



Burwill Holdings Limited

寶威控股有限公司

(Incorporated in Bermuda with limited liability)

Stock code: 24

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Annual Report

2008



Contents 目錄

| | |
|--|-----|
| Corporate Information 公司資料 | 2 |
| Management Discussion and Analysis 管理層討論與分析 | 4 |
| Biographies of Directors 董事簡歷 | 12 |
| Report of Directors 董事局報告 | 16 |
| Corporate Governance Report 企業管治報告 | 33 |
| Independent Auditors' Report 獨立核數師報告 | 43 |
| Balance Sheets 資產負債表 | 45 |
| Consolidated Income Statement 綜合損益表 | 47 |
| Consolidated Statement of Changes in Equity 綜合權益變動表 | 48 |
| Consolidated Cash Flow Statement 綜合現金流量表 | 50 |
| Notes to the Consolidated Financial Statements 綜合財務報表附註 | 52 |
| Schedule of Properties held for Investment 投資物業一覽表 | 143 |
| Five Years' Financial Summary 五年財務概要 | 144 |



Corporate Information 公司資料

DIRECTORS

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

COMPANY SECRETARY

KWOK Wai Lam

AUDIT COMMITTEE

CUI Shu Ming
MIAO Gengshu
HUANG Shenglan

REMUNERATION COMMITTEE

CUI Shu Ming
HUANG Shenglan
SIT Hoi Tung

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

LEGAL ADVISERS

Appleby
Baker & McKenzie

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

董事

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

公司秘書

郭偉霖

審核委員會

崔書明
苗耕書
黃勝藍

薪酬委員會

崔書明
黃勝藍
薛海東

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師

法律顧問

Appleby
貝克·麥堅時律師行

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda



Corporate Information 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 1402, 14th Floor
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Wanchai, Hong Kong
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Fax: (852) 2877 7037

PRINCIPAL SHARE REGISTRARS

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRARS IN HONG KONG

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

SHARE TRANSFER AGENT IN SINGAPORE

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

PRINCIPAL BANKERS

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

WEBSITE

www.burwill.com

總辦事處及主要營業地點

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會議展覽廣場
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電話：(852) 2877 7368
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股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

香港股份過戶登記分處

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

新加坡股份過戶代理

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

主要往來銀行

盤谷銀行
法國巴黎銀行
星展銀行(香港)有限公司
富通銀行
法國興業銀行
渣打銀行(香港)有限公司
香港上海匯豐銀行有限公司

互聯網址

www.burwill.com



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

2008 was a year full of changes. For the year ended 31 December 2008 (the "Year"), the Group's core business achieved satisfactory results with turnover reaching a record high of HK\$8.33 billion, representing a growth of 53%; gross profit reaching HK\$223 million, representing a growth of 56% or an increase of HK\$80 million as compared to the corresponding period last year; the operating profit of its core steel business reaching HK\$111 million, representing an increase of HK\$58.18 million or 110% as compared to the corresponding period last year. Owing to the impairment of goodwill of the Group's associated company, "China LotSynergy", the Group's share of losses of associated companies amounted to approximately HK\$197 million and the loss attributable to equity holders of the Company was then in turn approximately HK\$149 million. Excluding the share of losses of the associated companies, profit attributable to equity holders of the Company was HK\$48.06 million.

Steel Business

International Steel Trading

In the first half of 2008, steel production was reduced in major markets such as those in Europe and the North America. It was attributable to the increase in prices and shipping charges of upstream steel raw materials, in particular the steel scraps and iron ore, caused by the depreciation of US Dollars and the surge of oil price. At the same time, the Chinese government implemented a series of measures such as canceling export tax rebate and increasing custom duty to restrict the export of steel products. These led to a global trade imbalance in steel products and resulted in a new historical high in global price recorded in August 2008 for various steel raw materials and products. During the period of high global steel prices, the Group strove to secure stable resources supplies; placed great efforts on strengthening its overseas market network, especially in developing markets in Europe, the Middle East and the South Asia, and reinforced its sales activities in China and traditional markets in adjacent Asian countries. Therefore, by taking the advantage of the upward trend of steel prices, the Group achieved a remarkable result in the first half of 2008.

業務回顧與展望

二零零八年是異常動盪的一年。截至二零零八年十二月三十一日止之全年，本集團主營業務表現理想。銷售創新高，較去年上升53%，至83.3億港元；整體毛利增長56%，較去年增加近8,000萬港元，至2.23億港元；主營鋼鐵業務經營盈利較去年上升110%，增加5,818萬港元，至1.11億港元；所佔聯營公司虧損約1.97億港元，主要因聯營公司「華彩」商譽減值所致；受所佔聯營公司虧損影響，股東應佔虧損約1.49億港元。若撇除所佔聯營公司虧損，股東應佔盈利約4,806萬港元。

鋼鐵業務

鋼鐵國際貿易

上半年，受美元貶值、石油價格上漲等因素影響，鋼鐵上游原材料尤其是廢鋼、鐵礦石價格以及航運費用大幅上漲，使得歐洲、北美等主要市場的產能受到抑制。同時，中國實施一系列取消出口退稅甚至加征關稅的措施以抑制鋼鐵出口，使全球鋼鐵供需關係發生變化，各類鋼鐵原料及產品價格大幅攀升，並於八月份創下歷史高位。於此期間，本集團積極爭取穩定的資源，著重加強海外網絡建設，大力拓展歐洲、中東、南亞等市場，並繼續鞏固中國和傳統周邊亞洲市場的營銷，故能於上半年充分把握市場升浪，獲得良好收益。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Steel Business (continued)

International Steel Trading (continued)

At the end of the third quarter, the impact from the US subprime mortgage crisis on the world economy gradually emerged and led to the global financial tsunami. Great operating losses were recorded among European and American banks; the fall of Lehman Brothers led to the collapse of confidence, credit crunch and shortage of capital around the world. At the same time, the appreciation of US dollar gave downward pressure on steel prices, and the increasing steel production caused by surging steel prices in the first half of 2008 led to over supply in steel products. The abovementioned factors adversely affected the steel market and resulted in the contraction of demand for steel products and significant drop in iron ore prices. For example, the prices of certain steel products even declined by 70%. The demand of steel market was highly in recession, driving the steel product buyers away from the market. Under these circumstances, with the aim to mitigate the loss aroused by declining steel prices, the Group continued to implement its prudent and timely-adjusted business approach to manage trading contracts with losses, decisively reduced inventory level and cut loss. However, the daunting market environment inevitably affected the Group's overall results on this business for the Year.

業務回顧與展望 (續)

鋼鐵業務 (續)

鋼鐵國際貿易 (續)

進入第三季度末，美國次按危機引發全球金融海嘯的影響浮現，歐美銀行相繼出現巨額虧損，雷曼兄弟倒閉引致全球信心崩潰，信貸停頓，資金緊絀；而美元匯價開始轉強，對商品價格增添壓力；加上鋼鐵製造商在市況暢旺的上半年大幅增產，導致供應過剩。各種不利因素使得市場瞬間崩盤，鐵礦石價格暴跌，某些鋼材價格跌逾70%，市場需求極度萎縮，毫無承接。在此情況下，本集團繼續採取持之有效的保守穩健及適時應變的經營策略，對個別在手已產生虧損的合同，於年內果斷採取清理庫存、止損措施，但不可避免地影響了該業務全年的整體盈利表現。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Steel Business (continued)

International Steel Trading (continued)

Looking forward to 2009, the operating environment will still be very difficult and challenging. Benefited from the high production capacity, low product prices and the policy on export tax rebate, China has been a net exporter in steel products since 2006. However, the situation reversed in 2009. Subsequent to the announcement of the Chinese government's RMB4-trillion stimulus package, steel mills and trading houses expected that there would be an upward trend in steel demand and they scaled down their inventory level in the beginning of 2009 accordingly. It stimulated the short-term domestic steel prices and was deviated from the trend of contraction in demand and drop in prices in those core overseas markets. Resulting from the surging domestic steel prices, the steel export of China declined significantly whilst import increased in the first quarter of 2009. The steel mills and trading houses retained high level of inventory and the temporary oversupply could not be wiped out and a new wave of "inventory cut" is expected to be triggered off. Nevertheless, the series of economy stimulation packages from various countries are anticipated to resume the stability of the global banking system and to improve the liquidity of currency, and hence help recovery of economy. The economy in China, as fuelled by the stimulus package on domestic consumption and infrastructure, is relatively less affected by the global economic downturn. As such the confidence of the market has been reinstated and that effectively ensures the smooth operation of the economy as a whole. The Group believes that China will be the first country to recover from the global economic turmoil and also expects that the steel market will recover its growth momentum in mid-2009. The Group will closely monitor the market changes, strengthen risk management, reinforce global procurement and sales network and capture business opportunities in a discreet approach.

業務回顧與展望(續)

鋼鐵業務(續)

鋼鐵國際貿易(續)

展望二零零九年，經營環境依然艱難和嚴峻。中國自二零零六年成為鋼材淨出口國，主因是產能、價格和出口退稅等因素。但此優勢自二零零九年開始發生重大變化，尤其當中國推出四萬億救市措施，鋼鐵企業和中間倉儲商在「去庫存化」的進程中預期市場需求將會上升，一度刺激鋼價反彈，偏離了海外主要市場需求萎縮、價格不振的走勢。於第一季度，中國出口因價格倒掛而大幅下跌，進口上升，鋼廠和中間交易商的庫存居高不下，短期供過於求的狀況未能緩解，有可能引發新一輪「去庫存化」的過程。但隨著各國政府推出一系列振興經濟措施，銀行體系有望回復穩定，貨幣流動性得以逐漸改善，將有助於刺激經濟活動的復甦。尤其是中國受金融海嘯衝擊程度稍輕，在加大刺激內需力度、加大基礎設施投資之下，當局已成功重建起市場信心，有力地保障了整體經濟平穩運行。本集團相信中國將成為最早走出是次經濟危機的國家，預期整體鋼鐵市場可望能夠於年中開始逐漸好轉，為此，本集團將密切注意市場變化，特別強化風險管理，繼續加強全球性採購和營銷網絡建設，以保守、穩健地開展相關業務。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Steel Business (continued)

Exploration of Mineral Resources

Exploration of mineral resources remains as the long-term development strategy of the Group. However, due to the global economic downturn as well as the decrease in various commodity prices, the Group will adopt a very prudent approach on mineral resources exploration and investment in 2009.

Steel Processing Business

The Group's two steel processing factories in Dongguan saw a turnaround in operating results during the Year after recording losses for two consecutive years. In recent years, changes in the external business environment and government policies have affected the corporate structure and export form of foreign enterprises in the Pearl River Delta region, as well as their ties with the domestic economy. Under intense competition and accelerating industry consolidation, the improved operating results of the abovementioned factories were encouraging. During the Year, the Group implemented effective cost control measures; strengthened internal management and expanded RMB denominated domestic sales to offset the decline in the export sales, and hence achieved growth on turnover as well as gross margin. Nevertheless, being affected by the daunting global economy, the export sales orders decreased in the fourth quarter of 2008 and the operating results for the Year were adversely affected.

It is expected that business environment for steel processing will remain challenging in 2009. The Group therefore have implemented more stringent measures on procurement, inventory management and cost control in early 2009. The Group will further consolidate the RMB denominated domestic sales and export sales as a supplement to each other in order to manage the anticipated problems and to maintain steady operating results.

業務回顧與展望(續)

鋼鐵業務(續)

開拓礦產資源

該項業務是本集團之長期發展策略。但鑑於世界經濟放緩以及各類商品價格大幅下跌，本集團於二零零九年將會非常審慎地控制礦產資源項目的開拓及投資活動。

鋼鐵加工業務

本集團東莞兩間工廠在經歷了連續兩年業績下滑的艱難經營之後，於年內轉虧為盈。近年來，在外部環境及中國政府轉型升級政策的推動下，珠三角外資為主體的加工出口企業在產業結構、出口模式、跟內地經濟關係等方面都發生重大轉變。在汰弱留強、競爭過度的艱苦環境中，上述工廠所取得的業績實屬難得。於年內，由於實施了壓縮成本、強化管理、拓展以人民幣結算的內銷業務來補充出口加工業務不足的措施，營業額和毛利率均錄得增長。但在第四季度，受國際市場大環境影響，出口業務接單量減少，致使全年整體利潤水平受到影響。

預期二零零九年鋼鐵加工業務仍將面臨困難的經營環境。為此，本集團於年初已實施了更加嚴格的採購、庫存管理和成本控制措施，將進一步鞏固以人民幣結算的內銷業務和出口加工業務互為補充的營銷模式，以期能夠克服所遇到的困難，致力保持平穩的經營表現。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Commercial Property Investment – Yangzhou Times Square

Yangzhou Times Square, an integrated shopping mall invested in and developed by the Group in China, continued to bring stable rental income and return on management to the Group. The management continuously enhanced the shopping environment, adjusted the retailer profile, upgraded brand names, marketing services and management services. As a result, the impact from the global financial crisis on Yangzhou Times Square was minimised and the mall maintained its leading position in the region.

The tenancy agreements of preferential rent covering 8,000m² signed during the opening of the Yangzhou Times Square are due to expire within one to two years. With the established market position in the region of Yangzhou Times Square and the increasing purchasing power of the local consumers, the Group believes that there is ample room for rental increments going onward.

The Group intends to hold such high quality RMB assets for the long term to generate stable cash flow annually and believes that it could achieve satisfactory capital return.

Listed Securities Investment – Lottery Business of Associated Company

China LotSynergy Holdings Limited (Stock code: 8161) (“China LotSynergy”), an associated company held by the Group since its establishment was listed on the Growth Enterprise Market of the Hong Kong Stock Exchange in 2001. It is principally engaged in the investment, project development and the provision of technologies and equipment and consultancy services in the public welfare lottery business and related sectors in China. As at the balance sheet date, the Group directly held 20.83% interest in China LotSynergy.

China LotSynergy aims at serving the welfare lottery business in China and endeavors to promote the healthy and stable development of China’s lottery industry. China LotSynergy, a major player in China’s lottery industry, had introduced international well-known strategic partners; and advanced lottery technology, management expertise and lottery terminals. The Group believes that with the continuous and healthy development of China’s welfare lottery industry and China LotSynergy’s progress on related projects, China LotSynergy will bring a satisfactory return to the Group.

業務回顧與展望(續)

商業地產投資—揚州時代廣場

本集團於中國投資興建的綜合性購物中心揚州時代廣場，繼續為本集團提供穩定的租金、管理回報。管理層不斷優化購物環境，調整業態組合，進行品牌提檔、企劃提檔、服務提檔，令廣場所受金融海嘯的影響輕微，在當地佔據著領先地位。

廣場開業時以優惠低租金價格所簽逾八千平方米的合約將於未來一、兩年陸續到期。鑑於廣場經營日漸成熟，並受惠於當地消費力不斷上升的市場環境，本集團相信未來新簽租金水平將獲得提升。

本集團將繼續長期投資持有該優質的人民幣資產，在獲取每年穩定現金流的同時，亦相信能夠獲取理想的資產增值。

上市股份投資—聯營公司彩票業務

本集團創辦及長期持有權益的聯營公司華彩控股有限公司(上市股份代號：8161)(「華彩」)是一家於二零零一年在香港聯交所創業板上市的公司，主要從事中國公益彩票及相關行業的投資、項目開發以及提供技術支援、設備供應和顧問服務。於結算日，本集團直接持有華彩20.83%的股權。

華彩以服務中國公益彩票事業為宗旨，致力於促進中國彩票行業健康發展。華彩引進有國際知名度的戰略合作夥伴以及提供彩票行業先進的技術、營運經驗和投注終端設備，是中國彩票行業的重要參與者。本集團相信，隨著中國公益彩票行業的持續健康發展和華彩自身在有關項目上的逐步推進，將為本集團帶來理想的投資回報。



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW AND OUTLOOK (continued)

Listed Securities Investment – Lottery Business of Associated Company (continued)

During the Year, China LotSynergy recorded a loss attributable to equity holders of HK\$930 million, which was mainly attributable to a non-cash write-down on the value of intangible assets, and hence the Group recorded a loss of approximately HK\$194 million in proportion to its equity interest. The Group also recorded a book loss of HK\$13.54 million from the repurchase of shares by China LotSynergy. Such losses bring a material impact on the Group's 2008 annual results.

For details of the results of China LotSynergy, please refer to its Annual Report 2008 or visit its website www.chinalotsynergy.com.

Others

With the support from Shareholders, the Group successfully completed new shares issue at the early of September 2008 and raised a total of approximately HK\$300 million. Such proceeds will be used to satisfy the capital requirement of the Group's core steel business and lay a solid foundation for the development of its natural mineral resources business.

LIQUIDITY AND FINANCIAL RESOURCES

In September 2008, the Company completed an open offer of 2,000,751,226 shares at a subscription price of HK\$0.15 per share, receiving net proceeds of approximately HK\$290,000,000. The open offer broadened the Group's capital base and enhanced the capital structure of the Group. As at 31 December 2008, the Group's total equity increased to HK\$1,469,321,000 (2007: HK\$1,251,968,000) and the gearing ratio, as a ratio of total borrowings net of total cash and cash equivalents to total equity, decreased to 0.19 (2007: 0.32).

As at 31 December 2008, the Group had cash and bank balances of approximately HK\$361,849,000 (2007: HK\$394,778,000) and the current ratio, as a ratio of current assets to current liabilities, was 1.76 (2007: 1.29).

業務回顧與展望(續)

上市股份投資－聯營公司彩票業務(續)

於年內，華彩錄得股東應佔虧損9.3億港元，主要來自其無形資產非流動現金的重大減值。為此，本集團按持股比例錄得所佔虧損約為1.94億港元，以及因華彩回購股份錄得帳面虧損約為1,354萬港元，對本集團二零零八年業績帶來重大影響。

有關華彩的詳情，可參閱其二零零八年度業績報告或瀏覽其互聯網址www.chinalotsynergy.com。

其它

本集團在股東的支持下，成功於二零零八年九月初完成新股發行，為本集團籌集約3億港元的資金。這將支持本集團主營鋼鐵業務的資金需求及為本集團在天然礦業資源業務的拓展奠定堅實的基礎。

資產流動性及財務資源

於二零零八年九月，本公司完成公開發售2,000,751,226股股份，每股認購價港幣0.15元，集資淨額約港幣290,000,000元。是次公開發售擴闊了本集團的資本基礎，並優化本集團的資本結構。於二零零八年十二月三十一日，本集團之總權益增加至港幣1,469,321,000元(二零零七年：港幣1,251,968,000元)及借貸比率(總貸款扣除總現金及現金等價物之淨額與總權益相比)降低至0.19(二零零七年：0.32)。

於二零零八年十二月三十一日，本集團持有現金及銀行結餘約港幣361,849,000元(二零零七年：港幣394,778,000元)及流動比率(流動資產與流動負債相比)為1.76(二零零七年：1.29)。



Management Discussion and Analysis 管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES (continued)

As at 31 December 2008, the total borrowings of the Group were approximately HK\$597,000,000 (2007: HK\$686,000,000) and their maturity profile was as follows:

| | | 2008 | 2007 |
|----------------------------|---------|---------------------|--------------|
| | | HK\$ million | HK\$ million |
| | | 港幣百萬元 | 港幣百萬元 |
| Within one year | 一年內 | 444 | 642 |
| In the second year | 第二年 | 26 | 16 |
| In the third to fifth year | 第三年至第五年 | 74 | 28 |
| In the sixth to tenth year | 第六年至第十年 | 53 | – |
| | | 597 | 686 |

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

FOREIGN EXCHANGE RISK EXPOSURE

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

CORPORATE GUARANTEES

As at 31 December 2008, the Group had the following outstanding corporate guarantees:

| | | 2008 | 2007 |
|---|-----------------------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Guarantee for general banking facilities granted to an associate | 為聯營公司銀行融資作出之擔保 | 21,730 | 21,730 |
| Guarantee for general banking facilities granted to a supplier | 為供應商銀行融資作出之擔保 | 23,400 | – |
| Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties | 為集團物業購買者按揭貸款而向銀行作出之擔保 | 2,107 | 3,200 |
| | | 47,237 | 24,930 |

資產流動性及財務資源(續)

於二零零八年十二月三十一日，集團之總貸款約為港幣597,000,000元(二零零七年：港幣686,000,000元)，其還款期如下：

本集團貸款主要以美元、人民幣及港元為貨幣單位，支付市場息率利息。

外匯兌換風險

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

公司擔保

於二零零八年十二月三十一日，本集團有以下未撇銷的公司擔保：



Management Discussion and Analysis 管理層討論與分析

CONTINGENT LIABILITIES

As at 31 December 2008, the Group had contingent liabilities relating to Mainland China land appreciation tax amounted to approximately HK\$30,009,000 (2007: HK\$28,989,000).

CAPITAL COMMITMENTS

As at 31 December 2008, the Group had capital commitments contracted but not provided for as follows:

| | |
|-----------|----|
| Machinery | 機器 |
|-----------|----|

CHARGE ON ASSETS

As at 31 December 2008, the following assets were pledged: (i) certain leasehold land, land use rights and buildings with a net book amount of approximately HK\$113,982,000 (2007: HK\$116,623,000); (ii) certain motor vehicles and machinery with a net book amount of approximately HK\$5,905,000 (2007: HK\$8,676,000); (iii) certain investment properties of approximately HK\$449,942,000 (2007: HK\$91,224,000); and (iv) certain financial assets at fair value through profit or loss of equity securities listed in Hong Kong with market value of approximately HK\$36,919,000 (2007: HK\$48,301,000).

STAFF

As at 31 December 2008, the Group employed 667 staff. Staff remuneration packages are structured and reviewed by reference to market terms and individual merits. The Group also provides other staff benefits which include year end double pay, contributory provident fund and medical insurance. Share options and discretionary bonus may also be granted to eligible staff based on individual and the Group performances. Training programmes for staff are provided as and when required.

或然負債

於二零零八年十二月三十一日，本集團有關中國土地增值稅的或然負債約港幣30,009,000元(二零零七年：港幣28,989,000元)。

資本承擔

於二零零八年十二月三十一日，本集團有以下已簽約但未撥備之資本承擔：

| 2008 | 2007 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |

| | |
|----|----|
| 16 | 48 |
|----|----|

資產抵押

於二零零八年十二月三十一日，以下資產已予抵押：(i)部份租賃土地、土地使用權及樓宇帳面淨值約港幣113,982,000元(二零零七年：港幣116,623,000元)；(ii)部份車輛及機器帳面淨值約港幣5,905,000元(二零零七年：港幣8,676,000元)；(iii)部份投資物業約港幣449,942,000元(二零零七年：港幣91,224,000元)；及(iv)部份按公平值透過損益列帳的財務資產的香港上市證券市值約港幣36,919,000元(二零零七年：港幣48,301,000元)。

僱員

於二零零八年十二月三十一日，本集團共僱用667名員工。僱員薪酬一般乃參考市場條件及根據個別表現制定及檢討。本集團並為僱員提供其他福利，包括年終雙糧、需供款之公積金及醫療保險。此外，本集團亦根據公司經營業績按員工個別表現而授出購股權及發放花紅，並會視乎需要為僱員提供培訓計劃。



Biographies of Directors 董事簡歷

Mr. CHAN Shing, aged 53

Chairman and Managing Director

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

Mr. SIT Hoi Tung, aged 43

Executive Director and Deputy General Manager

Mr. SIT joined the Group in 1998 and was appointed as an Executive Director in 2000. He was promoted to Deputy General Manager in 2006. Mr. SIT is also a Director of Burwill Resources Limited in-charge of contracts and import/export bills operation for metal trading. He graduated from the Finance Department of Jinan University in Guangzhou. He had worked for banking sector and metal trading companies and has over 15 years' experience in international metal trading and import/export bills operation.

Mr. YANG Da Wei, aged 56

Executive Director

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

陳城先生，五十三歲

主席兼董事總經理

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

薛海東先生，四十三歲

執行董事兼副總經理

薛先生於一九九八年加入本集團，並於二零零零年獲委任為執行董事。二零零六年獲晉升為副總經理。薛先生亦為寶威物料供應有限公司董事，主管金屬貿易的合同及出入口票據結算運作。彼於廣州暨南大學金融系畢業，曾任職銀行界及金屬貿易公司，彼在國際金屬貿易及出入口票據結算方面擁有逾十五年經驗。

楊大偉先生，五十六歲

執行董事

楊先生於二零零一年三月加入本集團為執行董事。楊先生為高級經濟師，於八十年代中曾任江蘇省常州市拖拉機公司負責人、常州市總工會主席、江蘇省溧陽市負責人，於九十年代中起任常州市人民政府常務副市長，現任江蘇省海外企業集團有限公司董事長，江蘇省駐香港窗口公司鍾山有限公司董事長兼總裁。楊先生在企業策劃、經營管理及國際貿易、融資投資、國際經濟技術合作等多方面擁有逾二十年的經驗。



Biographies of Directors 董事簡歷

Ms. LAU Ting, aged 52

Executive Director

Ms. LAU joined the Group as an Executive Director in 1998. Ms. LAU has over 18 years of experience in business development and strategic planning, project investment and financial management. She is the spouse of Mr. CHAN Shing. Ms. LAU is also the Chairman and an Executive Director of China LotSynergy Holdings Limited.

Ms. TUNG Pui Shan, Virginia, aged 42

Executive Director

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

Mr. KWOK Wai Lam, aged 46

Executive Director

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

Mr. YIN Mark, aged 51

Executive Director

Mr. YIN joined the Group in 1998 and was appointed as an Executive Director in 1999. He graduated from Guangzhou Foreign Language University and worked for China National Metals and Minerals Import and Export Corporation (renamed China Minmetals Corporation) and European multinational steel manufacturing and trading company. He is currently the President of Burwill Steel Pipes Limited, and is in-charge of the Group's steel processing division and responsible for its daily management, business planning and development. He has over 30 years of experience in international metal trading.

劉婷女士，五十二歲

執行董事

劉女士於一九九八年加入本集團為執行董事。劉女士在企業發展策劃、項目投資、金融及財務管理方面擁有逾十八年經驗。劉女士乃陳城先生之配偶。劉女士同時為China LotSynergy Holdings Limited(華彩控股有限公司)之主席及執行董事。

董佩珊女士，四十二歲

執行董事

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

郭偉霖先生，四十六歲

執行董事

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

尹虹先生，五十一歲

執行董事

尹先生於一九九八年加入本集團，並於一九九九年獲委任為執行董事。彼於廣州外國語學院畢業，曾於中國五金礦產進出口總公司(現稱中國五礦集團公司)及歐洲鋼鐵製造、跨國貿易機構任職，現任寶威鋼管有限公司董事長，負責集團鋼鐵加工部門之日常統籌、業務策劃及發展。彼在國際金屬貿易方面擁有逾三十年經驗。



Biographies of Directors 董事簡歷

Mr. CUI Shu Ming, aged 72

Independent Non-Executive Director

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

Mr. MIAO Gengshu, aged 67

Independent Non-Executive Director

Mr. MIAO joined the Group as an Independent Non-Executive Director in December 2008. Mr. MIAO, a senior economist, graduated from Tianjin Institute of Finance and Economics with major in economics and trade. He is currently the president of China Council for International Investment Promotion, the chairman of China National Foreign Trade Transportation (Group) Corporation, a supervisor of Industrial and Commercial Bank of China Limited, the chairman representing the Chinese side in the Sino-Brazil Business Council and a vice chairman of China International Trade Society. Mr. MIAO was a member of the 10th National Committee of Chinese People's Political Consultative Conference ("CPPCC") and a member of the Foreign Affairs Committee of the CPPCC. He was the president of China Minmetals Corporation, the general manager of Shanghai Metals & Minerals Import & Export Company and a deputy director general of Shanghai Foreign Economics & Trade Commission.

崔書明先生，七十二歲

獨立非執行董事

崔先生於一九九八年加入本集團為獨立非執行董事。彼於中國人民大學畢業。彼曾任中國銀行江蘇省分行副行長、浙江興業銀行常務董事兼香港分行總經理、香港嘉華銀行董事兼執行副總裁。崔先生現時為聯交所上市公司China LotSynergy Holdings Limited(華彩控股有限公司)及悅達礦業控股有限公司之獨立非執行董事。彼在國際金融、企業策劃及管理等方面擁有逾四十年經驗。

苗耕書先生，六十七歲

獨立非執行董事

苗先生於二零零八年十二月加入本集團為獨立非執行董事。苗先生為高級經濟師，畢業於天津對外貿易學院經濟貿易專業。苗先生現為中國國際投資促進會會長、中國對外貿易運輸(集團)總公司董事長、中國工商銀行股份有限公司監事、中國—巴西企業家委員會中方主席、中國國際貿易學會副會長。苗先生為中國人民政治協商會議第十屆全國委員會委員及外事委員會委員。彼曾任中國五礦集團公司總裁、上海五金礦產進出口公司經理及上海市對外經濟貿易委員會副主任等高職。



Biographies of Directors 董事簡歷

Mr. HUANG Shenglan, aged 57

Independent Non-Executive Director

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

Mr. SZE Tsai Ping, Michael, aged 63

Non-Executive Director

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

黃勝藍先生，五十七歲

獨立非執行董事

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

史習平先生，六十三歲

非執行董事

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



Report of Directors 董事局報告

The board of Directors of the Company (the "Board") presents to the shareholders their report together with the audited financial statements of Burwill Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2008.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 47.

The respective state of affairs of the Group and the Company as at 31 December 2008 are set out in the balance sheets on pages 45 and 46.

The Group's cash flows are set out in the consolidated cash flow statement on pages 50 and 51.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

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

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

DIVIDEND

No interim dividend was paid during the year.

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

本公司董事局(「董事局」)謹向各股東提呈 Burwill Holdings Limited(寶威控股有限公司)(「本公司」)及其附屬公司(合稱「本集團」)截至二零零八年十二月三十一日止年度之董事局報告及經審核財務報表。

財務業績

本集團截至二零零八年十二月三十一日止年度之業績載列於第47頁之綜合損益表內。

本集團及本公司於二零零八年十二月三十一日之財務狀況已分別載列於第45頁及第46頁之資產負債表內。

本集團之現金流動情況載列於第50頁及第51頁之綜合現金流量表內。

主要業務及營運分類分析

本公司之主要業務為投資控股公司。

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

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

股息

本年度並無派付中期股息。

董事局不擬就截至二零零八年十二月三十一日止年度派付末期股息(二零零七年：無)。



Report of Directors 董事局報告

MAJOR SUPPLIERS AND CUSTOMERS

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

- the largest supplier
- five largest suppliers combined

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

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

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

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

The particulars of properties held by the Group for investment as at 31 December 2008 are set out on page 143.

SUBSIDIARIES AND ASSOCIATES

The particulars of the Company's principal subsidiaries and associates as at 31 December 2008 are set out in notes 9 and 10 to the consolidated financial statements.

BANK LOANS

The particulars of the Group's bank loans are set out in note 19 to the consolidated financial statements.

The Group's bank loans were denominated in Hong Kong Dollar, US Dollar, Renminbi and European Euro. As at 31 December 2008, around 77% of the Group's bank loans were denominated in Hong Kong Dollar and US Dollar. All the bank loans bear interest at prevailing market rates.

主要供應商及客戶

本集團之主要供應商所佔購貨額之百分比如下：

| | % |
|--------------|-----|
| | 百分比 |
| – 最大供應商 | 14 |
| – 五大供應商合併購貨額 | 40 |

本集團之五大主要客戶合併佔營業額之百分比少於30%。

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

物業、機器及設備及投資物業

本年度內物業、機器及設備及投資物業之變動情況載列於綜合財務報表附註7及8。

本集團於二零零八年十二月三十一日持有之投資物業資料載列於第143頁。

附屬公司及聯營公司

本公司於二零零八年十二月三十一日之主要附屬公司及聯營公司資料載列於綜合財務報表附註9及10。

銀行貸款

本集團之銀行貸款之資料載於綜合財務報表附註19。

借予集團之銀行貸款乃以港元、美元、人民幣及歐羅為貨幣單位。於二零零八年十二月三十一日，本集團約77%之銀行貸款均為港元及美元貸款。所有銀行貸款均按目前市場息率支付利息。



Report of Directors 董事局報告

SHARE CAPITAL

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

RESERVES

Details of movements in reserves during the year are set out in note 18 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2008, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$141,709,000 (2007: HK\$139,665,000).

PRE-EMPTIVE RIGHTS

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

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

During the year ended 31 December 2008, the Company repurchased a total of 600,000 shares of HK\$0.1 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the general mandates granted by the shareholders at the annual general meeting held on 28 May 2007, details of which were as follows:

| Month/Year | Number of shares repurchased | Price per share | | Total consideration (before expenses) 代價總額 (未計開支) |
|------------|------------------------------|------------------|------------------|---|
| | | Lowest | Highest | |
| 月/年 | 購回股份數目 | 最低 HK\$ 港元 | 最高 HK\$ 港元 | HK\$ 港元 |
| 1/2008 | 600,000 | 0.61 | 0.61 | 366,000 |

股本

本公司股本於本年度之變動情況詳列於綜合財務報表附註17。

儲備

本年度內儲備之變動情況詳列於綜合財務報表附註18。

可分派儲備

於二零零八年十二月三十一日，按照百慕達一九八一年公司法所計算，本公司可分派予股東之儲備為港幣141,709,000元(二零零七年：港幣139,665,000元)。

股份優先購買權

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

購買、出售或贖回本公司上市證券

截至二零零八年十二月三十一日止年度內，本公司根據於二零零七年五月二十八日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於香港聯合交易所有限公司(「聯交所」)購回股份每股面值港幣0.1元合共600,000股，詳情如下：



Report of Directors 董事局報告

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

All shares repurchased were cancelled subsequently and accordingly the Company's issued share capital was reduced by the nominal value of these shares. The repurchase was effected for the benefit of the shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2008.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") at the 2002 Annual General Meeting of the Company held on 6 June 2002, details of which are set out as follows:

(I) Summary of terms of the Scheme

(i) Purpose of the Scheme

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

(ii) Participants

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

購買、出售或贖回本公司上市證券(續)

全部上述購回之股份已隨後註銷，另本公司之已發行股本亦已扣除此等股份之面值。購回股份是為提高每股資產淨額及每股盈利，有利於股東整體利益而進行。

除上文所披露者外，截至二零零八年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

購股權計劃

於二零零二年六月六日舉行之二零零二年度股東週年大會上，本公司股東已批准通過採納購股權計劃(「購股權計劃」)，詳情如下：

(I) 購股權計劃主要條款

(i) 購股權計劃之目的

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

(ii) 參與者

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



Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

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

(iii) Maximum number of shares

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of any member of the Group must not exceed 30 per cent. of the number of issued shares from time to time. The total number of shares available for issue under the Scheme as at the date of this report is 94,164,430 shares, representing approximately 3.03 per cent. of the issued share capital of the Company as of that date.

(iv) Maximum entitlement of each Participant

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

(v) Option period

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

購股權計劃(續)

(I) 購股權計劃主要條款(續)

(iii) 股份數目上限

根據購股權計劃及本集團任何成員公司之任何其他購股權計劃授出而有待行使之全部尚未行使購股權獲行使後發行之股份總數限額，不可超逾不時已發行股份數目30%。於本報告日期，根據購股權計劃可予發行之股份數量為94,164,430股，相等於當日本公司已發行股本約3.03%。

(iv) 每位參與者可獲授權益上限

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

(v) 購股權期限

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



Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

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

(vi) Payment on acceptance of option

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

(vii) Subscription price

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

(viii) The life of the Scheme

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

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

購股權計劃(續)

(I) 購股權計劃主要條款(續)

(vi) 接納購股權須付款額

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

(vii) 認購價

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

(viii) 購股權計劃之限期

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

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



Report of Directors 董事局報告

DIRECTORS

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

Executive Directors:

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

Independent Non-Executive Directors:

Mr. CUI Shu Ming
Mr. MIAO Gengshu
– appointed on 8 December 2008
Mr. HUANG Shenglan
Mr. SONG Yufang
– resigned on 18 September 2008

Non-Executive Director:

Mr. SZE Tsai Ping, Michael

In accordance with bye-laws 85 & 92 of the Bye-laws of the Company, Ms. LAU Ting, Ms. TUNG Pui Shan, Virginia, Mr. MIAO Gengshu and Mr. SZE Tsai Ping, Michael shall retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Biographical details of the Directors of the Company are set out on pages 12 to 15.

董事

本公司於本年度內至本報告刊行日期止之董事詳列如下：

執行董事：

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

獨立非執行董事：

崔書明先生
苗耕書先生
– 於二零零八年十二月八日委任
黃勝藍先生
宋玉芳先生
– 於二零零八年九月十八日辭任

非執行董事：

史習平先生

依據本公司之章程細則第85及92條之規定，劉婷女士、董佩珊女士、苗耕書先生及史習平先生於即將舉行之股東週年大會上告退，惟彼等均願意膺選連任。

本公司董事之簡歷載於第12頁至第15頁。



Report of Directors 董事局報告

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

As at 31 December 2008, the interests and short positions of the Directors and chief executive of the Company (including those interests and short positions which were taken or deemed to have interests and short positions under the provisions of the Securities and Futures Ordinance (the "SFO")) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Interests in Shares and Underlying Shares

(A) The Company

| Name of Director 董事姓名 | Number of ordinary shares/underlying shares 普通股股份/相關股份數目 | | | Total 總數 | Approximate percentage interest in the Company's issued share capital 約佔本公司已發行股本百分比 |
|--------------------------------|---|-------------------------------------|--|---|--|
| | Personal Interests 個人權益 | Family Interests 家族權益 | Corporate Interests 公司權益 | | |
| CHAN Shing 陳城 | 106,398,521(L) | 104,042,601(L) (Note 1) (附註1) | 1,729,266,037(L) 1,406,427,301(S) (Notes 2 & 3) (附註2及3) | 1,939,707,159(L) 1,406,427,301(S) (Note 3) (附註3) | 62.32%(L) 45.19%(S) |
| SIT Hoi Tung 薛海東 | 4,413,869(L) | – | – | 4,413,869(L) | 0.14%(L) |
| LAU Ting 劉婷 | 104,042,601(L) | 106,398,521(L) (Note 4) (附註4) | 1,729,266,037(L) 1,406,427,301(S) (Notes 2 & 3) (附註2及3) | 1,939,707,159(L) 1,406,427,301(S) (Note 3) (附註3) | 62.32%(L) 45.19%(S) |
| TUNG Pui Shan, Virginia 董佩珊 | 21,725,226(L) | 110,000(L) | 7,104,000(L) (Note 5) (附註5) | 28,939,226(L) | 0.93%(L) |

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉

於二零零八年十二月三十一日，根據本公司按照證券及期貨條例(「證券及期貨條例」)第352條所規定須予備存的登記冊所載，或如依據上市公司董事進行證券交易的標準守則通知本公司及聯交所，本公司各董事及行政總裁於本公司或其任何聯營公司(定義見證券及期貨條例第XV部)股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有的權益及淡倉，詳情如下：

股份及相關股份權益

(A) 本公司



Report of Directors 董事局報告

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

Interests in Shares and Underlying Shares (continued)

(A) The Company (continued)

Notes:

1. These interests were held by Ms. LAU Ting, the spouse of Mr. CHAN Shing.
2. 1,290,961,336 shares were held by Glory Add Limited ("Glory Add"), a wholly-owned subsidiary of Favor King Limited (a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting). 226,403,853 shares were held by Hang Sing Overseas Limited ("Hang Sing") which is owned as to 51% by Orient Strength Limited ("Orient Strength"), a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 211,900,848 shares were held by Strong Purpose Corporation ("Strong Purpose"), a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting.
3. As the interests of each of Mr. CHAN Shing and Ms. LAU Ting are deemed to be the interests of each other, the figures referred to the same shares.
4. These interests were held by Mr. CHAN Shing, the spouse of Ms. LAU Ting.
5. 7,104,000 shares were owned by Focus Cheer Consultants Limited ("Focus Cheer"), a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.
6. The letter "L" denotes long position and the letter "S" denotes short position.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉(續)

股份及相關股份權益(續)

(A) 本公司(續)

附註：

1. 此等權益由劉婷女士擁有。劉婷女士為陳城先生之配偶。
2. 1,290,961,336 股由陳城先生及劉婷女士全資擁有的 Favor King Limited 透過其全資擁有之公司 Glory Add Limited (「Glory Add」) 持有。226,403,853 股由 Hang Sing Overseas Limited (「Hang Sing」) 持有，Orient Strength Limited (「Orient Strength」) 持有 Hang Sing 51% 權益，而陳城先生及劉婷女士則全資擁有 Orient Strength。211,900,848 股由 Strong Purpose Corporation (「Strong Purpose」) 持有，陳城先生及劉婷女士全資擁有 Strong Purpose。
3. 由於陳城先生及劉婷女士之權益被視為彼此的權益，故所列數字指相同的股份。
4. 此等權益由陳城先生擁有。陳城先生為劉婷女士之配偶。
5. 7,104,000 股由董佩珊女士全資擁有之公司 Focus Cheer Consultants Limited (「Focus Cheer」) 持有。
6. 「L」表示好倉；「S」表示淡倉。



Report of Directors 董事局報告

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

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉 (續)

Interests in Shares and Underlying Shares (continued)

股份及相關股份權益 (續)

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

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

| Name of Director 董事姓名 | Number of ordinary shares/underlying shares 普通股股份/相關股份數目 | | | | Approximate percentage interest in the issued share capital of China LotSynergy 約佔華彩控股已發行股本百份比 |
|--------------------------------|---|-------------------------------------|---|--|---|
| | Personal Interests 個人權益 | Family Interests 家族權益 | Corporate Interests 公司權益 | Total 總數 | |
| CHAN Shing 陳城 | 343,807,092(L) (Note 1) (附註1) | 215,555,212(L) (Note 2) (附註2) | 1,629,617,232(L) 23,093,192(S) (Notes 3 & 4) (附註3及4) | 2,188,979,536(L) 23,093,192(S) (Note 4) (附註4) | 29.57%(L) 0.31%(S) |
| SIT Hoi Tung 薛海東 | 11,115,276(L) | – | – | 11,115,276(L) | 0.15%(L) |
| LAU Ting 劉婷 | 215,555,212(L) (Note 1) (附註1) | 343,807,092(L) (Note 5) (附註5) | 1,629,617,232(L) 23,093,192(S) (Notes 3 & 4) (附註3及4) | 2,188,979,536(L) 23,093,192(S) (Note 4) (附註4) | 29.57%(L) 0.31%(S) |
| TUNG Pui Shan, Virginia 董佩珊 | 8,454,440(L) | 22,000(L) | 1,020,800(L) (Note 6) (附註6) | 9,497,240(L) | 0.13%(L) |
| KWOK Wai Lam 郭偉霖 | 8,800,000(L) | – | – | 8,800,000(L) | 0.12%(L) |
| YIN Mark 尹虹 | 4,067,600(L) | – | – | 4,067,600(L) | 0.05%(L) |
| HUANG Shenglan 黃勝藍 | 6,400,000(L) (Note 1) (附註1) | – | – | 6,400,000(L) | 0.09%(L) |



Report of Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)**Interests in Shares and Underlying Shares (continued)***(B) Associated Corporation – China LotSynergy (continued)*

Notes:

1. Among these interests, 2,400,000 underlying shares were share options.
2. These interests were held by Ms. LAU Ting, the spouse of Mr. CHAN Shing.
3. 45,280,768 shares were held by Hang Sing which is owned as to 51% by Orient Strength, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 42,380,168 shares were held by Strong Purpose, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 1,535,324,296 shares were held directly by the Company and 6,632,000 shares were held by Hillot Limited, a company wholly-owned by Burwill HK Portfolio Limited which is in turn wholly-owned by the Company.
4. As the interests of each of Mr. CHAN Shing and Ms. LAU Ting are deemed to be the interests of each other, the figures referred to the same shares.
5. These interests were held by Mr. CHAN Shing, the spouse of Ms. LAU Ting.
6. These shares were owned by Focus Cheer, a company which is wholly-owned by Ms. TUNG Pui Shan, Virginia.
7. The letter "L" denotes long position and the letter "S" denotes short position.

Save as otherwise disclosed above, as at 31 December 2008, none of the Directors or chief executive of the Company had, or were deemed under the SFO to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉(續)**股份及相關股份權益(續)***(B) 聯營公司—華彩控股(續)*

附註：

1. 此等權益當中2,400,000股相關股份屬購股權。
2. 此等權益由劉婷女士擁有。劉婷女士為陳城先生之配偶。
3. 45,280,768 股由 Hang Sing 持有，Orient Strength 持有 Hang Sing 51% 權益，而陳城先生及劉婷女士則全資擁有 Orient Strength。42,380,168 股由 Strong Purpose 持有，陳城先生及劉婷女士全資擁有 Strong Purpose。1,535,324,296 股由本公司直接持有。6,632,000 股由 Burwill HK Portfolio Limited 全資擁有之公司 Hillot Limited 持有，而本公司則全資擁有 Burwill HK Portfolio Limited。
4. 由於陳城先生及劉婷女士之權益被視為彼此的權益，故所列數字指相同的股份。
5. 此等權益由陳城先生擁有。陳城先生為劉婷女士之配偶。
6. 此等股份由董佩珊女士全資擁有之公司 Focus Cheer 持有。
7. 「L」表示好倉；「S」表示淡倉。

除上文所披露者外，於二零零八年十二月三十一日，本公司各董事或行政總裁概無於本公司或其任何聯營公司(定義見證券及期貨條例第XV部)之股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有任何權益或淡倉記錄在按照證券及期貨條例第352條所規定須備存之登記冊內，或須如依據上市公司董事進行證券交易的標準守則通知本公司及聯交所。



Report of Directors 董事局報告

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

As at 31 December 2008, according to the register required to be kept by the Company under Section 336 of the SFO, the following persons (other than the Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company:

Interests in Shares and Underlying Shares

主要股東於股份及相關股份中擁有的權益及淡倉

於二零零八年十二月三十一日，根據本公司按照證券及期貨條例第336條所規定須予備存之登記冊所載，以下人士(本公司董事及行政總裁除外)於本公司股份及相關股份中擁有權益及淡倉：

股份及相關股份權益

| Name of shareholder | Nature of interest | Number of ordinary shares/ underlying shares | Approximate percentage interest in the Company's issued share capital | Note |
|--------------------------------------|--------------------|---|---|------|
| 股東名稱 | 權益性質 | 普通股股份/ 相關股份數目 | 約佔本公司已發行股本 百分比 | 附註 |
| Favor King Limited | Corporate 公司 | 1,290,961,336(L) 1,290,961,336(S) | 41.48% 41.48% | 1 |
| Hang Sing | Beneficiary 實益 | 226,403,853(L) 115,465,965(S) | 7.27% 3.71% | 2 |
| Orient Strength | Corporate 公司 | 226,403,853(L) 115,465,965(S) | 7.27% 3.71% | 2 |
| Zhong Shan Company Limited 鍾山有限公司 | Corporate 公司 | 226,403,853(L) 115,465,965(S) | 7.27% 3.71% | 2 |
| Superior Quality Assets Limited | Corporate 公司 | 226,403,853(L) 115,465,965(S) | 7.27% 3.71% | 2 |
| Strong Purpose | Beneficiary 實益 | 211,900,848(L) | 6.81% | 3 |



Report of Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES
(continued)**Interests in Shares and Underlying Shares** (continued)

Notes:

1. These interests were held by Glory Add, a company which is wholly-owned by Favor King Limited. Favor King Limited is owned as to 50% by Mr. CHAN Shing and as to 50% by Ms. LAU Ting.
2. 51% of the issued share capital of Hang Sing was owned by Orient Strength, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, and 49% of the issued share capital of Hang Sing was owned by Superior Quality Assets Limited, a company which is wholly-owned by Zhong Shan Company Limited. Zhong Shan Company Limited was wholly-owned by the Jiangsu Provincial People's Government of the PRC. These 226,403,853 shares held by Hang Sing formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting as disclosed herein.
3. These interests were held by Strong Purpose, a company which is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, formed part of the interests of Mr. CHAN Shing and Ms. LAU Ting as disclosed herein.
4. The letter "L" denotes long position and the letter "S" denotes short position.

Save as disclosed above, as at 31 December 2008, there was no person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

OPEN OFFER

On 20 June 2008, the board of Directors of the Company announced to propose to raise approximately HK\$300 million, by issuing up to 2,000,751,226 offer shares of HK\$0.10 each in the share capital of the Company (the "Offer Shares") at a subscription price of HK\$0.15 per Offer Share by way of an open offer, in the proportion of eighteen Offer Shares to ten shares held on the record date and payable in full on acceptance (the "Open Offer").

主要股東於股份及相關股份中擁有的權益及淡倉(續)**股份及相關股份權益(續)**

附註：

1. 此等權益由Favor King Limited全資擁有之公司Glory Add擁有。Favor King Limited分別由陳城先生及劉婷女士各自擁有其50%權益。
2. Hang Sing之51%已發行股本乃由陳城先生及劉婷女士全資擁有之Orient Strength所擁有，另外Hang Sing之49%已發行股本則由鍾山有限公司全資擁有之Superior Quality Assets Limited所擁有。鍾山有限公司乃中國江蘇省人民政府全資擁有之公司。Hang Sing持有之226,403,853股乃本文所分別披露陳城先生及劉婷女士之權益之一部份。
3. 此等權益由陳城先生及劉婷女士全資擁有之Strong Purpose所持有，為本文所分別披露陳城先生及劉婷女士之權益之一部份。
4. 「L」表示好倉；「S」表示淡倉。

除上文所披露者外，於二零零八年十二月三十一日，概無任何人士(本公司董事或行政總裁除外)於本公司股份及相關股份中擁有權益或淡倉記錄於按照證券及期貨條例第336條所存置的登記冊內，及／或直接或間接地持有已發行股本面值的5%或以上權益，並可於任何情況下，有權在本集團任何其他成員公司的股東大會上投票的權益。

公開發售

於二零零八年六月二十日，本公司董事局公佈擬通過公開發售，按於記錄日期以持有十股股份可獲配十八股發售股份的比例並須於接納後繳足為基準，以每股發售股份0.15港元的認購價，於本公司股本每股0.10港元中發行最多2,000,751,226股發售股份(「發售股份」)，籌集約三億港元(「公開發售」)。



Report of Directors 董事局報告

OPEN OFFER (continued)

Pursuant to an underwriting agreement dated 19 June 2008 (the "Agreement") and a supplemental agreement to the Agreement dated 9 July 2008 (together, the "Underwriting Agreement") entered into between the Company and Glory Add Limited ("Glory Add" or the "Underwriter"), a company indirectly owned in equal share by Mr. Chan Shing and Ms. Lau Ting (both are Executive Directors of the Company), the Underwriter had conditionally agreed to underwrite, on a fully underwritten basis, the Offer Shares (excluding those to be taken up by Mr. Chan and Ms. Lau pursuant to the Irrevocable Undertaking dated 19 June 2008 and the supplemental deed to the Irrevocable Undertaking dated 9 July 2008) not subscribed by the qualifying shareholders subject to the terms and conditions of the Underwriting Agreement. The maximum number of Offer Shares to be underwritten by Glory Add under the Underwriting Agreement amounted to 1,865,467,648 Offer Shares.

The net proceeds from the Open Offer were approximately HK\$290 million. The Directors used approximately HK\$250 million of the net proceeds for general working capital for, and expansion and development of, the existing steel trading business of the Group and plan to use the balance of the net proceeds for the purposes of future investments in natural mineral resources and related business.

At the special general meeting of the Company held on 14 August 2008, the ordinary resolutions approving the Open Offer and the absence of arrangements for excess application for the Offer Shares and the Underwriting Agreement as the alternative arrangement in respect of the untaken Offer Shares and the whitewash waiver were duly passed by the independent shareholders of the Company by way of poll.

Completion of the Open Offer took place on 9 September 2008 and accordingly, 2,000,751,226 Offer Shares were allotted and issued and certificates for the Offer Shares were duly dispatched to those qualifying shareholders who had validly applied and paid for the Offer Shares on 11 September 2008. Dealings in the Offer Shares commenced on 16 September 2008.

Details of the Open Offer are set out in the prospectus of the Company dated 18 August 2008 and the announcement of the Company dated 10 September 2008.

公开发售(續)

根據本公司與本公司執行董事陳城先生及劉婷女士間接全資共同擁有之Glory Add Limited (「Glory Add」或「包銷商」)分別於二零零八年六月十九日及二零零八年七月九日簽訂之包銷協議(「該協議」)及該協議之補充協議(合稱「包銷協議」)，包銷商根據包銷協議的條款及條件有條件地同意全數包銷未獲合資格股東認購的發售股份(依據日期為二零零八年六月十九日之不可撤回承諾及日期為二零零八年七月九日之不可撤回承諾補充契約，須由陳先生及劉女士接納的部份除外)。Glory Add根據包銷協議包銷的發售股份最多數目為1,865,467,648股發售股份。

公开发售所得款項淨額約為二億九千萬港元。董事將所得款項淨額中約二億五千萬港元用作一般營運資金，用於現有鋼鐵貿易業務的擴展，而所得款項淨額餘款則擬用作未來投資於天然礦產資源及相關業務。

於二零零八年八月十四日舉行之本公司股東特別大會上，已獲本公司獨立股東以投票表決方式通過普通決議案批准公开发售及在沒有額外申請發售股份的安排下以包銷協議作為不獲接納發售股份的替代安排及批准清洗豁免。

公开发售已於二零零八年九月九日完成。據此，於二零零八年九月十一日，本公司配發及發行2,000,751,226股發售股份，並向有效申請並已支付發售股份認購款之合資格股東寄發發售股份股票。發售股份於二零零八年九月十六日開始買賣。

公开发售詳情已載於日期為二零零八年八月十八日之本公司招股章程及日期為二零零八年九月十日之本公司公佈內。



Report of Directors 董事局報告

INCREASE IN AUTHORISED SHARE CAPITAL

The authorised share capital of the Company was increased from HK\$180,000,000 divided into 1,800,000,000 shares to HK\$380,000,000 divided into 3,800,000,000 shares, which was passed as an ordinary resolution by the shareholders of the Company at the special general meeting held on 14 August 2008.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

SERVICE CONTRACTS WITH DIRECTORS

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

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the consolidated financial statements, there was no contracts of significance (as defined in Note 15 of Appendix 16 of the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rule") in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

增加法定股本

於二零零八年八月十四日本公司股東特別大會上，本公司股東通過普通決議案批准將本公司法定股本由港幣180,000,000元分為1,800,000,000股股份增加至港幣380,000,000元分為3,800,000,000股股份。

認購股份或債券之安排

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

董事之服務合約

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

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

董事於合約之權益

除於綜合財務報表所披露者外，本公司董事或管理層成員概無於本公司或任何其附屬公司於年終時或於年內訂立，且對本集團業務而言屬重大合約(定義見聯交所證券上市規則(「上市規則」)附錄十六第15條)，直接或間接擁有任何重大權益。



Report of Directors 董事局報告

MANAGEMENT CONTRACTS

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

EMPLOYEES RETIREMENT BENEFIT

Details of the retirement benefit schemes of the Group and the employees' retirement benefit costs charged to the consolidated income statement for the year are set out in note 24 to the consolidated financial statements.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 144.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

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

The Facility was fully repaid in April 2008 and the above specific performance obligation ceased to exist thereafter.

管理合約

於年度內並無訂立或存有任何與本公司業務全部或主要部份相關之行政及管理合約。

僱員退休福利

本集團退休福利計劃詳情及計入年度內綜合損益表之僱員退休福利費用，載於綜合財務報表附註24。

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要刊載於第144頁。

根據上市規則第13.21條之披露

於二零零五年三月一日，本公司全資附屬公司偉福投資有限公司(「偉福投資」)與一組金融機構簽立貸款協議(「貸款協議」)，據此，偉福投資獲得一項為期三年數額達39,000,000美元之可轉讓定期貸款(「該貸款」)。貸款協議載有一項有關促使本公司主席兼董事總經理陳城先生及本公司執行董事劉婷女士(彼為陳城先生之配偶)在貸款協議期內須維持是本公司單一最大股東，並直接或間接合共擁有本公司不時已發行股本總額的30%以上的承諾。倘違反該承諾，則將構成該貸款項下的違約事項。一旦發生有關違約事項，在該貸款項下尚未償還的結欠金額即立即到期並須即時清還。

該貸款於二零零八年四月全部清還，而上述特定責任之履行自此終止。



Report of Directors 董事局報告

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

The Company has established an Audit Committee which comprises the three Independent Non-Executive Directors of the Company, Mr. CUI Shu Ming, Mr. MIAO Gengshu and Mr. HUANG Shenglan. The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2008 have been reviewed by the Audit Committee.

AUDITORS

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

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

On behalf of the Board
CHAN Shing
Chairman

Hong Kong, 17 April 2009

公眾持股量之足夠性

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

審核委員會

本公司已成立審核委員會，由三位獨立非執行董事崔書明先生、苗耕書先生及黃勝藍先生組成。審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零零八年十二月三十一日止年度本集團經審核財務報表已經由審核委員會審閱。

核數師

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

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

董事局代表
主席
陳城

香港，二零零九年四月十七日



Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2008, except for the deviations as disclosed in this report.

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

Executive Directors

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

企業管治常規

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

除本報告所述有關偏離外，董事認為，本公司於截至二零零八年十二月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「守則」)所有適用守則條文。

董事的證券交易

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)為本公司之董事證券交易行為守則。在向所有董事作出特定查詢後，所有董事均確認彼等於年度內已遵守標準守則所載之規定標準。

董事局

於本年度內及至本報告刊行日期止，本公司董事包括：

執行董事

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



Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

Independent Non-Executive Directors

Mr. Cui Shu Ming
Mr. Miao Gengshu (appointed on 8 December 2008)
Mr. Huang Shenglan
Mr. Song Yufang (resigned on 18 September 2008)

Non-Executive Director

Mr. Sze Tsai Ping, Michael

Following the resignation of Mr. Song Yufang as an Independent Non-Executive Director of the Company with effect from 18 September 2008, the Company temporarily having only two Independent Non-Executive Directors was not compliant with Rule 3.10(1) of the Listing Rules. On 8 December 2008, the Company appointed Mr. Miao Gengshu as an Independent Non-Executive Director of the Company pursuant to Rule 3.11 of the Listing Rules.

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

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

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

董事局(續)

獨立非執行董事

崔書明先生
苗耕書先生(於二零零八年十二月八日委任)
黃勝藍先生
宋玉芳先生(於二零零八年九月十八日辭任)

非執行董事

史習平先生

繼宋玉芳先生於二零零八年九月十八日辭任本公司獨立非執行董事後，本公司當時只有兩名獨立非執行董事並未能符合上市規則第3.10(1)條。隨後於二零零八年十二月八日，本公司根據上市規則第3.11條委任苗耕書先生為本公司獨立非執行董事。

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

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

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



Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

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

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

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

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

董事局(續)

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

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

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

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



Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

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

董事局 (續)

於年度內，董事局共舉行十六次會議(包括兩次定期會議)。董事之出席記錄詳情如下：

Executive Directors**執行董事**

| | Directors' Attendance 董事出席次數 |
|---|---|
| Mr. Chan Shing (Chairman and Managing Director) 陳城先生(主席兼董事總經理) | 14/16 |
| Mr. Sit Hoi Tung (Deputy General Manager) 薛海東先生(副總經理) | 16/16 |
| Mr. Yang Da Wei 楊大偉先生 | 3/16 |
| Ms. Lau Ting 劉婷女士 | 12/16 |
| Ms. Tung Pui Shan, Virginia 董佩珊女士 | 15/16 |
| Mr. Kwok Wai Lam 郭偉霖先生 | 16/16 |
| Mr. Yin Mark 尹虹先生 | 9/16 |

Independent Non-Executive Directors**獨立非執行董事**

| | |
|-----------------------------|------|
| Mr. Cui Shu Ming 崔書明先生 | 4/16 |
| Mr. Miao Gengshu 苗耕書先生 | 0/0 |
| Mr. Huang Shenglan 黃勝藍先生 | 5/16 |
| Mr. Song Yufang 宋玉芳先生 | 3/14 |

Non-Executive Director**非執行董事**

| | |
|-------------------------------------|------|
| Mr. Sze Tsai Ping, Michael 史習平先生 | 5/16 |
|-------------------------------------|------|



Corporate Governance Report 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

TERM OF APPOINTMENT AND RETIREMENT BY ROTATION

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

主席及行政總裁

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

任期及輪值退任

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



Corporate Governance Report 企業管治報告

REMUNERATION COMMITTEE

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

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

Two meetings of the Remuneration Committee were held during the year ended 31 December 2008. Details of the attendance of the Remuneration Committee meetings are as follows:

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

薪酬委員會

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

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

於二零零八年十二月三十一日止年度內，薪酬委員會曾舉行兩次會議，該薪酬委員會會議之出席記錄詳情如下：

Members' Attendance
委員出席次數

2/2
2/2
2/2



Corporate Governance Report 企業管治報告

NOMINATION OF DIRECTORS

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

During the year under review, two meetings of the Board regarding the resignation of Mr. Song Yufang as an Independent Non-Executive Director and the appointment of Mr. Miao Gengshu as an Independent Non-Executive Director of the Company were held. Details of the attendance of the meetings are as follows:

Executive Directors

執行董事

| | |
|--|-----|
| Mr. Chan Shing (<i>Chairman and Managing Director</i>) 陳城先生(主席兼董事總經理) | 2/2 |
| Mr. Sit Hoi Tung (<i>Deputy General Manager</i>) 薛海東先生(副總經理) | 2/2 |
| Mr. Yang Da Wei 楊大偉先生 | 0/2 |
| Ms. Lau Ting 劉婷女士 | 2/2 |
| Ms. Tung Pui Shan, Virginia 董佩珊女士 | 2/2 |
| Mr. Kwok Wai Lam 郭偉霖先生 | 2/2 |
| Mr. Yin Mark 尹虹先生 | 2/2 |

董事提名

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

年度內，董事局就宋玉芳先生辭任獨立非執行董事及委任苗耕書先生為獨立非執行董事，舉行了兩次會議。會議之出席記錄詳情如下：

Directors' Attendance 董事出席次數



Corporate Governance Report 企業管治報告

NOMINATION OF DIRECTORS (continued)

董事提名(續)

Directors' Attendance
董事出席次數

Independent Non-Executive Directors

獨立非執行董事

| | |
|-----------------------------|-----|
| Mr. Cui Shu Ming 崔書明先生 | 0/2 |
| Mr. Miao Gengshu# 苗耕書先生# | 0/0 |
| Mr. Huang Shenglan 黃勝藍先生 | 0/2 |
| Mr. Song Yufang# 宋玉芳先生# | 0/0 |

Non-Executive Director

非執行董事

| | |
|-------------------------------------|-----|
| Mr. Sze Tsai Ping, Michael 史習平先生 | 0/2 |
|-------------------------------------|-----|

Mr. Song Yufang resigned and Mr. Miao Gengshu was appointed as an Independent Non-Executive Director of the Company with effect from 18 September 2008 and 8 December 2008 respectively.

宋玉芳先生及苗耕書先生分別於二零零八年九月十八日辭任及於二零零八年十二月八日獲委任為本公司獨立非執行董事。

AUDIT COMMITTEE

審核委員會

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

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

The Audit Committee's functions include:

審核委員會的功能包括：

- to review and monitor financial reporting and the reporting judgement contained in them; and
- to review financial and internal controls, accounting policies and practices with management, internal and external auditors.
- 審議及監察財務報告，以及報告所包含的申報判斷；及
- 與管理層、內部及外聘核數師審議財務、內部監控及會計政策及常規。



Corporate Governance Report 企業管治報告

AUDIT COMMITTEE (continued)

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

| | |
|--------------------|--------|
| Mr. Cui Shu Ming | 崔書明先生 |
| Mr. Miao Gengshu* | 苗耕書先生* |
| Mr. Huang Shenglan | 黃勝藍先生 |
| Mr. Song Yufang* | 宋玉芳先生* |

* Mr. Song Yufang resigned and Mr. Miao Gengshu was appointed as a member of the Audit Committee of the Company with effect from 18 September 2008 and 8 December 2008 respectively.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2008 have been reviewed by the Audit Committee. The terms of reference of the Audit Committee has been revised on 17 April 2009 in accordance with the recent amendments to the Listing Rules and has been posted on the Company's website and is made available on request.

AUDITORS' REMUNERATION

For the year ended 31 December 2008, the Group had engaged the Group's external auditors, HLB Hodgson Impey Cheng, to provide the following services and their fees charged are set out as below:

| Types of Services | 服務類別 |
|--|----------------|
| Audit for the Group | 集團審計 |
| Non-audit services | 非審計服務 |
| – Professional services on acting as reporting accountants | – 出任申報會計師之專業服務 |

審核委員會(續)

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

Members' Attendance 委員出席次數

| | |
|--|-----|
| | 2/2 |
| | 0/0 |
| | 2/2 |
| | 0/2 |

* 宋玉芳先生及苗耕書先生分別於二零零八年九月十八日辭任及於二零零八年十二月八日獲委任為本公司審核委員會委員。

審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零零八年十二月三十一日止年度之經審核財務報表已經審核委員會審閱。審核委員會之職權範圍已於二零零九年四月十七日根據上市規則之新修訂作出了修訂並已載於本公司之網頁內和可按要求提供查閱。

核數師酬金

截至二零零八年十二月三十一日止年度，集團委聘本集團外聘核數師國衛會計師事務所提供以下服務，並收取費用如下：

| Fee charged for the year ended 31 December 收取費用 截至十二月三十一日止年度 | |
|--|---------|
| 2008 | 2007 |
| HK\$ | HK\$ |
| 港元 | 港元 |
| 880,000 | 820,000 |
| 200,000 | — |



Corporate Governance Report 企業管治報告

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on pages 43 and 44.

INTERNAL CONTROL

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

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

INVESTOR RELATIONS

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

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

董事及核數師對帳目之責任

董事對帳目之責任及外聘核數師對股東之責任載於第43及44頁。

內部監控

董事局於年度內已對本集團內部監控系統之有效性作出檢討。

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

投資者關係

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

本公司的公司網址亦提供了溝通平台，為公眾和投資者提供渠道查閱最新集團訊息。



Independent Auditors' Report 獨立核數師報告



Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF BURWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Burwill Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 142, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

致寶威控股有限公司

(於百慕達註冊成立之有限公司)

全體股東

本核數師(以下簡稱「我們」)已審核列載於第45至142頁寶威控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)之綜合財務報表，此財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

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



Independent Auditors' Report 獨立核數師報告

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

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

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 17 April 2009

核數師的責任

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

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

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

國衛會計師事務所
英國特許會計師
香港執業會計師

香港，二零零九年四月十七日



Balance Sheets

At 31 December 2008

資產負債表

於二零零八年十二月三十一日

| | | Note 附註 | Consolidated 綜合 | | Company 公司 | |
|---|-----------------|------------|--------------------|------------------|------------------|------------------|
| | | | 2008 | 2007 | 2008 | 2007 |
| | | | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| ASSETS | 資產 | | | | | |
| Non-current assets | 非流動資產 | | | | | |
| Leasehold land and land use rights | 租賃土地及土地使用權 | 6 | 79,416 | 81,001 | - | - |
| Property, plant and equipment | 物業、機器及設備 | 7 | 99,258 | 105,210 | - | - |
| Investment properties | 投資物業 | 8 | 522,726 | 286,501 | - | - |
| Intangible assets | 無形資產 | | 150 | 170 | - | - |
| Investments in subsidiaries | 附屬公司投資 | 9 | - | - | 42,415 | 42,415 |
| Due from subsidiaries | 附屬公司欠款 | 9 | - | - | 462,474 | 448,000 |
| Investments in associates | 聯營公司投資 | 10 | 271,334 | 475,321 | 10,766 | 10,766 |
| Available-for-sale financial assets | 可供出售財務資產 | 12 | 1,509 | 1,509 | 90 | 90 |
| Other receivables | 其它應收款 | 15 | 537 | - | - | - |
| Deferred tax assets | 遞延稅項資產 | 20 | 20,054 | 10,722 | - | - |
| Total non-current assets | 總非流動資產 | | 994,984 | 960,434 | 515,745 | 501,271 |
| Current assets | 流動資產 | | | | | |
| Inventories | 存貨 | 13 | 162,574 | 167,340 | - | - |
| Properties held for sale | 待售物業 | | - | 31,611 | - | - |
| Financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產 | 14 | 40,195 | 48,610 | 1 | 1 |
| Bills and accounts receivable | 應收票據及應收帳項 | 15 | 973,906 | 894,707 | - | - |
| Deposits, prepayments and other receivables | 按金、預付款及其它應收款 | 15 | 127,863 | 134,679 | 432 | 248 |
| Due from subsidiaries | 附屬公司欠款 | 9 | - | - | 637,716 | 457,028 |
| Due from associates | 聯營公司欠款 | 10 | 2,527 | 4,032 | - | - |
| Taxation recoverable | 應退稅項 | | 139 | - | - | - |
| Pledged bank deposits | 已抵押銀行存款 | 16 | - | 750 | - | - |
| Other cash and bank balances | 其它現金及銀行結餘 | 16 | 361,849 | 394,028 | 765 | 834 |
| Total current assets | 總流動資產 | | 1,669,053 | 1,675,757 | 638,914 | 458,111 |
| Total assets | 總資產 | | 2,664,037 | 2,636,191 | 1,154,659 | 959,382 |



Balance Sheets

At 31 December 2008

資產負債表

於二零零八年十二月三十一日

| | | Note 附註 | Consolidated 綜合 | | Company 公司 | |
|---|-------------------------|------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| EQUITY | 權益 | | | | | |
| Capital and reserves attributable to the Company's equity holders | 本公司權益 持有人應佔 股本及儲備 | | | | | |
| Share capital | 股本 | 17 | 311,228 | 111,213 | 311,228 | 111,213 |
| Other reserves | 其它儲備 | 18 | 761,931 | 644,300 | 803,408 | 713,670 |
| Retained profits | 保留盈利 | 18 | 291,369 | 440,237 | 12,877 | 10,833 |
| | | | 1,364,528 | 1,195,750 | 1,127,513 | 835,716 |
| Minority interests | 少數股東權益 | | 104,793 | 56,218 | - | - |
| Total equity | 總權益 | | 1,469,321 | 1,251,968 | 1,127,513 | 835,716 |
| LIABILITIES | 負債 | | | | | |
| Non-current liabilities | 非流動負債 | | | | | |
| Due to a subsidiary | 欠附屬公司款項 | 9 | - | - | - | 94,366 |
| Borrowings | 貸款 | 19 | 153,423 | 44,376 | - | - |
| Deferred tax liabilities | 遞延稅項負債 | 20 | 91,122 | 42,552 | - | - |
| Total non-current liabilities | 總非流動負債 | | 244,545 | 86,928 | - | 94,366 |
| Current liabilities | 流動負債 | | | | | |
| Borrowings | 貸款 | 19 | 443,849 | 642,030 | - | - |
| Due to subsidiaries | 欠附屬公司款項 | 9 | - | - | 24,962 | 27,152 |
| Due to associates | 欠聯營公司款項 | 10 | 24,301 | 24,906 | - | - |
| Bills and accounts payable | 應付票據及應付帳項 | 21 | 335,897 | 529,078 | - | - |
| Other payables and accruals | 其它應付帳項及 應計費用 | | 125,841 | 100,998 | 2,184 | 2,148 |
| Taxation payable | 應付稅項 | | 20,283 | 283 | - | - |
| Total current liabilities | 總流動負債 | | 950,171 | 1,297,295 | 27,146 | 29,300 |
| Total liabilities | 總負債 | | 1,194,716 | 1,384,223 | 27,146 | 123,666 |
| Total equity and liabilities | 總權益及負債 | | 2,664,037 | 2,636,191 | 1,154,659 | 959,382 |
| Net current assets | 流動資產淨值 | | 718,882 | 378,462 | 611,768 | 428,811 |
| Total assets less current liabilities | 總資產減 流動負債 | | 1,713,866 | 1,338,896 | 1,127,513 | 930,082 |

CHAN SHING
陳城
Chairman
主席

KWOK WAI LAM
郭偉霖
Director
董事



Consolidated Income Statement 綜合損益表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

| | | Note | 2008 | 2007 |
|---|-------------------------------|------|--------------------------|------------------|
| | | 附註 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Sales | 銷售 | 5 | 8,334,596 | 5,452,012 |
| Cost of sales | 銷售成本 | 23 | (8,111,375) | (5,308,779) |
| Gross profit | 毛利 | | 223,221 | 143,233 |
| Other gains, net | 其它收益淨額 | 22 | 141,721 | 101,808 |
| Selling and distribution expenses | 銷售及分銷費用 | 23 | (71,585) | (46,710) |
| General and administrative expenses | 一般及行政費用 | 23 | (77,810) | (77,792) |
| Operating profit | 經營盈利 | | 215,547 | 120,539 |
| Finance costs | 融資成本 | 25 | (54,007) | (59,499) |
| Share of (losses)/profits of associates | 所佔聯營公司(虧損)/ 盈利 | 10 | (196,866) | 30,211 |
| (Loss)/Profit before taxation | 除稅前(虧損)/盈利 | | (35,326) | 91,251 |
| Taxation | 稅項 | 26 | (69,577) | 4,020 |
| (Loss)/Profit for the year | 年度(虧損)/盈利 | | (104,903) | 95,271 |
| Attributable to: | 歸屬: | | | |
| Equity holders of the Company | 本公司權益持有人 | 27 | (148,808) | 86,307 |
| Minority interests | 少數股東權益 | | 43,905 | 8,964 |
| | | | (104,903) | 95,271 |
| (Loss)/Earnings per share for (loss)/profit attributable to the equity holders of the Company during the year | 年內本公司權益持有人應佔(虧損)/盈利的每股(虧損)/盈利 | 28 | | |
| - basic and diluted (restated) | - 基本及攤薄(重列) | | (8.50) HK cents港仙 | 7.70 HK cents港仙 |



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

| | | Note 附註 | Attributable to the equity holders of the Company 本公司權益持有人應佔 | | | | Total 總額 HK\$'000 港幣千元 |
|---|--------------------------|------------|--|--------------------------|--------------------------|--------------------------------|---------------------------------|
| | | | Share capital | Other reserves | Retained profits | Minority interests | |
| | | | 股本 HK\$'000 港幣千元 | 其它儲備 HK\$'000 港幣千元 | 保留盈利 HK\$'000 港幣千元 | 少數股東 權益 HK\$'000 港幣千元 | |
| Balance at 1 January 2007 | 二零零七年一月一日結餘 | | 103,213 | 503,297 | 353,930 | 43,779 | 1,004,219 |
| Currency translation differences | 貨幣匯兌差額 | 18 | - | 24,196 | - | 3,655 | 27,851 |
| Profit for the year | 年度盈利 | | - | - | 86,307 | 8,964 | 95,271 |
| Total recognised income for the year | 年內確認的總收入 | | - | 24,196 | 86,307 | 12,619 | 123,122 |
| Issue of shares | 發行股份 | 18 | 8,000 | 109,769 | - | - | 117,769 |
| Share issue expenses | 股份發行開支 | 18 | - | (79) | - | - | (79) |
| Share of reserves of associates | 應佔聯營公司儲備 | 18 | - | 8,234 | - | - | 8,234 |
| Fair value gains on available-for- sale financial assets | 可供出售財務資產的 公平值收益 | 18 | - | 523 | - | - | 523 |
| Transfer to profit or loss on disposal of available-for-sale financial assets | 出售可供出售財務 資產轉出 至損益帳 | 18 | - | (1,640) | - | - | (1,640) |
| Capital distribution to minority shareholders | 分派資金予 少數股東 | | - | - | - | (180) | (180) |
| Balance at 31 December 2007 | 二零零七年十二月 三十一日結餘 | | 111,213 | 644,300 | 440,237 | 56,218 | 1,251,968 |



Consolidated 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

| | | Attributable to the equity holders of the Company 本公司權益持有人應佔 | | | | | |
|---|----------------|---|----------------|------------------|--------------------|-----------|--|
| | | Share capital | Other reserves | Retained profits | Minority interests | Total | |
| | | 股本 | 其它儲備 | 保留盈利 | 少數股東權益 | 總額 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | |
| Balance at 1 January 2008 | 二零零八年一月一日結餘 | 111,213 | 644,300 | 440,237 | 56,218 | 1,251,968 | |
| Currency translation differences | 貨幣匯兌差額 | | 25,409 | | 4,594 | 30,003 | |
| (Loss)/Profit for the year | 年度(虧損)/盈利 | | | (148,808) | 43,905 | (104,903) | |
| Total recognised income/ (expense) for the year | 年內確認的總收入/(支出) | | 25,409 | (148,808) | 48,499 | (74,900) | |
| Repurchase of shares | 購回股份 | (60) | (246) | (60) | | (366) | |
| Issue of shares | 發行股份 | 200,075 | 100,038 | | | 300,113 | |
| Share issue expenses | 股份發行開支 | | (10,054) | | | (10,054) | |
| Share of reserves of associates | 應佔聯營公司儲備 | | 2,484 | | | 2,484 | |
| Capital injection from minority shareholder | 少數股東投入股本 | | | | 76 | 76 | |
| Balance at 31 December 2008 | 二零零八年十二月三十一日結餘 | 311,228 | 761,931 | 291,369 | 104,793 | 1,469,321 | |



Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

| | Note | 2008 | 2007 |
|---|------------------------|------------------|------------------|
| | 附註 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Cash flows from operating activities | 營運活動的現金流量 | | |
| Cash (used in)/generated from operations | 營運(所用)/產生的現金 30(a) | (155,180) | 97,728 |
| Interest paid | 已付利息 | (52,394) | (56,244) |
| Hong Kong profits tax paid | 已付香港利得稅 | (12,192) | – |
| Overseas tax paid | 已付海外稅項 | (1,926) | (626) |
| Overseas tax refunded | 退還海外稅項 | 4 | 243 |
| Net cash (used in)/generated from operating activities | 營運活動(所用)/產生的淨現金 | (221,688) | 41,101 |
| Cash flows from investing activities | 投資活動的現金流量 | | |
| Acquisition of property, plant and equipment | 購入物業、機器及設備 | (3,653) | (2,755) |
| Net cash inflow in respect of disposal of a subsidiary | 出售附屬公司的現金流入淨額 30(b) | – | 2,161 |
| Capital contribution to an associate | 注資予一家聯營公司 | – | (22,663) |
| Capital distribution to minority shareholders | 分派資金予少數股東 | – | (180) |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備所得款 | 723 | 240 |
| Proceeds from disposal of available-for-sale financial assets | 出售可供出售財務資產所得款 | – | 6,786 |
| Decrease/(Increase) in short-term bank deposits | 短期銀行存款減少/(增加) | 60,271 | (110,567) |
| Funds applied to financial assets, net | 資金用於財務資產，淨額 | (32,536) | (39,911) |
| Repayment of loans to third party | 第三者償還借款 | 9,324 | 2,000 |
| Interest received | 已收利息 | 7,369 | 5,355 |
| Decrease/(Increase) in amounts due from associates | 聯營公司欠款減少/(增加) | 1,505 | (2,982) |
| Dividends received from an associate | 已收聯營公司股息 | 2,137 | 1,900 |
| Dividends received from financial assets at fair value through profit or loss | 已收按公平值透過損益列帳的財務資產股息 | 727 | 86 |
| Net cash generated from/(used in) investing activities | 投資活動產生/(所用)的淨現金 | 45,867 | (160,530) |



Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

| | | 2008 | 2007 |
|---|-----------------------|------------------|-----------|
| | Note | HK\$'000 | HK\$'000 |
| | 附註 | 港幣千元 | 港幣千元 |
| Cash flows from financing activities | 融資活動的現金流量 | | |
| Issue of shares | 發行股份 | 300,113 | 117,769 |
| Share issue expenses | 股份發行開支 | (10,054) | (79) |
| Repurchase of shares | 購回股份 | (366) | - |
| (Decrease)/Increase in trust receipts bank loans | 信託提貨銀行貸款 (減少)/增加 | (117,607) | 24,702 |
| Additions of other bank loans | 新增其它銀行貸款 | 253,610 | 170,680 |
| Repayment of other bank loans | 償還其它銀行貸款 | (213,331) | (207,146) |
| Additions of other loans | 新增其它貸款 | - | 22,251 |
| Repayment of other loans | 償還其它貸款 | (12,261) | - |
| (Decrease)/Increase in amounts due to associates | 欠聯營公司款項 (減少)/增加 | (605) | 2,119 |
| Interest element of finance lease rental payments | 付融資租賃 利息部份 | (249) | (442) |
| Capital element of finance lease rental payments | 付融資租賃 資本部份 | (2,206) | (3,826) |
| Capital injection from minority shareholder | 少數股東投入 股本 | 76 | - |
| Net cash generated from financing activities | 融資活動產生的淨現金 | 197,120 | 126,028 |
| Decrease in pledged bank deposits | 已抵押銀行存款減少 | 750 | 89 |
| Increase in cash and cash equivalents | 現金及現金等價物 增加 | 22,049 | 6,688 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及 現金等價物 | 283,461 | 275,156 |
| Effect of exchange rate changes | 匯率變動之影響 | 6,043 | 1,617 |
| Cash and cash equivalents at 31 December | 於十二月三十一日之 現金及現金等價物 | 311,553 | 283,461 |
| | 30(c) | | |



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

1 GENERAL INFORMATION

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

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 17 April 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

1 一般資料

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

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

除另有說明外，綜合財務報表以港幣千元列報。綜合財務報表已經由董事局在二零零九年四月十七日批准刊發。

2 重要會計政策摘要

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

2.1 編製基準

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.1 Basis of preparation *(continued)*

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

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

Standards, amendments and interpretations effective in 2008

In the current year, the Group has applied, for the first time, the following amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's accounting period beginning on or after 1 January 2008.

2 重要會計政策摘要(續)

2.1 編製基準(續)

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

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

於二零零八年生效之準則、修訂及詮釋

於本年度，本集團首次應用以下由香港會計師公會頒佈於本集團在二零零八年一月一日開始的會計期間起生效的以下修訂及詮釋(「新香港財務報告準則」)。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2 重要會計政策摘要(續)****2.1 Basis of preparation** (continued)

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

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

2.1 編製基準(續)

| | |
|---|---|
| 香港會計準則 第39號及 香港財務報告 準則第7號 (修訂本) | 金融資產的 重新分類 |
| 香港(國際財務報 告詮釋委員會)一 詮釋第11號 | 香港財務報告 準則第2號一 集團及庫存 股份交易 |
| 香港(國際財務報 告詮釋委員會)一 詮釋第12號 | 服務特許權 安排 |
| 香港(國際財務報 告詮釋委員會)一 詮釋第14號 | 香港會計準則 第19號一 界定福利資 產的限額、 最低資本 規定及相互 之間的關係 |

採納新香港財務報告準則對本會計期間或過往會計期間的業績及財務狀況的編製及呈列方式無重大影響。因此，毋須作出前期調整。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.1 Basis of preparation (continued)

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

| | | |
|-----------------------------------|--|---|
| HKFRSs (Amendments) | Improvements to HKFRSs | 1 |
| HKAS 1 (Revised) | Presentation of Financial Statements | 2 |
| HKAS 23 (Revised) | Borrowing Costs | 2 |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements | 3 |
| HKAS 32 & HKAS 1 (Amendments) | Puttable Financial Instruments and Obligations Arising on Liquidation | 2 |
| HKAS 39 (Amendment) | Eligible Hedged Items | 3 |
| HKFRS 1 & HKAS 27 (Amendments) | Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | 2 |
| HKFRS 2 (Amendment) | Vesting Conditions and Cancellations | 2 |

2 重要會計政策摘要(續)

2.1 編製基準(續)

本集團並無提早應用下列已頒佈但尚未生效的新訂或經修訂的準則、修訂或詮釋。

| | | |
|---|--|---|
| 香港財務報告 準則 (修訂本) | 香港財務報告 準則的改進 | 1 |
| 香港會計準則 第1號 (經修訂) | 財務報表的 呈列 | 2 |
| 香港會計準則 第23號 (經修訂) | 借款費用 | 2 |
| 香港會計準則 第27號 (經修訂) | 綜合及獨立 財務報表 | 3 |
| 香港會計準則 第32 及1號 (修訂本) | 可沽售金融 工具及清盤 產生的責任 | 2 |
| 香港會計準則 第39號 (修訂本) | 合資格對沖 項目 | 3 |
| 香港財務報告 準則第1號及 香港 會計準則 第27號 (修訂本) | 於附屬公司、 共同控制 公司或聯營 公司的 投資成本 | 2 |
| 香港財務報告 準則第2號 (修訂本) | 歸屬條件及 註銷 | 2 |



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2 重要會計政策摘要(續)****2.1 Basis of preparation** (continued)

| | | |
|-------------------|---|---|
| HKFRS 3 (Revised) | Business Combinations | 3 |
| HKFRS 8 | Operating Segments | 2 |
| HK(IFRIC)-Int 13 | Customer Loyalty Programmes | 4 |
| HK(IFRIC)-Int 15 | Agreements for the Construction of Real Estate | 2 |
| HK(IFRIC)-Int 16 | Hedges of a Net Investment in a Foreign Operation | 5 |
| HK(IFRIC)-Int 17 | Distributions of Non-cash Assets to Owners | 3 |
| HK(IFRIC)-Int 18 | Transfers of Assets from Customers | 6 |

2.1 編製基準(續)

| | | |
|------------------------|-------------|---|
| 香港財務報告準則第3號(經修訂) | 業務合併 | 3 |
| 香港財務報告準則第8號 | 經營分部 | 2 |
| 香港(國際財務報告詮釋委員會)－詮釋第13號 | 客戶忠誠計劃 | 4 |
| 香港(國際財務報告詮釋委員會)－詮釋第15號 | 房地產建造合同 | 2 |
| 香港(國際財務報告詮釋委員會)－詮釋第16號 | 境外業務投資淨額的對沖 | 5 |
| 香港(國際財務報告詮釋委員會)－詮釋第17號 | 向所有者分派非現金資產 | 3 |
| 香港(國際財務報告詮釋委員會)－詮釋第18號 | 從客戶轉讓資產 | 6 |



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Notes:

1. Effective for accounting periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for accounting periods beginning on or after 1 July 2009
2. Effective for accounting periods beginning on or after 1 January 2009
3. Effective for accounting periods beginning on or after 1 July 2009
4. Effective for accounting periods beginning on or after 1 July 2008
5. Effective for accounting periods beginning on or after 1 October 2008
6. Effective for transfers of assets from customers received on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2 重要會計政策摘要(續)

2.1 編製基準(續)

附註：

1. 於二零零九年一月一日或之後開始的會計期間生效，惟香港財務報告準則第5號的修訂則於二零零九年七月一日或之後開始的會計期間生效
2. 於二零零九年一月一日或之後開始的會計期間生效
3. 於二零零九年七月一日或之後開始的會計期間生效
4. 於二零零八年七月一日或之後開始的會計期間生效
5. 於二零零八年十月一日或之後開始的會計期間生效
6. 於二零零九年七月一日或之後收到客戶轉讓資產開始生效

採納香港財務報告準則第3號(經修訂)可能對收購日期為於二零零九年七月一日或之後開始的首個年度報告期間的業務合併會計處理方法造成影響。香港會計準則第27號(經修訂)將會影響母公司投資於附屬公司的所有者權益出現變動時的會計處理方法。本公司董事預期，應用其它新訂或經修訂準則、修訂或詮釋對本集團的業績及財務狀況並無重大影響。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

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

(a) Subsidiaries

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

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

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

2 重要會計政策摘要(續)

2.2 綜合帳目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。

(a) 附屬公司

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

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

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

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

(b) Transactions with minority interests

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

2 重要會計政策摘要(續)

2.2 綜合帳目(續)

(a) 附屬公司(續)

集團內公司之間的交易、結餘及未實現交易收益予以對銷。未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策於綜合財務報表上符合一致。

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

(b) 與少數股東權益交易

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2.2 Consolidation** (continued)(c) *Associates*

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

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

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

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

2 重要會計政策摘要(續)**2.2 綜合帳目(續)**

(c) 聯營公司

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

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

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

於投資之聯營公司之攤薄損益於綜合損益表確認。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(c) Associates (continued)

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

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

2 重要會計政策摘要(續)

2.2 綜合帳目(續)

(c) 聯營公司(續)

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

2.3 分部報告

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

2.4 外幣匯兌

(a) 功能和列帳貨幣

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances

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

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

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

2 重要會計政策摘要(續)

2.4 外幣匯兌(續)

(b) 交易及結餘

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

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

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.4 Foreign currency translation (continued)

(c) *Group companies*

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

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

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

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

2 重要會計政策摘要(續)

2.4 外幣匯兌(續)

(c) *集團公司*

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

- 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- 每份綜合損益表內的收入和費用按平均匯率換算(除非此平均匯率非為計及各交易日期匯率累計影響的合理約數；在此情況下，收支按各交易日期的匯率換算)；及
- 所有由此產生的匯兌差額確認為權益的獨立組成項目。

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

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2.5 Property, plant and equipment**

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

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

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

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

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

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

2 重要會計政策摘要(續)**2.5 物業、機器及設備**

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

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

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

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

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2.6 Intangible assets

(a) Domain names and trademarks

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

(b) Computer software

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

2.7 Investment properties

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

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

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

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

2 重要會計政策摘要(續)

2.5 物業、機器及設備(續)

出售盈虧乃按所得款與帳面值比較，並於綜合損益表確認。

2.6 無形資產

(a) 域名及商標

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

(b) 電腦軟件

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

2.7 投資物業

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

投資物業包括以營運租賃持有的土地及以融資租賃持有之樓宇。

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

投資物業初步按其成本計量，包括相關的交易成本。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment properties (continued)

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

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

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

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

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

2 重要會計政策摘要(續)

2.7 投資物業(續)

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

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

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

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

公平值變動在損益表列帳為其它收益的一部份。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment properties (continued)

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

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

For a transfer from properties held for sale to investment properties, any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in the consolidated income statement.

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

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

2 重要會計政策摘要(續)

2.7 投資物業(續)

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

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

待售物業轉撥至投資物業時，須在綜合損益表確認有關物業於轉撥日之公平值與其過往帳面值兩者之差額。

2.8 附屬公司、聯營公司及非財務資產投資之減值

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2.9 Financial assets**

2.9.1 Classification

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

2 重要會計政策摘要(續)**2.9 財務資產**

2.9.1 分類

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

(a) 按公平值透過損益列帳的財務資產

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

(b) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。

(c) 可供出售財務資產

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

2.9.2 Recognition and measurement

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

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

2 重要會計政策摘要(續)

2.9 財務資產(續)

2.9.2 確認及計算

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

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2.9 Financial assets** (continued)

2.9.2 Recognition and measurement (continued)

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

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

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

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

2 重要會計政策摘要(續)**2.9 財務資產(續)**

2.9.2 確認及計算(續)

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

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

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

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



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2.9 Financial assets** (continued)

2.9.2 Recognition and measurement (continued)

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

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 重要會計政策摘要(續)**2.9 財務資產(續)**

2.9.2 確認及計算(續)

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

2.10 存貨

存貨按成本及可變現淨值兩者的較低者列帳。成本利用先進先出法釐定。製成品及在製品的成本包括原材料、直接勞工、其它直接成本和相關的生產經常開支（依據正常營運能力）。這不包括貸款成本。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**2.11 Accounts and other receivables**

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

2.12 Cash and cash equivalents

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

2.13 Share capital

Ordinary shares are classified as equity.

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

2 重要會計政策摘要(續)**2.11 應收帳項及其它應收款**

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

2.12 現金及現金等價物

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

2.13 股本

普通股被列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.14 Accounts payable

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

2.15 Borrowings

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

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

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

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

2 重要會計政策摘要(續)

2.14 應付帳項

應付帳項初步按公平值確認，其後以實際利率法按攤銷成本計量。

2.15 貸款

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

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

2.16 本年及遞延所得稅項

期內稅項費用包括當期和遞延所得稅。除了直接確認於權益相關的項目的稅項在權益中確認，其餘的均在綜合損益表中確認。

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



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

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

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

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

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

2.17 Employee benefits(a) *Employee leave entitlements*

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

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

2 重要會計政策摘要(續)**2.16 本年及遞延所得稅項(續)**

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

遞延所得稅項資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

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

2.17 僱員福利(a) *僱員應享假期*

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

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.17 Employee benefits (continued)

(b) *Bonus plans*

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

(c) *Pension obligations*

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

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

2 重要會計政策摘要(續)

2.17 僱員福利(續)

(b) *獎金計劃*

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

(c) *退休金責任*

集團營運多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

(d) Share-based compensation

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

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

2.18 Provisions

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

2 重要會計政策摘要(續)

2.17 僱員福利(續)

(d) 以股份為基礎的補償

本集團設有以股本支付的股份報酬計劃，以本集團的股本工具(購股權)作為獲得僱員服務之代價。僱員為獲取授予購股權而提供的服務的公平值確認為費用。在歸屬期間內將予支銷的總金額參考授予的購股權的公平值釐定，不包括任何非市場既定條件(例如盈利能力、銷售增長目標和該實體僱員在指定時期留任)的影響。非市場既定條件包括在有關預期歸屬的購股權數目的假設中。有關總開支於歸屬時期內而指定歸屬條件能被滿足時確認。在每個結算日，本集團根據非市場既定條件修訂其對預期歸屬購股權數目的估計。本集團在綜合損益表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

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

2.18 撥備

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provisions (continued)

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

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

2.19 Revenue recognition

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

- (a) Sale of goods – income from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.
- (b) Rental income – rental income is recognised on a straight line basis over the lease term.
- (c) Service income – service income is recognised in the accounting periods in which the services are rendered.

2 重要會計政策摘要(續)

2.18 撥備(續)

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

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

2.19 收益確認

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

- (a) 銷貨－銷貨收益在擁有權之重大風險及回報轉移至客戶時確認。
- (b) 租金收入－租金收入按租約年期以直線法確認。
- (c) 服務收入－服務收入在服務提供的會計期內確認。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition (continued)

- (d) Interest income – interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.20 Leases

(a) Operating leases

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

(b) Finance leases

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

2 重要會計政策摘要(續)

2.19 收益確認(續)

- (d) 利息收入 – 利息收入採用實際利息法按時間比例基準確認。倘應收款出現減值，本集團會將帳面值減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款之利息收入按原實際利率確認。

2.20 租賃

(a) 營運租賃

擁有權的重大部份風險和回報由出租人保留的租賃分類為營運租賃。根據營運租賃支付的款項(扣除自出租人收取之任何獎勵金後)包括租賃土地及租賃土地使用權的預先付款，於租賃期內以直線法在綜合損益表支銷。

(b) 融資租賃

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.20 Leases (continued)

(b) *Finance leases* (continued)

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

2.21 Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

2 重要會計政策摘要(續)

2.20 租賃(續)

(b) *融資租賃(續)*

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

2.21 股息分派

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

3 財務風險管理

3.1 財務風險因素

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

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



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk

(i) Foreign exchange risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 88% (2007: 89%) of the Group's turnover are denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 10% (2007: 7%) of costs are denominated in the units' functional currency. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transactions locally. The management monitors foreign exchange exposure closely and forward exchange contracts are used for hedging purposes when required.

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 外匯風險

本集團面對交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外的貨幣進行銷售或採購。本集團約88%(二零零七年:89%)之營業額以進行銷售的營運單位功能貨幣以外的貨幣列值,約10%(二零零七年:7%)的成本以該單位功能貨幣列值。本集團透過當地業務交易所產生之現金流為其當地營運及投資提供資金,以管理日常業務過程中及投資於海外業務產生之外匯風險。管理層密切監察外幣風險及於有需要時,會利用遠期外匯合約作對沖用途。

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



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

| | | Increase/ (Decrease) in US\$ | (Increase)/ Decrease in loss after income tax 除所得稅後 虧損(增加)/ 減少 HK\$'000 港幣千元 | Increase/ (Decrease) in equity |
|----------------------------------|----------|------------------------------------|--|--------------------------------------|
| | | 美元上升/ (下降) % | 權益增加/ (減少) HK\$'000 港幣千元 | 權益增加/ (減少) HK\$'000 港幣千元 |
| 2008 | 二零零八年 | | | |
| If HK\$ weakens against US\$ | 倘港元兌美元轉弱 | 10 | 39,981 | 39,981 |
| If HK\$ strengthens against US\$ | 倘港元兌美元轉強 | (10) | (39,981) | (39,981) |

| | | Increase/ (Decrease) in US\$ | Increase/ (Decrease) in profit after income tax 除所得稅後 盈利增加/ (減少) HK\$'000 港幣千元 | Increase/ (Decrease) in equity |
|----------------------------------|----------|------------------------------------|--|--------------------------------------|
| | | 美元上升/ (下降) % | 權益增加/ (減少) HK\$'000 港幣千元 | 權益增加/ (減少) HK\$'000 港幣千元 |
| 2007 | 二零零七年 | | | |
| If HK\$ weakens against US\$ | 倘港元兌美元轉弱 | 5 | 1,655 | 1,655 |
| If HK\$ strengthens against US\$ | 倘港元兌美元轉強 | (5) | (1,655) | (1,655) |



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

2008

二零零八年

| | | | | |
|---------------------------------|-----------|------|---------|---------|
| If HK\$ weakens against RMB | 倘港元兌人民幣轉弱 | 10 | (1,752) | (1,752) |
| If HK\$ strengthens against RMB | 倘港元兌人民幣轉強 | (10) | 1,752 | 1,752 |

2007

二零零七年

| | | | | |
|---------------------------------|-----------|------|---------|---------|
| If HK\$ weakens against RMB | 倘港元兌人民幣轉弱 | 10 | 4,366 | 4,366 |
| If HK\$ strengthens against RMB | 倘港元兌人民幣轉強 | (10) | (4,366) | (4,366) |

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

| Increase/ (Decrease) in RMB | (Increase)/ Decrease in loss after income tax 除所得稅後 虧損(增加)/ 減少 | Increase/ (Decrease) in equity |
|-----------------------------------|--|--------------------------------------|
| 人民幣上升/ (下降) % | HK\$'000 港幣千元 | HK\$'000 港幣千元 |

| Increase/ (Decrease) in RMB | Increase/ (Decrease) in profit after income tax 除所得稅後 盈利增加/ (減少) | Increase/ (Decrease) in equity |
|-----------------------------------|--|--------------------------------------|
| 人民幣上升/ (下降) % | HK\$'000 港幣千元 | HK\$'000 港幣千元 |



3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as trading equity investments (Note 14) as at 31 December 2008. The Group's listed investments are listed in Hong Kong and overseas are valued at quoted market prices at the balance sheet date.

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 價格風險

股票價格風險為股票指數水平及個別證券價值變動導致股本證券公平值下降之風險。於二零零八年十二月三十一日，本集團面對之股票價格風險來自列為買賣股本投資(附註14)之個別股本投資。本集團之上市投資乃於香港及海外上市，按結算日所報市場價格估值。

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



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

| | | Increase/ (Decrease) in carrying amount of equity investment 股本投資 帳面值增加/ (減少) HK\$'000 港幣千元 | (Increase)/ Decrease in loss after income tax 除所得稅後 虧損(增加)/ 減少 HK\$'000 港幣千元 | Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元 |
|-----------------------------|----------|--|--|---|
| 2008 | 二零零八年 | | | |
| 5% increase in equity price | 股本價格上升5% | 2,010 | 1,678 | 1,678 |
| 5% decrease in equity price | 股本價格下降5% | (2,010) | (1,678) | (1,678) |

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 價格風險(續)



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

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

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

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. During 2008 and 2007, the Group's borrowings at variable rate were denominated in US\$, RMB and HK\$.

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

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 現金流量及公平值利率風險

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

本集團的利率風險來自長期貸款。按變動利率發行的貸款令本集團承受現金流量利率風險。按固定利率發行的貸款令本集團承受公平值利率風險。二零零八年及二零零七年本集團變動利率的貸款為美元、人民幣及港元。

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

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



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

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

| | | Increase/ (Decrease) in basis points | (Increase)/ Decrease in loss after income tax 除所得稅後 虧損(增加)/ 減少 HK\$'000 港幣千元 | Increase/ (Decrease) in equity |
|------|-------|--|--|--------------------------------------|
| | | 利率基點 增加/(減少) % | 虧損(增加)/ 減少 HK\$'000 港幣千元 | 權益增加/ (減少) HK\$'000 港幣千元 |
| 2008 | 二零零八年 | | | |
| US\$ | 美元 | 1 | (212) | (212) |
| RMB | 人民幣 | 1 | (333) | (333) |
| HK\$ | 港元 | 1 | (803) | (803) |
| US\$ | 美元 | (1) | 212 | 212 |
| RMB | 人民幣 | (1) | 333 | 333 |
| HK\$ | 港元 | (1) | 803 | 803 |

| | | Increase/ (Decrease) in basis points | Increase/ (Decrease) in profit after income tax 除所得稅後 盈利增加/ (減少) HK\$'000 港幣千元 | Increase/ (Decrease) in equity |
|------|-------|--|--|--------------------------------------|
| | | 利率基點 增加/(減少) % | 盈利增加/ (減少) HK\$'000 港幣千元 | 權益增加/ (減少) HK\$'000 港幣千元 |
| 2007 | 二零零七年 | | | |
| US\$ | 美元 | 1 | (1,406) | (1,406) |
| RMB | 人民幣 | 1 | (437) | (437) |
| HK\$ | 港元 | 1 | (418) | (418) |
| US\$ | 美元 | (1) | 1,406 | 1,406 |
| RMB | 人民幣 | (1) | 437 | 437 |
| HK\$ | 港元 | (1) | 418 | 418 |



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged bank deposits, due from associates and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in Note 15 to the consolidated financial statements.

(c) Liquidity risk

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

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

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

就本集團應收帳項信貸風險之其它量化數據，已於綜合財務報表附註15披露。

(c) 流動資金風險

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



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

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

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

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

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain a debt-to-adjusted capital ratio below 90%. The debt-to-adjusted capital ratios at 31 December 2008 and 2007 are as follows:

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---------------------------------|--------------|--------------------------|--------------------------|
| Total debts | 總債務 | 597,272 | 686,406 |
| Less: Cash and cash equivalents | 減：現金及現金等價物結餘 | (311,553) | (283,461) |
| Net debt | 淨債務 | 285,719 | 402,945 |
| Total equity | 總權益 | 1,469,321 | 1,251,968 |
| Adjusted capital | 經調整股本 | 1,473,759 | 1,256,243 |
| Debt-to-adjusted capital ratio | 債務與經調整股本比率 | 19% | 32% |

3 財務風險管理(續)

3.2 資金風險管理

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

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

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

於二零零八年，本集團之策略為維持債務與經調整股本比率低於90%，與二零零七年相同。於二零零八年及二零零七年十二月三十一日之債務與經調整股本比率如下：



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

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

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

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

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

3 財務風險管理(續)

3.3 公平值估計

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

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

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



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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

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

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

4 關鍵會計估算及判斷

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

4.1 關鍵會計估算及假設

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

(a) *物業、機器及設備和租賃土地及土地使用權減值估算*

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



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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) Estimate of fair value of investment properties

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

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

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

4 關鍵會計估算及判斷(續)

4.1 關鍵會計估算及假設(續)

(b) 投資物業公平值的估計

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

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

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



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
(continued)

4.1 Critical accounting estimates and assumptions
(continued)

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

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

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

(c) *Current taxation and deferred taxation*

The Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

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

4 關鍵會計估算及判斷(續)

4.1 關鍵會計估算及假設(續)

(b) *投資物業公平值的估計(續)*

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

預期未來市場租金按照相類似物業在同一地點和狀況的當時市場租金釐定。

(c) *本年稅項及遞延稅項*

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

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



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
(continued)

4.2 Critical judgements in applying the Group's accounting policies

Distinction between investment properties and owner-occupied properties

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

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

4 關鍵會計估算及判斷(續)

4.2 應用本集團會計政策的關鍵判斷

投資物業與業主自用物業的分別

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

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



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

5 SEGMENT INFORMATION

5 分部資料

(a) Primary reporting format – business segments

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

Turnover recognised during the year is as follows:

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|----------------|------|--------------------------|--------------------------|
| Sale of goods | 銷貨 | 8,299,344 | 5,420,072 |
| Rental income | 租金收入 | 14,350 | 13,026 |
| Service income | 服務收入 | 20,902 | 18,914 |
| | | 8,334,596 | 5,452,012 |

(a) 主要報告形式 – 業務分部

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

本年度確認之營業額如下：

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

截至二零零七年十二月三十一日止年度的分部業績如下：

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



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

5 SEGMENT INFORMATION (continued)

5 分部資料(續)

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

(a) 主要報告形式 – 業務分部(續)

The segment results for the year ended 31 December 2008 are as follows:

截至二零零八年十二月三十一日止年度的分部業績如下：

| | | Steel trading, warehousing and distribution 鋼鐵貿易、倉儲及分銷 HK\$'000 港幣千元 | Steel manufacturing and processing 鋼鐵加工製造 HK\$'000 港幣千元 | Property development and investment 房地產開發及投資 HK\$'000 港幣千元 | Others 其它 HK\$'000 港幣千元 | Unallocated 未分配 HK\$'000 港幣千元 | Group 集團 HK\$'000 港幣千元 |
|-------------------------------|-----------|---|--|---|----------------------------------|--|---------------------------------|
| Total segment sales | 分部銷售總額 | 7,711,903 | 591,986 | 14,568 | 21,693 | - | 8,340,150 |
| Inter-segment sales | 分部間銷售 | (4,657) | (270) | (218) | (409) | - | (5,554) |
| Sales | 銷售 | 7,707,246 | 591,716 | 14,350 | 21,284 | - | 8,334,596 |
| Operating profit/(loss) | 經營盈利/(虧損) | 88,558 | 22,384 | 193,932 | 297 | (89,624) | 215,547 |
| Finance costs | 融資成本 | | | | | | (54,007) |
| Share of losses of associates | 應佔聯營公司虧損 | | | | | | (196,866) |
| Loss before taxation | 除稅前虧損 | | | | | | (35,326) |
| Taxation | 稅項 | | | | | | (69,577) |
| Loss for the year | 年度虧損 | | | | | | (104,903) |

Unallocated operating profit/(loss) represents other gains (including loss on deemed acquisition of interest in an associate/dilution gain in an associate) and expenses at corporate level.

未分配經營盈利/(虧損)為其它收益(包括視作購入聯營公司權益虧損/聯營公司攤薄收益)及企業性開支。



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

5 SEGMENT INFORMATION (continued)

5 分部資料(續)

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

(a) 主要報告形式 – 業務分部(續)

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

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

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



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

5 SEGMENT INFORMATION (continued)

5 分部資料(續)

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

(a) 主要報告形式 – 業務分部(續)

The segment assets and liabilities as at 31 December 2008 and depreciation, amortisation and capital expenditures for the year ended 31 December 2008 are as follows:

於二零零八年十二月三十一日的分部資產和負債以及截至二零零八年十二月三十一日止年度的折舊、攤銷及資本開支如下：

| | | Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元 | Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元 | Property development and investment 房地產開發 及投資 HK\$'000 港幣千元 | Others 其它 HK\$'000 港幣千元 | Unallocated 未分配 HK\$'000 港幣千元 | Group 集團 HK\$'000 港幣千元 |
|----------------------|------|---|--|---|----------------------------------|--|---------------------------------|
| Assets | 資產 | 1,186,553 | 457,941 | 579,309 | 8,926 | 431,308 | 2,664,037 |
| Liabilities | 負債 | 541,316 | 297,746 | 94,789 | 8,895 | 251,970 | 1,194,716 |
| Depreciation | 折舊 | 847 | 6,204 | 2,275 | 1,514 | 503 | 11,343 |
| Amortisation | 攤銷 | - | 368 | 36 | - | 1,263 | 1,667 |
| Capital expenditures | 資本開支 | 609 | 1,097 | 1,654 | 133 | 160 | 3,653 |

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

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

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

分部負債由營運負債組成。此等負債不包括稅項和企業貸款。

Capital expenditures comprise additions to property, plant and equipment.

資本開支包括對物業、機器及設備的添置。



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

5 SEGMENT INFORMATION (continued)

5 分部資料(續)

(b) Secondary reporting format – geographical segments

(b) 次要報告形式 – 地區分部

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

本集團的業務分部在四個主要地區經營，雖然此等業務是以全球方式管理。

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--|----------------|--------------------------|--------------------------|
| Sales (by location of customers) | 銷售(按顧客地區分類) | | |
| – Mainland China | – 中國 | 2,752,025 | 2,244,590 |
| – Asia (other than Mainland China and Hong Kong) | – 亞洲(不包括中國及香港) | 2,103,138 | 1,546,468 |
| – Europe | – 歐洲 | 2,897,564 | 1,029,267 |
| – Others | – 其它 | 581,869 | 631,687 |
| | | 8,334,596 | 5,452,012 |
| Assets located in | 資產位於 | | |
| – Mainland China | – 中國 | 1,042,461 | 835,086 |
| – Hong Kong | – 香港 | 1,261,870 | 1,292,980 |
| – Others | – 其它 | 88,372 | 32,804 |
| | | 2,392,703 | 2,160,870 |
| Associates | 聯營公司 | 271,334 | 475,321 |
| | | 2,664,037 | 2,636,191 |
| Capital expenditures in | 資本開支於 | | |
| – Mainland China | – 中國 | 3,244 | 2,837 |
| – Hong Kong | – 香港 | 180 | 4,105 |
| – Others | – 其它 | 229 | – |
| | | 3,653 | 6,942 |



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

6 LEASEHOLD LAND AND LAND USE RIGHTS

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

In Hong Kong, held on: 在香港持有：
Leases of over 50 years 五十年期以上租賃

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

Leasehold land and land use rights with aggregate carrying amount of approximately HK\$69,089,000 as at 31 December 2008 (2007: HK\$70,489,000) were pledged to secure against certain of the Group's bank borrowings (see Note 19).

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

6 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指預付營運租賃款，按其帳面淨值分析如下：

| 2008 | 2007 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |

| | |
|--------|--------|
| 63,552 | 64,794 |
|--------|--------|

| | |
|--------|--------|
| 15,864 | 16,207 |
|--------|--------|

| | |
|---------------|---------------|
| 79,416 | 81,001 |
|---------------|---------------|

於二零零八年十二月三十一日，租賃土地及土地使用權總帳面值約港幣69,089,000元(二零零七年：港幣70,489,000元)已為部份集團銀行貸款作抵押(見附註19)。

租賃土地及土地使用權於年內的變動如下：

| 2008 | 2007 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |

| | |
|--------|--------|
| 81,001 | 82,568 |
|--------|--------|

| | |
|----|----|
| 62 | 77 |
|----|----|

| | |
|---------|---------|
| (1,647) | (1,644) |
|---------|---------|

| | |
|---------------|---------------|
| 79,416 | 81,001 |
|---------------|---------------|



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

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、機器及設備

| | | Buildings 樓宇 HK\$'000 港幣千元 | Leasehold improve- ments 租賃樓宇 裝修 HK\$'000 港幣千元 | Machinery 機器 HK\$'000 港幣千元 | Furniture and equipment 傢具 及設備 HK\$'000 港幣千元 | Motor vehicles 車輛 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--------------------------------|-----------------------|-------------------------------------|--|-------------------------------------|--|---|---------------------------------|
| At 1 January 2007 | 於二零零七年一月一日 | | | | | | |
| Cost | 成本 | 102,913 | 12,353 | 69,256 | 12,043 | 14,214 | 210,779 |
| Accumulated depreciation | 累計折舊 | (27,957) | (7,244) | (50,297) | (8,669) | (10,866) | (105,033) |
| Net book amount | 帳面淨值 | 74,956 | 5,109 | 18,959 | 3,374 | 3,348 | 105,746 |
| Year ended 31 December 2007 | 截至二零零七年 十二月三十一日止年度 | | | | | | |
| Opening net book amount | 期初帳面淨值 | 74,956 | 5,109 | 18,959 | 3,374 | 3,348 | 105,746 |
| Exchange differences | 匯兌差額 | 2,254 | 354 | - | 117 | 51 | 2,776 |
| Additions | 增添 | - | 839 | 3,125 | 619 | 2,359 | 6,942 |
| Depreciation | 折舊 | (3,382) | (1,259) | (3,021) | (909) | (1,683) | (10,254) |
| Closing net book amount | 期終帳面淨值 | 73,828 | 5,043 | 19,063 | 3,201 | 4,075 | 105,210 |
| At 31 December 2007 | 於二零零七年 十二月三十一日 | | | | | | |
| Cost | 成本 | 105,503 | 13,697 | 72,381 | 12,899 | 13,333 | 217,813 |
| Accumulated depreciation | 累計折舊 | (31,675) | (8,654) | (53,318) | (9,698) | (9,258) | (112,603) |
| Net book amount | 帳面淨值 | 73,828 | 5,043 | 19,063 | 3,201 | 4,075 | 105,210 |
| Year ended 31 December 2008 | 截至二零零八年 十二月三十一日止年度 | | | | | | |
| Opening net book amount | 期初帳面淨值 | 73,828 | 5,043 | 19,063 | 3,201 | 4,075 | 105,210 |
| Exchange differences | 匯兌差額 | 1,772 | 246 | - | 85 | 33 | 2,136 |
| Additions | 增添 | 635 | 1,962 | 210 | 846 | - | 3,653 |
| Disposals | 出售 | - | (37) | (77) | (38) | (246) | (398) |
| Depreciation | 折舊 | (3,457) | (2,452) | (3,154) | (947) | (1,333) | (11,343) |
| Closing net book amount | 期終帳面淨值 | 72,778 | 4,762 | 16,042 | 3,147 | 2,529 | 99,258 |
| At 31 December 2008 | 於二零零八年 十二月三十一日 | | | | | | |
| Cost | 成本 | 108,240 | 16,225 | 72,334 | 13,242 | 11,400 | 221,441 |
| Accumulated depreciation | 累計折舊 | (35,462) | (11,463) | (56,292) | (10,095) | (8,871) | (122,183) |
| Net book amount | 帳面淨值 | 72,778 | 4,762 | 16,042 | 3,147 | 2,529 | 99,258 |



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

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expense of approximately HK\$6,009,000 (2007: HK\$6,195,000) has been expensed in cost of sales, HK\$852,000 (2007: HK\$748,000) in selling and distribution expenses and HK\$4,482,000 (2007: HK\$3,311,000) in general and administrative expenses.

Buildings with carrying amount of approximately HK\$44,893,000 at 31 December 2008 (2007: HK\$46,135,000) were pledged to secure against certain of the Group's bank borrowings (see Note 19).

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

7 物業、機器及設備(續)

折舊費用其中約港幣6,009,000元(二零零七年：港幣6,195,000元)在銷售成本中支銷，港幣852,000元(二零零七年：港幣748,000元)計入銷售及分銷費用，而港幣4,482,000元(二零零七年：港幣3,311,000元)則計入一般及行政費用。

於二零零八年十二月三十一日，樓宇帳面值約港幣44,893,000元(二零零七年：港幣46,135,000元)已為部份集團銀行貸款作抵押(見附註19)。

集團作為融資租賃承租方的車輛及機器包括下述金額：

| | | 2008 | 2007 |
|-----------------------------------|-------------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Cost – capitalised finance leases | 成本－資本化融資租賃 | 8,984 | 12,546 |
| Accumulated depreciation | 累計折舊 | (3,079) | (3,870) |
| Net book amount | 帳面淨值 | 5,905 | 8,676 |

8 INVESTMENT PROPERTIES**8 投資物業**

| | | 2008 | 2007 |
|---|----------------------------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Beginning of the year | 年初 | 286,501 | 237,857 |
| Fair value gains (included in other gains, net) (Note 22) | 公平值收益 (包括在其它收益淨額)(附註22) | 13,775 | 31,243 |
| Exchange differences | 匯兌差額 | 15,099 | 17,401 |
| Transfer from properties held for sale | 由待售物業轉入 | 207,351 | – |
| End of the year | 年末 | 522,726 | 286,501 |



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

8 INVESTMENT PROPERTIES (continued)

During the year ended 31 December 2008, the properties held for sale of the Group were reclassified as investment properties. For the transfer from properties held for sale to investment properties, the difference between the fair value of the properties at the date of transfer and its carrying amount, amounting to approximately HK\$169,139,000, is recognised in the consolidated income statement for the year ended 31 December 2008.

The investment properties were revalued on an open market basis at 31 December 2008 by independent, professionally qualified valuers, Vigers Appraisal & Consulting Limited.

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

| | | 2008 | 2007 |
|---|---------------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Mainland China | 中國 | | |
| – held on leases of over 50 years | – 持有五十年期以上的租賃 | 19,205 | 17,527 |
| – held on leases of between 10 and 50 years | – 持有十至五十年期的租賃 | 503,521 | 268,974 |
| | | 522,726 | 286,501 |

At 31 December 2008, investment properties of approximately HK\$449,942,000 (2007: HK\$91,224,000) were pledged as collateral for the Group's banking facilities (see Note 19).

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

(a) Investments in subsidiaries

Unlisted shares, at cost 非上市股份，按成本

8 投資物業(續)

截至二零零八年十二月三十一日止年度，本集團把待售物業重新分類為投資物業。待售物業轉撥至投資物業時，該物業轉讓當日的公平值和其先前的帳面值約為港幣169,139,000元之間的差額，須在截至二零零八年十二月三十一日止年度綜合損益表中確認。

投資物業在二零零八年十二月三十一日由獨立專業合資格評估師威格斯資產評估顧問有限公司根據公開市值重估。

本集團在投資物業的權益按其帳面淨值分析如下：

| | 2008 | 2007 |
|--|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| | 19,205 | 17,527 |
| | 503,521 | 268,974 |
| | 522,726 | 286,501 |

於二零零八年十二月三十一日，投資物業約港幣449,942,000元(二零零七年：港幣91,224,000元)已予抵押，作為本集團之銀行融資抵押品(見附註19)。

9 附屬公司投資及結餘

(a) 附屬公司投資

| | Company | |
|------------------------------------|-----------------|----------|
| | 公司 | |
| | 2008 | 2007 |
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| Unlisted shares, at cost 非上市股份，按成本 | 42,415 | 42,415 |



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

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES
(continued)

9 附屬公司投資及結餘(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

The following is a list of the principal subsidiaries at 31 December 2008:

於二零零八年十二月三十一日之主要附屬公司如下：

| Name | Place of incorporation/ operations and kind of legal entity | Issued and fully paid capital | Percentage of equity interest/ voting capital attributable to the Group | Principal activities |
|---|--|--|---|----------------------------|
| 名稱 | 註冊成立/經營地點及法定地位 | 已發行及已繳足股本 | 本集團擁有之權益/有投票權股本百分比 | 主要業務性質 |
| Directly held: | | | | |
| 直接持有： | | | | |
| Burwill and Company Limited | Hong Kong limited liability company 香港有限責任公司 | HK\$50,000,000 and £50,000 港幣50,000,000元及50,000英磅 | 100% | Investment holding 投資控股 |
| Burwill HK Portfolio Limited | The British Virgin Islands limited liability company 英屬處女群島有限責任公司 | US\$2 2美元 | 100% | Investment holding 投資控股 |
| Burwill China Portfolio Limited | The British Virgin Islands limited liability company 英屬處女群島有限責任公司 | US\$1 1美元 | 100% | Investment holding 投資控股 |
| Indirectly held: | | | | |
| 間接持有： | | | | |
| Burwill Resources Limited 寶威物料供應有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$1,000,000 港幣1,000,000元 | 100% | Steel trading 鋼鐵貿易 |
| Burwill Resources Spain, S.A. | Spain limited liability company 西班牙有限責任公司 | EUR62,000 62,000歐元 | 90% | Steel trading 鋼鐵貿易 |



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

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES
(continued)

9 附屬公司投資及結餘(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

| Name | Place of incorporation/ operations and kind of legal entity | Issued and fully paid capital | Percentage of equity interest/ voting capital attributable to the Group | Principal activities |
|---|--|---------------------------------|---|---|
| 名稱 | 註冊成立/經營地點及法定地位 | 已發行及已繳足股本 | 本集團擁有之權益/有投票權股本百分比 | 主要業務性質 |
| Indirectly held: (continued) 間接持有：(續) | | | | |
| Burwill Steel Company Limited | The British Virgin Islands limited liability company 英屬處女群島 有限責任公司 | US\$13 13美元 | 100% | Investment holding 投資控股 |
| Burwill Steel Pipes Limited 寶威鋼管有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$30,000,000 港幣30,000,000元 | 100% | Steel manufacturing and processing 鋼鐵加工製造 |
| Burwill Times Industrial Limited 寶威時代實業有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$2 港幣2元 | 100% | Investment holding 投資控股 |
| Burwill Warehousing (Shanghai) Limited (i) 寶威倉儲(上海)有限公司(i) | Mainland China 中國 | US\$1,200,000 1,200,000美元 | 100% | Steel warehousing and distribution 鋼鐵倉儲及分銷 |
| Dongguan Hingwah Metals Factory Limited (i) 東莞謙華五金廠有限公司(i) | Mainland China 中國 | HK\$72,000,000 港幣72,000,000元 | 100% | Steel manufacturing and processing 鋼鐵加工製造 |
| 寶威鋼鐵製品(東莞)有限公司(i) | Mainland China 中國 | HK\$28,500,000 港幣28,500,000元 | 100% | Steel manufacturing and processing 鋼鐵加工製造 |
| Hing Wah Metals Factory Limited 謙華五金廠有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$5,000,000 港幣5,000,000元 | 100% | Investment holding 投資控股 |
| Hillot Limited | Hong Kong limited liability company 香港有限責任公司 | HK\$500,000 港幣500,000元 | 100% | Securities investment 證券投資 |



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

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES
(continued)

9 附屬公司投資及結餘(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

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

Notes:

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

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

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2008.

附註：

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

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

於截至二零零八年十二月三十一日止年度間任何時間，附屬公司均沒有任何已發借貸資本。



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

9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES
(continued)

(b) Balances with subsidiaries

Except for the amounts due from subsidiaries amounting to approximately HK\$462,474,000 (2007: HK\$405,000,000) and amount due to subsidiary approximately HK\$94,366,000 at 31 December 2007 which bear interest at commercial banks' lending rate of 5% to 6.75% (2007: 6.75% to 7.75%) per annum and are not repayable within one year, all the outstanding balances with subsidiaries are unsecured, non-interest bearing and repayable on demand.

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES

(a) Investments in associates – Group

| | | 2008 | 2007 |
|--|--------------|------------------|-----------------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Beginning of the year | 年初 | 475,321 | 356,624 |
| Share of results of associates | 所佔聯營公司業績 | | |
| – (losses)/profits before taxation | – 除稅前(虧損)/盈利 | (197,384) | 30,797 |
| – taxation | – 稅項 | 518 | (586) |
| | | 278,455 | 386,835 |
| Dividends received | 已收股息 | (2,137) | (1,900) |
| Exchange differences | 匯兌差額 | 6,069 | 6,458 |
| Share of reserves of associates | 應佔聯營公司儲備 | 2,484 | 8,234 |
| Additions | 增添 | – | 22,663 |
| Loss on deemed acquisition of interest in an associate | 視作購入聯營公司權益虧損 | (13,537) | – |
| Dilution gain in an associate | 聯營公司攤薄收益 | – | 53,031 |
| End of the year | 年末 | 271,334 | 475,321 |

9 附屬公司投資及結餘(續)

(b) 附屬公司結餘

除附屬公司欠款約為港幣462,474,000元(二零零七年:港幣405,000,000元)及二零零七年十二月三十一日欠附屬公司款約為港幣94,366,000元之年息為商業銀行借貸利率年息由5厘至6.75厘(二零零七年:6.75厘至7.75厘)及不須於一年內還款外,所有其它與附屬公司結欠均無抵押、免利息及在要求時還款。

10 聯營公司投資及結餘

(a) 聯營公司投資 – 集團

Group
集團

| 2008 | 2007 |
|------------------|-----------------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |
| 475,321 | 356,624 |
| | |
| (197,384) | 30,797 |
| 518 | (586) |
| 278,455 | 386,835 |
| (2,137) | (1,900) |
| 6,069 | 6,458 |
| 2,484 | 8,234 |
| – | 22,663 |
| (13,537) | – |
| – | 53,031 |
| 271,334 | 475,321 |



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

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES
(continued)

10 聯營公司投資及結餘(續)

(a) Investments in associates – Group (continued)

(a) 聯營公司投資—集團(續)

The Group's interests in associates were as follows:

本集團在聯營公司的權益如下：

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



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

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES
(continued)

10 聯營公司投資及結餘(續)

(a) Investments in associates – Group (continued)

(a) 聯營公司投資—集團(續)

| Name | Particulars of issued capital | Country of incorporation | Assets | Liabilities | Revenues | Profit/(loss) | % of interest held |
|---|--|--------------------------------------|------------------------|------------------------|------------------------|---------------------------------|---|
| 名稱 | 已發行股本詳情 | 註冊成立國家 | 資產 HK\$'000 港幣千元 | 負債 HK\$'000 港幣千元 | 收入 HK\$'000 港幣千元 | 盈利/ (虧損) HK\$'000 港幣千元 | 持有權益% |
| 2008 | | | | | | | |
| China LotSynergy Holdings Limited 華彩控股有限公司 | Ordinary shares of HK\$0.0025 each, listed in Hong Kong 普通股，每股港幣0.0025元，於香港上市 | Bermuda 百慕達 | 377,155 | 195,666 | 24,241 | (193,882) | 20.74% (Direct) (直接) 0.09% (Indirect) (間接) |
| Indirectly held: 間接持有： | | | | | | | |
| Nam Wah Precision Product (BVI) Limited | Ordinary shares of US\$0.1 each, unlisted 普通股，每股0.1美元，非上市 | The British Virgin Islands 英屬處女群島 | 55,049 | 22,583 | 81,893 | (6,232) | 20% |
| Masteel (Yangzhou) Processing & Distribution Co. Ltd. 馬鋼(揚州)鋼材加工有限公司 | Paid up capital of US\$19,997,570 實繳資本19,997,570美元 | Mainland China 中國 | 162,817 | 106,390 | 998,077 | 3,114 | 29% |
| 揚州世紀電影城有限公司 | Paid up capital of RMB5,000,000 實繳資本人民幣5,000,000元 | Mainland China 中國 | 2,901 | 1,949 | 2,924 | 134 | 30% |
| | | | 597,922 | 326,588 | 1,107,135 | (196,866) | |

(b) Investment in an associate – Company

(b) 聯營公司投資—公司

| | | Company 公司 | |
|---|-------------|--------------------------|-----------|
| | | 2008 HK\$'000 港幣千元 | |
| | | 2007 HK\$'000 港幣千元 | |
| Shares listed in Hong Kong – at cost | 於香港上市股份—按成本 | 10,766 | 10,766 |
| Market value of listed shares | 上市股份市值 | 191,916 | 1,489,265 |



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

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES
(continued)**(c) Balances with associates**

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

10 聯營公司投資及結餘(續)**(c) 聯營公司結餘**

與聯營公司結欠均無抵押、免利息及於要求時還款。

11 FINANCIAL INSTRUMENTS BY CATEGORY

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

11 按類別劃分之金融工具

於結算日，各類金融工具之帳面值如下：

Group 集團

| | | Loans and receivables | Financial assets at fair value through profit or loss (held for trading) 按公平值透過損益列帳的 財務資產 (作買賣用途) | Available-for-sale financial assets | Total |
|---|-----------------|----------------------------|--|-------------------------------------|------------------------|
| | | 貸款及應收款 HK\$'000 港幣千元 | 財務資產 (作買賣用途) HK\$'000 港幣千元 | 可供出售 財務資產 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 |
| Financial assets as per consolidated balance sheet | 按綜合資產負債表的財務資產 | | | | |
| 2008 | 二零零八年 | | | | |
| Available-for-sale financial assets | 可供出售財務資產 | - | - | 1,509 | 1,509 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產 | - | 40,195 | - | 40,195 |
| Bills and accounts receivable | 應收票據及應收帳項 | 973,906 | - | - | 973,906 |
| Deposits and other receivables | 按金及 其它應收款 | 50,501 | - | - | 50,501 |
| Due from associates | 聯營公司欠款 | 2,527 | - | - | 2,527 |
| Other cash and bank balances | 其它現金及銀行結餘 | 361,849 | - | - | 361,849 |
| | | 1,388,783 | 40,195 | 1,509 | 1,430,487 |



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

11 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

11 按類別劃分之金融工具(續)

Group 集團

| Financial liabilities as per consolidated balance sheet | 按綜合資產負債表的財務負債 | Financial liabilities at amortised costs 按攤銷成本入帳的財務負債 HK\$'000 港幣千元 |
|---|---------------|--|
| 2008 | 二零零八年 | |
| Borrowings | 貸款 | 597,272 |
| Due to associates | 欠聯營公司款項 | 24,301 |
| Bills and accounts payable | 應付票據及應付帳項 | 335,897 |
| Other payables and accruals | 其它應付帳項及應計費用 | 113,479 |
| | | 1,070,949 |

Group 集團

| Financial assets as per consolidated balance sheet | 按綜合資產負債表的財務資產 | Loans and receivables 貸款及應收款 HK\$'000 港幣千元 | Financial assets at fair value through profit or loss (held for trading) 按公平值透過損益列帳的財務資產 (作買賣用途) HK\$'000 港幣千元 | Available-for-sale financial assets 可供出售財務資產 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|-----------------|---|--|---|---------------------------------|
| 2007 | 二零零七年 | | | | |
| Available-for-sale financial assets | 可供出售財務資產 | - | - | 1,509 | 1,509 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產 | - | 48,610 | - | 48,610 |
| Bills and accounts receivable | 應收票據及應收帳項 | 894,707 | - | - | 894,707 |
| Deposits and other receivables | 按金及其它應收款 | 54,068 | - | - | 54,068 |
| Due from associates | 聯營公司欠款 | 4,032 | - | - | 4,032 |
| Pledged bank deposits | 已抵押銀行存款 | 750 | - | - | 750 |
| Other cash and bank balances | 其它現金及銀行結餘 | 394,028 | - | - | 394,028 |
| | | 1,347,585 | 48,610 | 1,509 | 1,397,704 |



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

11 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

11 按類別劃分之金融工具(續)

Group 集團

| | | Financial liabilities at amortised costs 按攤銷成本入帳 的財務負債 HK\$'000 港幣千元 |
|--|-------------------|---|
| Financial liabilities as per consolidated balance sheet | 按綜合資產負債表的 財務負債 | |
| 2007 | 二零零七年 | |
| Borrowings | 貸款 | 686,406 |
| Due to associates | 欠聯營公司款項 | 24,906 |
| Bills and accounts payable | 應付票據及應付帳項 | 529,078 |
| Other payables and accruals | 其它應付帳項及應計費用 | 60,002 |
| | | 1,300,392 |

12 AVAILABLE-FOR-SALE FINANCIAL ASSETS

12 可供出售財務資產

| | | Group 集團 | | Company 公司 | |
|-----------------|------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| Club debentures | 會所債券 | 1,509 | 1,509 | 90 | 90 |



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

13 INVENTORIES

13 存貨

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|------------------|-----|--------------------------|--------------------------|
| Raw materials | 原材料 | 85,333 | 121,605 |
| Work-in-progress | 在製品 | 2,712 | 5,662 |
| Finished goods | 製成品 | 73,284 | 38,784 |
| Consumables | 消耗品 | 1,245 | 1,289 |
| | | 162,574 | 167,340 |

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$7,619,946,000 (2007: HK\$5,021,398,000).

存貨成本中確認為費用並列入銷售成本的金額共計約港幣7,619,946,000元(二零零七年：港幣5,021,398,000元)。

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

14 按公平值透過損益列帳的財務資產

| | | Group 集團 | | Company 公司 | |
|--|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| Financial assets at fair value through profit or loss: | 按公平值透過損益列帳的財務資產： | | | | |
| – Listed equity securities | – 上市股本證券 | | | | |
| – Hong Kong | – 香港 | 36,920 | 48,302 | 1 | 1 |
| – Overseas | – 海外 | 3,275 | 308 | – | – |
| Market value of listed securities | 上市證券之市值 | 40,195 | 48,610 | 1 | 1 |

Changes in fair values of financial assets at fair value through profit or loss are recorded in other gains in the consolidated income statement (see Note 22).

按公平值透過損益列帳的財務資產的公平值變動，在綜合損益表內其它收益中列帳(見附註22)。

At 31 December 2008, equity securities listed in Hong Kong with market value of approximately HK\$36,919,000 (2007: HK\$48,301,000) were pledged to secure margin facility of the Group (see Note 19).

於二零零八年十二月三十一日，於香港上市的股本證券市值約港幣36,919,000元(二零零七年：港幣48,301,000元)已為集團孖展融資作抵押(見附註19)。

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

所有股本證券公平值乃根據其在活躍市場之現時出價計算。



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

15 BILLS, ACCOUNTS AND OTHER RECEIVABLES

15 應收票據、應收帳項及其它應收款

| | | Group 集團 | | Company 公司 | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| Bills and accounts receivable | 應收票據及應收帳項 | 977,338 | 898,780 | - | - |
| Less: provision for impairment of receivables | 減：應收款減值撥備 | (3,432) | (4,073) | - | - |
| Bills and accounts receivable – net (Note (a)) | 應收票據及應收帳項 – 淨額(附註(a)) | 973,906 | 894,707 | - | - |
| Loan to a director (Note 33) | 董事借款(附註33) | 733 | 181 | - | - |
| Deposits, prepayments and other receivables | 按金、預付款及 其它應收款 | 127,667 | 134,498 | 432 | 248 |
| | | 128,400 | 134,679 | 432 | 248 |
| Less: non-current portion of loan to a director | 減：董事借款 非流動部份 | (537) | - | - | - |
| | | 127,863 | 134,679 | 432 | 248 |
| | | 1,101,769 | 1,029,386 | 432 | 248 |

Notes:

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

Ageing analysis of bills and accounts receivable as at 31 December 2008 is as follows:

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--|-------------------|--------------------------|--------------------------|
| Within three months | 三個月內 | 950,473 | 886,363 |
| Over three months but within six months | 超過三個月而不超過 六個月 | 23,048 | 8,492 |
| Over six months but within twelve months | 超過六個月而不超過 十二個月 | 1,151 | 1,466 |
| Over twelve months | 超過十二個月 | 2,666 | 2,459 |
| | | 977,338 | 898,780 |
| Less: provision for impairment of receivables | 減：應收款減值撥備 | (3,432) | (4,073) |
| | | 973,906 | 894,707 |

附註：

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

於二零零八年十二月三十一日，應收票據及應收帳項帳齡分析如下：



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

15 BILLS, ACCOUNTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (a) (continued)
There is no significant concentration of credit risk with respect to bills and accounts receivable as the Group has a large number of customers, internationally dispersed.
- (b) Accounts receivable that are less than three months past due are generally not considered impaired. As of 31 December 2008, the following accounts receivable were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these accounts receivable is as follows:

| | |
|--|---------------|
| Within three months | 三個月內 |
| Over three months but within six months | 超過三個月而不超過六個月 |
| Over six months but within twelve months | 超過六個月而不超過十二個月 |
| Over twelve months | 超過十二個月 |

- (c) As of 31 December 2008, accounts receivable of approximately HK\$10,000 (2007: HK\$93,000) were impaired. The amount of the provision was approximately HK\$3,432,000 (2007: HK\$4,073,000) as of 31 December 2008. The individually impaired accounts receivable mainly relate to customers, which are in unexpected difficult economic situations. The ageing of these accounts receivable is as follows:

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

15 應收票據、應收帳項及其它應收款 (續)

附註：(續)

- (a) (續)
應收票據及應收帳項並無重大集中的信貸風險，因為本集團有眾多客戶，遍佈世界各地。
- (b) 逾期少於三個月的應收帳項通常不被視為已經減值。於二零零八年十二月三十一日，以下應收帳項為已逾期但並無減值。此等款項涉及多個最近沒有拖欠還款記錄的獨立客戶。此等應收帳項的帳齡分析如下：

| | | Group 集團 | |
|--|--|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| | | 114,020 | 132,385 |
| | | 23,048 | 7,486 |
| | | 24 | - |
| | | 452 | 390 |
| | | 137,544 | 140,261 |

- (c) 應收帳項約為港幣10,000元(二零零七年：港幣93,000元)於二零零八年十二月三十一日已經減值。於二零零八年十二月三十一日，減值準備約為港幣3,432,000元(二零零七年：港幣4,073,000元)。個別減值的應收帳項主要來自處於預料以外經濟困境中的客戶。此等應收帳項的帳齡如下：

| | | Group 集團 | |
|--|--|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| | | 10 | 93 |



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

15 BILLS, ACCOUNTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

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

| | | Group | |
|------|-----|-----------------|----------|
| | | 集團 | |
| | | 2008 | 2007 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| US\$ | 美元 | 873,960 | 828,025 |
| RMB | 人民幣 | 43,014 | 19,656 |
| HK\$ | 港幣 | 34,000 | 47,026 |
| EUR | 歐元 | 22,932 | - |
| | | 973,906 | 894,707 |

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

| | | Group | |
|--|------------------|-----------------|----------|
| | | 集團 | |
| | | 2008 | 2007 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| At 1 January | 於一月一日 | 4,073 | 6,000 |
| Provision for impairment of accounts receivable | 應收帳項減值撥備 | 556 | 4,093 |
| Accounts receivable written off during the year as uncollectible | 於年中因不能收回而撤銷的應收帳項 | (1,197) | (6,020) |
| At 31 December | 於十二月三十一日 | 3,432 | 4,073 |

The creation and release of provision for impaired accounts receivable have been included in general and administrative expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

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

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

15 應收票據、應收帳項及其它應收款 (續)

附註：(續)

- (d) 本集團的應收票據及應收帳項的帳面金額以下列貨幣為單位：

| | | Group | |
|------|-----|-----------------|----------|
| | | 集團 | |
| | | 2008 | 2007 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| US\$ | 美元 | 873,960 | 828,025 |
| RMB | 人民幣 | 43,014 | 19,656 |
| HK\$ | 港幣 | 34,000 | 47,026 |
| EUR | 歐元 | 22,932 | - |
| | | 973,906 | 894,707 |

- (e) 應收帳項減值準備變動如下：

| | | Group | |
|--|------------------|-----------------|----------|
| | | 集團 | |
| | | 2008 | 2007 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| At 1 January | 於一月一日 | 4,073 | 6,000 |
| Provision for impairment of accounts receivable | 應收帳項減值撥備 | 556 | 4,093 |
| Accounts receivable written off during the year as uncollectible | 於年中因不能收回而撤銷的應收帳項 | (1,197) | (6,020) |
| At 31 December | 於十二月三十一日 | 3,432 | 4,073 |

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

應收票據及應收帳項內的其它分類內沒有包含已減值資產。

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



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

16 CASH AND BANK BALANCES

16 現金及銀行結餘

| | | Group 集團 | | Company 公司 | |
|---------------------------|---------|----------------|----------------|---------------|------------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Cash at banks and in hand | 銀行及庫存現金 | 167,241 | 210,378 | 765 | 834 |
| Short-term bank deposits | 短期銀行存款 | 194,608 | 184,400 | - | - |
| | | 361,849 | 394,778 | 765 | 834 |

The effective interest rate on short-term bank deposits was 2.97% (2007: 4.21%); these deposits have an average maturity of 239 days (2007: 220 days).

短期銀行存款的實際利率為2.97厘(二零零七年：4.21厘)；該等存款的平均到期日為239天(二零零七年：220天)。

At 31 December 2007, the Group had bank deposits of approximately HK\$750,000 pledged with the banks in Mainland China.

於二零零七年十二月三十一日，集團有銀行存款約港幣750,000元抵押予中國之銀行。

At 31 December 2008, pledged bank deposits and other cash and bank balances of approximately HK\$150,606,000 (2007: HK\$146,817,000) are denominated in RMB and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese Government. Also the exchange rate is determined by the Chinese Government.

於二零零八年十二月三十一日，已抵押銀行存款及其它現金及銀行結餘約港幣150,606,000元(二零零七年：港幣146,817,000元)是以人民幣為貨幣單位並存放於中國之銀行。從中國匯出該等資金會受限於中國政府實施之外匯管制規條。同時，匯率由中國政府釐定。

17 SHARE CAPITAL

17 股本

| | | Number of ordinary shares 普通股數目 (thousands) (千計) | Nominal value 面值 HK\$'000 港幣千元 |
|---|-----------------------------|--|--|
| At 1 January 2007 | 於二零零七年一月一日 | 1,032,129 | 103,213 |
| Issue of shares (Note (b)) | 發行股份(附註(b)) | 80,000 | 8,000 |
| At 31 December 2007 and 1 January 2008 | 於二零零七年十二月三十一日 及二零零八年一月一日 | 1,112,129 | 111,213 |
| Repurchase of shares (Note (c)) | 購回股份(附註(c)) | (600) | (60) |
| Issue of shares (Note (d)) | 發行股份(附註(d)) | 2,000,751 | 200,075 |
| At 31 December 2008 | 於二零零八年十二月三十一日 | 3,112,280 | 311,228 |



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

17 SHARE CAPITAL (continued)

Notes:

- (a) Pursuant to the ordinary resolution passed at the special general meeting on 14 August 2008, the authorised share capital of the Company was increased to 3,800 million shares (2007: 1,800 million shares) with a nominal value of HK\$0.1 per share (2007: HK\$0.1 per share). All issued shares are fully paid.
- (b) Pursuant to the placing and subscription agreement dated 1 June 2007 and the supplemental agreement dated 4 June 2007, the Company allotted and issued a total of 80,000,000 new shares at a subscription price of HK\$1.50 each.
- (c) The Company repurchased 600,000 of its own shares of HK\$0.1 per share on the Stock Exchange on 22 January 2008. The price paid per share was HK\$0.61. The total amount paid for the repurchase of shares was HK\$366,000 and has been deducted from shareholders' equity. The shares repurchased were subsequently cancelled.
- (d) On 22 June 2008, the board of directors of the Company announced to propose to raise approximately HK\$300 million before expenses, by issuing up to 2,000,751,226 offer shares of HK\$0.10 each in the share capital of the Company (the "Offer Shares") at a subscription price of HK\$0.15 per Offer Share by way of an open offer, in the proportion of eighteen Offer Shares to ten shares held on the record date (the "Open Offer"). The ordinary resolutions in respect of the Open Offer were duly passed by the shareholders of the Company at the special general meeting of the Company held on 14 August 2008. Completion of the Open Offer took place on 9 September 2008 and accordingly, 2,000,751,226 Offer Shares were allotted and issued at a subscription price of HK\$0.15 per Offer Share. The Company raised a sum of approximately HK\$300 million before expenses through the Open Offer.

Share options

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

No share options were granted, forfeited, exercised or lapsed during the years ended 31 December 2007 and 2008. No share options were outstanding at 31 December 2007 and 2008.

17 股本(續)

附註：

- (a) 於二零零八年八月十四日特別股東大會通過普通決議增加公司法定股本至38億股(二零零七年：18億股)，每股面值為港幣0.1元(二零零七年：每股面值港幣0.1元)。所有已發行股份均已全數繳足。
- (b) 根據於二零零七年六月一日訂立之配售及認購協議及於二零零七年六月四日訂立之補充協議，本公司按認購價每股港幣1.50元配發及發行合共80,000,000股新股份。
- (c) 本公司於二零零八年一月二十二日在聯交所購回600,000股每股面值港幣0.1元之股份。所付每股價格為港幣0.61元。購回股份所付總額港幣366,000元，已自股東權益扣除。所購回股份已於其後註銷。
- (d) 於二零零八年六月二十二日，本公司董事局公佈擬通過公開發售，按於記錄日期以持有十股股份可獲配十八股發售股份的比例，以每股發售股份港幣0.15元的認購價，發行最多2,000,751,226股發售股份，每股面值港幣0.10元之本公司股本(「發售股份」)，籌集約三億港元(未計開支)(「公開發售」)。於二零零八年八月十四日舉行之本公司股東特別大會上，已獲本公司股東通過普通決議案批准公開發售。公開發售已於二零零八年九月九日完成。據此，本公司以每股發售股份港幣0.15元的認購價，配發及發行2,000,751,226股發售股份。本公司透過公開發售籌集約三億港元(未計開支)。

購股權

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

於截至二零零七年及二零零八年十二月三十一日止年度，並無購股權被授出、沒收、行使或失效。於二零零七年及二零零八年十二月三十一日並無未行使之購股權。



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

18 OTHER RESERVES AND RETAINED PROFITS

18 其它儲備及保留盈利

| | | Share premium | Capital reserve | Capital redemption reserve | Group 集團 Available- for-sale Capital investment revaluation reserve | Translation adjustments | Retained profits | Total |
|--|--------------------------|------------------|--------------------|----------------------------------|--|----------------------------|---------------------|-----------|
| | | 股份溢價 | 資本儲備 | 資本回贖 儲備 | 可供出售 投資 重估儲備 | 換算調整 | 保留盈利 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Balance at 1 January 2007 | 二零零七年一月一日結餘 | 463,171 | 12,241 | 11,977 | 1,117 | 14,791 | 353,930 | 857,227 |
| Currency translation differences | 貨幣匯兌 差額 | | | | | | | |
| – Group | – 集團 | – | – | – | – | 17,738 | – | 17,738 |
| – Associates | – 聯營公司 | – | – | – | – | 6,458 | – | 6,458 |
| Profit for the year | 年度盈利 | – | – | – | – | – | 86,307 | 86,307 |
| Share of reserves of associates | 應佔聯營公司 儲備 | – | 8,234 | – | – | – | – | 8,234 |
| Fair value gains on available-for-sale financial assets | 可供出售財務 資產的 公平值收益 | – | – | – | 523 | – | – | 523 |
| Transfer to profit or loss on disposal of available-for-sale financial assets | 出售可供出售 財務資產轉出 至損益帳 | – | – | – | (1,640) | – | – | (1,640) |
| Issue of shares | 發行股份 | 109,769 | – | – | – | – | – | 109,769 |
| Share issue expenses | 股份發行開支 | (79) | – | – | – | – | – | (79) |
| At 31 December 2007 | 於二零零七年十二月 三十一日結餘 | 572,861 | 20,475 | 11,977 | – | 38,987 | 440,237 | 1,084,537 |



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

18 OTHER RESERVES AND RETAINED PROFITS (continued)

18 其它儲備及保留盈利(續)

| | | Group 集團 | | | | | |
|----------------------------------|---------------------|------------------|--------------------|----------------------------------|----------------------------|---------------------|-----------|
| | | Share premium | Capital reserve | Capital redemption reserve | Translation adjustments | Retained profits | Total |
| | | 股份溢價 | 資本儲備 | 資本回贖 儲備 | 換算調整 | 保留盈利 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Balance at 1 January 2008 | 二零零八年一月一日結餘 | 572,861 | 20,475 | 11,977 | 38,987 | 440,237 | 1,084,537 |
| Currency translation differences | 貨幣匯兌 差額 | | | | | | |
| – Group | – 集團 | - | - | - | 19,340 | - | 19,340 |
| – Associates | – 聯營公司 | - | - | - | 6,069 | - | 6,069 |
| Loss for the year | 年度虧損 | - | - | - | - | (148,808) | (148,808) |
| Repurchase of shares | 購回股份 | (306) | - | 60 | - | (60) | (306) |
| Share of reserves of associates | 應佔聯營公司 儲備 | - | 2,484 | - | - | - | 2,484 |
| Issue of shares | 發行股份 | 100,038 | - | - | - | - | 100,038 |
| Share issue expenses | 股份發行開支 | (10,054) | - | - | - | - | (10,054) |
| At 31 December 2008 | 於二零零八年十二月 三十一日結餘 | 662,539 | 22,959 | 12,037 | 64,396 | 291,369 | 1,053,300 |



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

18 OTHER RESERVES AND RETAINED PROFITS (continued)

18 其它儲備及保留盈利(續)

| | | Company 公司 | | | | |
|------------------------------------|-----------------------|------------------|----------------------------------|------------------------|---------------------|----------------|
| | | Share premium | Capital redemption reserve | Contributed surplus | Retained profits | Total |
| | | 股份溢價 | 資本回贖 儲備 | 繳入盈餘 | 保留盈利 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Balance at 1 January 2007 | 二零零七年一月一日結餘 | 463,171 | 11,977 | 128,832 | 9,964 | 613,944 |
| Profit for the year | 年度盈利 | - | - | - | 869 | 869 |
| Issue of shares | 發行股份 | 109,769 | - | - | - | 109,769 |
| Share issue expenses | 股份發行開支 | (79) | - | - | - | (79) |
| Balance at 31 December 2007 | 二零零七年十二月三十一日結餘 | 572,861 | 11,977 | 128,832 | 10,833 | 724,503 |
| Balance at 1 January 2008 | 二零零八年一月一日結餘 | 572,861 | 11,977 | 128,832 | 10,833 | 724,503 |
| Profit for the year | 年度盈利 | - | - | - | 2,104 | 2,104 |
| Repurchase of shares | 購回股份 | (306) | 60 | - | (60) | (306) |
| Issue of shares | 發行股份 | 100,038 | - | - | - | 100,038 |
| Share issue expenses | 股份發行開支 | (10,054) | - | - | - | (10,054) |
| Balance at 31 December 2008 | 二零零八年十二月三十一日結餘 | 662,539 | 12,037 | 128,832 | 12,877 | 816,285 |

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

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

The Company's reserves (excluding retained profits) as at 31 December 2008 available for distribution to shareholders were represented by the contributed surplus of approximately HK\$128,832,000 (2007: HK\$128,832,000).

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

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

於二零零八年十二月三十一日，可供分派給股東之本公司儲備(不包括保留盈利)為繳入盈餘約港幣128,832,000元(二零零七年：港幣128,832,000元)。



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

19 BORROWINGS

19 貸款

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|-------------------|--------------------------|--------------------------|
| Non-current | 非流動 | | |
| Bank borrowings | 銀行貸款 | 146,467 | 36,041 |
| Other loans from minority shareholders of subsidiaries | 附屬公司少數股東的 其它貸款 | 4,438 | 4,275 |
| Finance lease liabilities | 融資租賃負債 | 2,518 | 4,060 |
| | | 153,423 | 44,376 |
| Current | 流動 | | |
| Bank borrowings | 銀行貸款 | 432,558 | 617,814 |
| Other loans under margin facilities | 孖展融資下其它貸款 設施 | 9,790 | 22,051 |
| Finance lease liabilities | 融資租賃負債 | 1,501 | 2,165 |
| | | 443,849 | 642,030 |
| Total borrowings | 總貸款 | 597,272 | 686,406 |

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

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|-------------------------------------|-----------------|--------------------------|--------------------------|
| Bank borrowings | 銀行貸款 | 209,519 | 222,483 |
| Other loans under margin facilities | 孖展融資下其它貸款 設施 | 9,790 | 22,051 |
| Finance lease liabilities | 融資租賃負債 | 4,019 | 6,225 |
| | | 223,328 | 250,759 |

Bank borrowings of approximately HK\$209,519,000 (2007: HK\$95,754,000) were secured by certain leasehold land, land use rights, buildings and investment properties (see Notes 6, 7 and 8). Bank borrowings of approximately HK\$126,729,000 were secured by properties held for sale and shares and equity interests in certain subsidiaries at 31 December 2007. Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

銀行貸款約港幣209,519,000元(二零零七年：港幣95,754,000元)以部份租賃土地、土地使用權、樓宇及投資物業作抵押(見附註6、7及8)。於二零零七年十二月三十一日銀行貸款約港幣126,729,000元以待售物業及若干附屬公司的股份及權益作抵押。融資租賃負債實際上有抵押，因為在不償還款項時租賃資產的權益將歸屬出租人。



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

19 BORROWINGS (continued)

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

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

19 貸款(續)

附屬公司少數股東的其它貸款並無抵押、免利息及不須於一年內償還。

集團貸款的到期日如下：

| | Bank borrowings 銀行貸款 | | Other loans 其它貸款 | |
|---|--------------------------|--------------------------|---------------------------------|--------------------------|
| | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| Within one year | 432,558 | 617,814 | 9,790 | 22,051 |
| Between one and two years | 24,720 | 14,947 | - | - |
| Between two and five years | 68,623 | 21,094 | 4,438 | 4,275 |
| Between five and ten years | 53,124 | - | - | - |
| | 579,025 | 653,855 | 14,228 | 26,326 |
| | | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| Finance lease liabilities – minimum lease payments: | | | | |
| Not later than one year | | | 1,629 | 2,485 |
| Later than one year and not later than five years | | | 2,727 | 4,797 |
| | | | 4,356 | 7,282 |
| Future finance charges on finance leases | | | (337) | (1,057) |
| Present value of finance lease liabilities | | | 4,019 | 6,225 |
| The present value of finance lease liabilities is as follows: | | | | |
| Not later than one year | | | 1,501 | 2,165 |
| Later than one year and not later than five years | | | 2,518 | 4,060 |
| | | | 4,019 | 6,225 |



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

19 BORROWINGS (continued)

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

| | | 2008 | | | EUR 歐元 | 2007 | | | |
|---------------------------|--------|------------|------------|------------|-----------|------------|------------|------------|-----------|
| | | US\$ 美元 | RMB 人民幣 | HK\$ 港元 | | US\$ 美元 | RMB 人民幣 | HK\$ 港元 | JPY 日圓 |
| Bank borrowings | 銀行貸款 | 4.7% | 7.1% | 2.7% | 6.3% | 7.2% | 7.4% | 5.3% | 2.7% |
| Finance lease liabilities | 融資租賃負債 | - | - | 5.1% | - | - | - | 6.0% | - |

The carrying amounts of borrowings approximate their fair values.

於結算日的實際利率如下：

貸款的帳面值與其公平值相近。

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

集團貸款的帳面金額以下列貨幣為單位：

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|------------------|------|--------------------------|--------------------------|
| US\$ | 美元 | 263,370 | 509,708 |
| RMB | 人民幣 | 105,170 | 82,429 |
| HK\$ | 港元 | 197,752 | 87,728 |
| Other currencies | 其它貨幣 | 30,980 | 6,541 |
| | | 597,272 | 686,406 |

20 DEFERRED TAXATION

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

20 遞延稅項

遞延稅項負債(扣除遞延稅項資產後)之變動如下：

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--|-------------|--------------------------|--------------------------|
| At 1 January | 於一月一日 | (31,830) | (33,226) |
| Deferred taxation recognised in the income statement | 在損益表確認的遞延稅項 | (35,589) | 4,418 |
| Exchange differences | 匯兌差額 | (3,649) | (3,022) |
| At 31 December | 於十二月三十一日 | (71,068) | (31,830) |



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

20 DEFERRED TAXATION (continued)

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$333,498,000 (2007: HK\$291,108,000), which certain amounts are subject to approval from the Hong Kong Inland Revenue Department. These carry forwards will begin to expire in 2008 for Mainland China and can be carried forward indefinitely for Hong Kong. Tax losses can be carried forward to offset future taxable income.

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

20 遞延稅項(續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損約港幣333,498,000元(二零零七年：港幣291,108,000元)，其中部份需待香港稅務局批准。中國產生的此等稅損將於二零零八年開始屆滿，而香港的稅損則沒有期限。稅損可結轉以抵銷未來應課稅收入。

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下：

| Deferred tax liabilities 遞延稅項負債 | | Accelerated tax depreciation 加速稅項折舊 | | Investment properties 投資物業 | | Others 其它 | | Total 總額 | |
|------------------------------------|----------|--|--------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| At 1 January | 於一月一日 | (785) | (1,382) | (35,313) | (35,956) | (9,410) | (8,189) | (45,508) | (45,527) |
| Recognised in the income statement | 在損益表確認 | 160 | 625 | (45,003) | 3,252 | 2,704 | (601) | (42,139) | 3,276 |
| Exchange differences | 匯兌差額 | (6) | (28) | (3,304) | (2,609) | (443) | (620) | (3,753) | (3,257) |
| At 31 December | 於十二月三十一日 | (631) | (785) | (83,620) | (35,313) | (7,149) | (9,410) | (91,400) | (45,508) |

| Deferred tax assets 遞延稅項資產 | | Decelerated tax depreciation 減速稅項折舊 | | Tax losses 稅損 | | Others 其它 | | Total 總額 | |
|------------------------------------|----------|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
| At 1 January | 於一月一日 | 423 | 418 | 13,156 | 11,762 | 99 | 121 | 13,678 | 12,301 |
| Recognised in the income statement | 在損益表確認 | 745 | 5 | 5,805 | 1,167 | - | (30) | 6,550 | 1,142 |
| Exchange differences | 匯兌差額 | 2 | - | 96 | 227 | 6 | 8 | 104 | 235 |
| At 31 December | 於十二月三十一日 | 1,170 | 423 | 19,057 | 13,156 | 105 | 99 | 20,332 | 13,678 |



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

20 DEFERRED TAXATION (continued)

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

| | | 2008 | 2007 |
|--------------------------|--------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Deferred tax assets | 遞延稅項資產 | 20,054 | 10,722 |
| Deferred tax liabilities | 遞延稅項負債 | (91,122) | (42,552) |
| | | (71,068) | (31,830) |

21 BILLS AND ACCOUNTS PAYABLE

Ageing analysis of bills and accounts payable is as follows:

| | | 2008 | 2007 |
|--|---------------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Within three months | 三個月內 | 334,400 | 529,078 |
| Over six months but within twelve months | 超過六個月而不超過十二個月 | 1,497 | - |
| | | 335,897 | 529,078 |

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

| | | 2008 | 2007 |
|------|-----|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| US\$ | 美元 | 291,418 | 509,418 |
| RMB | 人民幣 | 22,969 | 18,201 |
| HK\$ | 港幣 | 623 | 1,459 |
| EUR | 歐元 | 20,887 | - |
| | | 335,897 | 529,078 |

20 遞延稅項(續)

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

| | 2008 | 2007 |
|--------|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| 遞延稅項資產 | 20,054 | 10,722 |
| 遞延稅項負債 | (91,122) | (42,552) |
| | (71,068) | (31,830) |

21 應付票據及應付帳項

應付票據及應付帳項帳齡分析如下：

| | 2008 | 2007 |
|---------------|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| 三個月內 | 334,400 | 529,078 |
| 超過六個月而不超過十二個月 | 1,497 | - |
| | 335,897 | 529,078 |

本集團的應付票據及應付帳項的帳面金額以下列貨幣為單位：

| | 2008 | 2007 |
|-----|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 |
| 美元 | 291,418 | 509,418 |
| 人民幣 | 22,969 | 18,201 |
| 港幣 | 623 | 1,459 |
| 歐元 | 20,887 | - |
| | 335,897 | 529,078 |



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

22 OTHER GAINS, NET

22 其它收益淨額

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--|---------------------------|--------------------------|--------------------------|
| Fair value losses on financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產之公平值虧損 | (56,551) | (1,377) |
| Interest income: | 利息收入： | | |
| – on bank deposits | – 銀行存款 | 9,547 | 5,229 |
| – on other receivables | – 其它應收款 | 762 | 1,059 |
| Fair value gains on available-for-sale financial assets (transfer from equity on disposal) | 可供出售財務資產之公平值收益 (出售時由權益轉入) | – | 1,640 |
| Dividend income | 股息收入 | 727 | 86 |
| Investment (loss)/income | 投資(虧損)/收益 | (45,515) | 6,637 |
| Fair value gains on investment properties | 投資物業的公平值收益 | 13,775 | 31,243 |
| Gain arising from transfer from properties held for sale to investment properties | 待售物業轉撥至投資物業所產生之收益 | 169,139 | – |
| Gains on disposal of property, plant and equipment | 出售物業、機器及設備之溢利 | 402 | 240 |
| Dilution gain in an associate (Note (a)) | 聯營公司攤薄收益(附註(a)) | – | 53,031 |
| Loss on deemed acquisition of interest in an associate (Note (b)) | 視作購入聯營公司權益虧損(附註(b)) | (13,537) | – |
| Others | 其它 | 17,457 | 10,657 |
| | | 141,721 | 101,808 |

Notes:

- (a) During the year ended 31 December 2007, the Group's equity interest in China LotSynergy Holdings Limited was diluted from 21.75% to 20.14% as a result of the issuance of new shares of China LotSynergy Holdings Limited. In this connection, the Group recognised a dilution gain in an associate of approximately HK\$53,031,000.
- (b) During the year ended 31 December 2008, the Group's equity interest in China LotSynergy Holdings Limited was increased from 20.14% to 20.83% as a result of repurchase of its own shares by China LotSynergy Holdings Limited. In this connection, the Group recognised loss on deemed acquisition of interest in an associate of approximately HK\$13,537,000.

附註：

- (a) 於截至二零零七年十二月三十一日止年度，因華彩控股有限公司發行新股，本集團於華彩控股有限公司的權益由21.75%攤薄至20.14%。就此，集團確認聯營公司攤薄收益約港幣53,031,000元。
- (b) 於截至二零零八年十二月三十一日止年度，因華彩控股有限公司回購股份，本集團持有的權益由20.14%增加至20.83%。就此，集團確認視作購入聯營公司權益虧損約港幣13,537,000元。



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

23 EXPENSES BY NATURE

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

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|------------------------|--------------------------|--------------------------|
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | | |
| – owned assets | – 自置資產 | 10,042 | 8,790 |
| – assets held under finance leases | – 融資租賃資產 | 1,301 | 1,464 |
| Amortisation of prepaid operating lease payments | 預付營運租賃款項攤銷 | 1,647 | 1,644 |
| Amortisation of intangible assets | 無形資產攤銷 | 20 | 18 |
| Operating lease rentals | 營運租賃租金 | 9,199 | 8,633 |
| Employee benefit expense (including directors' emoluments) (Note 24) | 僱員福利開支 (包括董事酬金) (附註24) | 99,655 | 71,911 |
| Write-down of inventories to net realisable value (included in cost of sales) | 減低存貨至可變現淨值 (包括於銷售成本) | 67,825 | – |
| Provision for impairment of accounts receivable | 應收帳項減值撥備 | 556 | 4,093 |
| Net exchange (gains)/losses | 匯兌淨(收益)/虧損 | (8,160) | 369 |
| Auditors' remuneration | 核數師酬金 | 880 | 820 |

23 按性質分類的費用

列在銷售成本、銷售及分銷費用和一般及行政費用內的費用分析如下：

24 EMPLOYEE BENEFIT EXPENSE

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|------------------------|--------------------------|--------------------------|
| Wages and salaries | 薪金工資 | 91,393 | 65,062 |
| Pension costs – defined contribution plans (Note (a)) | 退休成本 – 界定供款計劃 (附註 (a)) | 3,943 | 3,047 |
| Staff welfare | 員工福利 | 4,319 | 3,802 |
| | | 99,655 | 71,911 |

24 僱員福利開支

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

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

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

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 8% to 22% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group’s contributions to the aforementioned schemes was approximately HK\$3,943,000 (2007: HK\$3,047,000) after deducting of nil (2007: approximately HK\$86,000) deduction of forfeited contributions of the Original Scheme.

24 僱員福利開支 (續)**(a) 退休金 – 界定供款計劃**

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

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

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約8%至22%供款。除年度供款外，本集團毋須承擔其它實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣3,943,000元(二零零七年：港幣3,047,000元)，已扣減零元(二零零七年：約港幣86,000元)原計劃的沒收供款。



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

24 EMPLOYEE BENEFIT EXPENSE (continued)

24 僱員福利開支(續)

(b) Directors' and senior management's emoluments

(b) 董事及高級管理層薪酬

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

截至二零零八年十二月三十一日止年度，每名董事的薪酬如下：

| Name of director | Fees | Salaries, allowances and benefits | Discretionary bonuses | Employer's contribution to pension scheme | Total |
|-------------------------------------|----------|-----------------------------------|-----------------------|---|----------|
| 董事姓名 | 袍金 | 薪金、津貼及福利 | 酌情獎金 | 僱主供款 | 總額 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Executive directors | | | | | |
| Mr. CHAN Shing | — | 5,984 | 3,136 | 210 | 9,330 |
| Mr. SIT Hoi Tung | — | 2,266 | 3,450 | 105 | 5,821 |
| Mr. YANG Da Wei | — | 573 | — | — | 573 |
| Ms. LAU Ting | — | 5,416 | 2,844 | 183 | 8,443 |
| Ms. TUNG Pui Shan, Virginia | — | 1,603 | 120 | 74 | 1,797 |
| Mr. KWOK Wai Lam | — | 1,549 | 1,119 | 71 | 2,739 |
| Mr. YIN Mark | — | 1,143 | 380 | 42 | 1,565 |
| Independent non-executive directors | | | | | |
| Mr. CUI Shu Ming | 361 | — | — | — | 361 |
| Mr. MIAO Gengshu (Note (i)) | 23 | — | — | — | 23 |
| Mr. HUANG Shenglan | 264 | — | — | — | 264 |
| Mr. SONG Yufang (Note (ii)) | 86 | — | — | — | 86 |
| Non-executive director | | | | | |
| Mr. SZE Tsai Ping, Michael | 120 | — | — | — | 120 |



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

24 EMPLOYEE BENEFIT EXPENSE (continued)

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

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

| Name of director | Fees | Salaries, allowances and benefits | Discretionary bonuses | Employer's contribution to pension scheme | Total | |
|-------------------------------------|----------|-----------------------------------|-----------------------|---|----------|-------|
| 董事姓名 | 袍金 | 薪金、津貼及福利 | 酌情獎金 | 僱主供款 | 總額 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | |
| Executive directors | 執行董事 | | | | | |
| Mr. CHAN Shing | 陳城先生 | – | 6,760 | 1,600 | 250 | 8,610 |
| Mr. SIT Hoi Tung | 薛海東先生 | – | 2,149 | 632 | 98 | 2,879 |
| Mr. YANG Da Wei | 楊大偉先生 | – | 536 | – | – | 536 |
| Ms. LAU Ting | 劉婷女士 | – | 3,870 | 1,500 | 108 | 5,478 |
| Ms. TUNG Pui Shan, Virginia | 董佩珊女士 | – | 1,556 | 116 | 72 | 1,744 |
| Mr. KWOK Wai Lam | 郭偉霖先生 | – | 1,406 | 195 | 65 | 1,666 |
| Mr. YIN Mark | 尹虹先生 | – | 1,099 | 63 | 40 | 1,202 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Mr. CUI Shu Ming | 崔書明先生 | 344 | – | – | – | 344 |
| Mr. SONG Yufang | 宋玉芳先生 | 120 | – | – | – | 120 |
| Mr. HUANG Shenglan | 黃勝藍先生 | 251 | – | – | – | 251 |
| Non-executive director | 非執行董事 | | | | | |
| Mr. SZE Tsai Ping, Michael | 史習平先生 | 120 | – | – | – | 120 |

Notes:

- (i) Appointed on 8 December 2008.
- (ii) Resigned on 18 September 2008.

附註：

- (i) 於二零零八年十二月八日委任。
- (ii) 於二零零八年九月十八日辭任。



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

24 EMPLOYEE BENEFIT EXPENSE (continued)**(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include four (2007: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one non-director, highest paid individual are as follows:

| | | 2008 | 2007 |
|--|-----------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| Salaries, allowances and benefits | 薪金、津貼及福利 | 1,532 | 1,186 |
| Discretionary bonuses | 酌情獎金 | 3,200 | 864 |
| Employer's contributions to pension scheme | 退休計劃的僱主供款 | 70 | 55 |
| | | 4,802 | 2,105 |

24 僱員福利開支(續)**(c) 五位最高薪酬人士**

本年度集團最高薪酬的五位人士包括四位(二零零七年：四位)董事，他們的薪酬在上文呈報的分析中反映。餘下一位非董事，最高薪人士的薪酬如下：

25 FINANCE COSTS

Interest on:

- Bank borrowings wholly repayable within five years
- Bank borrowings not wholly repayable within five years
- Other loans
- Finance lease liabilities

利息：

- 於五年內全數償還的銀行貸款
- 不需於五年內全數償還的銀行貸款
- 其它貸款
- 融資租賃負債

| | | 2008 | 2007 |
|--|--|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| | | 50,881 | 58,385 |
| | | 2,172 | - |
| | | 705 | 672 |
| | | 249 | 442 |
| | | 54,007 | 59,499 |

25 融資成本



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

26 TAXATION

The Company is exempted from taxation in Bermuda until 2016. The Company's subsidiaries established in the British Virgin Islands are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the year. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax ranging from 12% to 25% (2007: 12% to 33%) on their taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

The amount of taxation recognised in the income statement represents:

26 稅項

本公司可免繳百慕達稅項直至二零一六年。於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年度預計應課稅溢利之16.5% (二零零七年：17.5%)撥備。本集團於中國之附屬公司須繳交中國企業所得稅，按中國稅法確定應課稅所得之12%至25% (二零零七年：12%至33%)計算。其它海外稅項按本年度預計應課稅溢利以有關司法權區適用之稅率計算。

於損益表確認之稅金如下：

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|------------------------|--------------------------|--------------------------|
| Current taxation | 本年稅項 | | |
| – Hong Kong profits tax | – 香港利得稅 | 8,730 | – |
| – Mainland China taxation | – 中國稅項 | 1,157 | 401 |
| | | 9,887 | 401 |
| Under/(Over) provision in prior years | 前年度撥備不足／ (超額撥備) | | |
| – Hong Kong profits tax | – 香港利得稅 | 23,148 | – |
| – Mainland China taxation | – 中國稅項 | 953 | (3) |
| | | 24,101 | (3) |
| Deferred taxation relating to the origination and reversal of temporary differences | 遞延稅項暫時 差異的產生 及轉回 | 35,589 | (4,418) |
| | | 69,577 | (4,020) |



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

26 TAXATION (continued)

The taxation on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

26 稅項(續)

本集團有關除稅前(虧損)/盈利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--|------------------------------|--------------------------|--------------------------|
| (Loss)/Profit before taxation | 除稅前(虧損)/盈利 | (35,326) | 91,251 |
| Calculated at a taxation rate of 16.5% (2007: 17.5%) | 按稅率16.5% (二零零七年: 17.5%)計算 | (5,829) | 15,969 |
| Effect of different taxation rates in other countries | 其它國家不同稅率 之影響 | 16,784 | 1,486 |
| Effect on opening deferred tax of decrease in tax rates | 稅率減低對期初 遞延稅項之影響 | 41 | (10,322) |
| Income not subject to taxation | 無須課稅之收入 | (820) | (18,564) |
| Expenses not deductible for taxation purposes | 不可扣稅 之支出 | 35,960 | 556 |
| Unrecognised tax loss | 未確認稅損 | 9,937 | 8,526 |
| Under/(Over) provision in prior years | 前年度撥備不足/ (超額撥備) | 24,101 | (3) |
| Recognition of previously unrecognised temporary differences | 確認早前未有確認之 暫時差異 | (2,157) | - |
| Utilisation of previously unrecognised tax losses | 使用早前未有確認 之稅損 | (10,387) | (446) |
| Others | 其它 | 1,947 | (1,222) |
| Taxation | 稅項 | 69,577 | (4,020) |

27 PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of a profit of approximately HK\$2,104,000 (2007: HK\$869,000).

27 本公司權益持有人應佔盈利

已於本公司財務報表反映之本公司權益持有人應佔盈利達盈利約港幣2,104,000元(二零零七年: 港幣869,000元)。



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

28 (LOSS)/EARNINGS PER SHARE

Basic and diluted

Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

(Loss)/Profit attributable to the equity holders of the Company (HK\$'000)

本公司權益持有人應佔(虧損)/盈利(港幣千元)

(148,808)

86,307

Weighted average number of ordinary shares in issue (thousands) (restated)

已發行普通股的加權平均數(千計)(重列)

1,750,769

1,120,776

Basic and diluted (loss)/earnings per share (HK cents per share)

每股基本及攤薄(虧損)/盈利(每股港仙)

(8.50)

7.70

The weighted average number of ordinary shares for the year ended 31 December 2007 was restated and adjusted for the effect of an open offer of 2,000,751,226 shares completed in September 2008.

截至二零零七年十二月三十一日止年度之已發行普通股份之加權平均數經已重列、調整以反映於二零零八年九月完成公開發售發行2,000,751,226股之影響。

The Company has no dilutive potential ordinary shares for the years ended 31 December 2007 and 2008.

本公司於截至二零零七年及二零零八年十二月三十一日止年度並無可攤薄的潛在普通股。

29 DIVIDENDS

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

29 股息

董事局不擬就截至二零零八年十二月三十一日止年度派付末期股息(二零零七年：無)。



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

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

30 綜合現金流量表附註

(a) Cash (used in)/generated from operations

(a) 營運(所用)/產生的現金

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|-------------------------|--------------------------|--------------------------|
| (Loss)/Profit for the year | 年度(虧損)/盈利 | (104,903) | 95,271 |
| Adjustments for: | 調整： | | |
| - Tax | - 稅項 | 69,577 | (4,020) |
| - Depreciation | - 折舊 | 11,343 | 10,254 |
| - Amortisation | - 攤銷 | 1,667 | 1,662 |
| - Gains on disposal of property, plant and equipment | - 出售物業、機器及設備之溢利 | (402) | (240) |
| - Fair value gains on investment properties | - 投資物業的公平值收益 | (13,775) | (31,243) |
| - Gain arising from transfer from properties held for sale to investment properties | - 待售物業轉撥至投資物業所產生之收益 | (169,139) | - |
| - Fair value losses on financial assets at fair value through profit or loss | - 按公平值透過損益列帳的財務資產之公平值虧損 | 56,551 | 1,377 |
| - Dilution gain in an associate | - 聯營公司攤薄收益 | - | (53,031) |
| - Loss on deemed acquisition of interest in an associate | - 視作購入聯營公司權益虧損 | 13,537 | - |
| - Fair value gains on available-for-sale financial assets | - 可供出售財務資產之公平值收益 | - | (1,640) |
| - Dividends received from financial assets at fair value through profit or loss | - 收取按公平值透過損益列帳的財務資產股息 | (727) | (86) |
| - Interest income | - 利息收入 | (10,309) | (6,288) |
| - Finance costs | - 融資成本 | 54,007 | 59,499 |
| - Share of losses/(profits) of associates | - 應佔聯營公司虧損/(盈利) | 196,866 | (30,211) |
| - Effect of foreign exchange rate changes | - 外幣匯率變動之影響 | (740) | 7,757 |
| | | 103,553 | 49,061 |
| Changes in working capital: | 營運資金變更： | | |
| - Inventories | - 存貨 | 4,766 | (9,598) |
| - Properties held for sale | - 待售物業 | - | (2,213) |
| - Bills and accounts receivable | - 應收票據及應收帳項 | (79,199) | 187,384 |
| - Deposits, prepayments and other receivables | - 按金、預付款及其它應收款 | (105) | (40,629) |
| - Bills and accounts payable | - 應付票據及應付帳項 | (193,181) | (119,917) |
| - Other payables and accruals | - 其它應付帳項及應計費用 | 8,986 | 33,640 |
| Cash (used in)/generated from operations | 營運(所用)/產生的現金 | (155,180) | 97,728 |



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

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
(continued)

30 綜合現金流量表附註(續)

(b) Disposal of a subsidiary

Pursuant to the equity transfer agreement entered into on 20 November 2006, the Group disposed of 71% equity interests in a wholly-owned subsidiary to a third party at a consideration of approximately RMB61,651,000. Details of the disposal were as follows:

(b) 出售附屬公司

根據於二零零六年十一月二十日訂立的股權轉讓協議，本集團出售一全資附屬公司之71%權益予第三者，作價約人民幣61,651,000元。此項出售之資料如下：

| | | HK\$'000 港幣千元 |
|---|----------------------|------------------|
| Land use rights | 土地使用權 | 8,446 |
| Property, plant and equipment | 物業、機器及設備 | 45,695 |
| Inventories | 存貨 | 54 |
| Accounts receivable | 應收帳項 | 11,712 |
| Deposits, prepayments and other receivables | 按金、預付款及其它應收款 | 18 |
| Cash and bank balances | 現金及銀行結餘 | 12,365 |
| Accounts payable | 應付帳項 | (1,519) |
| Other payables and accruals | 其它應付帳項及應計費用 | (933) |
| Net assets | 淨資產 | 75,838 |
| Less: Remaining interest retained by the Group | 減：本集團保留餘下之權益 | (21,993) |
| Net assets disposed | 出售之淨資產 | 53,845 |
| Gain on disposal of interest in a subsidiary | 出售附屬公司權益之溢利 | 4,832 |
| Consideration, net of direct expenses | 已扣除直接開支之代價 | 58,677 |
| Satisfied by: | 支付方式： | |
| Cash consideration received in 2006 | 二零零六年已收現金代價 | 56,516 |
| Cash consideration received in 2007 | 二零零七年已收現金代價 | 2,161 |
| Total | 總額 | 58,677 |
| Analysis of net cash inflow in respect of disposal of a subsidiary: | 出售附屬公司的現金流入淨額分析： | |
| 2007 | 二零零七年 | HK\$'000 港幣千元 |
| Cash consideration received | 已收現金代價 | 2,161 |
| Net cash inflow in respect of disposal of a subsidiary | 出售附屬公司的現金流入淨額 | 2,161 |



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

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
(continued)**30 綜合現金流量表附註(續)****(c) Analysis of the balances of cash and cash equivalents****(c) 現金及現金等價物結餘分析**

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|----------------------|--------------------------|--------------------------|
| Cash at bank and in hands | 銀行及庫存現金 | 167,241 | 209,628 |
| Non-pledged short-term bank deposits with original maturity of less than three months | 原存款期為三個月以下之非抵押短期銀行存款 | 144,312 | 73,833 |
| | | 311,553 | 283,461 |

(d) Major non-cash transactions**(d) 主要非現金交易**

During the year ended 31 December 2007, the Group entered into finance lease arrangements in respect of machinery with a total capital value at the inception of the leases of approximately HK\$4,187,000.

於二零零七年十二月三十一日內，集團就於租賃開始時資本總值達約港幣4,187,000元之機器訂立融資租賃安排。

31 COMMITMENTS AND CONTINGENT LIABILITIES**31 承擔及或然負債****(a) Capital commitments****(a) 資本承擔**

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|--------------|--------------------------|--------------------------|
| Contracted but not provided – Machinery | 已簽約但未撥備 – 機器 | 16 | 48 |



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

31 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(b) Operating lease commitments – where the Group is the lessee

At 31 December 2008, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|-----------|--------------------------|--------------------------|
| Not later than one year | 不超過一年 | 5,129 | 8,836 |
| Later than one year and not later than five years | 一年後但不超過五年 | 257 | 4,272 |
| | | 5,386 | 13,108 |

(c) Operating leases – where the Group is the lessor

At 31 December 2008, the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|------------|--------------------------|--------------------------|
| Not later than one year | 不超過一年 | 13,500 | 14,737 |
| Later than one year and not later than five years | 超過一年但不超過五年 | 17,758 | 20,808 |
| | | 31,258 | 35,545 |

No contingent-based rents recognised in the income statement for the year ended 31 December 2008 (2007: HK\$52,000).

31 承擔及或然負債(續)

(b) 營運租賃承擔 – 本集團為承租人

於二零零八年十二月三十一日，集團根據不可撤銷之營運租賃而於未來支付之最低租賃付款總額如下：

| | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|--------------------------|--------------------------|
| Not later than one year | 5,129 | 8,836 |
| Later than one year and not later than five years | 257 | 4,272 |
| | 5,386 | 13,108 |

(c) 營運租賃 – 本集團為出租人

於二零零八年十二月三十一日，本集團根據不可撤銷之營運租賃而於未來收取之最低租賃款項總額如下：

| | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|--------------------------|--------------------------|
| Not later than one year | 13,500 | 14,737 |
| Later than one year and not later than five years | 17,758 | 20,808 |
| | 31,258 | 35,545 |

截至二零零八年十二月三十一日止年度，並無於損益表確認或然租金(二零零七年：港幣52,000元)。



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

31 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

31 承擔及或然負債(續)

(d) Corporate guarantees

(d) 公司擔保

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|---|-----------------------|--------------------------|--------------------------|
| Guarantee for general banking facilities granted to an associate | 為聯營公司銀行融資作出之擔保 | 21,730 | 21,730 |
| Guarantee for general banking facilities granted to a supplier | 為供應商銀行融資作出之擔保 | 23,400 | - |
| Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties | 為集團物業購買者按揭貸款而向銀行作出之擔保 | 2,107 | 3,200 |
| | | 47,237 | 24,930 |

In the opinion of the directors, no material liabilities will arise from the above guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Group is immaterial.

董事認為，上述擔保於一般業務過程中不會產生重大負債，而本集團所提供公司擔保之公平值極微。

(e) Forward foreign currency exchange contracts

(e) 遠期外匯合約

At 31 December 2008, the Group had commitment in respect of outstanding forward foreign currency exchange contracts to buy a maximum amount of US dollar of 60,000,000 (2007: US\$102,000,000) and to sell a maximum amount of US dollar of 7,000,000 (2007: Nil) against Hong Kong dollar.

於二零零八年十二月三十一日，本集團未履行的遠期外匯合約承擔為最多須購入60,000,000美元(二零零七年：102,000,000美元)及賣出7,000,000美元(二零零七年：無)對港元。

(f) Contingent liabilities

(f) 或然負債

At 31 December 2008, the Group's contingent liabilities relating to Mainland China land appreciation tax amounted to approximately HK\$30,009,000 (2007: HK\$28,989,000).

於二零零八年十二月三十一日，集團有關中國土地增值稅的或然負債約為港幣30,009,000元(二零零七年：港幣28,989,000元)。



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

32 CHARGE OF ASSETS

At 31 December 2008, the following assets were pledged:

- (a) Certain leasehold land, land use rights and buildings with a net book amount of approximately HK\$113,982,000 (2007: HK\$116,623,000);
- (b) Certain motor vehicles and machinery with a net book amount of approximately HK\$5,905,000 (2007: HK\$8,676,000);
- (c) Certain investment properties of approximately HK\$449,942,000 (2007: HK\$91,224,000); and
- (d) Certain financial assets at fair value through profit or loss of equity securities listed in Hong Kong with market value of approximately HK\$36,919,000 (2007: HK\$48,301,000).

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

- (a) Related party transactions which were carried out in the normal course of the Group's business are as follows:

| | |
|--|-------------|
| Rental income received from associates | 已收聯營公司租金收入 |
| Management income received from an associate | 已收聯營公司管理收入 |
| Service income received from an associate | 已收聯營公司服務收入 |
| Sales to an associate | 銷售予聯營公司 |
| Purchase from an associate | 向聯營公司購貨 |
| Sales of financial assets to an associate | 向聯營公司出售財務資產 |
| Rental expense paid to an associate | 已付聯營公司租金開支 |

32 資產抵押

於二零零八年十二月三十一日，以下資產已予抵押：

- (a) 部份租賃土地、土地使用權及樓宇帳面淨值約港幣113,982,000元(二零零七年：港幣116,623,000元)；
- (b) 部份車輛及機器帳面淨值約港幣5,905,000元(二零零七年：港幣8,676,000元)；
- (c) 部份投資物業約港幣449,942,000元(二零零七年：港幣91,224,000元)；及
- (d) 部份按公平值透過損益列帳的財務資產的香港上市證券市值約港幣36,919,000元(二零零七年：港幣48,301,000元)。

33 關聯方交易

所謂有關連人士乃指有能力直接或間接控制另一方，或有能力就另一方之財務及經營決策行使重大影響力之人士。同時，倘該等人士受到共同控制或重大影響之人士亦被視作關連人士。

- (a) 按集團一般商業條款下進行之關聯方交易如下：

| 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--------------------------|--------------------------|
| 1,072 | 687 |
| - | 50 |
| 365 | 342 |
| 1,733 | 1,987 |
| 97,889 | - |
| - | 800 |
| 960 | 160 |



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

33 RELATED PARTY TRANSACTIONS (continued)

33 關聯方交易(續)

(b) Compensation to key management personnel

(b) 主要管理人員酬金

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 |
|--|---------------|--------------------------|--------------------------|
| Wages and salaries | 薪金工資 | 26,650 | 18,658 |
| Pension costs – defined contribution plans | 退休成本 – 界定供款計劃 | 685 | 633 |
| Staff welfare | 員工福利 | 2,933 | 2,824 |
| | | 30,268 | 22,115 |

(c) Details of loan to a director of the Company, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

(c) 根據公司條例第161B條而須披露公司董事貸款之詳情如下：

| | | |
|--|---------------|--------------------|
| Name of borrower | | YIN Mark |
| 借款人姓名 | | 尹虹 |
| Position | | Executive Director |
| 職位 | | 執行董事 |
| Terms of the loan | | |
| 貸款詳情 | | |
| – interest rate | 4% per annum | 5% per annum |
| – 利率 | 年息四厘 | 年息五厘 |
| – security | unsecured | unsecured |
| – 抵押 | 無抵押 | 無抵押 |
| – repayment term | 4 years | 3 years |
| – 還款年期 | 四年 | 三年 |
| – borrowing date | 26 March 2008 | 15 August 2005 |
| – 借款日 | 二零零八年三月二十六日 | 二零零五年八月十五日 |
| Balance of loan in respect of principal and interest | | |
| 貸款本金及利息結餘 | | |
| – at 31 December 2007 | Nil | HK\$181,000 |
| – 於二零零七年十二月三十一日 | 無 | 港幣181,000元 |
| – at 31 December 2008 | HK\$733,000 | Nil |
| – 於二零零八年十二月三十一日 | 港幣733,000元 | 無 |
| Maximum balance outstanding during the year | HK\$879,000 | HK\$181,000 |
| 年內最高欠款額 | 港幣879,000元 | 港幣181,000元 |



Schedule of Properties held for Investment 投資物業一覽表

| Address 地址 | Lease 租約種類 | Existing use 現行用途 | Group's interest 集團權益 |
|---|----------------------|----------------------|-----------------------------|
| Unit 8, 26/F, Units 1 and 12, 28/F, North Tower, Hong Kong Plaza, No. 282 Huaihaizhong Road, Luwan District, Shanghai, China 中國上海盧灣區 淮海中路282號 香港廣場北座26樓 8室、28樓1室及12室 | Medium lease 中期租約 | Residential 住宅 | 100% |
| Block No. 0521, Elegant Garden, No. 189, Longxi Road, Changning District, Shanghai, China 中國上海長寧區 龍溪路189號 明苑別墅0521號 | Long lease 長期租約 | Residential 住宅 | 100% |
| 537 Wenchang Road Central, Yangzhou, Jiangsu Province, China 中國江蘇省 揚州市 文昌中路537號 | Medium lease 中期租約 | Commercial 商業 | 69% |



Five Years' Financial Summary 五年財務概要

The results, assets and liabilities of the Group for the last five financial years are as follows:

本集團過去五個財務年度之業績、資產及負債如下：

| | | 2008 HK\$'000 港幣千元 | 2007 HK\$'000 港幣千元 | 2006 HK\$'000 港幣千元 | 2005 HK\$'000 港幣千元 | 2004 HK\$'000 港幣千元 |
|---------------------------------|--------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Results | 業績 | | | | | |
| Sales | 銷售 | 8,334,596 | 5,452,012 | 4,793,364 | 3,696,566 | 4,142,871 |
| Gross profit | 毛利 | 223,221 | 143,233 | 82,072 | 74,645 | 175,712 |
| Operating profit | 經營盈利 | 215,547 | 120,539 | 223,680 | 158,266 | 67,135 |
| Profit/(Loss) attributable to: | 應佔盈利/(虧損) | | | | | |
| – Equity holders of the Company | – 本公司權益持有人 | (148,808) | 86,307 | 149,380 | 72,745 | 34,991 |
| – Minority interests | – 少數股東權益 | 43,905 | 8,964 | 2,295 | 6,040 | 4,807 |
| | | (104,903) | 95,271 | 151,675 | 78,785 | 39,798 |
| Assets and liabilities | 資產及負債 | | | | | |
| Non-current assets | 非流動資產 | 994,984 | 960,434 | 800,609 | 595,725 | 447,135 |
| Current assets | 流動資產 | 1,669,053 | 1,675,757 | 1,653,449 | 1,538,323 | 1,466,018 |
| Total assets | 總資產 | 2,664,037 | 2,636,191 | 2,454,058 | 2,134,048 | 1,913,153 |
| Non-current liabilities | 非流動負債 | 244,545 | 86,928 | 170,160 | 324,198 | 55,545 |
| Current liabilities | 流動負債 | 950,171 | 1,297,295 | 1,279,679 | 934,612 | 1,038,516 |
| Total liabilities | 總負債 | 1,194,716 | 1,384,223 | 1,449,839 | 1,258,810 | 1,094,061 |
| Total equity | 總權益 | 1,469,321 | 1,251,968 | 1,004,219 | 875,238 | 819,092 |