial statements

Unless otherwise indicated, the financial statements is presented in Renminbi ("RMB"), rounded to the nearest thousand yuan, which is the functional and reporting currency of the group.

The consolidated financial statements for the year ended 31 December 2008 comprise the company and its subsidiaries (together with the company hereinafter referred to as the "group"). It is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment property (see note 2(f));
- financial instruments classified as trading securities (see note 2(d)); and
- derivative financial instruments (see note 2(e)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 40.

2 主要會計政策概要(續)

(b) 財務報表的呈報基準

除另有所指外，本財務報表以本集團的功能及呈報貨幣－人民幣編製，並調整至最接近的千元。

截至2008年12月31日止年度的綜合財務報表包括本公司及其附屬公司(與本報告中的本公司統稱為「本集團」)。本財務報表以歷史成本為基礎編製，惟下列資產及負債按其公允值列賬(如下文所載的會計政策所闡釋)：

- 投資物業(見附註2(f))；
- 分類為買賣證券的金融工具(見附註2(d))；及
- 衍生金融工具(見附註2(e))。

根據香港財務報告準則編製本財務報表時，管理層須就影響政策運用和資產、負債、收入、開支所呈報的金額作出判斷、估計及假設。估計及相關假設乃根據過往經驗及於有關情況下相信為合理的各種其他因素為基準，其結果成為對在其他來源並不顯而易見的資產與負債賬面值作出判決的基礎。實際業績或有別於該等估計。

估計及相關假設按持續基準審閱。會計估計的修訂如只影響修訂期間，則有關修訂於該期間確認，倘若修訂影響現時及未來期間，則於修訂期間及未來期間確認。

管理層在運用可能顯著影響在來年有重大調整風險的財務報表及估計的香港財務報告準則所作的判斷載於附註40。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the company, whether directly or indirectly through subsidiaries, and in respect of which the group has not agreed any additional terms with the holders of those interests which would result in the group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the company. Minority interests in the results of the group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the group's interest is allocated all such profits until the minority's share of losses previously absorbed by the group has been recovered.

2 主要會計政策概要 (續)

(c) 附屬公司及少數股東權益

附屬公司乃由本集團所控制的公司。倘本集團有權規管一間公司的財務及營運政策以從其活動中獲取利益，則該附屬公司為受控制。在評估附屬公司是否受控制時，現時可予行使的潛在投票權列為考慮因素。

於一間附屬公司的投資乃於控制開始日期起計直至控制結束日期止，綜合於綜合財務報表中。集團公司間的結餘及交易以及集團公司間交易產生的任何未變現溢利，於編製綜合財務報表時悉數撇銷。集團公司間交易產生的任何未變現虧損以相同方式撇銷為未變現收益（惟限於並無減值證據的情況）。

少數股東權益為並非由本公司擁有（不論直接或間接透過附屬公司）的權益應佔附屬公司的資產淨值部分，就此而言，本集團並未與該等權益持有人協定任何額外條款，以致本集團整體須承擔就財務負債所界定的合約責任。少數股東權益呈列於綜合資產負債表內的權益部分，且獨立於本公司權益持有人應佔的股權益。於本集團業績內的少數股東權益在綜合損益表內以年內分配予少數股東權益與本公司權益持有人的總溢利或虧損方式列報。

倘若少數股東所承擔虧損超過少數股東於附屬公司股本的權益，則超出部分及任何少數股東所承擔的進一步虧損於本集團權益中扣除，惟少數股東有約束力的責任或可以作出額外投資填補虧損為例外。倘若該附屬公司隨後錄得溢利，則本集團權益獲得所有該溢利的分配，直至本集團先前承擔的少數股東應佔虧損已經補償為止。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Subsidiaries and minority interests (Cont'd)

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 2(l), (m) or (n) depending on the nature of the liability.

In the company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)).

(d) Other investments in debt and equity securities

The group's and the company's policies for investments in debt and equity securities, other than investments in subsidiaries, are as follows:

Investments in debt and equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below.

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 2(s)(iii) and 2(s)(iv).

Investments are recognised/derecognised on the date the group commits to purchase/sell the investments or they expire.

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2 主要會計政策概要(續)

(c) 附屬公司及少數股東權益(續)

少數股東權益持有人的貸款以及該等持有人的合約責任根據附註2(l)、(m)或(n)(視乎負債的性質而定)於綜合資產負債表呈列為財務負債。

於本公司的資產負債表內，於一間附屬公司的投資乃以成本減減值虧損列示(見附註2(i))。

(d) 於債券及股票中的其他投資

本集團及本公司有關債券及股票投資(於附屬公司的投資除外)的政策如下：

於債券及股票中的投資初步按成本即其交易價列賬，除非公允值能夠可靠地以估值方法(其變量包括只從可觀測市場獲取的數據)估計。成本包括應佔交易成本，惟以下另行所指者除外。

於持作買賣證券的投資分類為流動資產。任何應佔的交易成本於產生時在損益中確認。於每個資產負債表日，公允值重新計量，而就此產生的任何收益或虧損則於損益中確認。於損益中確認的收益或虧損淨額並不包括該等投資所賺取的任何股息或利息，因為該等股息或利息乃根據附註2(s)(iii)及2(s)(iv)所載的政策確認。

投資乃於本集團承諾購買/出售該等投資或彼等到期時確認/取消確認。

(e) 衍生金融工具

衍生金融工具初步以公允值確認。於各資產負債表日，公允值獲重新計量。重新計量公允值的收益或虧損即時於損益中確認。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(s)(ii).

When the group holds a property interest under an operating lease to earn rental income and/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 (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

Property that is being constructed or developed for future use as investment property is classified as investment property under development and stated at cost less any impairment losses (see note 2(i)) until construction or development is complete, at which time it is reclassified as investment property at fair value. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

2 主要會計政策概要(續)

(f) 投資物業

投資物業為擁有或根據租賃權益持有(見附註2(h))以賺取租金收入及/或資本增值的土地及/或樓宇，包括現時尚未釐定未來用途而持有的土地。

投資物業於資產負債表內以公允價值列值。投資物業的公允價值變動或報廢或出售所產生的任何收益或虧損均於損益中確認。投資物業的租金收入根據附註2(s)(ii)說明的方式計算。

倘集團根據經營租賃持有物業權益以賺取租金收入及/或資本增值，該物業權益按個別物業基準分類和計入為投資物業。任何已列為投資物業的物業權益，將視為猶如按融資租賃持有計算(見附註2(h))，該權益所應用的會計政策與根據融資租賃租用的投資物業所應用者相同。租賃付款按附註2(h)所述計算。

建造或開發作為未來投資物業的物業，乃分類為發展中投資物業，並以成本減任何減值虧損列值(見附註2(i))，直至建設或開發完成為止，屆時則重新分類為按公允價值列值的投資物業。該物業於該日期的公允價值與過往賬面值的差異於損益內確認。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation (see below) and impairment losses (see note 2(i)).

- buildings held for own use which are situated on leasehold land, where the directors consider impracticable to split the cost into leasehold land and buildings; and
- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- | | |
|--|--|
| – Buildings situated on leasehold land | Over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 40 years after the date of completion |
| – Leasehold improvements | Over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years |
| – Furniture, fixtures and equipment | 5 years |
| – Motor vehicles | 5 years |

2 主要會計政策概要(續)

(g) 物業、廠房及設備

以下物業、廠房及設備項目以成本減累計折舊(見下文)及減值虧損於資產負債表(見附註2(i))列示。

- 位於租賃土地上持作自用樓宇，而董事認為把成本分成租賃土地及樓宇屬不可行者；及
- 廠房及設備其他項目。

報廢或出售物業、廠房及設備項目產生的任何收益或虧損，釐定為估計出售收益淨額與項目賬面值的差異，於報廢或出售日期在損益中確認。

折舊乃採用直線法在估計可使用年期撇銷物業、廠房及設備項目的成本並扣除其估計殘餘值(如有)計算如下：

- | | |
|-------------|------------------------------------|
| – 位於租賃土地上樓宇 | 按租約未屆滿年期與其估計可使用年期的較短者，由完成日期起不超過40年 |
| – 租賃裝修 | 按未屆滿租賃期與其估計可使用年期(不超過20年)的較短者 |
| – 傢俱、裝置及設備 | 5年 |
| – 汽車 | 5年 |

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2 主要會計政策概要(續)

(g) Property, plant and equipment (Cont'd)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) Leased assets

(i) Classification of leased assets

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:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(f)); and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

(g) 物業、廠房及設備(續)

倘物業、廠房及設備項目各部分的可使用年期不同，該項目的成本按合理基準於各部分之間分配，每部分分開折舊。資產的可使用年期及其殘餘值(如有)每年審閱。

(h) 租賃資產

(i) 租賃資產分類

本集團根據租賃持有的資產而將大部分所有權風險與回報轉至本集團者乃列作根據融資租賃持有資產。未將大部分所有權風險與回報轉至本集團的租賃則列作物業經營租賃。以下除外：

- 經營租賃項下持有的物業，若符合投資物業的定義，便按個別物業的基準分類為投資物業；若然分類為投資物業，則當作根據融資租賃持有物業入賬(見附註2(f))；及
- 根據經營租賃持作自用的土地，其公允值於取得租賃時若不能和在土地上的建築物的公允值分開計算，則按根據融資租賃持有土地入賬，惟該建築物明確作為根據經營租賃持有則除外。為了該等目的，取得租賃的時間為本集團首次訂立租賃，或自先前承租者接收，或該等建築物興建之日，取其較後者。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leased assets (Cont'd)

(ii) Assets acquired under finance leases

Where the group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the group will obtain ownership of the asset, the life of the asset, as set out in note 2(g). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(i). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(f)). Information on accounting policies for land held under operating leases for development for sale is provided in accounting policy note 2(j)(i).

2 主要會計政策概要(續)

(h) 租賃資產(續)

(ii) 根據融資租賃購置的資產

倘若本集團根據融資租賃購置資產使用權，相等於租賃資產公允值或最低租賃付款額現值(以較低者為準)的金額會計入物業、廠房及設備內，而相關負債於扣除融資費用後會入賬列為融資租賃責任。誠如附註2(g)所載，折舊乃於相關租賃期或資產的可用年限(如本集團有可能取得資產的所有權)內，以每年等額沖銷其成本值的比率計提。減值虧損乃根據附註2(i)所載的會計政策入賬。租賃付款包含的融資費用乃於租賃期內計入損益，藉以使各會計期間有關責任的未償還結餘以相若固定比率計算支出。或然租金則在產生的會計期間自損益扣除。

(iii) 經營租賃支出

如本集團根據經營租賃使用資產，根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益計入；但如有其他基準能更清楚地反映租賃資產所產生的收益模式時則除外。租賃涉及的激勵措施於損益內確認為租賃淨付款總額的組成部分。

購置根據經營租賃持有的土地的成本乃於該租賃期按直線法攤銷，惟被列作投資物業的情況除外(見附註2(f))。以經營租賃持作發展以供出售的土地的會計政策資料載於會計政策附註2(j)(i)。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leased assets (Cont'd)

(iv) Amortisation of leasehold land

The cost of acquiring land held under operating leases is amortised on a straight-line basis over the lease term. If the property is in the course of development, the amortisation charge is included as part of the costs of the property under development. In all other cases the amortisation charge for the period is recognised in profit or loss immediately.

(i) Impairment of assets

(i) Impairment of receivables

Investments in trade and other current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2 主要會計政策概要 (續)

(h) 租賃資產 (續)

(iv) 租賃土地攤銷

透過經營租賃持有的收購土地成本乃於該租賃期按直線法攤銷。倘該物業正在發展中，攤銷開支則計入為發展中物業成本的部分。在其他情況下，本期攤銷開支即時於損益中確認。

(i) 資產減值

(i) 應收款的減值

按成本值或攤銷成本列賬的其他流動應收賬款的投資於每個資產負債表日審閱，以決定是否有減值的客觀證據。減值的客觀證據包括以下本集團關注的一項或以上損失事件的可觀測數據：

- 債務人陷入重大財務困境；
- 違反合約，例如拖欠或逾期償還利息或本金款項；
- 債務人有可能進入破產或進行其他財務重組；
- 工業技術、市場、經濟或法律環境的重大改變對債務人有不利影響；及
- 投資於股本工具的公允值遠低於或長期低於其成本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (Cont'd)

(i) Impairment of receivables (Cont'd)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the group is satisfied that recovery is remote, the amount and any amounts held in the allowance account relating to that debt 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 profit or loss.

2 主要會計政策概要(續)

(i) 資產減值(續)

(i) 應收款的減值(續)

倘若有此種證據，則按下文釐訂及確認任何減值虧損：

- 倘折讓影響重大，對於應收賬款及其他現時應收款以及其他按攤銷成本列賬的財務資產，減值虧損量度為按資產賬面值及估計未來現金流量按財務資產原來實際利率（即在初始確認該等資產時計算的實際利率）貼現的現值之間差額。

減值虧損倘若於隨後期間減少，而有關減少可與確認減值虧損後發生的事件客觀地聯繫，則減值虧損經由損益中撥回。所撥回的減值虧損僅限於過往年度如沒有確認減值虧損而應以釐定的資產賬面值。

減值虧損乃直接於相應資產中撇銷，惟就計入應收賬款及其他應收款中的應收賬款（其可收回性被認為難以預料而並非微乎其微）而確認的減值虧損除外。在此情況下，呆賬的減值虧損以準備賬記錄。當本集團確認能收回應收賬款的機會微乎其微時，在準備賬中就該債務保留的任何金額乃予以撥回。先前在準備賬中計提之金額如被收回，其將從準備賬中撥回。準備賬的其他變動及其後收回先前直接撇銷的款項均於損益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (Cont'd)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- investments in subsidiaries;
- property, plant and equipment; and
- properties for future development and under development for sale.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price 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 assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. cash-generating unit).

2 主要會計政策概要 (續)

(i) 資產減值 (續)

(ii) 其他資產的減值

本集團會在每個資產負債表日參考內部和外來信息，確定下列資產是否出現減值跡象，或以往確認的減值虧損已經不再存在或可能已經減少：

- 於附屬公司的投資；
- 物業、廠房及設備；及
- 未來開發及待出售的發展中物業。

如果出現減值跡象，便會估計資產的可收回金額。

- 計算可收回金額

資產可收回金額為其淨售價與使用價值兩者中的較高額。在評估使用價值時，估計未來現金流量會按照可以反映當時市場對貨幣時間值及資產特定風險的評估的稅前折現率，貼現至其現值。如果資產所產生現金流入基本上並非獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)來釐定可收回金額。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (Cont'd)

(ii) Impairment of other assets (Cont'd)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 主要會計政策概要(續)

(i) 資產減值(續)

(ii) 其他資產的減值(續)

– 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，減值虧損即於損益中予以確認。就現金產生單位確認之減值虧損乃按比例基準於有關單位(或單位組別)中作分配以減少該等資產的賬面值，惟資產賬面值將不得減至低於其個別公允值減出售成本或使用價值(如可釐定)。

– 撥回減值虧損

如果用作釐定可收回金額的估計數字出現正面變化，減值虧損便會撥回。

所撥回的減值虧損僅限於如過往年度沒有確認任何減值虧損而應以釐定的資產賬面值。所撥回減值虧損在確認撥回的年度計入損益內。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2 主要會計政策概要 (續)

(j) Inventories

Inventories in respect of property development activities are carried at the lower of cost and net realisable value, except for the land portion which is accounted for as set out in note 2(h)(iv). Cost and net realisable values are determined as follows:

(i) *Properties for future development and under development for sale*

The cost of properties for future development and under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses and borrowing costs capitalised (see note 2(u)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

(ii) *Completed properties held for sale*

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 represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed 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.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(ii)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 2(ii)).

(j) 存貨

與物業開發活動有關的存貨按成本及可變現淨值兩者的較低者入賬，惟誠如附註2(h)(iv)所載列的已計及土地部分除外。成本及可變現淨值計算方式如下：

(i) 未來開發及待出售的發展中物業

未來開發及待出售的發展中物業的成本由特別界定的成本組成，包括土地的收購成本、累計開發成本、材料及供應、工資及其他直接費用及資本化借貸成本(見附註2(u))。可變現淨值指估計的售價減估計的完工成本及出售物業所產生的成本。

(ii) 持作出售的已竣工物業

若為本集團開發的已竣工物業，其未售出的物業的成本計量為按獲比例分配的該開發計劃的全部開發成本。可變現淨值指估計的售價減出售物業所產生的成本。

持作出售的已竣工物業的成本包括所有採購成本、加工成本及其他使存貨達至現時地點及狀態所產生的成本。

(k) 應收賬款及其他應收款

應收賬款及其他應收款先按公允價值確認，其後按攤銷成本減呆壞賬減值虧損後所得數額入賬(見附註2(i))，但如應收賬款為關聯人士提供的沒有特定償還條款的免息貸款或其折現影響並不重大則除外。在該等情況下，應收賬款將按成本減呆壞賬減值虧損後所得數額入賬(見附註2(i))。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Warrants

Warrants issued by the company that will be settled by other than a fixed amount of cash for a fixed number of the company's own equity instruments is a derivative financial instrument. Warrants classified as a derivative financial instrument are recognised at their fair values at the date of issue. Changes in fair values in subsequent periods are recognised through profit or loss.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities, measured in accordance with note 2(r)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(p) Employee benefits

(i) Short-term employee benefits

Salaries, wages, annual bonuses and staff welfare are accrued in the year in which the associated services are rendered by employees of the group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 主要會計政策概要(續)

(l) 計息借貸

計息借貸按公允值減應佔交易費用初步確認。於初步確認後，計息借貸按攤銷成本列賬，最初確認金額與贖回價值的任何差異(連同任何應付利息及費用)會在貸款期間內以實際利率法於損益內確認。

(m) 認股權

本公司所發行並將以定額現金換取本公司本身固定數目股本工具以外方式結算的認股權，為衍生金融工具。分類為衍生金融工具的認股權按其於發行日期的公允值確認。其後期間的公允值變動乃透過損益確認。

(n) 應付賬款及其他應付款

應付賬款及其他應付款先按公允值確認。除根據附註2(r)(i)的財務擔保負債外，應付賬款及其他應付款其後按攤銷成本入賬，但如折現影響並不重大，則按成本入賬。

(o) 現金及現金等價物

現金及現金等價物為銀行存款及現金、存放於銀行及其他財務機構的活期存款，以及短期而流動性極高的投資，該等投資可隨時變現為已知現金數額及無重大價值轉變的風險，並於購入後三個月內到期。

(p) 僱員福利

(i) 短期僱員福利

薪金、工資、年度獎金及員工福利於本集團僱員提供相關服務的年度入賬。當延期支付或清償該等成本而其影響重大時，則該等數額以現值列報。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2 主要會計政策概要 (續)

(p) Employee benefits (Cont'd)

(ii) Contributions to defined contribution retirement plans

Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised in profit or loss as incurred.

Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred, to the extent that they are not capitalised as properties under development for sale.

(iii) Equity-settled share-based payments

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

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(p) 僱員福利(續)

(ii) 向定額供款退休計劃作出的供款

按香港強制性公積金計劃條例規定向強制性公積金作出的供款乃於產生時在損益中確認。

根據中國有關勞工規則及法規向當地適當的定額供款退休計劃作出的供款於產生時在損益內確認為支出，惟以彼等並未資本化為發展中投資物業為限。

(iii) 以股份為結算基礎的付款

授予僱員的認股權的公允值乃確認為僱員成本，而權益中的資本儲備則相應增加。公允值於授予當日採用估值方法計量，並計及認股權所授予的條款及條件。倘僱員於無條件地有權獲授認股權前符合歸屬條件，則認股權的估計總公允值在歸屬期內攤分，並計及認股權將會歸屬的可能性。

於歸屬期內，預期行使的認股權數量將被審閱。任何對過往年度已確認累計公允值所作的調整乃於回顧年度的損益賬內扣除／計入，除非原有僱員開支合資格確認為資產，則對資本儲備作出相應調整。於歸屬日期，已確認為開支的金額會作調整，以反映所歸屬的實際認股權數量(並對資本儲備作出相應調整)，惟僅於未能達到有關本公司股份市價的歸屬條件時方會沒收其認股權。股本金額於資本儲備確認，直至認股權獲行使(即轉撥至股份溢價賬時)或認股權到期(即直接撥至保留溢利時)為止。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策概要(續)

(q) 所得稅

年內的所得稅包括本期稅項及遞延稅項資產及負債的變動。本期稅項及遞延稅項資產及負債的變動乃於損益內確認，除非屬直接在權益中確認的項目，則於權益中確認。

本期稅項為預期須就年內應課稅收入，根據採用於資產負債表日已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度應付的稅項作出調整。

遞延稅項資產及負債分別由資產及負債按財務報告的賬面值及計稅基礎兩者之間可予扣減及應課稅的暫時性差異所產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干少數例外情況外，所有遞延稅項負債及遞延稅項資產均於日後產生應課稅溢利並將可動用資產予以抵銷時確認。可引證確認源自可扣稅暫時差額的遞延稅項資產之日後應課稅溢利，包括該等源自撥回現有應課稅暫時差額，惟差額須與相同稅務機關及相同稅務實體有關，並預期於撥回可扣稅差額的同一期間或源自遞延稅項資產的稅項虧損可撥回或結轉的期間撥回。在評定目前的應課稅暫時性差異是否容許確認由未動用稅務虧損及優惠所產生的遞延稅項資產時採用上述相同的標準(即該等暫時性差異由同一稅務當局向同一應稅單位徵收及預期在稅務虧損或優惠能應用的期間內撥回方可計算在內)。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income tax (Cont'd)

The limited exceptions to recognition of deferred tax assets and liabilities are the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2 主要會計政策概要(續)

(q) 所得稅(續)

該等確認遞延稅項資產及負債的有限例外情況是首次確認但並不影響會計溢利及應課稅溢利的資產或負債(惟其不可為企業合併的部分)，以及有關於附屬公司投資所引致的暫時性差異(如為應課稅差異，只限於本集團可控制回撥的時間，並且不大可能在可見未來回撥的差異，或如為可予扣減差異，則只限於可能在未來回撥的差異)。

應確認的遞延稅項數額乃按資產及負債賬面值的預期變現或清償方式，以於資產負債表日適用或主要適用的稅率計算。遞延稅項資產及負債均不作折現計算。

遞延稅項資產的賬面值會於各資產負債表日審閱，並於不再可能取得足夠應課稅溢利以動用有關稅務優惠時調低。任何減幅會於可能取得足夠應課稅溢利時修正。

因分派股息而產生的額外所得稅，於確認支付有關股息的負債時確認入賬。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income tax (Cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company or the group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the company or the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 主要會計政策概要(續)

(q) 所得稅(續)

本期稅項結餘及遞延稅項結餘，及其變動額將分開列示，並不予抵銷。本期稅項資產及遞延稅項負債只會在本公司或本集團有法定行使權以本期稅項資產抵銷本期稅項負債，並在符合下列附帶條件的情況下，才可分別抵銷本期稅項資產及遞延稅項負債：

- 本期稅項資產及負債方面，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 遞延稅項資產及負債方面，該資產及負債須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應稅實體；或
 - 不同應稅實體，計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準變現本期稅項資產及清償本期稅項負債，或同時變現及清償該資產及該負債。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. 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, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the group under the guarantee, and (ii) the amount of that claim on the group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

2 主要會計政策概要 (續)

(r) 所發出的財務擔保、準備及或然負債

(i) 所發出的財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債項工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。

倘本集團發出財務擔保，該擔保的公允值(即交易價格，除非該公允值能確實地估計)最初確認為應付賬款及其他應付款內的遞延收入。倘在發行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(倘有關代價尚未收取或應予收取)而予以確認。倘並無收取或可收取代價，於最初確認任何遞延收入時，即時開支於損益內確認。

最初確認為遞延收入的擔保款額按擔保年期於損益內攤銷為所發出的財務擔保收入。此外，倘(i)擔保持有人有可能省視擔保下的集團；及(ii)該集團的申索款額預期超過現時列於該擔保的應付賬款及其他應付款(即最初確認的金額)，減累計攤銷，則準備根據附註2(r)(ii)確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial guarantees issued, provisions and contingent liabilities (Cont'd)

(ii) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the group and the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Revenue recognition

Provided it is probable that the economic benefits will flow to the group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of properties

Revenue from the sale of properties is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyers. The group considers that the significant risks and rewards of ownership are transferred when the properties are completed and delivered to the buyers. Revenue from sale of properties excludes business tax and other sales related taxes and is after deduction of any trade discounts. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet as receipts in advance.

2 主要會計政策概要(續)

(r) 所發出的財務擔保、準備及或然負債(續)

(ii) 準備及或然負債

當本集團及本公司因過往的事件而須負上法律或推定的責任，可能須為處理該責任而導致含有經濟效益的資源外流及於可作出可靠的估計時，則須為未能確定何時發生或數額的其他負債計提準備。當數額涉及重大的時間價值時，處理該責任的準備以預計所需支出的現有價值呈列。

如果含有經濟效益的資源外流的可能性較低，或其數目未能可靠地預測，則披露有關責任為或然負債，除非資源外流的可能性極微。當可能發生的義務的存在將只由一項或多項未來事件之產生與否所決定，此等義務亦披露為或然負債，除非付出經濟效益的可能性極微。

(s) 收入確認

在經濟效益可能流入本集團，及收入及成本(如適用)可予準確計算的前提下，於損益內確認為收入的詳情如下：

(i) 銷售物業

銷售物業的收入於已轉移所有權的主要風險及報酬予買家時，於損益內確認。本集團認為所有權的主要風險及報酬在物業完成及交付給買家時作出轉移。銷售物業收入不包括營業稅及其他銷售相關稅項，並已扣除任何營業折扣。於收入確認日期前就出售物業收取的按金及分期付款，已計入資產負債表的預收款項內。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2 主要會計政策概要(續)

(s) Revenue recognition (Cont'd)

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned. Revenue excludes business tax or other sales related taxes.

(iii) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated into Renminbi at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Renminbi at the exchange rates ruling at the dates the fair value was determined.

(s) 收入確認(續)

(ii) 經營租賃的租金收入

經營租賃的應收租金收入於租賃期所涵蓋期間，按等額於損益內確認，但如有其他基準能更清楚地反映使用租賃資產所產生的收益模式時則除外。租賃獎勵於損益表中確認為應收租賃淨付款總額的組成部分。或然租金於其產生的會計期間內確認為收入。收入不包括營業稅及其他銷售相關稅項。

(iii) 股息

- 非上市投資的股息收入乃當股東收取款項的權利確定時確認。
- 上市投資的股息收入乃投資項目的股價除息時確認。

(iv) 利息收入

利息收入按實際利率法累計確認。

(t) 外幣換算

年內的外幣交易按交易當日的匯率折算為人民幣。以外幣為單位的貨幣資產及負債則按資產負債表日的匯率折算為人民幣。滙兌收益或虧損於損益中確認。

以外幣列值及按歷史成本計算的非貨幣資產及負債，乃按交易當日的匯率換算。以外幣列值而以公允值列賬的非貨幣資產及負債乃按釐定公允值當日適用的匯率換算為人民幣。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the group or exercise significant influence over the group in making financial and operating policy decisions, or has joint control over the group;
- (ii) the group and the party are subject to common control;
- (iii) the party is an associate of the group or a joint venture in which the group is a venturer;
- (iv) the party is a member of key management personnel of the group or the group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the group or of any entity that is a related party of the group.

2 主要會計政策概要(續)

(u) 借貸成本

借貸成本於產生期間在損益內列支，但與收購、建設或生產而需相當長時間才可投入其擬定用途或銷售的資產的直接相關借貸成本則予以資本化。

作為合資格資產的部分成本的借貸成本乃於資產的開支產生、借貸成本產生及使資產投入其擬定用途或銷售所需的活動進行時開始資本化。於使合資格資產投入其擬定用途或銷售所需的活動大致上中止或完成時，則暫停或停止將借貸成本資本化。

(v) 關連人士

就本財務報表而言，任何一方如屬以下情況，即視為本集團之關連人士：

- (i) 該方能透過一家或多家中介公司，直接或間接控制本集團，或在財務及經營政策決策方面對本集團行使重大影響力，或共同控制本集團；
- (ii) 本集團及該方同時受到第三方的控制；
- (iii) 另一方為本集團的聯營公司或合資企業，而本集團是合資者；
- (iv) 另一方為本集團的關鍵管理人員，或本公司的母公司，或與此人關係密切的家族成員，或受此人控制、共同控制或有重大影響的實體；
- (v) 另一方為(i)所述關係密切的家族成員，或受此人控制、共同控制或有重大影響的實體；或
- (vi) 另一方為本集團或作為本集團連繫人士的任何實體的僱員福利而設的離職後福利計劃。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Related parties (Cont'd)

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(w) Segment reporting

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

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

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

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

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

2 主要會計政策概要(續)

(v) 關連人士(續)

近親為預期在與該實體交易時對其有所影響、受其影響之家族成員。

(w) 分部報告

分部乃指本集團內可明顯區分的組成部分，負責提供有別於其他分部的項目或服務(業務分部)，或於特定經濟環境中負責提供項目或服務(地區分部)，而各分部的風險及回報有異。

根據本集團的內部財務呈報方式，本集團就本財務資料而選擇業務分部為主要呈報方式，及地區分部為次要呈報方式。

分部收入、支出、業績、資產及負債包括直接來自某一分部，以及可合理地分配至該分部的項目。分部收入、開支、資產及負債於綜合過程中撇銷集團公司間的結餘及集團公司間的交易前釐定，但同屬一個分部的集團公司間的結餘及交易則除外。分部之間的定價按與其他外界人士相若的條款計算。

分部資本性支出指於期內購入預計可於超過一段期間使用的分部資產(有形及無形兩者)所產生的成本總額。

未分配的項目主要包括財務及企業資產與負債、計息貸款、借貸、稅項結餘、企業及融資開支。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new Interpretations and an amendment to HKFRSs that are first effective for the current accounting period of the group and the company. However, none of these developments are relevant to the group's or the company's financial position or results of operations.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 41).

4 TURNOVER

The principal activities of the group are property development and property leasing in the PRC.

Turnover represents income from sales of properties and rental income and management fee earned during the year net of business tax and other sales related taxes and discounts allowed, after eliminating intra-group transactions.

Sales of properties	銷售物業
Rental income and management fee	租金收入及管理費用

3 會計政策變動

香港會計師公會已就香港財務報告準則頒佈若干新詮釋及一項修訂，該等詮釋及修訂於本集團及本公司的本會計期間首次生效。然而，該等發展與本集團或本公司的財務狀況和經營業績概無任何關連。

本集團並無應用於本會計期間尚未生效的任何新準則或詮釋(見附註41)。

4 營業額

本集團的主要業務為在中國從事物業開發及物業租賃。

營業額即在抵銷集團內部交易後於本年度內的銷售物業收入及租金收入及管理費用收入(已扣除營業稅及其他銷售有關稅項及折扣)。

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
64,147	362,933
55,481	48,744
119,628	411,677

5 OTHER NET INCOME/(LOSS)

(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備(虧損)/收益
Net realised and unrealised (losses)/gains on trading securities	買賣證券的已變現及未變現(虧損)/收益淨額
Net exchange gains/(losses)	匯兌收益/(虧損)淨額

5 其他收益/(虧損)淨額

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
(67)	83
(3,097)	1,799
40,261	(26,490)
37,097	(24,608)

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

6 OTHER REVENUE

Interest income	利息收入
Compensation income on cancellation of swap agreement	註銷掉期協議的賠償收入
Others	其他

6 其他收入

Note 附註	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
	26,640	38,497
24 (b)	27,994	–
	857	1,979
	55,491	40,476

7 GAIN ON DISPOSAL OF A JOINTLY CONTROLLED ENTITY

On 9 November 2007, the group disposed of its 50% equity interest in Trisum Investment Limited (“Trisum”) to an independent third party for a consideration of RMB314,682,000. Trisum was acquired by the group in August 2007 for a consideration of RMB150,000,000. A gain of RMB140,765,000 resulted in the disposal.

7 出售共同控制實體收益

於2007年11月9日，本集團向獨立第三方出售其於豐深投資有限公司(「豐深」)的50%股本權益，代價為人民幣314,682,000元。豐深由本集團於2007年8月以代價人民幣150,000,000元收購。出售收益為人民幣140,765,000元。

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) <i>Finance costs</i>	(a) 融資成本
Interest on bank loans and other borrowings wholly repayable within five years	須於五年內全部償還的銀行貸款及其他借貸利息
Interest on Senior Note	優先票據利息
Total interest expense on financial liabilities not at fair value through profit or loss	並非透過損益以公允值列賬的金融負債的利息費用總額
Less: interest expense capitalised as properties under development for sale *	減：利息費用資本化為待出售的發展中物業*

8 除稅前溢利

除稅前溢利已扣除/(計入)：

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
46,314	20,488
89,813	65,668
136,127	86,156
(45,900)	(31,065)
90,227	55,091

* The borrowing costs have been capitalised at interest rates ranging from 5.18% to 9.07% per annum (2007: from 5.10% to 8.22% per annum).

* 借貸成本已分別按年利率介乎5.18%至9.07% (2007年：年利率5.10%至8.22%) 予以資本化。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

8 PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is arrived at after charging/(crediting): (Cont'd)

(b) Staff costs

Equity-settled share-based payments*
(note 30)

Wages, salaries and other staff costs

Including:

Retirement scheme contributions

(b) 員工成本

以股份為結算基礎的
付款*(附註30)

工資、薪金及其他員工成本

包括：

退休計劃供款

Employees of the group's subsidiaries established in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The group's subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The group made contributions of RMB795,000 (2007: RMB471,000) to the scheme during the year.

The group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the group and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately. The group made contributions of RMB44,000 (equivalent to approximately HK\$49,000) (2007: RMB34,000) to the scheme during the year.

The group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

* Equity-settled share-based payments for the group's employees were included under general and administrative expenses.

8 除稅前溢利(續)

除稅前溢利已扣除/(計入):(續)

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
342	29,352
17,859	13,510
18,201	42,862
839	505

本集團於中國成立的附屬公司僱員須參加地方市政府管理及經營的定額供款退休計劃。本集團的附屬公司乃按地方市政府認同的若干平均僱員工資百分比計算的數額向計劃供款，以向僱員退休福利提供資金。於本年度內，本集團向該計劃作出的供款為人民幣795,000元(2007年：人民幣471,000元)。

本集團根據香港強制性公積金計劃條例，為按香港僱傭條例規定所聘用的僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理的定額供款退休計劃。根據強積金計劃，本集團及其僱員各自須按僱員有關收入的5%向該計劃作出供款，惟以每月有關收入上限20,000港元為限。向該計劃作出的供款會即時歸屬。本集團於本年度內向該計劃作出的供款為人民幣44,000元(約相等於49,000港元)(2007年：人民幣34,000元)。

除上述的每年供款外，本集團概無與該等計劃有關的其他重大支付退休福利的責任。

* 本集團僱員的以股份為結算基礎的付款已計入一般及行政費用。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

8 PROFIT BEFORE TAXATION (CONT'D)

8 除稅前溢利 (續)

Profit before taxation is arrived at after charging/(crediting): (Cont'd)

除稅前溢利已扣除／(計入)：(續)

		2008	2007
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(c) <i>Other items</i>	(c) <i>其他項目</i>		
Amortisation of leasehold land	租賃土地攤銷	1,268	2,261
Less: amounts capitalised as properties under development for sale	減：金額資本化為待出售的發展中物業	-	(977)
		1,268	1,284
Depreciation	折舊	2,544	2,040
Less: amounts capitalised as properties under development for sale	減：金額資本化為待出售的發展中物業	(904)	-
		1,640	2,040
Total amortisation and depreciation	總攤銷及折舊	2,908	3,324
Auditor's remuneration	核數師酬金		
– audit services	– 審核服務	1,592	2,015
– other services	– 其他服務	533	330
Operating lease charges in respect of sub-leased properties	轉租物業經營租賃費用	10,082	9,915
Cost of inventories sold	已售存貨成本	57,240	161,261
Impairment losses on loans and advances	貸款及墊款減值虧損	15,920	-
Impairment losses on prepayments	預付款減值虧損	3,184	-
Rental income from investment properties	投資物業的租金收入	(39,542)	(33,397)
Rental income from sub-leased properties	轉租物業的租金收入	(15,939)	(15,347)
Gross rental income	總租金收入	(55,481)	(48,744)
Less: direct outgoings (note)	減：直接開支(附註)	16,476	15,733
		(39,005)	(33,011)
Contingent rental income	或然租金收入	(319)	(618)

Note: Direct outgoings represent operating lease charges in respect of sub-leased properties and management fee expenses.

附註：直接開支指轉租物業經營租賃費用及管理費開支。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

9 綜合損益表內的所得稅

(a) Taxation in the consolidated income statement represents:

Current tax	本期稅項
Provision for PRC Enterprise Income Tax for the year	本年度中國企業所得稅準備
Land Appreciation Tax	土地增值稅
– Provision for the year	– 一年內準備
– Overprovision in respect of prior year	– 上年度超額準備
Deferred tax	遞延稅項
Origination and reversal of temporary differences	暫時差異的產生及撥回
Effect of changes in tax rate on opening deferred tax balances	稅率變動對期初遞延稅項結餘的影響

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the group is not subject to any income tax in the Cayman Islands and the BVI. No Hong Kong Profits Tax has been provided for as the group does not have estimated assessable profits in Hong Kong.

The provision for PRC Enterprise Income Tax is based on a statutory rate of 25% of the taxable profits determined in accordance with the relevant income tax rules and regulations in the PRC for the year ended 31 December 2008, except for certain subsidiaries of the company located within the special economic zones in the PRC, which were previously taxed at preferential rate of 15% in 2007, for which the applicable preferential tax rate is 18% for 2008. The preferential tax rate will be gradually increased to 20%, 22%, 24% and 25% for the years ending 31 December 2009, 2010, 2011 and 2012 respectively. Accordingly, the deferred tax of the group is recognised based on tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

(a) 綜合損益表內的稅項指：

2008	2007
RMB'000	RMB'000
人民幣千元	人民幣千元
16,059	41,822
328	98,291
(989)	–
(661)	98,291
15,398	140,113
5,757	12,308
66,081	–
71,838	12,308
87,236	152,421

根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。由於本集團於香港並無任何估計應課稅收入，故並無就香港所得稅作出準備。

中國企業所得稅準備乃按照根據中國截至2008年12月31日止年度相關的所得稅規則及規例釐定的25%應課稅溢利的法定比率計算，惟本公司若干位於中國特別經濟區域且於2007年按15%優惠稅率徵稅的附屬公司除外，該等附屬公司於2008年的適用優惠稅率為18%。優惠稅率將分別於2009年、2010年、2011年及2012年12月31日止年度逐步上調至20%、22%、24%及25%。因此，本集團的遞延稅項將於變現資產或償付負債時根據預期於該期間應用的稅率確認。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

9 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (CONT'D)

9 綜合損益表內的所得稅(續)

(a) Taxation in the consolidated income statement represents: (Cont'd)

Land Appreciation Tax is levied on properties developed by the group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditure including lease charges of land use rights, borrowing costs and all property development expenditure.

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rate:

(a) 綜合損益表內的稅項指：(續)

本集團銷售所發展的物業須按土地價值增幅以30%至60%的累進稅率繳納土地增值稅，根據有關規例，土地增值稅乃按出售物業所得款項減可扣稅開支(包括土地使用權出讓支出、借貸成本及所有物業發展開支)計算。

(b) 按適用稅率計算的稅項支出與會計溢利的對賬：

		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	90,596	402,923
Notional tax on profit before taxation, calculated at 18% (2007: 15%) in Shenzhen	按深圳的稅率18% (2007年：15%)計算的除稅前溢利的名義稅項	16,307	60,438
Effect of changes in tax rate on opening deferred tax balances	稅率變動對期初遞延稅項結餘的影響	66,081	-
Tax effect of different tax rates in other locations	在其他不同稅率地區的稅項影響	1,486	3,341
Tax effect of non-taxable revenue	毋須計稅收入的稅項影響	(1,965)	(63)
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	4,365	4,498
Tax effect of unused tax losses not recognised	未予以確認稅項虧損額的稅項影響	1,484	660
Land Appreciation Tax	土地增值稅	(661)	83,547
Others	其他	139	-
Actual tax expense	實際稅項支出	87,236	152,421

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

10 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

10 董事酬金

根據香港公司條例第161條所披露的董事酬金如下：

		Basic salaries, housing allowances and other allowances and benefits in kind 基本薪金、 房屋津貼、 其他津貼及 實物福利	Discretionary bonuses 酌定花紅	Retirement scheme contributions 退休 計劃供款	Sub-total	Equity-settled share-based payments 以股份為結算 基礎的付款	2008 Total 總計	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Executive directors	執行董事					(note) (附註)		
Mr Yunshu ZENG	曾雲樞先生	1,500	-	-	21	1,521	-	1,521
Mr Sheng ZENG	曾勝先生	1,300	-	-	20	1,320	-	1,320
Ms Qingdong YE	葉慶東女士	600	-	-	20	620	-	620
Mr Junxin OUYANG	歐陽俊新先生	300	-	-	15	315	-	315
Dr Qinchun HAN	韓秦春博士	1,300	-	-	11	1,311	-	1,311
Mr Yiyang ZHANG (appointed on 6 October 2008)	張奕炎先生 (於2008年10月6日獲委任)	325	-	-	-	325	-	325
		5,325	-	-	87	5,412	-	5,412
Independent non-executive directors	獨立非執行董事							
Dr Jun LI	李珺博士	133	-	-	-	133	-	133
Mr Ngai Lam CHEUNG	張毅林先生	133	-	-	-	133	-	133
Ms Wei Fang LIN (resigned on 6 October 2008)	林偉芳女士 (已於2008年10月6日辭任)	100	-	-	-	100	-	100
Mr Fosong WANG (appointed on 6 October 2008)	王佛松先生 (於2008年10月6日獲委任)	30	-	-	-	30	-	30
		396	-	-	-	396	-	396
Non-executive director	非執行董事							
Mr Huaqiao ZHANG (resigned on 26 September 2008)	張化橋先生 (已於2008年9月26日辭任)	-	-	-	-	-	-	-

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

10 DIRECTORS' REMUNERATION (CONT'D)

10 董事酬金(續)

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows: (Cont'd)

根據香港公司條例第161條所披露的董事酬金如下：(續)

		Basic salaries, housing allowances and other allowances and benefits in kind 基本薪金、 房屋津貼、 其他津貼及 實物福利	Discretionary bonuses 酌定花紅	Retirement scheme contributions 退休 計劃供款	Equity-settled share-based payments Sub-total 以股份為結算 基礎的付款	2007 Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
(note) (附註)						
Executive directors						
Mr Yunshu ZENG	曾雲福先生	1,500	-	-	19	1,519
Mr Sheng ZENG	曾勝先生	1,299	-	-	9	1,308
Ms Qingdong YE	葉慶東女士	600	-	-	9	609
Mr Junxin OUYANG	歐陽俊新先生	300	-	-	6	306
Dr Qinchen HAN	韓秦春博士	1,192	-	-	11	1,203
		4,891	-	-	54	4,945
					5,435	10,380
Independent non-executive directors						
	獨立非執行董事					
Dr Jun LI	李珺博士	133	-	-	-	133
Mr Ngai Lam CHEUNG	張毅林先生	133	-	-	-	133
Ms Wei Fang LIN	林偉芳女士	133	-	-	-	133
		399	-	-	-	399
					1,425	1,824
Non-executive directors						
	非執行董事					
Mr Huaqiao ZHANG	張化橋先生	44	-	-	-	44
Mr Junyu CHEN (resigned on 16 October 2007)	陳軍余先生 (已於2007年10月16日辭任)	36	-	-	-	36
		80	-	-	-	80
					3,281	3,361

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

10 DIRECTORS' REMUNERATION (CONT'D)

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows: (Cont'd)

Note: These represent the estimated value of share options granted to the directors under the company's share option scheme. The value of these share options is measured according to the group's accounting policies for equity-settled share-based payments as set out in note 2(p)(iii) and, in accordance with that policy, includes adjustments to reserve amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option" in the directors' report and note 30.

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2007: two) are directors whose emoluments are disclosed in note 10. The aggregate of the emoluments in respect of the remaining (2007: three) individual is as follows:

Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌定花紅
Equity-settled share-based payments	以股份為結算基礎的付款
Retirement scheme contributions	退休計劃供款

10 董事酬金 (續)

根據香港公司條例第 161 條所披露的董事酬金如下：(續)

附註：該等款項指根據本公司認股權計劃授予董事的認股權的估計價值。該等認股權的價值乃根據本集團有關以股份為結算基礎的付款交易的會計政策(如附註2(p)(iii)所載)計量，而根據該政策，包括就於歸屬前被沒收的所授出股本工具撥回過往年度預提款項的調整。

有關該等實物福利的詳情(包括所授出認股權的主要條款及數目)乃披露於董事會報告「認股權」一段及附註30。

11 最高酬金人士

五名最高酬金人士之中，分別有四名(2007年：兩名)為董事，其酬金於附註10披露。其餘一名(2007年：三名)人士的酬金總額如下：

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
1,067	1,354
–	512
–	10,350
11	28
1,078	12,244

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONT'D)

The emolument of the individual (2007: three) with the highest emolument is within the following band:

RMB1,000,001 to RMB2,000,000	人民幣 1,000,001 元至 人民幣 2,000,000 元
RMB2,000,001 to RMB2,500,000	人民幣 2,000,001 元至 人民幣 2,500,000 元
RMB3,500,001 to RMB4,000,000	人民幣 3,500,001 元至 人民幣 4,000,000 元
RMB6,000,001 to RMB6,500,000	人民幣 6,000,001 元至 人民幣 6,500,000 元

During the years ended 31 December 2008 and 2007, no emoluments have been paid by the group to the directors, senior executives or any of the five highest individuals as an inducement to join or upon joining the group or as compensation for loss of office.

12 PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit/(loss) attributable to equity shareholders of the company includes a profit of RMB27,524,000 (2007: loss of RMB62,110,000) which has been dealt with in the financial statements of the company.

11 最高酬金人士 (續)

其餘一名 (2007 年：三名) 酬金最高的人士的酬金範圍如下：

Number of individuals 僱員數目	
2008	2007
1	–
–	1
–	1
–	1

截至 2008 年及 2007 年 12 月 31 日止兩個年度內，本集團概無向董事、高級行政人員或任何五名最高薪酬的人士支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或離職補償。

12 本公司權益股東應佔溢利／(虧損)

本公司權益股東應佔綜合溢利／(虧損) 包括人民幣 27,524,000 元的溢利 (2007 年：人民幣 62,110,000 元虧損)，該虧損已於本公司的財務報表中處理。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

13 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the company of RMB3,546,000 (2007: RMB250,685,000) and the weighted average number of shares in issue during the year of 1,040,250,000 (2007: 1,036,325,000). The weighted average number of shares in issue for the period from 1 January 2007 to 12 March 2007 is based on the assumption that 1,036,100,000 ordinary shares were in issue throughout that period.

Weighted average number of shares (basic)

Number of shares at 1 January	於1月1日的股份數目
Effect of share options exercised	已行使認股權的影響
Weighted average number of shares at 31 December	於12月31日的股份加權平均數

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the company of RMB3,546,000 (2007: RMB250,685,000) and the weighted average number of shares of 1,048,475,000 (2007: 1,060,772,000) shares, calculated as follows:

Weighted average number of shares (diluted)

Number of shares at 1 January	於1月1日的股份數目
Deemed issue of ordinary shares under share option scheme for nil consideration	被視為根據認股權計劃無償發行普通股
Weighted average number of shares at 31 December	於12月31日的股份加權平均數

13 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本年度內本公司權益股東應佔溢利人民幣3,546,000元(2007年：人民幣250,685,000元)，以及於本年度內已發行股份的加權平均數1,040,250,000股(2007年：1,036,325,000股)計算。由2007年1月1日至2007年3月12日止期間內已發行股份的加權平均數乃根據假設於該期間內已發行1,036,100,000股普通股而計算。

股份加權平均數(基本)

2008	2007
'000	'000
千股	千股
1,040,250	1,036,100
–	225
1,040,250	1,036,325

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司權益股東應佔溢利人民幣3,546,000元(2007年：人民幣250,685,000元)及股份加權平均數1,048,475,000股(2007年：1,060,772,000股)計算，結果如下：

股份加權平均數(攤薄)

2008	2007
'000	'000
千股	千股
1,040,250	1,036,100
8,225	24,672
1,048,475	1,060,772

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

13 EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share (Cont'd)

For the Warrants granted during 2007 (note 24(b)), there was no dilutive effect on earnings per share upon deemed exercise. The then status of condition was assumed unchanged and thus the conditions of reset and adjustment were not met.

13 每股盈利(續)

(b) 每股攤薄盈利(續)

就2007年授出的認股權(附註24(b))而言，於被視為行使後並無對每股盈利產生攤薄影響。本公司假設當時條件狀況保持不變，因而並無達致重設及調整之條件。

14 SEGMENT REPORTING

Segment information is presented in respect of the group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the group's internal financial reporting. No segment information is presented in respect of the group's geographical segments as the group's principal activities are largely carried out in the PRC.

Business segments

The group comprises the following main business segments:

- Property development : development and sale of properties
- Property leasing : leasing of investment properties and sub-leased properties and provision of related management service

14 分部報告

分部資料按本集團的業務及地區分部呈列。由於業務分部資料與本集團的內部財務報告較為相關，因此業務分部資料被選為主要報告形式。由於本集團的主要業務大多於中國經營，故概無分部資料按本集團的地區分部呈列。

業務分部

本集團由下列主要業務分部組成：

- 物業開發 : 開發及銷售物業
- 物業租賃 : 租賃投資物業及轉租物業及提供有關管理服務

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

14 SEGMENT REPORTING (CONT'D)

14 分部報告(續)

Business segments (Cont'd)

業務分部(續)

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Year ended 31 December 2008	截至2008年12月31日止年度			
Revenue from external customers	外來客戶收入	64,147	55,481	119,628
Segment results	分部業績	5,148	35,537	40,685
Net increase in fair value of investment properties	投資物業的公允值的 增加淨額	-	62,120	62,120
Unallocated operating income and expenses	未能分類的經營 收入及開支			19,485
Profit from operations	經營溢利			122,290
Net change in fair value of derivative financial instruments	衍生金融工具的 公允值的變動淨額			58,533
Finance costs	融資成本			(90,227)
Profit before taxation	除稅前溢利			90,596
Income tax	所得稅			(87,236)
Profit for the year	本年度溢利			3,360
Amortisation and depreciation	攤銷及折舊	2,068	500	
At 31 December 2008	於2008年12月31日			
Segment assets	分部資產	2,280,536	1,324,539	3,605,075
Unallocated assets	未能分類的資產			219,235
Total assets	總資產			3,824,310
Segment liabilities	分部負債	405,960	48,248	454,208
Unallocated liabilities	未能分類的負債			1,710,299
Total liabilities	總負債			2,164,507
Capital expenditure incurred	所產生的資本支出	729,222	536	

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

14 SEGMENT REPORTING (CONT'D)

14 分部報告(續)

Business segments (Cont'd)

業務分部(續)

		Property development 物業開發 RMB'000 人民幣千元	Property leasing 物業租賃 RMB'000 人民幣千元	Inter- segment elimination 分部之間 的抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Year ended 31 December 2007	截至2007年12月31日止年度				
Revenue from external customers	外來客戶收入	362,933	48,744	-	411,677
Segment results	分部業績	197,424	25,912	-	223,336
Net increase in fair value of investment properties	投資物業的公允值的增加淨額	-	180,352	-	180,352
Unallocated operating income and expenses	未能分類的經營收入及開支				82,508
Profit from operations	經營溢利				486,196
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額				(28,182)
Finance costs	融資成本				(55,091)
Profit before taxation	除稅前溢利				402,923
Income tax	所得稅				(152,421)
Profit for the year	本年度溢利				250,502
Amortisation and depreciation	攤銷及折舊	2,835	426		
At 31 December 2007	於2007年12月31日				
Segment assets	分部資產	1,485,954	1,318,871	(42,013)	2,762,812
Unallocated assets	未能分類的資產				769,243
Total assets	總資產				3,532,055
Segment liabilities	分部負債	236,819	174,380	(42,013)	369,186
Unallocated liabilities	未能分類的負債				1,523,143
Total liabilities	總負債				1,892,329
Capital expenditure incurred	所產生的資本支出	572,503	73,114		

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		The group 本集團				
		Buildings held for own use 持作自用 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢俱、裝置 及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2008	於2008年1月1日	3,470	3,852	3,448	6,335	17,105
Acquired from a subsidiary	自一間附屬公司獲得	-	-	42	1,096	1,138
Additions	添置	-	401	331	2,103	2,835
Disposals	出售	-	-	-	(189)	(189)
At 31 December 2008	於2008年12月31日	3,470	4,253	3,821	9,345	20,889
Accumulated depreciation:	累計折舊：					
At 1 January 2008	於2008年1月1日	(910)	(1,780)	(1,345)	(3,298)	(7,333)
Acquired from a subsidiary	自一間附屬公司獲得	-	-	(3)	(67)	(70)
Charge for the year	本年度折舊	(175)	(591)	(636)	(1,142)	(2,544)
Written back on disposal	出售時撥回	-	-	-	111	111
At 31 December 2008	於2008年12月31日	(1,085)	(2,371)	(1,984)	(4,396)	(9,836)
Net book value:	賬面淨值：					
At 31 December 2008	於2008年12月31日	2,385	1,882	1,837	4,949	11,053

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

15 物業、廠房及設備(續)

		The group 本集團				
		Buildings held for own use 持作自用 樓宇	Leasehold improvements 租賃裝修	Furniture, fixtures and equipment 傢俱、裝置 及設備	Motor vehicles 汽車	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2007	於2007年1月1日	3,470	2,227	1,579	4,267	11,543
Acquired from subsidiaries	自附屬公司獲得	-	-	828	540	1,368
Additions	添置	-	1,625	1,041	2,148	4,814
Disposals	出售	-	-	-	(620)	(620)
At 31 December 2007	於2007年12月31日	3,470	3,852	3,448	6,335	17,105
Accumulated depreciation:	累計折舊：					
At 1 January 2007	於2007年1月1日	(738)	(1,250)	(887)	(2,523)	(5,398)
Acquired from subsidiaries	自附屬公司獲得	-	-	(116)	(372)	(488)
Charge for the year	本年度折舊	(172)	(530)	(342)	(996)	(2,040)
Written back on disposal	出售時撥回	-	-	-	593	593
At 31 December 2007	於2007年12月31日	(910)	(1,780)	(1,345)	(3,298)	(7,333)
Net book value:	賬面淨值：					
At 31 December 2007	於2007年12月31日	2,560	2,072	2,103	3,037	9,772

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

15 物業、廠房及設備(續)

		The company 本公司
		Leasehold improvements 租賃裝修
		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2007	於2007年1月1日	-
Additions	添置	530
At 31 December 2007	於2007年12月31日	530
At 1 January 2008	於2008年1月1日	530
Additions	添置	-
At 31 December 2008	於2008年12月31日	530
Accumulated depreciation:	累計折舊：	
At 1 January 2007	於2007年1月1日	-
Charge for the year	本年度折舊	(63)
At 31 December 2007	於2007年12月31日	(63)
At 1 January 2008	於2008年1月1日	(63)
Charge for the year	本年度折舊	(337)
At 31 December 2008	於2008年12月31日	(400)
Net book value:	賬面淨值：	
At 31 December 2008	於2008年12月31日	130
At 31 December 2007	於2007年12月31日	467

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

16 INTERESTS IN SUBSIDIARIES

Unlisted investments, at cost	非上市投資，按成本
Amounts due from subsidiaries	應收附屬公司款項
Less: impairment loss on amounts due from subsidiaries	減：應收附屬公司款項的減值虧損

Except for an amount of RMB265,236,000 (2007: RMB40,234,000) which is interest-bearing at the 1-year RMB benchmark lending rate as determined from time to time by the People's Bank of China per annum, the balances with subsidiaries are unsecured, interest-free, and repayable on demand. These balances are expected to be recovered after more than one year.

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the group. The class of shares held is ordinary unless otherwise stated.

16 於附屬公司的權益

The company	
本公司	
2008	2007
RMB'000	RMB'000
人民幣千元	人民幣千元
80,082	80,082
1,007,534	829,832
(561)	(561)
1,087,055	909,353

除一筆人民幣265,236,000元(2007年：人民幣40,234,000元)款項按中國人民銀行每年不時釐定的一年期人民幣貸款基準利率計息外，與附屬公司的結餘乃無抵押、免息及須按要求償還。該等結餘預期於一年後收回。

下表僅載列主要影響本集團業績、資產及負債的附屬公司的詳情。除另有說明外，所持有的股份類別為普通股。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

16 INTERESTS IN SUBSIDIARIES (CONT'D)

16 於附屬公司的權益(續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Place of operation 經營地點	Issued/ paid up capital 已發行/實繳資本	Percentage of equity attributable to the company 本公司應佔權益百分比		Principal activities 主要業務	Legal form 法定形式
				Direct 直接 %	Indirect 間接 %		
Access Achievement Limited	The British Virgin Islands 英屬處女群島	Shenzhen, the PRC 中國深圳	US\$10,000,000 10,000 美元	100	–	Investment holding 投資控股	Private limited liability company 私人有限公司
Hong Long Properties (Shenzhen) Company Limited 鴻隆地產(深圳)有限公司	Shenzhen, the PRC 中國深圳	Shenzhen, the PRC 中國深圳	RMB299,000,000 人民幣 299,000,000 元	–	100	Property development and property investment 物業開發及物業投資	Wholly foreign-owned enterprise 外商獨資企業
Shenzhen Yinghua Development Company Limited 深圳市英華實業發展有限公司	Shenzhen, the PRC 中國深圳	Shenzhen, the PRC 中國深圳	RMB28,000,000 人民幣 28,000,000 元	–	86	Property development 物業開發	Limited liability company 有限公司
Huizhou Yintaida Company Limited 惠州市銀泰達實業有限公司	Huizhou, the PRC 中國惠州	Huizhou, the PRC 中國惠州	RMB20,000,000 人民幣 20,000,000 元	–	100	Property development 物業開發	Limited liability company 有限公司
Shenzhen Hong Long Commercial Management Company Limited 深圳市鴻隆商業管理有限公司	Shenzhen, the PRC 中國深圳	Shenzhen, the PRC 中國深圳	RMB10,680,000 人民幣 10,680,000 元	–	100	Property leasing and sub-leasing 物業租賃及轉租	Limited liability company 有限公司

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

16 INTERESTS IN SUBSIDIARIES (CONT'D)

16 於附屬公司的權益(續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Place of operation 經營地點	Issued/ paid up capital 已發行/實繳資本	Percentage of equity attributable to the company 本公司應佔權益百分比		Principal activities 主要業務	Legal form 法定形式
				Direct 直接 %	Indirect 間接 %		
Zhangjiakou Centre Way Real Estate Development Company Limited 張家口中惠房地產開發有限公司	Hebei, the PRC 中國河北	Hebei, the PRC 中國河北	HK\$20,000,000 20,000,000港元	–	100	Property development 物業開發	Wholly foreign-owned enterprise 外商獨資企業
Meizhou Hong Long Shi Ye Company Limited 梅州鴻隆實業有限公司	Meizhou, the PRC 中國梅州	Meizhou, the PRC 中國梅州	RMB5,000,000 人民幣5,000,000元	–	100	Property development 物業開發	Limited liability company 有限公司
Xingning Hong Long Property Development Company Limited 興寧市鴻隆房地產實業有限公司	Meizhou, the PRC 中國梅州	Meizhou, the PRC 中國梅州	RMB221,990,926 人民幣221,990,926元	–	100	Property development 物業開發	Wholly foreign-owned enterprise 外商獨資企業
Shenzhen City Zirui Real Estate Development Company Limited 深圳市紫瑞房地產開發有限公司	Shenzhen, the PRC 中國深圳	Shenzhen, the PRC 中國深圳	RMB21,000,000 人民幣21,000,000元	–	100	Property development 物業開發	Limited liability company 有限公司

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

17 INVESTMENT PROPERTIES

17 投資物業

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
At 1 January	於1月1日	1,257,486	1,004,500
Additions	添置	-	72,634
Net increase in fair value	公允值增加淨額	62,120	180,352
At 31 December	於12月31日	1,319,606	1,257,486

(a) All investment properties of the group were revalued as at 31 December 2008 by an independent firm of surveyors, Knight Frank Petty Limited, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued, on an open market value basis calculated by reference to the net rental income allowing for reversionary income potential.

(a) 本集團所有投資物業在2008年12月31日已由擁有對被估值物業的位置及種類有近期經驗的香港測量師學會資深會員為僱員的獨立測量師行萊坊測計師行有限公司根據公開市場價值參考租金收入淨額並計及可能的復歸收入重估。

(b) **The analysis of fair value of investment properties is as follows:**

(b) 投資物業的公允值分析如下：

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
In PRC, held on leases of	中國，以下列年期租約持有		
– over 50 years	– 超過50年	1,279,916	1,210,506
– between 10 and 50 years	– 10年至50年	39,690	46,980
		1,319,606	1,257,486

(c) **Investment properties leased out under operating leases**

(c) 根據經營租賃出租的投資物業

The group leases out certain investment properties under operating leases. Except that certain leases are with no specific terms, all other leases run for an initial period of one to twenty years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases has significant contingent elements as at 31 December 2008.

本集團根據經營租賃出租若干投資物業。除若干租約並無特定條款外，所有其他租約初步均為期一至二十年及於該日後可選擇續租，而屆時所有條款均可重新協商。於2008年12月31日，該等租賃均不含重大或然因素。

All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

所有物業根據經營租賃持有，並且在其他方面符合投資物業界定皆歸類為投資物業。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

17 INVESTMENT PROPERTIES (CONT'D)

- (d) The group's total future minimum lease payments under non-cancellable operating leases from investment properties are receivable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內
After 5 years	五年後

- (e) As at 31 December 2008, certain investment properties of the group were pledged against bank loans granted to the group and details of which are set out in note 25.

17 投資物業(續)

- (d) 本集團根據不可解除的經營租賃的投資物業在日後應收的最低租賃款項總額如下：

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
36,119	36,089
124,817	129,719
250,417	303,951
411,353	469,759

- (e) 於2008年12月31日，本集團若干投資物業已作授於本集團銀行貸款抵押之用，有關詳情載於附註25。

18 TRADING SECURITIES

Trading securities

Listed equity securities, outside Hong Kong (at market value)	香港境外上市股票(按市值)
Unlisted fund (note)	非上市基金(附註)

Note: The amount is accounted for in accordance with the accounting policy set out in note 2(d) to these financial statements.

18 買賣證券

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
240	3,733
727	—
967	3,733

附註：該金額根據本財務報表附註2(d)所載的會計政策列賬。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

19 INVENTORIES

19 存貨

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Properties for future development and under development for sale	供出售未來開發及發展中物業	1,586,210	927,176
Completed properties held for sale	持作出售的已竣工物業	16,242	5,684
		1,602,452	932,860

(a) The analysis of carrying value of leasehold land included in properties for future development and under development for sale and completed properties held for sale is as follows:

(a) 包括在供出售未來開發及發展中物業及持作出售的已竣工物業內的租賃土地賬面值分析如下：

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
In PRC, held on leases of	中國，以租約方式持有		
– over 50 years	– 超過50年	200,823	67,811
– between 10 and 50 years	– 10年至50年	4,141	4,232
		204,964	72,043

(b) The amount of properties for future development and under development for sale expected to be recovered after more than one year is analysed as follows:

(b) 預期超過一年以後方可變現的供出售未來開發及發展中物業的金額分析如下：

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Properties for future development and under development for sale	供出售未來開發及發展中物業	910,072	141,197

All of the other inventories are expected to be recovered within one year.

所有其他存貨預期可在一年內變現。

(c) As at 31 December 2008, certain properties for future development and under development for sale were pledged against bank loans granted to the group and details of which are set out in note 25.

(c) 於2008年12月31日，若干供出售未來開發及發展中物業被用作本集團獲授銀行貸款的抵押品，詳情載於附註25。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

20 TRADE AND OTHER RECEIVABLES, AND PREPAID LAND COSTS

20 應收賬款及其他應收款，及預付土地成本

		The group 本集團		The company 本公司	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Trade receivables (note (a))	應收賬款(附註(a))	10,130	8,821	-	-
Other receivables	其他應收款	96,075	80,552	-	-
Loans and advances (note (b))	貸款及墊款(附註(b))	89,883	179,106	22,303	24,358
Amount due from a related company (note (c))	應收一間關連公司賬款 (附註(c))	30,833	-	-	-
Loans and receivables	貸款及應收款	226,921	268,479	22,303	24,358
Derivative financial instruments (note 21)	衍生金融工具(附註21)	-	1,400	-	1,400
Prepayments	預付款	301,565	249,427	-	-
Total trade and other receivables	應收賬款及其他應收款總額	528,486	519,306	22,303	25,758
Prepaid land costs (note (d))	預付土地成本(附註(d))	219,549	220,620	-	-
		748,035	739,926	22,303	25,758

All of the trade and other receivables are expected to be recovered within one year.

- (a) Included in trade and other receivables are trade receivables with the following ageing analysis as at the balance sheet date:

0 to 3 months	0至3個月
More than 3 months but less than 6 months	超過3個月 但少於6個月
More than 6 months but less than 1 year	超過6個月 但少於1年
Over 1 year	超過1年

Trade receivables are due within 3 months from the date of billing. No impairment loss on trade receivables has been provided for the current and prior years.

The group's credit policy is set out in note 32(a).

預期所有應收賬款及其他應收款均於一年內收回。

- (a) 應收賬款包含於應收賬款及其他應收款內，其於資產負債表日的賬齡分析如下：

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
9,514	8,368
159	73
8	380
449	-
10,130	8,821

應收賬款於賬單發出日後3個月內到期。本年度及過往年度並無就應收賬款減值虧損計提準備。

本集團的信貸政策載於附註32(a)。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

20 TRADE AND OTHER RECEIVABLES, AND PREPAID LAND COSTS (CONT'D)

- (b) Included in loans and advances is an amount of RMB89,641,000 (2007: RMB128,492,000) made to business associates that is secured, interest-bearing at 1-year RMB benchmark lending rate as determined from time to time by the People's Bank of China ("RMB benchmark rate") (2007: from RMB benchmark rate to 50%) per annum, and recoverable within one year.
- (c) The balance is unsecured, interest-free and repayable on demand.
- (d) Prepaid land costs are for leasehold land held on medium to long leases in the PRC.

20 應收賬款及其他應收款，及預付土地成本(續)

- (b) 給予業務聯繫人士的貸款及墊款中，其中人民幣89,641,000元(2007年：人民幣128,492,000元)為有抵押、按中國人民銀行每年不時釐定的一年期人民幣貸款基準利率(「人民幣基準利率」)(2007年：由人民幣基準利率至50%)和可於一年內收回。
- (c) 結餘為無抵押、免息及須按的要求償還。
- (d) 預付土地成本乃涉及於中國按中長期租約持有的租賃土地。

21 DERIVATIVE FINANCIAL INSTRUMENTS

21 衍生金融工具

		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Derivative financial asset (note 20)	衍生金融資產(附註20)		
Redemption option of Senior Note (note 24)	優先票據贖回選擇權(附註24)	-	1,400
Derivative financial liabilities (note 26)	衍生金融負債(附註26)		
Warrants (note 24)	認股權(附註24)	10,402	74,541

All the amounts of derivative financial instruments are stated at fair values. The fair value of redemption option is determined by an independent valuer, Asset Appraisal Limited, using the Hull-White One-Factor financial model.

The fair value of Warrants is determined by an independent valuer, Asset Appraisal Limited, using the Black-Scholes financial model.

所有衍生金融工具的金額均按公允值列賬。贖回選擇權的公允值乃由獨立估值師資產評估顧問有限公司採用Hull-White單因素財務模型釐定。

認股權的公允值由獨立估值師資產評估顧問有限公司採用伯力克-舒爾斯財務模型計算。

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21 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The assumptions applied in determining the fair values of derivative financial instruments are set out as follows:

Fair value of Warrants and assumptions

Fair value at measurement date	計量日期的公允值
Share price	股價
Exercise price	行使價
Expected volatility	預期波幅
Expected dividends	預期股息
Risk-free interest rate	無風險利率

Fair value of redemption option of Senior Note and assumptions

Credit spread	信貸息差
Expected volatility	預期波幅
Discount rate	貼現率

21 衍生金融工具 (續)

於釐定衍生金融工具的公允值時應用的假設載列如下：

認股權的公允值及假設

2008	2007
HK\$0.1452	HK\$0.9828
HK\$0.375	HK\$3.23
HK\$1.68	HK\$3.36
98%	50.93%
0%	1.86%
1.05%	3.93%

優先票據贖回選擇權的公允值及假設

2008	2007
23.93%	7.8%
46.66% to	21.00% to
56.39%	26.00%
25.88%	11.60% to
	12.02%

22 PLEDGED DEPOSITS

(a) Included in pledged deposits of the group as at 31 December 2008 were:

- Deposits of RMB4,489,000 (2007: RMB1,973,000) pledged with certain banks as guarantee deposits for the benefit of mortgage loan facilities granted by the banks to purchasers of the group's properties.
- Deposits totalling RMB49,849,000 (2007: RMB174,460,000) pledged with banks securing the group's bank loans as set out in note 25.

22 抵押存款

(a) 於2008年12月31日，本集團抵押存款包括：

- 現金人民幣4,489,000元(2007年：人民幣1,973,000元)。該等現金乃為若干銀行授予本集團物業買方的按揭貸款融資作為保證按金存入該等銀行。
- 就一筆載於附註25的銀行貸款而抵押予銀行合共為人民幣49,849,000元(2007年：人民幣174,460,000元)的存款。

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22 PLEDGED DEPOSITS (CONT'D)

- Deposits totalling RMB5,000,000 (2007: Nil) pledged for the bills payable.
 - Deposits totalling RMB508,000 (2007: Nil) pledged for the payment to a construction contractor as retention monies.
- (b) Included in pledged deposits of the company as at 31 December 2008 were deposits totalling RMB31,849,000 (2007: RMB164,406,000) for bank loans granted to subsidiaries (note 25).

22 抵押存款(續)

- 就應付票據而抵押合共為人民幣5,000,000元(2007年：無)的存款。
 - 就一筆向建築承包商支付的款項而抵押合共為人民幣508,000元(2007年：無)的存款，以作為保留款項。
- (b) 於2008年12月31日，本公司抵押存款中包括就向附屬公司授出的銀行貸款而抵押合共為人民幣31,849,000元(2007年：人民幣164,406,000元)的存款(附註25)。

23 CASH AND CASH EQUIVALENTS

Deposits with banks and other financial institutions 銀行及其他金融機構的存款
Cash at bank and in hand 銀行存款及現金

The group 本集團		The company 本公司	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
-	121,331	-	116,646
44,102	275,770	28,161	6,289
44,102	397,101	28,161	122,935

23 現金及現金等價物

24 NON-CURRENT INTEREST-BEARING BORROWINGS

The analysis of the carrying amount of non-current interest-bearing borrowings is as follows:

Bank loans – secured (note 25) 銀行貸款—已抵押(附註25)
Senior Note (note (b)) 優先票據(附註(b))

The group 本集團		The company 本公司	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
180,000	400,678	-	-
519,725	555,708	519,725	555,708
699,725	956,386	519,725	555,708

非即期計息借貸之賬面值分析如下：

- (a) All of the non-current interest-bearing borrowings are carried at amortised cost. None of the non-current interest-bearing borrowings is expected to be settled within one year.

- (a) 所有非即期計息借貸按已攤銷成本列賬。預期並無非即期計息借貸須於一年內償還。

24 NON-CURRENT INTEREST-BEARING BORROWINGS
(CONT'D)

(b) Senior Note

Pursuant to the offering memorandum of the company dated 20 September 2007 ("Offering Memorandum"), the company issued 900 units of senior note (collectively referred to as the "Senior Note") and 81,000,000 nil-paid warrants (the "Warrants") for a principal amount totalling US\$90,000,000. The Senior Note was interest-bearing at 12.5% per annum at issue and payable semi-annually in arrears, and will mature on 3 October 2012. Detachable from the Senior Note, each Warrant may be exercised from the date of issue up to 2 October 2012 at an initial exercise price, subject to certain conditions of reset and adjustment, of HK\$3.36 per ordinary share of the company.

Pursuant to a cross-currency and interest rate swap agreement (the "swap agreement") entered into between the company and a financial institution immediately after the Offering Memorandum, the notional principal amount of the Senior Note under the swap agreement deemed to be effective at the date of issue was RMB676,845,000, whereas the notional interest rate applicable to the Senior Note was the 1-year RMB benchmark deposit rate as determined from time to time by the People's Bank of China plus 5.3% per annum. On 10 October 2008, the swap agreement was terminated and US\$4,100,000 (equivalent to RMB27,994,000) was received as compensation. Subsequent to the termination of the swap agreement, the principal of the Senior Note became US\$90,000,000, and interest-bearing at 12.5% per annum.

As a condition stated in the Offering Memorandum, the company is granted a redemption option such that at any time on or after 3 October 2010, the company may redeem the Senior Note, in whole or in part, at a redemption price equal to the percentage ranging from 100% to 106.25% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date. At any time prior to 3 October 2010, the company may redeem the Senior Note, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Note plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. In addition, at any time prior to 3 October 2010, the company may redeem up to 35% of the aggregate principal amount with proceeds from certain sales of the company's equity shares, at a redemption price equal to 112.5% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date.

24 非即期計息借貸(續)

(b) 優先票據

根據本公司於2007年9月20日訂立的發售備忘錄(「發售備忘錄」)，本公司發行900個單位的優先票據(統稱為「優先票據」)及81,000,000份未繳款認股權(「認股權」)，本金額合共為90,000,000美元。優先票據按年利率12.5%計息，須每半年付息一次，並將於2012年10月3日到期。與優先票據分開，每份認股權可由發行日期起至2012年10月2日，按初步行使價(受若干重定及調整之條件規限)每股3.36港元認購。

根據本公司與一金融機構於緊隨發售備忘錄後訂立的交叉貨幣及利率掉期協議(「掉期協議」)，優先票據根據掉期協議於發行日期視為生效的名義本金額為人民幣676,845,000元，而優先票據適用的名義利率為中國人民銀行不時釐定的一年期人民幣存款基準利率另加年利率5.3%。掉期協議已於2008年10月10日終止，並收到4,100,000美元(相等於人民幣27,994,000元)作為賠償。掉期協議終止後，優先票據的本金額為90,000,000美元，並按年利率12.5%計息。

按照發售備忘錄所載的條件，本公司獲授一項贖回選擇權，以便於2010年10月3日或以後任何時間，可按相等於本金額的100%至106.25%的贖回價另加至贖回日期的預提未付利息(如有)，贖回全部或部分優先票據。於2010年10月3日前任何時間，本公司可按相等於優先票據本金額的100%另加至贖回日期的應付溢價以及預提未付利息(如有)，贖回全部而非部分優先票據。此外，於2010年10月3日前任何時間，本公司可按相等於本金額的112.5%另加至贖回日期的預提未付利息(如有)，贖回最多不超過本金總額的35%連同若干次銷售本公司股份的所得款項。

24 NON-CURRENT INTEREST-BEARING BORROWINGS (CONT'D)

(b) Senior Note (Cont'd)

The Senior Note is general obligations of the company and is senior in right of payment to any existing and future obligations of the company expressly subordinated in right of payment to the Senior Note, which is at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable laws). The Senior Note holder(s) are entitled to a first priority security interest on certain collateral charged by the company, and the Senior Note ranks effectively senior in right of payment to unsecured obligations of the company with respect to the value of the collateral charged by the company.

As at 31 December 2008, Senior Note can be analysed into the following components:

- (i) Liability component for the Senior Note represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk of the company as well as the large amount of the Senior Note, but without the conversion option. The effective interest rate of the liability component is 19.07% per annum.
- (ii) Redemption option represents the fair value of the company's option to early redeem all or part of the Senior Note.
- (iii) Warrant represents the fair value of the right to subscribe for the company's equity shares at applicable exercise price.

24 非即期計息借貸(續)

(b) 優先票據(續)

優先票據為本公司的一般責任，支付權次序將優先於本公司已明確表示為從屬於優先票據支付權的任何現有及未來責任，並在支付權方面至少與本公司的所有其他無抵押非從屬負債享有同等地位(受該非從屬負債根據適用法律的任何優先權規限)。優先票據持有人有權優先享有本公司就若干抵押品支付的抵押品利息，而就本公司收取的抵押品價值而言，優先票據於支付權方面實際上優先於本公司的無抵押責任。

於2008年12月31日，優先票據可分析為以下部分：

- (i) 優先票據的負債部分指契約釐定的未來現金流量來源的現值，而未來現金流量乃經計及本公司的業務總風險及大量的優先票據(惟並無轉換期權)，按可比較信貸狀況的市場工具釐定的利率折現。負債部分的實際利率為每年19.07%。
- (ii) 贖回選擇權指本公司選擇提早贖回所有或部分優先票據的公允值。
- (iii) 認股權指可按適用行使價認購本公司股份的權利的公允值。

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24 NON-CURRENT INTEREST-BEARING BORROWINGS (CONT'D)

24 非即期計息借貸(續)

(b) Senior Note (Cont'd)

The movement of different components of the Senior Note during the year is set out below:

(b) 優先票據(續)

優先票據不同部分於年內的變動載列如下：

		Liability	Warrants	Redemption option	Total
		負債	認股權	贖回選擇權	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(note 21)	(note 21)	
			(附註21)	(附註21)	
At 1 January 2007	於2007年1月1日	-	-	-	-
Proceeds from issuance of the Senior Note	發行優先票據所得款項	579,325	103,496	(5,976)	676,845
Transaction costs	交易成本	(31,390)	-	-	(31,390)
Net proceeds	所得款項淨額	547,935	103,496	(5,976)	645,455
Transaction costs amortised	已攤銷交易成本	7,773	-	-	7,773
Exchange differences	匯兌差額	-	(3,183)	166	(3,017)
Net (increase)/decrease in fair value	公允值(增加)/減少淨額	-	(25,772)	4,410	(21,362)
At 31 December 2007	於2007年12月31日	555,708	74,541	(1,400)	628,849
At 1 January 2008	於2008年1月1日	555,708	74,541	(1,400)	628,849
Transaction costs amortised	已攤銷交易成本	23,985	-	-	23,985
Exchange differences	匯兌差額	(59,968)	(4,292)	86	(64,174)
Net (increase)/decrease in fair value	公允值(增加)/減少淨額	-	(59,847)	1,314	(58,533)
At 31 December 2008	於2008年12月31日	519,725	10,402	-	530,127

The fair value of the liability component of the Senior Note is not materially different from its carrying value as at 31 December 2008.

於2008年12月31日，優先票據的負債部分的公允值與其賬面值並無重大差異。

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24 NON-CURRENT INTEREST-BEARING BORROWINGS (CONT'D)

(b) Senior Note (Cont'd)

During the year ended 31 December 2008, the company has been unable to meet the Fixed Charge Coverage Ratio and the Leverage Ratio under the indenture governing the Senior Note, dated as of 3 October 2007, among the company, Access Achievement Limited as initial subsidiary guarantor and Citibank, N.A., London Branch as trustee (the "Indenture"). Although this does not constitute a "Default" as defined under the Indenture, the group's ability to undertake certain activities is restricted under the Indenture, unless such activities fall within certain exceptions specified in the Indenture. These restrictions include, but are not limited to, those relating to the company's and its subsidiaries' abilities to (i) incur indebtedness (other than certain "Permitted Indebtedness" set forth in the Indenture), (ii) make "Restricted Payments" (including declaration or payment of dividends and purchase or redemption of Capital Stock of the company or its subsidiaries), and (iii) designate subsidiaries as Unrestricted Subsidiaries (as defined in the Indenture) (notes 31(d)(v) and 31(e)). Details of the restrictive covenants of the Senior Note are set forth in the Indenture and are summarised in the Offering Memorandum in connection with the issue of the Senior Note.

24 非即期計息借貸(續)

(b) 優先票據(續)

於截至2008年12月31日止年度，本公司未能達致本公司、Access Achievement Limited (作為初始附屬公司擔保人)及Citibank, N.A. 倫敦分行(作為信託人)於2007年10月3日訂立的監管優先票據之契約(「契約」)中的固定費用覆蓋範圍比率和槓桿比率。儘管此並不構成契約中界定的「違約」，本集團進行若干活動的能力受到契約限制，除非該等活動屬契約中列明的若干例外情況。該等限制包括(但不限於)該等與本公司及其附屬公司(i)招致債務(契約所訂明的若干「許可債務」除外)；(ii)作出「受限制付款」(包括宣派或派付股息及購買或贖回本公司或其附屬公司的股本)；及(iii)指定附屬公司作為不受限制附屬公司(定義見契約)(附註31(d)(v)及31(e))之能力有關的限制。有關優先票據的受限制契約詳情載於契約及概述於就發行優先票據刊發的發售備忘錄。

25 BANK LOANS

Bank loans
– secured
– unsecured

銀行貸款
– 有抵押
– 無抵押

25 銀行貸款

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
650,124	584,697
40,000	35,000
690,124	619,697

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25 BANK LOANS (CONT'D)

At 31 December 2008, the bank loans were repayable as follows:

Within 1 year or on demand	一年內或於要求時償還
After 1 year but within 2 years	一年後但兩年內
After 2 years but within 5 years	兩年後但五年內
After 5 years	五年後

At 31 December 2007, included in bank loans due within 1 year or on demand is the current portion of RMB30,321,000 of a long-term bank loan. At 31 December 2008, the long-term bank loan of RMB400,124,000 was included in bank loans due within 1 year or on demand as the loan has been fully repaid subsequent to the year end. The repayment is financed by a new bank loan of RMB600,000,000 obtained by the group after the year end.

At 31 December 2008, assets of the group secured against bank loans are analysed as follows:

Properties for future development and under development for sale	供出售未來開發及發展中物業
Investment properties	投資物業
Pledged deposits	抵押存款

Included in the group's bank loans of RMB30,000,000 (2007: RMB153,698,000) are bank loans drawn down by subsidiaries and pledged by the company's pledged deposits of RMB31,849,000 (2007: RMB164,406,000).

25 銀行貸款(續)

於2008年12月31日，應償還的銀行貸款如下：

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
510,124	219,019
30,800	32,528
149,200	112,491
–	255,659
180,000	400,678
690,124	619,697

於2007年12月31日，一年內到期或按要求償還的銀行貸款包括長期銀行貸款中的即期部分為人民幣30,321,000元。於2008年12月31日，為數人民幣400,124,000元的長期銀行貸款已計入於一年內到期或按要求償還的銀行貸款，原因為貸款已於年結後悉數償還。還款由本集團於年結後取得的一筆為數人民幣600,000,000元之新銀行貸款提供資金。

於2008年12月31日，有關作為銀行貸款抵押的本集團資產之分析如下：

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
194,136	–
1,212,000	–
49,849	174,460
1,455,985	174,460

本集團銀行貸款人民幣30,000,000元(2007年：人民幣153,698,000元)包括附屬公司提取及由本公司抵押存款抵押的銀行貸款人民幣31,849,000元(2007年：人民幣164,406,000元)。

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26 TRADE AND OTHER PAYABLES, AND ACCRUALS

26 應付賬款、其他應付款及預提費用

	The group 本集團		The company 本公司	
	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Bills payable 應付票據	5,000	-	-	-
Trade payables 應付賬款	36,493	16,959	-	-
Amount due to a director 應付一名董事款項	537	899	-	-
Amount due to a subsidiary 應付一間附屬公司款項	-	-	109	-
Amount due to a related company 應付一間關連公司款項	-	18,000	-	-
Derivative financial instruments (note 21) 衍生金融工具 (附註21)	10,402	74,541	10,402	74,541
Other creditors and accrued charges 其他應付款及預提費用	350,144	204,179	27,599	24,248
	402,576	314,578	38,110	98,789

The amounts due to a director and a related company are unsecured, interest-free and repayable on demand.

應付一名董事及一間關連公司款項為無抵押、免息及須按要求償還。

Included in trade and other payables, and accruals are trade and bills payables with the following ageing analysis as at the balance sheet date:

應付賬款、其他應付款及預提費用包括應付賬款及應付票據，其於資產負債表日的賬齡分析如下：

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Due within 3 months or on demand 3個月內或按要求應付		41,493	16,959

27 RECEIPTS IN ADVANCE

27 預收賬款

Receipts in advance represented sales proceeds received from buyers in connection with the group's pre-sales of properties and prepaid rental income from tenants of the group's investment properties. All of the receipts in advance are expected to be settled within one year.

預收賬款是指本集團自預售物業購買者收取的銷售所得款及自本集團投資物業的租戶收取的預付租金收入。所有預收賬款預期於一年內結算。

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28 RENTAL AND OTHER DEPOSITS

Included in rental and other deposits were RMB8,741,000 (2007: RMB8,634,000) which are expected to be settled after more than one year. All other rental and other deposits are expected to be settled within one year.

28 租賃及其他按金

租賃及其他按金中包括一筆預期於一年後償還為人民幣8,741,000元的款項(2007年：人民幣8,634,000元)。所有其他租賃及其他按金均預期於一年內償還。

29 INCOME TAX IN THE CONSOLIDATED BALANCE SHEET

(a) **Current taxation in the consolidated balance sheet represents:**

29 綜合資產負債表內的所得稅

(a) 綜合資產負債表的本期稅項指：

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
PRC Enterprise Income Tax	中國企業所得稅		
Provision for the year	本年度準備	16,059	41,822
Provisional tax paid	已付暫繳稅項	-	(1,080)
Balance of tax provision relating to prior years	有關過往年度的稅項準備結餘	57,321	26,540
Taxation payable	應付稅項	73,380	67,282
Land Appreciation Tax	土地增值稅		
Provision for the year	本年度準備	328	98,291
Balance of tax provision relating to prior years	有關過往年度的稅項準備結餘	171,944	77,313
Taxation payable	應付稅項	172,272	175,604
Total taxation payable	應付稅項總額	245,652	242,886

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29 INCOME TAX IN THE CONSOLIDATED BALANCE SHEET (CONT'D)

(b) Deferred taxation

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

		Depreciation allowances in excess of related depreciation		Total deferred tax liabilities	Temporary differences arising from Land Appreciation Tax		Capitalisation of interest expenses	Total deferred tax assets	Total
		Revaluation of investment properties	Revaluation of related depreciation		Land	Land			
Deferred tax arising from:	遞延稅項源自：	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007	於 2007 年 1 月 1 日	86,812	-	86,812	-	-	-	-	86,812
Charged/(credited) to profit or loss	扣除/(計入) 損益	27,052	-	27,052	(14,744)	-	-	(14,744)	12,308
At 31 December 2007	於 2007 年 12 月 31 日	113,864	-	113,864	(14,744)	-	-	(14,744)	99,120
At 1 January 2008	於 2008 年 1 月 1 日	113,864	-	113,864	(14,744)	-	-	(14,744)	99,120
Charged/(credited) to profit or loss	扣除/(計入) 損益	15,530	3,903	19,433	-	(13,676)	-	(13,676)	5,757
Effect of changes in tax rate on opening deferred tax balances	稅率變動對期初遞延稅項結餘的影響	75,910	-	75,910	(9,829)	-	-	(9,829)	66,081
At 31 December 2008	於 2008 年 12 月 31 日	205,304	3,903	209,207	(24,573)	(13,676)	-	(38,249)	170,958

(c) The group has not recognised deferred tax assets in respect of tax losses of RMB9,469,000 (2007: RMB3,246,000) as it is not probable that future taxable profits will be available against which the losses can be utilised. The tax losses will be expired in 2013 under current tax legislation.

29 綜合資產負債表內的所得稅 (續)

(b) 遞延稅項

於綜合資產負債表內確認的遞延稅項(資產)/負債部分及年內變動如下：

(c) 本集團並未就稅項虧損人民幣9,469,000元(2007年：人民幣3,246,000元)確認遞延稅項資產，因為未來不可能提供應課稅溢利以抵銷虧損。稅項虧損將根據現行的稅項法例於2013年到期。

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30 EQUITY-SETTLED SHARE-BASED PAYMENTS

The company adopted a share option scheme on 31 January 2007 whereby the directors of the company are authorised, at their discretion, to invite employees and consultants of the group, including directors of any company in the group, to subscribe for shares of the company. These options generally vest after six months to one year from the date of grant and are exercisable within a period of five to ten years. Each option gives the holder the right to subscribe for one ordinary share of the company at a pre-determined exercise price plus a consideration of HK\$10 per option holder.

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

		Number of options 認股權數目	Vesting conditions 歸屬條件	Contractual life of options 認股權合約年期	Exercise price 行使價
Options granted to directors:	授予董事的認股權				
- on 31 January 2007	- 於2007年1月31日	7,000,000	Six months from 22 February 2007 (the "Listing Date") 由2007年2月22日(「上市日」) 起計滿六個月	5 years 5年	HK\$0.60 0.60港元
- on 15 May 2007	- 於2007年5月15日	10,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.84 1.84港元
Options granted to employees:	授予僱員的認股權				
- on 31 January 2007	- 於2007年1月31日	12,000,000	Six months from the Listing Date 由上市日起計滿六個月	5 years 5年	HK\$0.60 0.60港元
- on 15 May 2007	- 於2007年5月15日	13,309,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.84 1.84港元
- on 10 October 2007	- 於2007年10月10日	1,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$2.99 2.99港元
Options granted to third parties:	授予第三方的認股權：				
- on 15 May 2007	- 於2007年5月15日	18,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.84 1.84港元
- on 10 October 2007	- 於2007年10月10日	5,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$2.99 2.99港元
- on 10 October 2007	- 於2007年10月10日	20,000,000	One year from the date of grant 由授出日期起計滿一年	10 years 10年	HK\$2.99 2.99港元
- on 13 February 2008	- 於2008年2月13日	8,000,000	Six months from the date of grant 由授出日期起計滿六個月	10 years 10年	HK\$1.70 1.70港元
Total share options	認股權總數	94,309,000			

30 以股份為結算基礎的付款

本公司於2007年1月31日採納一項認股權計劃，據此本公司董事獲授權可酌情邀請本集團的僱員及顧問(包括本集團旗下任何公司的董事)認購本公司股份。該等認股權一般自授出日期起滿六個月至一年後歸屬，及可於五至十年期間內行使。每份認股權賦予持有人權利，可按預定行使價加每份認股權10港元認購一股本公司普通股。

(a) 年內尚存批授的條款及條件如下，據此所有認股權均以股份進行實物交付：

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30 EQUITY-SETTLED SHARE-BASED PAYMENTS (CONT'D)

(b) The number and weighted average exercise prices of share options are as follows:

Outstanding at the beginning of the year	年初尚未行使
Granted during the year	年內授出
Exercised during the year	年內行使
Forfeited during the year	年內沒收
Outstanding at the end of the year	年終尚未行使
Exercisable at the end of the year	年終可予行使

Equity-settled share-based payments of RMB15,717,000 (2007: RMB44,727,000) regarding share options granted on 10 October 2007 and 13 February 2008 (2007: share options granted on 15 May 2007 and 10 October 2007) have been charged to the consolidated income statement under general and administrative expenses and other operating expenses.

During the year, 8,170,000 (2007: 470,000) and 5,000,000 (2007: Nil) share options granted on 15 May 2007 and 10 October 2007 respectively were forfeited. Accordingly, the fair values on grant date of the share options so forfeited of RMB6,926,000 (2007: RMB220,000) was transferred from the capital reserve to retained profits.

No share options were exercised during the year ended 31 December 2008. For the year ended 31 December 2007, the weighted average share price for share options exercised was HK\$2.80.

The options outstanding at 31 December 2008 had exercise prices of HK\$0.60, HK\$1.70, HK\$1.84 or HK\$2.99 (2007: HK\$0.60, HK\$1.84 or HK\$2.99) and a weighted average remaining contractual life of 7.4 years (2007: 8.1 years).

30 以股份為結算基礎的付款(續)

(b) 認股權數目及其加權平均行使價如下：

2008		2007	
Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
加權平均行使價	認股權數目	加權平均行使價	認股權數目
	'000 千股		'000 千股
HK\$1.91	86,309	-	-
HK\$1.70	8,000	HK\$1.86	90,929
N/A	-	HK\$0.64	(4,150)
HK\$2.28	(13,170)	HK\$1.84	(470)
HK\$1.83	81,139	HK\$1.91	86,309
HK\$1.83	81,139	HK\$1.45	60,309

有關於2007年10月10日及2008年2月13日授出的認股權(2007年：於2007年5月15日及2007年10月10日授出的認股權)之以股份為結算基礎的付款人民幣15,717,000元(2007年：人民幣44,727,000元)已從綜合損益表中的一般及行政費用以及其他營運費用中扣除。

年內，8,170,000份(2007年：470,000份)及5,000,000份(2007年：無)分別於2007年5月15日及2007年10月10日授出之認股權已被沒收。因此，該等已沒收認股權於授出日期的公允值人民幣6,926,000元(2007年：人民幣220,000元)已從資本儲備轉撥至保留溢利。

於截至2008年12月31日止年度，概無任何認股權獲行使。截至2007年12月31日止年度已行使認股權於行使日期的加權平均股價為2.80港元。

於2008年12月31日尚未行使認股權的行使價為0.60港元、1.70港元、1.84港元或2.99港元(2007年：0.60港元、1.84港元或2.99港元)，而加權平均餘下合約年期為7.4年(2007年：8.1年)。

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30 EQUITY-SETTLED SHARE-BASED PAYMENTS (CONT'D)

30 以股份為結算基礎的付款(續)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on both the Black-Scholes pricing model and the binomial lattice model. The contractual life and expectations of early exercise of the share option were used as inputs into relevant models.

Fair value of share options and assumptions

Fair value at measurement date	於計量日期的公允值	HK\$0.78	HK\$0.47	HK\$0.64	HK\$0.54
Share price	股價	N/A	HK\$1.84	HK\$2.93	HK\$1.61
Exercise price	行使價	HK\$0.60	HK\$1.84	HK\$2.99	HK\$1.70
Expected volatility (expressed as weighted average volatility used in the models)	預期波幅(以該等模式中採用的加權平均波幅表示)	47.9%	48.9%	51.05%	56.17%
Option life (expressed as weighted average life used in the models)	認股權年期(以該等模式中採用的加權平均年期表示)	3 years	3.25 years	10 years	10 years
Expected dividends	預期股息	4.4%	3.4%	1.21%	-
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(以外匯基金票據計算)	4.0%	4.2%	4.28%	2.69%
Valuation model used	採用的估值模式	Black-Scholes 伯力克-舒爾斯	Black-Scholes 伯力克-舒爾斯	Binomial 二項式	Binomial 二項式

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

(c) 認股權的公允值及假設

以授予認股權換取所收取服務的公允值乃參照所授予認股權的公允值計量。所授予認股權的公允值估計乃根據伯力克-舒爾斯定價模式及二項式點陣模式計量。認股權的合約年期及預期提早行使乃作為數據輸入有關模式。

認股權的公允值及假設

	Grant date			
	授出日期			
	31 January 2007 2007年1月31日	15 May 2007 2007年5月15日	10 October 2007 2007年10月10日	13 February 2008 2008年2月13日
Fair value at measurement date	HK\$0.78	HK\$0.47	HK\$0.64	HK\$0.54
Share price	N/A	HK\$1.84	HK\$2.93	HK\$1.61
Exercise price	HK\$0.60	HK\$1.84	HK\$2.99	HK\$1.70
Expected volatility (expressed as weighted average volatility used in the models)	47.9%	48.9%	51.05%	56.17%
Option life (expressed as weighted average life used in the models)	3 years	3.25 years	10 years	10 years
Expected dividends	4.4%	3.4%	1.21%	-
Risk-free interest rate (based on Exchange Fund Notes)	4.0%	4.2%	4.28%	2.69%
Valuation model used	Black-Scholes 伯力克-舒爾斯	Black-Scholes 伯力克-舒爾斯	Binomial 二項式	Binomial 二項式

預期波幅乃根據歷史波幅(根據認股權的加權平均餘下年期計算)，並就根據公開可用資料調整任何預期變動的未來波幅。

認股權根據服務狀況批授。該狀況並無計及所收取服務於授出日期的公允值計量。並無與認股權批授有關的市場條件。

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31 CAPITAL AND RESERVES

31 資本及儲備

(a) The group

(a) 本集團

			Share capital	Share premium	Merger reserve	Statutory reserve fund	Capital reserve	Retained profits	Total	Minority interests	Total equity
		Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007	於2007年1月1日	(c)(i)	80	-	24,979	34,122	-	762,151	821,332	23,091	844,423
Profit for the year	本年度溢利		-	-	-	-	-	250,685	250,685	(183)	250,502
Transfer to statutory reserve fund	轉撥至法定儲備金		-	-	-	8,366	-	(8,366)	-	-	-
Arising from reorganisation	因重組產生	(c)(ii)	752	-	(752)	-	-	-	-	-	-
Capitalisation issue	資本化發行	(c)(iii)	5,941	(5,941)	-	-	-	-	-	-	-
Shares issued pursuant to the global offering and upon the exercise of the over-allotment option, net of share issuing costs	根據全球發售及因超額配股權行使而發行的股份(扣除股份發行成本)	(c)(iv)	2,832	462,767	-	-	-	-	465,599	-	465,599
Conversion of convertible note	轉換可換股票據	(c)(v)	653	116,971	-	-	-	-	117,624	-	117,624
Equity-settled share-based payments (note 30)	以股份為結算基礎的付款(附註30)		-	-	-	-	44,727	-	44,727	-	44,727
Shares issued under share option scheme	根據認股權計劃發行的股份	(c)(vi)	38	5,669	-	-	(3,176)	-	2,531	-	2,531
Share options forfeited	已沒收的認股權		-	-	-	-	(220)	220	-	-	-
Acquisition of additional interests in subsidiaries	收購附屬公司的額外權益		-	-	-	-	-	(75,040)	(75,040)	(10,640)	(85,680)
At 31 December 2007	於2007年12月31日		10,296	579,466	24,227	42,488	41,331	929,650	1,627,458	12,268	1,639,726
At 1 January 2008	於2008年1月1日		10,296	579,466	24,227	42,488	41,331	929,650	1,627,458	12,268	1,639,726
Profit for the year	本年度溢利		-	-	-	-	-	3,546	3,546	(186)	3,360
Transfer to statutory reserve fund	轉撥至法定儲備金		-	-	-	1,537	-	(1,537)	-	-	-
Equity-settled share-based payments (note 30)	以股份為結算基礎的付款(附註30)		-	-	-	-	15,717	-	15,717	-	15,717
Share options forfeited	已沒收的認股權		-	-	-	-	(6,926)	6,926	-	-	-
Establishment of a subsidiary in the PRC	於中國成立一間附屬公司		-	-	-	-	-	-	-	1,000	1,000
At 31 December 2008	於2008年12月31日		10,296	579,466	24,227	44,025	50,122	938,585	1,646,721	13,082	1,659,803

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31 CAPITAL AND RESERVES (CONT'D)

31 資本及儲備 (續)

(b) The company

(b) 本公司

		Share capital	Share premium	Merger reserve	Capital reserve	Accumulated losses	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007	於2007年1月1日	-	-	-	-	(29)	(29)
Loss for the year	本年度虧損	-	-	-	-	(62,110)	(62,110)
Arising from reorganisation	因重組產生	(c)(ii)	832	-	(752)	-	80
Capitalisation issue	資本化發行	(c)(iii)	5,941	(5,941)	-	-	-
Shares issued pursuant to the global offering and upon the exercise of the over-allotment option, net of share issuing costs	根據全球發售及因超額配股權獲行使而發行的股份(扣除股份發行成本)	(c)(iv)	2,832	462,767	-	-	465,599
Conversion of convertible note	轉換可換股票據	(c)(v)	653	116,971	-	-	117,624
Equity-settled share-based payments (note 30)	以股份為結算基礎的付款(附註30)	-	-	-	44,727	-	44,727
Shares issued under share option scheme	根據認股權計劃發行的股份	(c)(vi)	38	5,669	-	(3,176)	2,531
Share options forfeited	已沒收的認股權	-	-	-	(220)	220	-
At 31 December 2007	於2007年12月31日	10,296	579,466	(752)	41,331	(61,919)	568,422
At 1 January 2008	於2008年1月1日	10,296	579,466	(752)	41,331	(61,919)	568,422
Profit for the year	本年度溢利	-	-	-	-	27,524	27,524
Equity-settled share-based payments (note 30)	以股份為結算基礎的付款(附註30)	-	-	-	15,717	-	15,717
Share options forfeited	已沒收的認股權	-	-	-	(6,926)	6,926	-
At 31 December 2008	於2008年12月31日	10,296	579,466	(752)	50,122	(27,469)	611,663

31 CAPITAL AND RESERVES (CONT'D)

(c) Share capital

- (i) The share capital presented in the consolidated balance sheet as at 1 January 2007 represents the share capital of Access Achievement Limited.
- (ii) On 20 July 2006, the company was incorporated in the Cayman Islands with authorised share capital of 10,000,000 shares of HK\$0.01 each. One nil-paid share of HK\$0.01 was issued and allotted to Codan Trust Company (Cayman) Limited, which was transferred to Grand Prosperity Limited on the same day. In addition, the company issued 99 nil-paid shares of HK\$0.01 each and allotted to Grand Prosperity Limited on the same day.

On 31 January 2007, by an ordinary resolution passed at the meeting of Board of directors, the company's authorised ordinary share capital was increased to HK\$300,000,000 by the creation of an additional 29,990,000,000 ordinary shares of HK\$0.01 each, ranking pari passu with the existing shares of the company in all respects. On the same day, the company issued and allotted, credited as fully paid at par of HK\$0.01, 83,999,900 shares to Grand Prosperity Limited, and credited as fully paid at par the 100 nil paid shares already held by Grand Prosperity Limited, in consideration for an aggregate of 100,000 shares of US\$0.1 each representing the entire issued share capital of Access Achievement Limited transferred to the company as to 80,000 shares by Mr Sheng ZENG and 20,000 shares by Mr Yunshu ZENG pursuant to an agreement for sale and purchase entered into between the company as purchaser, and Mr Sheng ZENG and Mr Yunshu ZENG as vendors on the same day.

31 資本及儲備 (續)

(c) 股本

- (i) 於2007年1月1日的綜合資產負債表呈列的股本為Access Achievement Limited的股本。
- (ii) 於2006年7月20日，本公司於開曼群島註冊成立，法定股本為10,000,000股每股面值0.01港元的股份。1股每股面值0.01港元的未繳股款股份發行及配發予Codan Trust Company (Cayman) Limited，並於同日轉撥予Grand Prosperity Limited。此外，本公司發行99股每股面值0.01港元的未繳股款股份，並於同日配發予Grand Prosperity Limited。

於2007年1月31日，透過於董事會會議上通過的普通決議案，本公司的法定普通股本透過增發額外29,990,000,000股每股面值0.01港元的普通股而增加至300,000,000港元，並在各方面與本公司的現有股份享有同等地位。同日，本公司向Grand Prosperity Limited發行及配發(按面值0.01港元入賬繳足)83,999,900股股份，並按面值入賬繳足由Grand Prosperity Limited所持有的100股未繳股款股份，代價為向本公司轉讓相當於Access Achievement Limited全部已發行股本的合共100,000股每股面值0.1美元的股份，根據本公司(作為買方)與曾勝先生及曾雲樞先生(兩位作為賣方)於同日訂立的買賣協議，其中80,000股股份由曾勝先生轉讓及20,000股股份由曾雲樞先生轉讓。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

31 CAPITAL AND RESERVES (CONT'D)

(c) Share capital (Cont'd)

- (iii) On 22 February 2007, an amount of RMB5,941,000 standing to the credit of the share premium account was applied in paying up in full 600,000,000 ordinary shares of HK\$0.01 each which were allotted and distributed as fully paid to the then shareholders.
- (iv) On 22 February 2007, an aggregate of 250,000,000 ordinary shares of HK\$0.01 each were issued and offered for subscription at a price of HK\$1.8 per share upon the listing of the company's share on the Stock Exchange. On 13 March 2007, an aggregate of 36,100,000 ordinary shares of HK\$0.01 each were issued and offered for subscription at a price of HK\$1.8 per share upon the exercise of the over-allotment option. The group raised approximately HK\$472,345,000 in total (equivalent to RMB465,599,000), net of related expenses from the share offer.
- (v) On 22 February 2007, an aggregate of US\$8,000,000 convertible note was converted into 66,000,000 ordinary shares of HK\$0.01 each.

31 資本及儲備 (續)

(c) 股本 (續)

- (iii) 於2007年2月22日，股份溢價賬的進賬額人民幣5,941,000元乃悉數用作支付按繳足配發及分派予當時股東的600,000,000股每股面值0.01港元的普通股。
- (iv) 於2007年2月22日，本公司股份在聯交所上市後，按每股1.8港元的價格發行及提呈合共250,000,000股每股面值0.01港元的普通股，以供認購。於2007年3月13日，於超額配股權獲行使後，本公司以每股1.8港元的價格發行及提呈合共36,100,000股每股面值0.01港元的普通股，以供認購。本集團籌集約共472,345,000港元(相當於人民幣465,599,000元)(扣除股份發售的相關費用)。
- (v) 於2007年2月22日，合共8,000,000美元的可換股票據已轉換為66,000,000股每股面值0.01港元的普通股。

31 CAPITAL AND RESERVES (CONT'D)

(c) Share capital (Cont'd)

(vi) On 12 December 2007, options were exercised to subscribe for 4,000,000 ordinary shares in the company at a consideration of HK\$2,400,000 (equivalent to RMB2,267,000) of which HK\$40,000 (equivalent to RMB37,000) was credited to share capital and the balance of HK\$2,360,000 (equivalent to RMB2,230,000) was credited to the share premium account. HK\$3,116,000 (equivalent to RMB3,106,000) has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 2(p)(iii).

On 13 December 2007, options were exercised to subscribe for 100,000 ordinary shares in the company at a consideration of HK\$184,000 (equivalent to RMB174,000) of which RMB700 was credited to share capital and the balance of HK\$183,100 (equivalent to RMB173,000) was credited to the share premium account. HK\$48,000 (equivalent to RMB47,000) has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 2(p)(iii).

On 24 December 2007, options were exercised to subscribe for 50,000 ordinary shares in the company at a consideration of HK\$92,000 (equivalent to RMB90,000) of which RMB500 was credited to share capital and the balance of HK\$91,500 (equivalent to RMB90,000) was credited to the share premium account. HK\$24,000 (equivalent to RMB23,000) has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 2(p)(iii).

31 資本及儲備 (續)

(c) 股本 (續)

(vi) 於2007年12月12日，可認購4,000,000股本公司普通股的認股權獲行使，代價為2,400,000港元(相當於人民幣2,267,000元)，其中40,000港元(相當於人民幣37,000元)計入股本及餘額2,360,000港元(相當於人民幣2,230,000元)計入股份溢價賬。根據附註2(p)(iii)所載的政策，3,116,000港元(相當於人民幣3,106,000元)已從資本儲備撥至股份溢價賬。

於2007年12月13日，可認購100,000股本公司普通股的認股權獲行使，代價為184,000港元(相當於人民幣174,000元)，其中人民幣700元計入股本及餘額183,100港元(相當於人民幣173,000元)計入股份溢價賬。根據附註2(p)(iii)所載的政策，48,000港元(相當於人民幣47,000元)已從資本儲備撥至股份溢價賬。

於2007年12月24日，可認購50,000股本公司普通股的認股權獲行使，代價為92,000港元(相當於人民幣90,000元)，其中人民幣500元計入股本及餘額91,500港元(相當於人民幣90,000元)計入股份溢價賬。根據附註2(p)(iii)所載的政策，24,000港元(相當於人民幣23,000元)已從資本儲備撥至股份溢價賬。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

31 CAPITAL AND RESERVES (CONT'D)

(c) Share capital (Cont'd)

- (vii) Terms of unexpired and unexercised share options at the balance sheet date

Exercise period 行使期	Exercise price 行使價
22 August 2007 to 21 February 2012 2007年8月22日至2012年2月21日	HK\$0.60 0.60 港元
15 November 2007 to 14 May 2016 2007年11月15日至2016年5月14日	HK\$1.84 1.84 港元
10 April 2008 to 9 October 2017 2008年4月10日至2017年10月9日	HK\$2.99 2.99 港元
10 October 2008 to 9 October 2017 2008年10月10日至2017年10月9日	HK\$2.99 2.99 港元
13 August 2008 to 13 August 2018 2008年8月13日至2018年8月13日	HK\$1.70 1.70 港元

Each option entitles the holder to subscribe for one ordinary share of the company. Further details of these options are set out in note 30 to the financial statements.

31 資本及儲備 (續)

(c) 股本 (續)

- (vii) 於資產負債表日未屆滿及未行使認股權的條款

2008 Number 數目	2007 Number 數目
19,000,000	19,000,000
33,139,000	41,309,000
1,000,000	6,000,000
20,000,000	20,000,000
8,000,000	–
81,139,000	86,309,000

每份認股權賦予持有人權利可認購一股本公司普通股。有關該等認股權的進一步詳情載於財務報表附註30。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

31 CAPITAL AND RESERVES (CONT'D)

(c) Share capital (Cont'd)

(viii) The share capital at the balance sheet date is as follows:

2008		2007	
No. of shares	Amount	No. of shares	Amount
股份數目	金額	股份數目	金額
	HK\$'000		HK\$'000
	千港元		千港元
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
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	1,040,250,000	10,403
RMB equivalent		RMB'000	RMB'000
		人民幣千元	人民幣千元
		10,296	10,296

(ix) On 3 October 2007, 81,000,000 Warrants were issued to the initial purchasers of the Senior Note. At the balance sheet date, there were 81,000,000 outstanding Warrants. Each of the Warrant holders is entitled to subscribe in cash at an exercise price, subject to certain conditions of reset and adjustment, of HK\$3.36 each for one ordinary share of HK\$0.01 each of the company at any time from 3 October 2007 to 2 October 2012. On 20 September 2008, the exercise price of the Warrants has been reset to HK\$1.68, being 50% of the initial exercise price of HK\$3.36. The Warrants when exercised in full would, with the present capital structure of the company, result in the issue of 81,000,000 additional ordinary shares of HK\$0.01 each and aggregate subscription monies of HK\$136,080,000 (2007: HK\$272,160,000) before the related expenses.

31 資本及儲備 (續)

(c) 股本 (續)

(viii) 於資產負債表日的股本如下：

2008		2007	
No. of shares	Amount	No. of shares	Amount
股份數目	金額	股份數目	金額
	HK\$'000		HK\$'000
	千港元		千港元
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
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	1,040,250,000	10,403
RMB equivalent		RMB'000	RMB'000
		人民幣千元	人民幣千元
		10,296	10,296

(ix) 於2007年10月3日，本公司發行81,000,000份認股權予優先票據的初步買方。於資產負債表日，尚有81,000,000份未行使認股權。每位認股權持有人可由2007年10月3日起至2012年10月2日止任何時間，按行使價(受若干重定及調整的條件規限)每股3.36港元，以現金認購一股每股面值0.01港元的本公司普通股。於2008年9月20日，認股權的行使價已重定為1.68港元，即初始行使價3.36港元的50%。在本公司的現有資本架構下，當認股權悉數獲行使時將導致須額外發行81,000,000股每股面值0.01港元的普通股，及認購款項總額於扣除相關費用前為136,080,000港元(2007年：272,160,000港元)。

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31 CAPITAL AND RESERVES (CONT'D)

(d) Nature and purpose of reserve

(i) Merger reserve

The merger reserve represents the difference between the nominal value of shares of the subsidiary acquired over the nominal value of the shares used by the company exchange thereafter.

(ii) Statutory reserve fund

According to the PRC Company Law, the PRC subsidiaries of the group are required to transfer 10% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory reserve fund can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(iii) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the company are distributable to the 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 they fall due in the ordinary course of business.

31 資本及儲備 (續)

(d) 儲備的性質及目的

(i) 合併儲備

合併儲備乃指所收購的附屬公司股份的面值與本公司交易所用股份面值之間的差額。

(ii) 法定儲備金

根據中國公司法，本集團的中國附屬公司須按中國會計制度，將其除稅後溢利的10%轉撥至法定儲備金，直至該儲備結餘達到註冊資本的50%。轉撥款項至此項儲備必須於分派股息予股東前作出。

法定儲備金可用以抵銷過往年度的虧損(如有)；透過按股東現有持股量向股東發行新股份或增加該等股東持有股份面值將法定儲備金轉換為股本，惟於該發行後，其結餘不得少於註冊資本的25%。

(iii) 股份溢價

根據開曼群島公司法，本公司股份溢價賬中的資金可供分派予本公司股東，惟緊隨建議派發股息之日期後本公司將能夠在日常業務過程中償清其到期債務。

31 CAPITAL AND RESERVES (CONT'D)

(d) Nature and purpose of reserve (Cont'd)

(iv) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted by the company recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2(p)(iii).

(v) Distributability of retained profits

For dividend purposes, the amount which the company and its subsidiaries can legally distribute by way of a dividend is by reference to the profits as reflected in their PRC statutory financial statements prepared in accordance with PRC GAAP. These profits differ from those reflected in these financial statements, which are prepared in accordance with HKFRSs.

Upon listing of the company's shares on the Stock Exchange of Hong Kong Limited, dividends will be distributed out of the group's net distributable earnings, which represent the lower of the net profit as determined in accordance with PRC GAAP and HKFRS, less allocations to the statutory reserve fund.

As at 31 December 2008, the retained profits available for distribution was RMB272,287,000 (2007: RMB312,167,000). There are conditions in respect of the payment of dividends required by the Senior Note Indenture resulting from the non-compliance of the financial covenants as set out in note 24(b) to the financial statements.

(e) Capital management

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 products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

31 資本及儲備 (續)

(d) 儲備的性質及目的 (續)

(iv) 資本儲備

資本儲備包括本公司所授出的未行使認股權實際或估計數目的公允值，乃根據附註2(p)(iii)中就股本結算以股份為基礎的付款而採納的會計政策確認。

(v) 可供分派保留溢利

就股息而言，本公司及其附屬公司可合法用作分派股息的數額，乃參照彼等按中國公認會計準則編製的中國法定財務報表所反映的溢利而釐定。該等溢利與本財務報表所反映的不同，因本財務報表的溢利乃根據香港財務報告準則所編製。

本公司的股份在香港聯合交易所有限公司上市後，股息將從本集團的可供分派盈利淨額分派，計為根據中國公認會計準則及香港財務報告準則所釐定的溢利淨額的較低者減分配至法定儲備金的資金。

於2008年12月31日，可供分派的保留溢利為人民幣272,287,000元(2007年：人民幣312,167,000元)。由於未能符合財務報表附註24(b)所載的優先票據契約的財務契諾，有關派付股息的條件因此受到了規限。

(e) 資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力，從而透過與風險水平相對應的產品及服務定價以及獲得合理成本的融資，繼續為股東創造回報及帶來利益。

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31 CAPITAL AND RESERVES (CONT'D)

(e) Capital management (Cont'd)

The group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the group monitors its capital structure on the basis of a net debt-to-equity ratio. For this purpose the group defines net debt as total debt (which includes interest-bearing loans and borrowings and trade and other payables, and accruals), less pledged deposits and, cash and cash equivalents.

During 2008, the group's strategy, which was unchanged from 2007, was to maintain the net debt-to-equity ratio in line with market expectations. In order to maintain or adjust the ratio, 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 debt. There are conditions in respect of the payment of dividends required by the Senior Note Indenture resulting from the non-compliance of the financial covenants as set out in note 24(b) to the financial statements.

31 資本及儲備 (續)

(e) 資本管理 (續)

本集團積極及定期對其資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨的較高借貸水平與良好的資本狀況帶來的好處及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

和其他同業一樣，本集團以淨負債對權益比率為基準監察其資本架構。為此本集團將淨負債界定為總負債（其包括計息貸款及借貸以及應付賬款，其他應付款及預提費用）減去抵押存款及現金及現金等價物。

於2008年內，本集團的策略與2007年保持不變，其淨負債對權益比率符合市場預期。為了維持或調整該比率，本集團或會調整已付予股東的股息金額、發行新股份、退還資本予股東、籌集新的債務融資或出售資產以減少負債。由於未能符合財務報表附註24(b)所載的優先票據契約的財務契諾，有關派付股息的條件因此受到了規限。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

32 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, foreign currency and concentration risks arises in the normal course of the group's business. These risks are limited by the group's financial management policies and practices described below:

(a) Credit risk

The extent of the group's credit exposure is represented by the aggregate balance of cash at bank, trade and other receivables. Except for those disclosed in note 32(e), the group has no concentrations on credit risk. Cash transactions are limited to high-credit-quality institutions.

The group has a defined credit policy. The group reviews the ageing of loans and advances on a regular basis and closely monitor the recoverability of the balances. The group has also arranged bank financing for certain purchasers of properties and provided guarantees to secure repayment obligations of such purchasers. Details of these guarantees are set out in note 35.

(b) Liquidity risk

Individual subsidiaries within the group are responsible for their own cash management based on the group's internal guidelines on liquidity requirement, including raising loans to cover the expected cash demand, and obtaining credit lines, subject to approval by the company's Board of directors. The group's objective is to strike a balance between continuity of funding and flexibility through the use of banking facility and other borrowings. The group financed its operations and investment activities with internally generated cash flows, balanced with proceeds from the issue of the Senior Note and the line of credit obtain from banks. There has been no default on repayment of interests and/or bank borrowings as at year end or at any time during the year.

32 金融工具

信用、流動性、利率、外匯及集中風險在本集團一般業務過程中出現。該等風險根據以下所述本集團的財務管理政策及常規管理。

(a) 信用風險

本集團所承受的信用風險乃銀行現金、應收賬款及其他應收賬款的結餘總額。除附註32(e)的披露以外，本集團並無其他集中信用風險。現金交易只限於信用質素高的機構。

本集團擁有清晰的信用政策。本集團定期檢討貸款及墊款的賬齡，並緊密監察該等結餘是否可收回。本集團亦為若干物業買家提供銀行融資及作出擔保以保證該等買家履行償還責任。有關該等擔保的詳情列載於附註35。

(b) 流動性風險

本集團個別附屬公司根據本集團有關流動資金規定的內部指引，自行負責其本身的現金管理，包括籌集貸款以應付預期的現金需求及獲得融資額，惟須取得本公司董事會批准。本集團的目標是致力於透過運用銀行信貸及其他借貸達致資金持續性與靈活性之間的均衡。本集團以內部產生的現金流量為其經營業務及投資活動提供資金，同時以發行優先票據的所得款項以及從銀行獲授的融資額為補充。於年結或年內任何時間並無任何償還利息及／或銀行借款的違約情況。

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32 FINANCIAL INSTRUMENTS (CONT'D)

32 金融工具(續)

(c) Interest rate risk

The group's interest rate risk arises primarily from interest-bearing assets and liabilities. It is the group's intention to keep its borrowings at floating interest rate with an aim to reflect market costs of funding. It is this reason that cost of specific borrowings financing the group's development projects would be capitalised at a rate reflecting market conditions. The group's effect on changes in interest rate is considered immaterial to the group's profit or loss.

(i) Interest rate profile

The following table details the interest rate profile of the group's and the company's assets and liabilities at the balance sheet date.

(c) 利率風險

本集團的利率風險主要來自於計息資產及負債。本集團有意繼續保留浮息借貸，藉以反映資金的市場成本，原因是為本集團開發項目提供資金的特定借貸成本將按反映市場情況之利率予以資本化。本集團認為利率變動對本集團溢利或虧損的影響極微。

(i) 利率組合

下表詳述本集團及本公司於資產負債表日的資產及負債的利率組合。

	The group 本集團				The company 本公司			
	2008		2007		2008		2007	
	Effective interest rate		Effective interest rate		Effective interest rate		Effective interest rate	
	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000
		人民幣千元		人民幣千元		人民幣千元		人民幣千元
Cash and cash equivalents: 現金及現金等價物：								
Pledged deposits 抵押存款	0-0.69	59,846	0.72-4.61	176,433	0	31,849	2.25-4.61	164,406
Saving deposits 活期存款	0-0.69	41,218	0.15-0.81	252,695	0-0.53	27,505	0.15-0.81	6,288
Loans: 貸款：								
Loans and advances 貸款及墊款	5.31-7.47	89,641	6.84-7.47	103,562	5.31-7.47	21,772	6.84-7.47	20,356
Fixed rate borrowings: 定息借貸：								
Senior Note 優先票據	19.07	519,725	-	-	19.07	519,725	-	-
Variable rate borrowings: 浮息借貸：								
Bank loans 銀行貸款	6.40-9.07	650,124	5.58-7.05	619,697	-	-	-	-
Senior Note 優先票據	-	-	9.17	555,708	-	-	9.17	555,708
		650,124		1,175,405		-		555,708
Total borrowings 借貸總額		1,169,849		1,175,405		519,725		555,708
Fixed rate borrowings as a percentage of total borrowings 定息借貸佔借貸總額的百分比		44.43%		-%		100%		-%

32 FINANCIAL INSTRUMENTS (CONT'D)

(c) Interest rate risk (Cont'd)

(ii) Sensitivity analysis

At 31 December 2008, it is estimated that a general increase/decrease of 2% (2007: 1%) in interest rates, with all other variables held constant, would decrease/increase the group's profit after tax and retained profits by approximately RMB5,145,000 (2007: decrease/increase by RMB155,000).

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 both derivative and non-derivative financial instruments in existence at that date. The 2% (2007: 1%) increase or decrease represents management's assessment of a representative pattern of possible change in interest rates. The analysis is performed on the same basis for 2007.

32 金融工具(續)

(c) 利率風險(續)

(ii) 敏感度分析

於2008年12月31日，在所有其他變量維持不變之情況下，如利率全面上調／下調2%（2007年：1%），則本集團的除稅後溢利及保留溢利將減少／增加約人民幣5,145,000元（2007年：減少／增加人民幣155,000元）。

上述敏感度分析乃假設利率變動已於資產負債表日發生而釐定，並計入於該日存在的衍生及非衍生金融工具所承受的利率風險。上調或下調2%（2007年：1%）代表管理層對據代表性的可能利率變動的評估。2007年的分析按相同基準進行。

32 FINANCIAL INSTRUMENTS (CONT'D)

(d) Foreign currency risk

All the group's revenue-generating activities were transacted in Renminbi. Exposure to foreign currency risks is mainly attributable to bank deposits and Senior Note that are denominated in currencies other than Renminbi. Foreign currency risk is measured by employing sensitivity analysis, taking into account current and anticipated exposures.

At 31 December 2008, it is estimated that had the United States Dollars and Sterling Pounds exchange rates (versus Renminbi) respectively increased by 5% (2007: 0.5%), with all other variables remaining constant, the group's profit after tax for the year would have decreased by approximately RMB29,222,000 (2007: RMB5,835,000) and nil (2007: RMB8,438,000) respectively.

At 31 December 2008, it is estimated that had the United States Dollars and Sterling Pounds exchange rates (versus Renminbi) respectively decreased by 5% (2007: 0.5%), with all other variables remaining constant, the group's profit after tax for the year would have increased by approximately RMB29,222,000 (2007: RMB5,835,000) and nil respectively (2007: RMB8,438,000).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities' exposure to currency risk for both derivative and non-derivative financial instruments in existence at the date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of possible changes in foreign exchange rates over the period until the next annual balance sheet date. Results of the analysis as presented above represent an aggregation of the effects on each of the group entities' profit after tax and equity measured in the respective foreign currencies, translated into Renminbi at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2007.

32 金融工具(續)

(d) 外匯風險

本集團所有產生收入的業務均以人民幣進行交易。所面對的外幣風險主要為銀行存款及優先票據以人民幣以外的貨幣計值。外幣風險乃採用敏感度分析計量，並計及當前及預期的風險。

於2008年12月31日，在所有其他變量維持不變之情況下，如每美元及每英鎊兌人民幣匯率分別上調5%（2007年：0.5%），則本集團於本年度的除稅後溢利估計將分別減少約人民幣29,222,000元（2007年：人民幣5,835,000元）及零元（2007年：人民幣8,438,000元）。

於2008年12月31日，在所有其他變量維持不變之情況下，如每美元及每英鎊兌人民幣匯率分別下調5%（2007年：0.5%），則本集團於本年度的除稅後溢利估計將分別增加約人民幣29,222,000元（2007年：人民幣5,835,000元）及零元（2007年：人民幣8,438,000元）。

上述敏感度分析乃假設外匯匯率變動已於資產負債表日發生而釐定，並計入各集團實體於該日存在的衍生及非衍生金融工具所承受的貨幣風險，而所有其他變量尤其是利率保持不變。

上述變動代表管理層對於下一個年度資產負債表日日期間外匯匯率可能變動的評估。以上所列示的分析結果代表對本集團旗下各實體按各種外匯計算並按資產負債表日的匯率換算為人民幣以供呈列之用的除稅後溢利及權益之總影響。2007年的分析按同一基準進行。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

32 FINANCIAL INSTRUMENTS (CONT'D)

(e) Concentration risk

The operation of the group significantly relied on a single third party which was both the largest supplier of the group for the year ended 31 December 2008.

Should the operation of the party be in doubt, the operation of the group may be significantly affected. The group has requested that party to arrange a guarantee for the sale proceeds not yet repaid upon the sales of properties. The group also assesses the financial position of the party closely in order to mitigate the concentration risks exposed.

(f) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008 and 2007.

32 金融工具(續)

(e) 集中風險

本集團的業務很大程度上依賴單一的第三方，該第三方為本集團截至2008年12月31日止年度的最大供應商。

倘該方的業務有困難，本集團的業務可能會受到重大影響。本集團已要求該方就於銷售物業時尚未償還的銷售所得款安排擔保。本集團亦緊密評估該方的財務狀況以緩和所承受的集中風險。

(f) 公允值

於2008年及2007年12月31日，所有金融工具的金額與其公允值概無重大差異。

33 COMMITMENTS

(a) Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

Authorised but not contracted for	已授權但未訂約
Contracted but not provided for	已訂約但未準備

33 承擔

(a) 於12月31日尚未在財務報表內準備的資本承擔如下：

The group 本集團	
2008	2007
RMB'000	RMB'000
人民幣千元	人民幣千元
2,263,292	2,543,313
487,117	137,796
2,750,409	2,681,109

33 COMMITMENTS (CONT'D)

(b) Commitments for operating leases

The group is the lessee in respect of a number of properties under operating leases. The leases typically run for an initial period of two to fifteen years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

During the year, RMB10,082,000 (2007: RMB9,915,000) was recognised in profit or loss as rental expenses in respect of sub-leased properties.

As at the balance sheet date, the total future minimum lease payments under non-cancellable operating leases in respect of leased and sub-leased properties are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內
After 5 years	五年後

33 承擔(續)

(b) 經營租賃承擔

本集團為經營租賃下多項物業的承租人。該等租約最初一般為期兩年至十五年，於該日後可選擇續租，而屆時所有條款均可重新協商。所有租賃均不含或然租金。

年內，在損益內已確認為轉租物業的租金支出為人民幣10,082,000元（2007年：人民幣9,915,000元）。

於資產負債表日，根據不可解除的經營租賃，租賃及轉租物業在日後應付的最低租賃付款總額如下：

The group 本集團	
2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
9,792	11,376
28,063	25,876
25,059	30,201
62,914	67,453

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

34 SIGNIFICANT LEASING ARRANGEMENTS

Significant leasing arrangements in respect of investment properties held under operating leases are described in note 17(c).

Apart from these leases, the group also sub-leases out a number of properties under operating leases. The leases typically run for an initial period of one to twenty years, with an option to renew the lease after that date at which time all terms are renegotiated. All of these leases have no contingent element.

During the year, RMB15,939,000 (2007: RMB15,347,000) was recognised in profit or loss as rental income in respect of sub-leased properties.

As at 31 December 2008, the total future minimum lease payments under non-cancellable operating leases in respect of sub-leased properties are receivable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內
After 5 years	五年後

34 重要租賃安排

根據經營租賃所持的投資物業涉及的重要租賃安排列載於附註17(c)。

除該等租賃外，本集團亦根據經營租賃轉租若干物業。這些租賃一般為期一至二十年，於該日後可選擇續租，而屆時所有條款均可重新協商。所有這些租賃並無或然成分。

於本年度內，在損益內已確認為轉租物業的租金收入為人民幣15,939,000元（2007年：人民幣15,347,000元）。

於2008年12月31日，根據不可解除的經營租賃，轉租物業在日後應收的最低租賃款項總額如下：

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
9,883	14,570
9,850	22,993
5,897	21,458
25,630	59,021

Notes to the Financial Statements 財務報表附註

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35 CONTINGENT LIABILITIES

35 或然負債

		The group 本集團	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
Guarantees given to banks for mortgage facilities granted to purchasers of the group's properties (note (a))	向銀行發出的擔保：提供予本集團物業買家的按揭信貸額(附註(a))	370,000	370,000
Contingent liability in respect of a litigation (note (b))	有關訴訟的或然負債(附註(b))	21,020	-

Notes:

- (a) The group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to banks. The group is then entitled to take over the legal title of the related properties. The group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the purchaser obtained the individual property ownership certificate or up to a maximum of two years after the full repayment of mortgage loan by the purchaser of the group's properties.
- (b) During the year, a claim has been made to a subsidiary of the group in respect of a property construction cost of RMB21,020,000. The intermediate people's court of Zhangjiakou, Hebei Province, the PRC has ruled in favour of the plaintiff on 25 November 2008. On 7 January 2009, the subsidiary has filed an appeal with the high people's court of Hebei Province to deny the liability.

The directors consider the claim is with no merit based on the legal advice received. Accordingly, no provision has been made in respect of this claim.

附註：

- (a) 本集團就若干銀行授出的按揭融資額提供擔保，該等按揭融資涉及由本集團若干物業買家所訂立的按揭貸款。根據擔保的條款，倘該等買家拖欠按揭款項，本集團須負責向銀行償還買家結欠的貸款連同任何預提利息及罰款，而本集團屆時有權接管有關物業的法定所有權。本集團的擔保期限由按揭貸款授出日期起計，並於買家取得個別房產證後或於本集團物業買家支付全數按揭貸款後最多兩年後結束。
- (b) 年內，本集團一間附屬公司就物業建築成本人民幣21,020,000元被提出索償。中國河北省張家口中級人民法院於2008年11月25日判原告勝訴。於2009年1月7日，該附屬公司已向河北省高級人民法院提出上訴否認有關責任。

董事認為根據所收到的法律意見，該申索並無法律依據。因此，並無就該申索計提撥備。

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36 MATERIAL RELATED PARTY TRANSACTIONS

In addition to those material related party transactions disclosed elsewhere in the financial statements, the group had the following significant transactions and balances with related parties during the year:

(a) Transactions and balances with the group's directors, senior management and their close family members

Interest expense (note (i)) 利息支出(附註(i))

(b) Transactions and balances with the group's affiliated companies and their directors

Prepayments (note (ii)) 預付款(附註(ii))
Trade payables (note (iii)) 應付賬款(附註(iii))

Notes:

- (i) Interest expense on loan from a non-executive director was charged at similar terms as other bank borrowings. The loan was fully repaid by the group in 2007.
- (ii) Prepayments represented prepayments of construction materials paid to a related party for use of the group's development projects. The terms of such transactions were carried out on normal commercial terms and in the ordinary course of the group's businesses.

36 關連人士的重大交易

除於財務報表其他地方披露的該等重大關連人士交易外，本集團與關連人士於年內重大交易及結餘如下：

(a) 與本集團董事、高級管理人員及其直系親屬成員間的交易及結餘

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
-	226

(b) 與本集團的聯屬公司及其董事間的交易及結餘

2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
26,707	17,057
8,724	8,724

附註：

- (i) 一位非執行董事提供之貸款之利息支出乃按與其他銀行借貸類似之條款支付。該筆貸款已於2007年由本集團全數支付。
- (ii) 預付款代表支付予關連人士建築材料預付款，以供本集團開發項目之用。此等交易乃按一般商業條款及於本集團正常業務範圍內進行。

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(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

36 MATERIAL RELATED PARTY TRANSACTIONS (CONT'D)

(b) Transactions and balances with the group's affiliated companies and their directors (Cont'd)

Notes: (Cont'd)

- (iii) Trade payables represented interest-free and unsecured amount due to a related party for short-term purposes. This amount was repayable on demand and made on the same terms with other independent third parties.

36 關連人士的重大交易(續)

(b) 與本集團的聯屬公司及其董事間的交易及結餘(續)

附註：(續)

- (iii) 應付賬款代表應付此關連人士的免息及無抵押短期款項。該款項須於三至六個月內償還，並按照與其他獨立第三方的相同條款而訂立。

37 NON-ADJUSTING POST BALANCE SHEET EVENT

On 11 March 2009, the group entered into a conditional sale and purchase agreement with an independent third party to dispose of a 18% equity interest in Huizhou Yintaida Company Limited ("Huizhou Yintaida"), a subsidiary of the company for RMB35,000,000. Huizhou Yintaida was engaged in the development of residential and commercial properties in Boluo County, Huizhou.

37 非調整資產負債表日後事項

於2009年3月11日，本集團與一名獨立第三方訂立有條件買賣協議，以代價人民幣35,000,000元出售於本公司附屬公司惠州銀泰達實業有限公司(「惠州銀泰達」)的18%股權。惠州銀泰達於惠州博羅縣從事住宅及商用物業發展業務。

38 ACQUISITION OF SUBSIDIARIES

- (a) On 28 March 2008, the group entered into a share transfer agreement with an independent third party to acquire 100% equity interest in Shenzhen City Zirui Real Estate Development Company Limited ("Shenzhen Zirui"). Shenzhen Zirui was engaged in the development of residential and commercial properties nearby Buji County, Longgang District. The acquisition cost comprised of the cash consideration RMB154,100,000 and the property consideration of RMB80,915,000. The property consideration represented the estimated cost of completion of 22,000 square metre of gross floor area of properties to be delivered to the vendors upon completion of construction. Shenzhen Zirui became a wholly-owned subsidiary of the group after the completion of the share transfer.

38 收購附屬公司

- (a) 於2008年3月28日，本集團與一獨立第三方訂立股份轉讓協議，以收購深圳市紫瑞房地產開發有限公司(「深圳紫瑞」)的100%股本權益。深圳紫瑞主要在龍崗區布吉鎮鄰近區域從事開發住宅及商用物業業務。收購成本包括現金代價人民幣154,100,000元及物業代價人民幣80,915,000元。物業代價指估計完成建築面積為22,000平方米之物業的成本。該物業將於竣工後交付予賣方。於股份轉讓完成後，深圳紫瑞成為本集團的全資附屬公司。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

38 ACQUISITION OF SUBSIDIARIES (CONT'D)

The net assets acquired in the acquisition of a subsidiary during the year ended 31 December 2008 were as follows:

38 收購附屬公司(續)

於截至2008年12月31日止年度，收購一間附屬公司時所購入的資產淨值如下：

		Carrying amount before consolidation	Fair value adjustments	Fair value
		於合併前賬面值 RMB'000 人民幣千元	公允值調整 RMB'000 人民幣千元	公允值 RMB'000 人民幣千元
<i>Net assets acquired:</i>	<i>已收購資產淨值：</i>			
Property, plant and equipment	物業、廠房及設備	1,068	–	1,068
Inventories	存貨	53,538	216,635	270,173
Trade and other receivables	應收賬款及其他應收款	110	–	110
Cash and cash equivalents	現金及現金等價物	411	–	411
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	(36,747)	–	(36,747)
Net identifiable assets and liabilities	可識別資產及負債淨值	18,380	216,635	235,015
Total purchase prices paid, satisfied in cash	已付購買價總額，以現金支付			85,000
Less: cash of subsidiary acquired	減：已收購附屬公司現金			(411)
Net cash outflow in respect of the acquisition of a subsidiary	就收購一間附屬公司的現金流出淨額			84,589
Consideration payable at 31 December 2008	於2008年12月31日應付的代價			150,015

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

38 ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) The net assets acquired in the acquisition of subsidiaries during the year ended 31 December 2007 were as follows:

Net assets acquired:

Property, plant and equipment
Inventories
Trade and other receivables
Pledged deposits
Cash and cash equivalents
Trade and other payables, and
accruals
Receipts in advance
Taxation payable

已收購資產淨值：

物業、廠房及設備
存貨
應收賬款及其他應收款
抵押存款
現金及現金等價物
應付賬款、其他應付款及
預提費用
預收賬款
應付稅項

Net identifiable assets and
liabilities

可識別資產及
負債淨值

Total purchase prices paid,
satisfied in cash

已付購買價總額，
以現金支付

Less: cash of
subsidiaries acquired

減：已收購附屬公司現金

Net cash outflow in respect of
the acquisition of subsidiaries

就收購附屬公司的
現金流出淨額

38 收購附屬公司(續)

(b) 於截至2007年12月31日止年度，收購附屬公司時所購入的資產淨值如下：

	Carrying amount	Fair value	Fair value
	before consolidation	adjustments	Fair value
	於合併前賬面值	公允值調整	公允值
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元

880

195,797 68,468 264,265

38,536 - 38,536

481 - 481

2,513 - 2,513

(17,223) - (17,223)

(198,152) - (198,152)

(300) - (300)

22,532 68,468 91,000

91,000

(2,513)

88,487

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

39 IMMEDIATE PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the immediate parent and ultimate holding company of the group to be Grand Prosperity Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

40 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key sources of estimation uncertainty are as follows:

(i) Provision for completed properties held for sale and properties for future development and under development for sale

As explained in note 2(j), the group's completed properties held for sale and properties for future development and under development for sale are stated at the lower of cost and net realisable value. Based on the group's recent experience and the nature of the subject properties, the group makes estimates of the selling prices, the costs of completion in case for properties for future development and under development for sale, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in provision for completed properties held for sale and properties for future development and under development for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

39 母公司及最終控股公司

董事認為本集團的中層母公司及最終控股公司為於英屬處女群島註冊成立的 Grand Prosperity Limited。此公司並無編製財務報表供公眾閱覽。

40 會計估計及判斷

估計及判斷乃持續進行的評估，並以過往經驗及其他因素作為基礎的，包括在該等情況下合理相信會出現的未來事件。估計不確定因素的主要來源如下：

(i) 持作出售的已竣工物業及供出售未來開發及發展中物業的準備

如附註 2(j) 所解釋，本集團持作出售的已竣工物業、供出售未來開發及發展中物業乃以成本值及可變現淨值的較低者入賬。根據本集團的最近經驗及上述物業的性質，本集團基於現時的市場狀況，推算售價、供出售未來開發及發展中物業的竣工成本及出售該等物業所產生的成本。

倘竣工成本有所增加或銷售價值淨值有所減少，可變現價值淨額將會減少，繼而或會為持作出售的已竣工物業、未來開發物業及待出售的發展中物業提撥準備。該準備須予以判斷及估計。倘預期與原來估計有所不同，於該推算出現改動期內的物業賬面值及準備將會相應地調整。

40 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) Provision for completed properties held for sale and properties for future development and under development for sale (Cont'd)

In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than estimated at the balance sheet date. Any increase or decrease in the provision would affect profit or loss in future years.

(ii) Impairment losses on prepaid project costs

The group prepaid land and construction costs for certain projects located on the lands which the group has not obtained land use rights. The group is in the process of obtaining these land use rights. Should the land use rights cannot be obtained subsequently, certain prepaid costs may not be recoverable. The group provides impairment losses for the unrecoverable costs based on its estimation. The group's estimates may be inaccurate and any change in the estimates would affect profit or loss in future years.

(iii) Provision for bad debts of loans and advances

The group reviews the recoverability and ageing of loans and advances and provides impairment losses if the balances are not fully recoverable. The assessments involve estimation on the recoverability of these balances. The group's estimates may be inaccurate and any change in estimates would affect profit or loss in future years.

40 會計估計及判斷(續)

(i) 持作出售的已竣工物業及供出售未來開發及發展中物業的準備(續)

此外，根據中國物業市場的波動及個別物業的特有性質，成本及收益的實際所得或會高於或低於在資產負債表日所估計的所得。準備的任何增加或減少將對未來的溢利或虧損構成影響。

(ii) 預付項目成本的減值虧損

本集團就位於其未獲取土地使用權的土地的若干項目，預付土地及建築成本。本集團現正獲取該等土地使用權。倘本集團於日後未能獲取該等土地使用權，若干預付成本或會不能收回。本集團根據其估計為不可收回的成本的減值虧損作準備。本集團的估計或會不準確，而該等估計的任何變動將影響來年的溢利或虧損。

(iii) 貸款及墊款的壞賬準備

本集團審核貸款及墊款的可收回性及賬齡，倘餘額無法悉數收回，則將對減值虧損作撥備。有關評估涉及對餘額可收回性的估計。本集團的估計可能不準確，而估計亦可能須於日後年度進行調整。

40 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

40 會計估計及判斷(續)

(iv) Land Appreciation Tax

As explained on note 9(a), Land Appreciation Tax is levied on properties developed by the group for sale, at progressive rate ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing cost and all property development expenditures. Given that the uncertainties of the calculation basis of Land Appreciation Tax adopted by local tax bureau, the actual outcomes may be higher or lower than estimated at the balance sheet date. Any increase or decrease in estimates would affect profit or loss in future years.

(v) Derivative financial instruments

The fair values calculated on the basis of well-established valuation techniques using current market parameters are theoretical values applicable at a given reporting date, and hence can only be used as an indicator of value realisable in a future sale. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discounted rates, estimates of future cash flows, future expected loss and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realised in an immediate sale of the instruments.

(vi) Valuation of investment properties

As described in note 17, investment properties are stated at fair value based on the valuation performed by an independent firm of professional valuers after taking into consideration the net rental income allowing for reversionary income potential.

In determining the fair value, the valuers have based on a method of valuation which involves, inter alia, certain estimates including current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

(iv) 土地增值稅

誠如附註9(a)所闡述，本集團銷售所發展的物業須按土地價值增幅以30%至60%的累進稅率繳納土地增值稅，根據有關規例，土地增值稅乃按出售物業所得款項減可扣稅開支(包括土地使用權出讓支出、借貸成本及所有物業發展開支)計算。鑑於本地稅務局所採納的土地增值稅計算基準的不明朗因素，實際結果可能會高於或低於在資產負債表日所估計的結果。估計的任何增加或減少會影響其後年度的損益。

(v) 衍生金融工具

根據信譽卓著的估值方法採用當前市場參數計算的公允值為適用於某一報告日期的理論價值，因此僅可用作日後出售時可變現價值的指標。該等方法涉及不明朗因素，及受到所採用假設、就各種金融工具的風險特徵作出的判斷、折現率、估計未來現金流量、未來預期虧損經驗及其他因素的顯著影響。假設變動可顯著影響該等估計及就此產生的公允值。所推算的公允值估計不一定能夠透過與獨立市場作比較而獲得證實，而在很多情況下，本集團均不能將該等工具直接出售以變現公允值。

(vi) 投資物業的估值

誠如附註17所述，投資物業根據獨立專業估值師於考慮租金收入淨額及可能的復歸收入後所進行的估值按公允值列賬。

估值師根據涉及若干估計，其中包括目前市場上所處位置及狀況相同的同類物業租金、適當折扣率及預期未來市場租金的估值方法釐定公允值。於倚賴估值報告時，管理層已作出判斷及信納估值方法可反映目前市況。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi Yuan unless otherwise indicated) (除另有所指外，以人民幣元列示)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements.

The group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

In addition, the following developments are expected to result in amended disclosures in the financial statements, including restatement of comparative amounts in the first period of adoption:

HKFRS 8, *Operating segments*
香港財務報告準則第8號「經營分部」

HKAS 1 (revised 2007),
Presentation of financial statements
香港會計準則第1號(2007年經修訂)「財務報表的呈列」

1 January 2009
2009年1月1日

1 January 2009
2009年1月1日

41 已頒佈但於截至2008年12月31日止年度尚未生效的修訂、新準則及詮釋的可能影響

截至此等財務報表刊發日期止，香港會計師公會已公佈多項修訂、新準則及詮釋。該等修訂、準則及詮釋於截至2008年12月31日止年度尚未生效，且未於此等財務報表中採納。

本集團正在評估此等修訂、新準則及新詮釋於最初應用期間的預期影響，至今得出的結論是採納此等新香港財務報告準則不太可能對本公司經營業績及財務狀況構成重大影響。

此外，下列發展預期將導致須於財務報表修訂披露資料，包括於首次採納期間重列比較金額：

Effective for accounting periods beginning on or after

於下列日期或之後開始的會計期間生效



鴻隆控股
HONG LONG
Holdings