



CHINA OUTDOOR MEDIA GROUP LIMITED

中國戶外媒體集團有限公司

(Incorporated in Hong Kong with limited liability) (於香港註冊成立的有限公司)
Stock code 股份代號 : 254

ANNUAL REPORT **2008** 年報



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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Lau Chi Yuen, Joseph – *Chief Executive Officer*
Mr. Chan Sing Fai
Mr. Lu Liang
Mr. Ng Yan

Independent Non-executive Directors

Mr. Cheng Kwong Choi, Alexander
Mr. Cheng Sheung Hing
Mr. Law Tai Yan

COMPANY SECRETARY

Ms. Ng Ka Sim

AUDIT COMMITTEE

Mr. Law Tai Yan – *Chairman*
Mr. Cheng Kwong Choi, Alexander
Mr. Cheng Sheung Hing

REMUNERATION COMMITTEE

Mr. Chan Sing Fai – *Chairman*
Mr. Cheng Kwong Choi, Alexander
Mr. Law Tai Yan

LEGAL ADVISORS

Angela Ho & Associates
Liu Chan and Lam
Michael Li and Co.

INDEPENDENT AUDITORS

NCN CPA Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank Limited
UBS AG
Wing Lung Bank Limited

董事會

執行董事

劉智遠先生 – *行政總裁*
陳承輝先生
呂糧先生
吳欣先生

獨立非執行董事

鄭廣才先生
鄭雙慶先生
羅帶恩先生

公司秘書

吳嘉善女士

審核委員會

羅帶恩先生 – *主席*
鄭廣才先生
鄭雙慶先生

薪酬委員會

陳承輝先生 – *主席*
鄭廣才先生
羅帶恩先生

律師

何文琪律師事務所
廖陳林律師事務所
李智聰律師事務所

獨立核數師

德誠會計師事務所有限公司

主要往來銀行

中國銀行(香港)有限公司
中國建設銀行股份有限公司
瑞士銀行
永隆銀行有限公司

Corporate Information

公司資料

REGISTERED OFFICE

Unit 2508, 25th Floor Harbour Centre
No. 25 Harbour Road
Wanchai, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Abacus Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

COMPANY WEBSITE

www.comg.com.hk

STOCK CODE

254

註冊辦事處

香港灣仔
港灣道25號
海港中心25樓2508室

股份過戶登記處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心26樓

公司網站

www.comg.com.hk

股份代號

254

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the "Meeting") of China Outdoor Media Group Limited (formerly known as eCyberChina Holdings Limited) (the "Company") will be held at Conference Room A, Room 3203, 32 Floor, Tower 1 Admiralty Centre, 18 Harcourt Road, Hong Kong on Monday, 8 December 2008 at 10:00 a.m. for the following purposes:-

To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the "Directors") and independent auditors of the Company for the year ended 30 June 2008.

By Order of the Board

Ng Ka Sim

Company Secretary

Hong Kong, 24 October 2008

Registered office:

Unit 2508, 25th Floor, Harbour Centre
No. 25 Harbour Road, Wanchai, Hong Kong

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) In order to be valid, the proxy form completed in accordance with the instructions set out therein, together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power or authority), must be deposited at the registered office of the Company situated at Unit 2508, 25th Floor, Harbour Centre, No. 25 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.
- (3) This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or under the hand of an officer or attorney duly authorised.
- (4) In the case of joint holders, the vote of the sender who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority will be determined by the order in which the names stand in the register in respect of the joint holding.
- (5) The proxy need not be a member of the Company but must attend the Meeting and at any adjournment thereof in person to represent you.

茲通告中國戶外媒體集團有限公司(前稱光訊控股集團有限公司)(「本公司」)謹訂於二零零八年十二月八日星期一上午十時正假座香港夏慤道18號海富中心一期三十二樓三二零三室會議室A舉行股東週年大會(「大會」)，商議下列事項：

省覽本公司及其附屬公司截至二零零八年六月三十日止年度之經審核綜合財務報表、本公司董事會(「董事」)報告及獨立核數師報告。

承董事會命

公司秘書

吳嘉善

香港，二零零八年十月二十四日

註冊辦事處：

香港灣仔港灣道25號
海港中心25樓2508室

附註：

- (1) 凡有權出席大會並於會上投票之股東，均可委任一名或多名受委代表出席大會並於以投票方式表決時代其投票。受委代表毋須為本公司股東。
- (2) 已按照代表委任表格印備之指示填妥之表格，連同簽署表格之授權書或其他授權文件(如有)或經公證人簽署證明之授權書或其他授權文件副本，最遲必須於大會或其任何續會指定舉行時間48小時前送達本公司之註冊辦事處，地址為香港灣仔港灣道25號海港中心25樓2508室，方為有效。
- (3) 代表委任表格須由閣下或閣下正式書面授權人簽署，如股東為公司，則代表委任表格須蓋上公司印鑑，或經由負責人或正式授權人士親筆簽署。
- (4) 倘屬聯名持有人，本公司僅接納排名首位之聯名持有人之投票(無論親身或委派代表投票)，其他聯名持有人之投票將不予接納。就此而言，排名先後乃按股東名冊內就有關聯名持有股份所列之排名次序而定。
- (5) 受委任代表毋須為本公司股東，惟須親身出席大會及其任何續會以代表閣下。

Directors and Seniors Management's Biographies

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. LAU Chi Yuen, Joseph, aged 37, has appointed an executive director and chief executive officer of the Company in November 2007. Mr. Lau has about 10 years' experience in corporate finance transactions and investments, and managerial position involving listed and non listed companies in Hong Kong. He has now carrying out business in media industry. He obtained a Master's Degree in Business Administration (Finance) from the Chinese University of Hong Kong in 1995 and Bachelor of Electronic Engineering in Computer (Hons) from the City University of Hong Kong in 1993. He is an executive director and chairman of Intcera High Tech Group Limited, which is a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Mr. CHAN Sing Fai, aged 53, was appointed an executive director of the Company in August 2007 and Chairman of Remuneration Committee in December 2007. He has about 26 years experience in property development, management and listed company in Hong Kong. He obtained a Bachelor of Arts Degree (major in Economics) in 1979 and a Master Degree in Business Administration in 1981 from the Chinese University of Hong Kong. He has worked in Jones Lang Wooten as an International Partner for over 16 years. He is an Independent non-executive Director of Sino Prosper Holdings Limited since 2002 and China Metal Resources Holdings Limited (previously known as Glory Future Group Limited) in 2 April 2007, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited.

Mr. LU Liang, aged 46, was appointed an executive director of the Company in June 2002. Mr. Lu attained a Bachelor of Science in Computer Science from the Harbin University of Science and Technology and a Master's Degree in Management of Information System from the Harbin Institute of Technology. He had worked in China Great Wall Industry Corporation, an affiliate of China National Space Administration in the People's Republic of China ("PRC"). He has over 14 years of extensive experience in an information technology field in the PRC, specialising in development of information technology and telecommunication network. Mr. Lu has participated in property development projects in PRC, including planning and design, construction, sales and marketing, and property management. He has accumulated over more than 10 years valuable experience in property development and management business.

Mr. NG Yan, aged 66, was appointed an executive director of the Company in May 2003. Mr. Ng had been a lecturer in Shanghai Engineering College for 11 years. Since 1990, Mr. Ng has been specialised in import and export business and investment including property development business.

執行董事

劉智遠先生，37歲，於二零零七年十一月獲委任為本公司之執行董事兼行政總裁。劉先生對於企業融資交易及投資方面累積約十年經驗，曾於香港之上市及非上市公司擔當管理職務。彼現從事媒體業務。劉先生先後於一九九五年及一九九三年，分別獲香港中文大學及香港城市大學頒授商業管理(金融)碩士學位及電腦電子工程(榮譽)學士學位。彼為大陶精密科技集團有限公司(為一間於香港聯合交易所有限公司創業板上市之公司)之執行董事及主席。

陳承輝先生，53歲，於二零零七年八月獲委任為本公司之執行董事，並於二零零七年十二月獲委任為薪酬委員會主席。彼在物業發展及管理以及香港上市公司方面累積約二十六年經驗。彼分別於一九七九年及一九八一年取得香港中文大學文學士學位(主修經濟)及工商管理碩士學位。彼曾於仲量聯行工作，擔任國際合夥人逾十六年。彼自二零零二年起為中盈控股有限公司之獨立非執行董事，並自二零零七年四月二日起為中國金屬資源控股有限公司(前稱光彩未來集團有限公司，其股份於香港聯合交易所有限公司主板上市)之獨立非執行董事。

呂糧先生，46歲，於二零零二年六月獲委任為本公司之執行董事。呂先生於哈爾濱科技大學取得電腦科學理學士學位及於哈爾濱工業大學獲得資訊系統管理碩士學位。呂先生曾在中華人民共和國(「中國」)國家航天局之聯屬公司中國長城工業公司工作。彼在中國資訊科技界擁有逾十四年資深經驗，專長發展資訊科技及電訊網絡。呂先生曾參與數項中國物業發展項目，包括規劃及設計、建造、銷售及市場推廣，以及物業管理。彼在物業發展及管理業務方面積逾十年寶貴經驗。

吳欣先生，66歲，於二零零三年五月獲委任為本公司之執行董事。吳先生於上海機械學院任職講師十一年。自一九九零年開始，吳先生專注從事進出口業務及投資，包括物業發展業務。

Directors and Seniors Management's Biographies

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHENG Kwong Choi, Alexander, aged 61, was appointed as an independent non-executive director of the Company in December 2003. He was the Business Development Manager of New York Life Insurance Worldwide Limited. He had been appointed the Managing Director of Sky Fortune Travel and the Assistant Manager-Japan Project of Hong Kong Tourist Association.

Mr. CHENG Sheung Hing, aged 60, was appointed an independent non-executive director of the Company in December 2003. Mr. Cheng was awarded a Bachelor Degree in Economic by the Beijing Economic College. He specialised in the field of foreign exchange in the PRC for over 11 years and his authorities on economic and foreign exchange was fully recognised when he had been appointed the Deputy director of the office of the PRC Foreign Exchange Management Bureau, the Director of non-trade Bureau (非貿易處處長), the Director of Inspection Bureau (檢查處處長) and a senior economist, at around 1989.

Mr. LAW Tai Yan, aged 41, was appointed an independent non-executive director and Chairman of the Audit Committee of the Company in April 2005. He has over 17 years relevant experience in accounting and auditing field. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries and the Hong Kong Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. TANG Lap Chin, Richard, is the Chief Operating Officer of the Company. He joined the Group in November 2007 upon his retirement from the Government of the Hong Kong Special Administrative Region. Mr. Tang had completed 34 years of public service, including 3 years in the Fire Services Department and 31 years with the Police Force. He was holding the rank of Chief Inspector of Police before his retirement. During his service in the Police Force, he had held key positions in different departments acquiring extensive experience in the fields of investigation, operation, training, staff relation, public relation and human resource management. Apart from being the Chief Operating Officer, Mr. Tang has also been appointed as director of all the subsidiaries of the Company responsible of operations, human resources and administration functions.

Ms. NG Ka Sim, is the Chief Financial Officer, qualified accountant and company secretary of the Company. She joined the Group in January 2008. Prior to joining the Group, Ms. Ng worked in a multinational accounting firm and has over 10 years' experience in auditing. She is a member of CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Ng obtained a Bachelor of Accountancy in Australia.

獨立非執行董事

鄭廣才先生，61歲，於二零零三年十二月獲委任為本公司之獨立非執行董事。曾為紐約人壽環球保險有限公司之業務發展經理。彼曾獲委任為Sky Fortune Travel之董事總經理及香港旅遊協會之日本項目助理經理。

鄭雙慶先生，60歲，於二零零三年十二月獲委任為本公司之獨立非執行董事。鄭先生於北京經濟學院取得經濟學士學位。彼專責中國外匯業務超過十一年，彼於一九八九年先後獲委任為中國外匯管理局辦公室副主任、非貿易處處長、檢查處處長、高級經濟師，足見其在經濟及外匯範疇之專業權威地位備受認同。

羅帶恩先生，41歲，於二零零五年四月獲委任為本公司之獨立非執行董事兼審核委員會主席。彼在會計及核數行業擁有逾十七年相關經驗。彼為英國特許公認會計師公會資深會員、英國特許秘書及行政人員公會會員、香港公司秘書公會會員及香港會計師公會會員。

高級管理人員

鄧立前先生，為本公司之營運總監。彼於二零零七年十一月在香港特別行政區政府退休後加入本集團。鄧先生為公眾服務三十四年，包括於消防處服務三年及於警務處服務三十一年。於退休前，彼為警務處之總督察。於警務處服務期間，彼於不同部門擔任重要職位。於調查、經營、培訓、僱員關係、公關及人力資源管理等方面擁有豐富經驗。除獲委任為營運總監外，鄧先生亦獲委任為本公司所有附屬公司之董事，負責其經營、人力資源及行政工作。

吳嘉善女士，為本公司之財務總監、合資格會計師及公司秘書。彼於二零零八年一月加入本集團。於加入本集團前，吳女士於一間跨國會計師事務所工作，並擁有逾十年核數經驗。彼為澳洲會計師公會會員及香港會計師公會會員。吳女士於澳洲取得會計學士學位。

Management Discussion and Analysis

管理層討論與分析

SIGNIFICANT ACQUISITIONS

On 5 March 2007, the Company's wholly owned subsidiary, First Union Limited ("FUL") entered into an agreement with the Vendor for purchasing a shopping arcade in Huhehaote, Inner Mongolia, the People's Republic of China (the "PRC") at a consideration of RMB58.0 million. The Vendor has guaranteed FUL an annual rental income and net profit of the property not to be less than RMB9.0 million and RMB4.0 million respectively up to 27 February 2010. The transaction was completed on 30 June 2007, the Group commenced to enjoy the rental income generated from this shopping arcade from 1 July 2007.

On 12 December 2007, the Group entered into an agreement for the acquisition of the entire equity interest in Fadara Limited ("Fadara"). The principal activities of Fadara are engaged in provision of media management and consultancy services to advertising agencies in the PRC. This transaction has been approved by shareholders at an Extraordinary General Meeting held on 21 January 2008 and completed on 28 January 2008. Further details of the transaction were set out in the Company's Circular dated 4 January 2008.

On 3 April 2008 (as supplemented on 14 April 2008), the Group entered into an agreement for the acquisition of the entire equity interest in L&L Partners' Limited ("L&L Partners'") at a total consideration of HK\$240.0 million. The transaction has been approved by shareholders at an Extraordinary General Meeting held on 18 June 2008 and completed on 25 September 2008. Further details of the transaction were set out in the Company's Circular dated 23 May 2008 and announcement dated 25 September 2008.

BUSINESS AND FINANCIAL REVIEW

For the year ended 30 June 2008, the Group's total turnover amounted to HK\$15.8 million, representing an increase of 40.9% compared with that of in 2007. The total revenue for the year was contributed from property investment and provision of media management and consultancy services. The increase in turnover during the year was mainly attributable to the contributions from Fadara acquired in January 2008.

For the year ended 30 June 2008, loss attributable to equity holders of the Company was approximately HK\$55.1 million (2007: HK\$11.9 million). The increase in loss was attributable to the recognition of share option expenses of approximately HK\$21.4 million (2007: Nil) in respect of 88,812,700 share options granted during the year and extraordinary expenses incurred in the year for the successful resumption of trading of the Company's shares on the Stock Exchange of Hong Kong of approximately HK\$20.4 million. Loss per share for the year was HK8 cents (2007 (as restated): HK40 cents).

重大收購

於二零零七年三月五日，本公司之全資附屬公司壹聯有限公司(「壹聯」)與賣方訂立協議，購入位於中華人民共和國(「中國」)內蒙古呼和浩特的一個商場，代價人民幣58,000,000元。賣方向壹聯保證，物業截至二零一零年二月二十七日止年租金收入及純利將分別不少於人民幣9,000,000元及人民幣4,000,000元。該交易已於二零零七年六月三十日完成，本集團已自二零零七年七月一日起開始從該商場獲得租金收入。

於二零零七年十二月十二日，本集團訂立一份協議收購Fadara Limited (「Fadara」)的全部股權。Fadara的主要業務，乃為在中國向廣告代理提供媒體管理及顧問服務。該項交易已獲股東於二零零八年一月二十一日舉行之股東特別大會上批准，並於二零零八年一月二十八日完成。該項交易的詳情載於本公司日期為二零零八年一月四日之通函。

於二零零八年四月三日本集團訂立一份協議(於二零零八年四月十四日補充)收購L&L Partners' Limited (「L&L Partners'」)的全部股權，總代價240,000,000港元。該次交易已獲股東於二零零八年六月十八日舉行之股東特別大會上批准，並已於二零零八年九月二十五日完成。該次交易的詳情載於本公司日期為二零零八年五月二十三日之通函及日期為二零零八年九月二十五日之公佈。

業務及財務回顧

截至二零零八年六月三十日止年度，本集團總營業額達15,800,000港元，較二零零七年增長40.9%。年度總收益來自物業投資及提供媒體管理及顧問服務。年內營業額增加主要來自二零零八年一月收購的Fadara。

截至二零零八年六月三十日止年度，本公司權益持有人應佔虧損約55,100,000港元(二零零七年：11,900,000港元)。虧損增加的原因，是確認年內授出之88,812,700份購股權之購股權開支約21,400,000港元(二零零七年：無)，以及年內本公司股份成功於香港聯交所恢復買賣所產生的特殊開支約20,400,000港元。年度每股虧損8港仙(二零零七年(經重列)：40港仙)。

Management Discussion and Analysis

管理層討論與分析

BUSINESS AND FINANCIAL REVIEW (cont'd)

The board of directors does not recommend the payment of any dividend for the year ended 30 June 2008 (2007: Nil).

The performance of the property investment segment and provision of media management and consultancy services segment during the year is set out below:-

During the year, property investment segment remained as the core business of the Group. The total turnover of property investment segment amounted to approximately HK\$10.1 million, representing a decrease of 9.9% compared with that of in 2007. It comprised sales of properties amounted to approximately HK\$5.6 million (2007: HK\$10.1 million) and rental income amounted to approximately HK\$4.5 million (2007: HK\$1.1 million). The decrease in turnover in sales of properties by approximately 44.7% as compared with last year was mainly attributable to three properties were sold in last year whereas one property was sold in the year. Gross profit of the sales of properties for the year was approximately HK\$1.0 million. The substantial increase in turnover in rental income by approximately 303.1% as compared with last year was mainly attributable to the acquisition of a shopping arcade in Inner Mongolia (the "shopping arcade"). Gross profit from leasing of properties for the year was approximately HK\$2.2 million. The shopping arcade is now being renovated and re-constructed the floor area (the "Construction") to satisfy the requirements of a new tenant, 北京居然之家投資控股集團有限公司. At the date of approval of these financial statements, the Construction is not yet completed.

The Group completed the acquisition of Fadara in January 2008. The media management and consultancy services income received/receivable for the year ended 30 June 2008 was approximately HK\$5.7 million. The directors believe that the growth in the PRC economy, the demand of advertisement will continue to keep growth. Taking into consideration the prospect of the PRC advertising and marketing business in future, the directors believe that the acquisition of Fadara will allow the Group to have steady additional income in the coming years.

PROSPECTS

In order to broaden the earnings base, the management will actively explore potential investment opportunities in the PRC and Hong Kong that can benefit the Group in the long term. The Group will also place emphasis on the improvement of operational efficiency and cost control in order to improve its financial performance and position.

業務及財務回顧(續)

董事會不建議派發截至二零零八年六月三十日止年度之任何股息(二零零七年：無)。

年內物業投資分類及提供媒體管理及顧問服務分類的表現呈述如下：

年內，物業投資分類仍然是本集團的核心業務。物業投資分類總營業額錄得約10,100,000港元，較二零零七年下跌9.9%。總營業額包括銷售物業約5,600,000港元(二零零七年：10,100,000港元)及租金收入約4,500,000港元(二零零七年：1,100,000港元)。銷售物業之營業額較去年減少約44.7%，主要由於去年售出三項物業，而年內則售出一項物業。年內銷售物業之毛利約為1,000,000港元。租金收入較去年大幅增加約303.1%，主要因為收購內蒙古的一個商場(「商場」)。年內來自租賃物業之毛利約2,200,000港元。為滿足新租戶北京居然之家投資控股集團有限公司之要求，本集團現正重新裝修商場並改建樓面(「工程」)。於此等財務報表獲批准之日，工程尚未完成。

本集團於二零零八年一月完成收購Fadara。截至二零零八年六月三十日止年度，已收/應收媒體管理及顧問服務收入約5,700,000港元。董事相信，中國經濟增長將帶動廣告需求。鑑於中國廣告及營銷業務的未來前景，董事相信收購Fadara將為本集團未來數年帶來穩定的額外收入。

前景

為擴大盈利基礎，管理層將積極探索中國及香港的潛在投資機會，讓本集團能長遠受惠。本集團亦將注重改善經營效率與成本控制，藉以改善本集團之財務表現及狀況。

Management Discussion and Analysis

管理層討論與分析

MAJOR EVENT SUBSEQUENT TO THE YEAR

On 25 September 2008, the Group completed the acquisition of the entire issued share capital of L&L Partners', a company incorporated in the British Virgin Islands, who holds the entire issued share capital of Shanghai Winmedia Advertising Media Company Limited ("Shanghai Winmedia"), an enterprise established in the PRC. L&L Partners' and Shanghai Winmedia are engaged in the provision of outdoor media advertising services.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

On 18 May 2007, the Company announced, amongst other things, that it proposed to (i) consolidate every 100 issued and unissued shares of HK\$0.2 each into one consolidated share of HK\$20 each in the capital of the Company; (ii) cancel capital paid up to the extent of HK\$19.99 per consolidated share in issue and to reduce the nominal value of all consolidated shares to HK\$0.01 per share; and (iii) increase the authorized share capital, after reduction, from HK\$0.4 million to HK\$200.0 million by the creation of 19,960,000,000 new shares of HK\$0.01 each. A special resolution was passed by shareholders of the Company at an extraordinary general meeting held on 25 June 2007 to approve the capital reorganization which was then sanctioned by the court on 31 July 2007.

On 5 October 2007 and 23 November 2007, 860,250,000 and 44,000,000 new shares of HK\$0.01 each were issued at a price of HK\$0.12 per share under an open offer and an arranger agreement respectively from which a total fund of approximately HK\$100.0 million was raised to strengthen the Company's financial position for future potential investments.

On 28 January 2008, the Company issued 36,360,000 new shares of HK\$0.01 each were issued at a price of HK\$0.63 per share as settlement of the consideration for the acquisition of the entire issued share capital of Fadara.

On 3 April 2008, the Company entered into a placing agreement for the placing of 80,000,000 ordinary shares of the Company to independent placees at an issue price of HK\$0.2 per share. The net proceeds of approximately HK\$15.7 million are used as general working capital of the Group.

As at 30 June 2008, the Group has net current liabilities of approximately HK\$4.5 million (2007: HK\$4.8 million) and equity attributable to equity holders of the Company of approximately HK\$104.2 million (2007: deficit attributable to equity holders of the Company of approximately HK\$4.6 million). The significant increase in equity attributable to equity holders of the Company as compared with last year was mainly attributable to funding of approximately HK\$139.7 million generated from the issue of new shares throughout the year, partially applied to the net loss of HK\$55.1 million incurred during the year. Bank and cash balances amounted to approximately HK\$7.1 million as at 30 June 2008 (2007: HK\$4.2 million).

結算日後主要事件

於二零零八年九月二十五日，本集團完成收購於英屬處女群島註冊成立之公司L&L Partners' 全部已發行股本，L&L Partners' 持有於中國成立之企業上海贏城廣告傳媒有限公司(「上海贏城」)全部已發行股本。L&L Partners' 及上海贏城從事提供戶外媒體廣告服務。

流動資金、財務資源及股本架構

於二零零七年五月十八日，本公司公佈(其中包括)建議(i)每100股本公司股本中已發行及未發行每股面值0.2港元的股份合併為1股面值20港元的合併股份；(ii)將每股已發行合併股份的已繳股本其中19.99港元註銷，並且將所有合併股份的面值減至每股0.01港元；及(iii)增設19,960,000,000股每股面值0.01港元的新股份，將已削減的法定股本由400,000港元增至200,000,000港元。以上股本重組已於二零零七年六月二十五日舉行的股東特別大會獲得本公司股東批准，且於二零零七年七月三十一日獲得法院認可。

於二零零七年十月五日及二零零七年十一月二十三日，根據公開售股及安排人協議按每股0.12港元的價格分別發行860,250,000股及44,000,000股每股面值0.01港元的新股份，集資合共約100,000,000港元，加強本公司的財政狀況以便日後可能進行投資。

於二零零八年一月二十八日，本公司按每股0.63港元之價格發行36,360,000股每股面值0.01港元之新股份，作為收購Fadara全部已發行股本的代價。

於二零零八年四月三日，本公司訂立一份配售協議向獨立承配人按每股0.2港元之發行價配售本公司80,000,000股普通股。所得款項淨額約15,700,000港元用作本集團之一般營運資金。

於二零零八年六月三十日，本集團之淨流動負債約為4,500,000港元(二零零七年：4,800,000港元)，而本公司權益持有人應佔權益約104,200,000港元(二零零七年：本公司權益持有人應佔虧絀約4,600,000港元)。本公司權益持有人應佔權益與去年相比大幅增加，主要由於全年發行新股籌得資金約139,700,000港元，但部分應用於年內產生之虧損淨額55,100,000港元。銀行及現金結餘於二零零八年六月三十日約7,100,000港元(二零零七年：4,200,000港元)。

Management Discussion and Analysis

管理層討論與分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (cont'd)

As at 30 June 2008, the Group had short-term borrowings of approximately HK\$1.5 million (2007: HK\$17.1 million) and no long-term borrowings (2007: HK\$13.4 million). The loans were subject to interests at prevailing commercial lending rate. The gearing ratio of the Group as at 30 June 2008, which was computed on the basis of the aggregate borrowings divided by the amount of total assets, was 1.0% (2007: 100.0%).

As the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, the Group's exposure to exchange rate risk is limited. It is the Group's treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

CHARGE ON ASSETS

As at 30 June 2007, the Group had pledged the shares of one subsidiary and the interest of an investment property to be acquired for the purpose of obtaining an interest bearing loan. During the year, the aforesaid loan had been fully settled and the security had been released. As at 30 June 2008, there was no charge on the Group's assets.

CONTINGENT LIABILITIES

Details of contingent liabilities are set in note 31 of the notes to the financial statements.

COMMITMENTS

Details of commitments are set out in note 32 of the notes to the financial statements.

EMPLOYEE AND REMUNERATION POLICY

The Group has 18 employees (including directors) as at 30 June 2008 (2007: 13). The Group recruits and promotes individuals based on their performance and development potential in the positions held. Remuneration package is determined with reference to an employee's performance and the prevailing salary scale in the market. In addition, the Group adopts a share option scheme for eligible employees (including directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

流動資金、財務資源及股本架構(續)

於二零零八年六月三十日，本集團擁有短期借貸約1,500,000港元(二零零七年：17,100,000港元)及概無長期借貸(二零零七年：13,400,000港元)。貸款須按通行之商業借貸利率計息。本集團於二零零八年六月三十日之負債比率為1.0%(二零零七年：100.0%)。負債比率根據總借貸除以總資產計得。

由於本集團之業務交易、資產及負債均主要以港元及人民幣列值，本集團承受之匯率風險有限。本集團之庫務政策是，僅於外匯風險對本集團有重大潛在財務影響時方進行管理。本集團將繼續監察外匯狀況，如有需要時使用對沖工具(如有)管理外匯風險。

資產抵押

於二零零七年六月三十日，本集團為獲得一筆計息貸款將一間附屬公司之股份及一項將予購入的投資物業之權益抵押。年內，上述貸款已悉數償還，而抵押亦已解除。於二零零八年六月三十日，本集團並無抵押資產。

或然負債

或然負債之詳情載於財務報表附註的附註31。

承擔

承擔之詳情載於財務報表附註的附註32。

僱員及薪酬政策

本集團於二零零八年六月三十日有18名僱員(包括董事)(二零零七年：13名)。本集團根據員工擔任職位的個人表現及發展潛力進行招聘及晉升員工。薪酬計劃參照僱員表現及市場通行薪酬水平釐訂。此外，本集團為合資格僱員(包括董事)採納一項購股權計劃，向參與者提供獎勵以酬謝其為集團爭取利益之貢獻及作出的努力。

Directors' Report

董事會報告

The Directors are pleased to present the annual report and the audited financial statements of the Group for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES OF THE GROUP'S SUBSIDIARIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 38 to the financial statements.

CHANGE OF NAME

At an extraordinary general meeting of shareholders of the Company held on 18 June 2008, a special resolution was passed to change the name of the Company from eCyberChina Holdings Limited to China Outdoor Media Group Limited and adopt the new Chinese name “中國戶外媒體集團有限公司” to replace “光訊控股集團有限公司”. The change of name of the Company took effect on 4 July 2008.

RESULTS AND DIVIDEND

The results of the Group for the year ended 30 June 2008 are set out in the consolidated income statement on page 27.

The directors do not recommend the payment of any dividend in respect of the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 100.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

PRINCIPAL PROPERTIES

Details of the major properties of the Group are set out on page 99.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 26 and 29 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association (“Articles”) or the laws of Hong Kong.

董事欣然提呈本集團截至二零零八年六月三十日止年度之年報及經審核財務報表。

本集團附屬公司之主要業務

本公司乃一間投資控股公司。其主要附屬公司之主要業務載於財務報表附註38。

更改名稱

於本公司於二零零八年六月十八日舉行之股東特別大會上，通過一項特別決議案將本公司名稱由 eCyberChina Holdings Limited 改為 China Outdoor Media Group Limited，並採納新中文名稱「中國戶外媒體集團有限公司」以取代「光訊控股集團有限公司」。本公司名稱之更改於二零零八年七月四日生效。

業績及股息

本集團截至二零零八年六月三十日止年度之業績載於第27頁之綜合收益表。

董事不建議就本年度派發任何股息。

財務資料概要

本集團過往五個財政年度之業績，以及資產及負債概要載於第100頁。

物業、廠房及設備

本集團年內物業、廠房及設備之變動載於財務報表附註14。

主要物業

本集團主要物業之詳情載於第99頁。

股本及購股權

年內本公司股本及購股權變動之詳情載於財務報表附註26及29。

優先購買權

概無根據本公司之組織章程細則（「章程細則」）或香港法例提供優先購買權。

Directors' Report

董事會報告

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

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed securities during the year ended 30 June 2008.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 27 to the financial statements and in the consolidated statement of changes in equity respectively.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for HK\$12,142,000 of the total sales for the year and sales to the largest customer included therein amounted to HK\$5,694,000. Purchases from the Group's five largest suppliers amounted for less than 30% of the total purchase for the year.

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

DIRECTORS

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

Executive Directors

Mr. Lau Chi Yuen, Joseph (appointed on 27 November 2007)
Mr. Chan Sing Fai (appointed on 21 August 2007)
Mr. Lu Liang
Mr. Ng Yan
Mr. Ho Chi Wing (resigned on 15 December 2007)
Mr. Lee Tsung Hei, David Chris (resigned on 14 August 2007)
Mr. Tao Wei Ming (resigned on 23 November 2007)

Independent Non-Executive Directors

Mr. Cheng Kwong Choi, Alexander
Mr. Cheng Sheung Hing
Mr. Law Tai Yan

購買、出售或贖回本公司上市證券

截至二零零八年六月三十日止年度內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

儲備

年內本公司及本集團儲備變動之詳情分別載於財務報表及綜合權益變動表附註27。

主要客戶及供應商

於回顧年度，向本集團五大客戶進行之銷售佔年度銷售總額12,142,000港元，而向最大客戶進行之銷售額為5,694,000港元。從本集團五大供應商採購額佔年度採購總額少於30%。

概無本公司董事或彼等任何聯繫人士或任何股東(就董事所知，彼等持有超過5%本公司已發行股本)於本集團五大客戶中持有任何實益權益。

董事

年內及截至本報告日期，本公司之董事如下：

執行董事

劉智遠先生 (於二零零七年十一月二十七日獲委任)
陳承輝先生 (於二零零七年八月二十一日獲委任)
呂糧先生
吳欣先生
何志榮先生 (於二零零七年十二月十五日辭任)
李頌熹先生 (於二零零七年八月十四日辭任)
陶偉明先生 (於二零零七年十一月二十三日辭任)

獨立非執行董事

鄭廣才先生
鄭雙慶先生
羅帶恩先生

Directors' Report

董事會報告

DIRECTORS (cont'd)

In accordance with Articles 94 and 102 (A) of the Company's Articles of Association, Messrs. Lau Chi Yuen, Joseph, Chan Sing Fai, Cheng Kwong Choi, Alexander, Cheng Sheung Hing, Law Tai Yan, Lu Liang and Ng Yan shall retire at the 2008 annual general meeting to be held on Monday, 8 December 2008 ("AGM") and shall offer themselves for re-election as directors of the Company at the AGM.

The terms of office of the independent non-executive directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

The Company has received annual confirmations of independence from Messrs. Cheng Kwong Choi, Alexander, Cheng Sheung Hing and Law Tai Yan, and as at the date of this report still considers them to be independent.

Except Messrs. Lau Chi Yuen, Joseph and Chan Sing Fai, other directors had no service contract with the Company or any of its subsidiaries which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 5 to 6 to the annual report.

DIRECTORS' INTERESTS IN CONTRACTS

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

董事(續)

根據本公司之組織章程細則第94條及第102(A)條，劉智遠先生、陳承輝先生、鄭廣才先生、鄭雙慶先生、羅帶恩先生、呂糧先生及吳欣先生將於二零零八年十二月八日(星期一)舉行之二零零八年股東週年大會(「股東週年大會」)上告退，而彼等將於股東週年大會膺選連任為本公司董事。

根據本公司之組織章程細則，各獨立非執行董事之任期為直至彼等須輪值告退為止。

本公司已從鄭廣才先生、鄭雙慶先生及羅帶恩先生取得年度獨立確認書，且截止本報告日期認為彼等仍為獨立人士。

除劉智遠先生及陳承輝先生外，其他董事概無與本公司或其任何附屬公司訂立本集團不可於一年內免付補償(法定賠償除外)予以終止之服務合約。

董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷詳情載於年報第5頁至6頁。

董事於合約之權益

本公司或其任何附屬公司概無訂立本公司董事直接或間接擁有重大權益且在本年度結束時或年內任何時間有效之任何重大合約。

Directors' Report

董事會報告

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

At 30 June 2008, the interests and short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:—

Long positions in ordinary shares of the Company:—

董事及行政總裁於股份及相關股份之權益及淡倉

於二零零八年六月三十日，董事及行政總裁於本公司或其聯營公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股本及相關股份中持有須記錄於本公司根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或須根據上市發行人董事進行證券交易之標準守則知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

本公司普通股之好倉：

| Name of director | 董事名稱 | Number of shares held | Percentage of the |
|--------------------------|-------|-----------------------|-------------------|
| | | personal interests | Company's issued |
| | | 持有之股份數目 | 佔本公司 |
| | | 個人權益 | 已發行股本百分比 |
| Mr. Lau Chi Yuen, Joseph | 劉智遠先生 | 271,171,900 | 25.84 |

Long positions in share options of the Company:—

本公司購股權之好倉：

| Name of director | 董事名稱 | Number of options |
|-------------------|-------|-----------------------------|
| | | directly beneficially owned |
| | | 直接實益持有的購股權數目 |
| Mr. Chan Sing Fai | 陳承輝先生 | 2,200,000 |
| Mr. Lu Liang | 呂糧先生 | 3,200,000 |
| | | 5,400,000 |

Save as disclosed above, as at 30 June 2008, none of the directors or chief executive had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded 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 Issuers.

除上文所披露者外，於二零零八年六月三十日，概無董事或行政總裁於本公司或其任何聯營公司股份及相關股份中持有須根據證券及期貨條例第352條登記，或根據上市發行人董事進行證券交易之標準守則知會本公司或聯交所之權益或淡倉。

Directors' Report

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debenture of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interest of, the Group. Further details of the Scheme are disclosed in note 29 to the financial statements.

The directors have estimated the values of the share options granted during the year, calculated using the Binomial option pricing model as at the date of grant of the options:-

| Grantee | 承授人 | Number of options granted during the year 年內授出的購股權數目 | Theoretical value of share options 購股權的理論價值 HK\$ 港元 |
|-------------------|-------|---|--|
| Mr. Chan Sing Fai | 陳承輝先生 | 2,200,000 | 720,940 |
| Mr. Lu Liang | 呂糧先生 | 3,200,000 | 1,048,640 |
| Consultants | 顧問 | 70,032,700 | 16,318,399 |
| Other employees | 其他僱員 | 13,380,000 | 3,297,990 |
| | | 88,812,700 | 21,385,969 |

The binomial model is a generally accepted method of valuing options. The significant assumptions used in the calculation of the values of the share options are set out in note 29 to the financial statements. The measurement dates used in the valuation calculations were the dates on which the options were granted.

董事購買股份或債券的權利

除下文「購股權計劃」一節所披露者外，年內概無董事或彼等各自的配偶或未滿18歲子女獲授權藉收購本公司的股份或債券而獲益，或彼等亦無行使任何該等權利；或本公司或其任何附屬公司或同系附屬公司並無參與任何安排致使董事收購於任何其他法團的該等權益。

購股權計劃

本公司實行一項購股權計劃（「計劃」），旨在向合資格參與者給予鼓勵及回報，以表揚彼等對本集團作出的貢獻及不懈努力以提升本集團的利益。計劃詳情於財務報表附註29作出披露。

董事使用二項式模式，對年內授出的購股權於其授出日期的價值作出估計：

二項式模式為評估期權價值的公認方法。計算購股權價值所用重大假設載於財務報表附註29。計算估值所用計量日期為授出購股權的日期。

Directors' Report

董事會報告

SHARE OPTION SCHEME (cont'd)

The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself.

The value of an option varies with different variables of certain subjective assumptions. Any changes to the variables used may materially affect the estimation of the fair value of an option.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2008, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:—

| Name | 姓名／名稱 | Capacity and nature of interest 身分及權益性質 | Number of ordinary shares held 所持之普通股數目 | Percentage of the Company's issued share capital 佔本公司已發行股份百分比 |
|-----------------------------|-------|--|--|--|
| Mr. Lau Chi Yuen, Joseph | 劉智遠先生 | Beneficial 實益權益 | 271,171,900 | 25.84 |
| Big Good Management Limited | | Beneficial owner 實益擁有人 | 88,800,000 | 8.46 |
| Win Today Limited | | Beneficial owner 實益擁有人 | 100,000,000 | 9.53 |

Save as disclosed above, as at 30 June 2008, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

購股權計劃(續)

基於就代入模式的預計日後表現所作出多個假設之性質及不明朗因素，使用二項式模式計算的購股權價值須受若干基本限制的規限，而模式本身亦具若干內在限制。

購股權價值受若干主觀假設的變數而變動，所採用變數任何變動或會對購股權公平值的估計造成重大影響。

主要股東及其他人士於股份及相關股份之權益

於二零零八年六月三十日，下列佔本公司已發行股本超過5%之權益已記錄於本公司根據證券及期貨條例第336條須存置之權益登記冊內：

除上文披露者外，於二零零八年六月三十日，除本公司董事及行政人員外(彼等之權益載於上文「董事及行政人員於股份及相關股份之權益及淡倉」一節)，概無人士於本公司股份或相關股份中登記持有須根據證券及期貨條例第336條記錄之權益或淡倉。

Directors' Report

董事會報告

CONNECTED TRANSACTIONS

During the year and up to the date of this report, no connected transactions were entered into between the Company or any of its subsidiaries and a connected person as defined under the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE BALANCE SHEET DATE

Details of the events after the balance sheet date are set out in note 33 to the financial statements.

AUDITORS

NCN CPA Limited, being appointed as auditors of the Company in 2007 upon the retirement of Patrick Ng & Company, retire and offer themselves for re-appointment. A resolution for the re-appointment of NCN CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lau Chi Yuen, Joseph

Director

Hong Kong, 24 October 2008

關連交易

於年內及截至本報告日期，本公司或其任何附屬公司概無與關連人士（定義見上市規則）訂立任何關連交易。

足夠公眾持股量

根據本公司所得的公開資料並據董事所知，於本報告日期，公眾持有本公司已發行股本至少25%。

結算日後事項

結算日後事項詳情載於財務報表附註33。

核數師

於吳永鏗會計師行於二零零七年辭任時獲委任為本公司之德誠會計師事務所有限公司將任滿告退，其將膺選連任為本公司核數師。有關續聘德誠會計師事務所有限公司為本公司核數師的決議案，將於應屆股東週年大會提呈。

代表董事會

劉智遠

董事

香港，二零零八年十月二十四日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE REPORT

The Company has always recognised the importance of the shareholders' transparency and accountability. It is the belief of the board that shareholders can maximize their benefits from good corporate governance.

The Company has complied with 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") throughout the year ended 30 June 2008, except for the deviation from provisions A.4.1 of the Code.

Pursuant to A.4.1 of the Code, independent non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years. Under the period of review, all independent non-executive directors of the Company were not appointed for a specific term but they are subject to retirement by rotation and re-election at annual general meetings of the Company in line with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the Code.

BOARD OF DIRECTORS

The board is responsible for overseeing the Group's strategic planning and development, and for determining the objectives, strategic and policies of the Group while delegating day-to-day operations of the Group to management. Besides, each member of the board is expected to make a full and active contribution to the board's affairs and ensure that the board acts in the best interests of the Company and its shareholders as a whole.

As at 30 June 2008, the board comprises seven members including, Mr. Lau Chi Yuen, Joseph as Chief Executive Officer, Mr. Chan Sing Fai, Mr. Lu Liang and Mr. Ng Yan as executive directors and Mr. Cheng Kwong Choi, Alexander, Mr. Cheng Sheung Hing and Mr. Law Tai Yan as independent non-executive directors. Details of their respective experiences and qualifications are included in the "Directors and Senior Management's Biographies" section of this annual report.

企業管治報告

本公司一向深明向股東維持透明度及問責的重要性。董事會相信，良好企業管治有助股東獲得最大利益。

截至二零零八年六月三十日止年度，本公司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14所載企業管治常規守則（「守則」）的守則條文，除守則條文第A.4.1條有所偏離外。

根據守則條文第A.4.1條，獨立非執行董事的委任應有指定任期，並須予重選；同時，所有董事須至少每三年輪值告退一次。於回顧年度，本公司所有獨立非執行董事的委任均無指定任期，惟彼等須根據本公司細則於本公司的股東週年大會上輪席告退並經重選。因此，本公司認為已採取足夠措施確保本公司的企業管治常規與守則中的守則條文完全一致。

董事會

董事會負責監管本集團的策略規劃及發展，並制定本集團的目標、策略及方針，同時委派管理層負責本集團的日常營運。此外，各董事會成員乃預期全力投入董事會事務，並確保董事會行事符合本公司及其股東整體的最佳利益。

於二零零八年六月三十日，董事會由七名成員組成，包括行政總裁劉智遠先生，執行董事陳承輝先生、呂糧先生及吳欣先生，以及獨立非執行董事鄭廣才先生、鄭雙慶先生及羅帶恩先生。彼等各自的經驗及資格載於本年報「董事及高級管理層履歷」一節。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (cont'd)

The independent non-executive directors ensure the board accounts for the interests of all shareholders and that all issues are considered in an objective manner. The Company has received annual confirmation of independence from the three independent non-executive directors and as at the date of this report still considers them to be independent.

To the best knowledge of the Company, there is no financial, business, family relationship among the members of the board as at 30 June 2008. All of them are free to exercise their individual judgement.

BOARD MEETINGS

For the year ended 30 June 2008, there were 48 board meetings have been held to discuss the Group's development strategies, investment projects and the operational and financial performance of the Group. The attendance of the directors at the board meeting is as follows:-

董事會(續)

獨立非執行董事確保董事會為所有股東的利益負責及以客觀態度考慮所有事宜。本公司已接獲三名獨立非執行董事的年度獨立性確認書，並認為彼等於本報告刊發日期仍屬獨立人士。

據本公司所深知，於二零零八年六月三十日，董事會成員之間概無財務、業務及家族關係。彼等全部均可自由行使其個人判斷。

董事會會議

截至二零零八年六月三十日止年度，共舉行48次董事會會議，以討論本集團的發展策略、投資項目及營運及財務表現。董事出席董事會的情況如下：

| | | Number of attendance 出席次數 |
|--|-------------------------|---------------------------------|
| Executive directors | | |
| Mr. Lau Chi Yuen, Joseph (<i>appointed on 27 November 2007</i>) | 劉智遠先生(於二零零七年十一月二十七日獲委任) | 19/48 |
| Mr. Chan Sing Fai (<i>appointed on 21 August 2007</i>) | 陳承輝先生(於二零零七年八月二十一日獲委任) | 35/48 |
| Mr. Lu Liang | 呂糧先生 | 14/48 |
| Mr. Ng Yan | 吳欣先生 | 11/48 |
| Mr. Ho Chi Wing (<i>resigned on 15 December 2007</i>) | 何志榮先生(於二零零七年十二月十五日辭任) | 24/48 |
| Mr. Lee Tsung Hei, David Chris (<i>resigned on 14 August 2007</i>) | 李頌熹先生(於二零零七年八月十四日辭任) | 0/48 |
| Mr. Tao Wei Ming (<i>resigned on 23 November 2007</i>) | 陶偉明先生(於二零零七年十一月二十三日辭任) | 5/48 |
| Independent non-executive directors | | |
| Mr. Cheng Kwong Choi, Alexander | 鄭廣才先生 | 7/48 |
| Mr. Cheng Sheung Hing | 鄭雙慶先生 | 5/48 |
| Mr. Law Tai Yan | 羅帶恩先生 | 9/48 |

The Company Secretary assists the Chairman and Chief Executive Officer in preparing the agenda for meetings and ensures that all applicable rules and regulation are followed. The Company Secretary also keeps detailed minutes of each meeting, which are available to all directors for inspection. Draft and final versions of board minutes have sent to all directors for their comment and records respectively within a reasonable time after the board meeting.

公司秘書協助主席及行政總裁籌備會議議程，並確保遵守一切相關條例及規則。公司秘書亦負責保存每次會議的詳細紀錄，送呈全體董事以供參考。於每次董事會會議舉行之後的合理時間內，董事會會議紀錄的初稿及最後版本會送交全體董事，以供彼等分別表達意見及作為紀錄。

Corporate Governance Report

企業管治報告

BOARD MEETINGS (cont'd)

All directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisors if necessary. They also have unrestricted access to the advice and service of the Company Secretary, who is responsible for providing directors with boards papers and related materials and ensuring that board procedures are followed.

Should a potential conflict of interest involving a substantial shareholder or director arise, the matter is discussed in an actual meeting, as opposed to being dealt with by written resolution. Independent non-executive directors with no conflict of interest are present at meeting dealing with conflict issues. Board committees, including the Audit, Remuneration and Nomination Committees, all follow the applicable practices and procedures used in board meetings for committee meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Prior to 15 December 2007, the chairman of the board was Mr. Ho Chi Wing. After the resignation of Mr. Ho Chi Wing on 15 December 2007, there is no specific designation of chairman in the board. Following by the resignation of Mr. Lee Tsung Hei, David Chris as chief executive officer on 14 August 2007, Mr. Lau Chi Yuen, Joseph was appointed as the chief executive officer on 27 November 2007. In view of the simple structure of the Company, all significant decision making is carried out by all executive directors of the Company under the leadership of the chief executive officer. The board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The board will continually review the effectiveness of the Group's corporate governance structure to assess whether any changes are necessary.

董事會會議(續)

全體董事均可查閱相關及最新資料，如有需要亦可要求查閱更多資料及聘請獨立專業顧問，亦可不受限制要求公司秘書提供意見及服務，而公司秘書亦負責為董事提供董事會會議文件及相關資料，確保符合會議程序。

倘有涉及主要股東或董事的潛在利益衝突情況，有關事宜將於實際會議上討論，而非通過書面決議案討論。無利益衝突的獨立非執行董事將出席會議，處理利益衝突事宜。董事會委員會包括審核、薪酬及提名委員會，全部委員會會議均採取董事會會議的適用常規及程序。

主席及行政總裁

根據守則的守則條文第A.2.1條，主席及行政總裁的職位應分開，不應由同一人擔任。於二零零七年十二月十五日前，董事會主席為何志榮先生。自何志榮先生於二零零七年十二月十五日辭任以來，董事會主席一職並無作特定委任。李頌熹先生於二零零七年八月十四日辭任行政總裁後，劉志遠先生於二零零七年十一月二十七日獲委任為行政總裁。鑒於本公司架構精簡，所有重大決策皆由本公司全體執行董事在行政總裁的帶領下作出。董事會相信，現有安排有助本公司快速作出並履行決定，從而有效因應瞬息萬變的環境以實現本公司目標。董事會亦相信，本公司已具備健全的企業管治架構以確保有效監察管理層。董事會會不斷檢討本集團的企業管治架構的成效，用以評估是否需要作任何修改。

Corporate Governance Report

企業管治報告

DIRECTORS' TERMS OF APPOINTMENTS AND RE-ELECTION

In accordance with article 102(A) of the Company's articles of association, one-third of the directors, shall retire from office by rotation at each annual general meeting.

Articles 94 of the Company's articles of association provides that directors appointed either to fill a causal vacancy or as an addition to the board shall hold office only until the next following general meeting after their appointment, and shall be subject to re-election by the shareholders.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company. All the directors of the board have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 30 June 2008.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The board is responsible for presenting a clear, balanced assessment of the Group's performance and prospects. It is also responsible for preparing financial statements that give a true and fair view of the Group's financial position on a going-concern basis and other price-sensitive announcements and financial disclosures. Management provides the board with the relevant information it needs to discharge these responsibilities.

The responsibilities of the auditor to the shareholders are set out in the Independent Auditor's Report on pages 25 and 26.

董事任期及競選連任

根據本公司細則第102(A)條，三分之一董事須於每屆股東週年大會上輪席退任。

本公司細則第94條規定，填補臨時空缺或新增的董事會成員而獲委任的董事，僅可任職至彼等獲委任後的來屆股東週年大會為止，並須接受股東競選連任。

董事進行證券交易

本公司已就本公司董事進行證券交易採納載於上市規則附錄十的《上市發行人董事進行證券交易的標準守則》（「標準守則」）。本公司作出特定查詢後，董事會全體董事已確認，彼等於截至二零零八年六月三十日止年度內一直遵守標準守則所載的規定準則。

董事及核數師編製財務報表的責任

董事會負責就本集團的表現及前景發表清晰、中肯的評估。其亦負責編製財務報表，按持續經營基準就本集團的財務狀況提供真確及公平的意見，及披露其他股價敏感性公告及財務資料。管理層會向董事會提供其履行該等責任所需的相關資料。

核數師對股東的責任載於第25頁及第26頁的獨立核數師報告。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 December 2005 with written terms of reference in compliance with the Code. The principal responsibilities of the Remuneration Committee include formulation of the remuneration policy, review and recommending to the board the annual remuneration policy, and determination of the remuneration of the executive directors and members of senior management. Meetings of the Remuneration Committee shall be held at least once a year. At 30 June 2008, the Remuneration Committee comprised two independent non-executive directors, Mr. Cheng Kwong Choi, Alexander and Mr. Law Tai Yan and one executive director, Mr. Chan Sing Fai is the chairman of the committee. For the year ended 30 June 2008, three meetings were held by the Remuneration Committee. The attendance is as follows:—

薪酬委員會

薪酬委員會已於二零零五年十二月二十日成立，並遵照守則以書面訂定職權範圍。薪酬委員會的主要職責包括制訂薪酬政策、檢討及向董事會推薦年度薪酬政策，以及釐定執行董事及高級管理層成員的薪酬。薪酬委員會應每年至少舉行一次會議。於二零零八年六月三十日，薪酬委員會由兩名獨立非執行董事鄭廣才先生及羅帶恩先生及一名執行董事陳承輝先生(委員會主席)組成。截至二零零八年六月三十日止年度，薪酬委員會共舉行三次會議，出席情況如下：

| | | Number of attendance 出席次數 |
|--|------------------------|---------------------------------|
| Mr. Ho Chi Wing (<i>resigned on 15 December 2007</i>) | 何志榮先生(於二零零七年十二月十五日辭任) | 2/3 |
| Mr. Chan Sing Fai (<i>appointed on 15 December 2007</i>) | 陳承輝先生(於二零零七年十二月十五日獲委任) | 1/3 |
| Mr. Cheng Kwong Choi, Alexander | 鄭廣才先生 | 2/3 |
| Mr. Law Tai Yan | 羅帶恩先生 | 3/3 |

NOMINATION COMMITTEE

The Nomination Committee was established on 7 July 2008 with written terms of reference in compliance with the Code. It is responsible for making recommendations to the board on nominations, appointment of directors and board succession. Prior 7 July 2008, the power to nominate or appoint additional directors is vested in the board according to the articles of associate of the Company, in addition to the power of the shareholders to nominate any person to become a director of the Company in accordance with the articles of association of the Company. The nomination procedures, prior Nomination Committee was set up, for appointment of new directors would normally take into consideration of the candidates' past experience, qualifications and any other factors, if any, which are relevant to the Company's business. Then, shortlisted candidates with their profiles would be brought to the board before meeting for consideration as soon as it is practicable.

提名委員會

提名委員會於二零零八年七月七日成立，並遵照守則以書面訂定職權範圍。其負責就提名、委任董事及董事會繼任事宜向董事會提供意見。於二零零八年七月七日前，除根據本公司細則股東有權提名任何人士成為本公司的董事外，根據本公司細則，提名或委任額外董事的職權歸於董事會。於提名委員會成立之前，委任新董事的提名程序通常會考慮候選人的過往經驗、資格及與本公司業務相關的任何其他因素(如有)。其後，董事候選人的簡歷將於舉行會議前盡快提交董事會以供考慮。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company has had an Audit Committee since 2004. It is responsible for reviewing the Group's financial reporting, internal controls and making recommendations to the board. At 30 June 2008, the Audit Committee comprised three independent non-executive directors, Mr. Law Tai Yan, Mr. Cheng Kwong Choi, Alexander and Mr. Cheng Sheung Hing. Mr. Law Tai Yan is the chairman of the committee.

During the year ended 30 June 2008, three meetings were held by the Audit Committee to (a) review the Group's internal control system and (b) discuss the audited financial statements for the year ended 30 June 2007 and the unaudited financial statements for the six months ended 31 December 2007 before recommending them to the board for approval. The attendance is as follows:–

審核委員會

本公司自二零零四年起已成立審核委員會，其負責審閱本集團的財務申報、內部監控事宜及向董事會提供意見。於二零零八年六月三十日，審核委員會由三名獨立非執行董事羅帶恩先生、鄭廣才先生及鄭雙慶先生組成。羅帶恩先生為委員會主席。

截至二零零八年六月三十日止年度審核委員會共舉行三次會議，以(a)審閱本集團的內部監控系統；及(b)討論截至二零零七年六月三十日止年度的經審核財務報表及截至二零零七年十二月三十一日止六個月的未經審核財務報表，並提出建議供董事會批准。會議出席情況如下：

| | | Number of attendance 出席次數 |
|---------------------------------|-------|---------------------------------|
| Mr. Law Tai Yan | 羅帶恩先生 | 3/3 |
| Mr. Cheng Kwong Choi, Alexander | 鄭廣才先生 | 3/3 |
| Mr. Cheng Sheung Hing | 鄭雙慶先生 | 3/3 |

AUDITOR'S REMUNERATION

A summary of fees for audit and non-audit services is as follows:–

核數師酬金

審核及非審核服務的費用概述如下：

| | | 2008 二零零八年 HK\$ 港元 |
|--|------------------------------|-----------------------------|
| Audit services: | 審核服務： | |
| Audit of the annual financial statements | 審核年度財務報表 | 330,000 |
| Non-audit services: | 非審核服務： | |
| Review of disclosure requirement of interim financial statements | 審閱中期財務報表的披露規定 | 110,000 |
| Review of preliminary announcement of annual results | 審閱年度業績的初步公佈 | 20,000 |
| Very substantial acquisition of L&L Partners' Limited | L&L Partners' Limited的非常重大收購 | 300,000 |
| Total of non-audit services | 非審核服務總計 | 430,000 |

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The board has overall responsibilities for introducing and continuously maintaining sound and effective internal control systems of the Group and reviews its adequacy and effectiveness. It is committed to review and implement effective and sound internal controls systems to safeguard shareholders' interests. The board has delegated to the management with defined structure and limits of authority, to conduct reviews on and maintenance of all material controls including proper financial and accounting records, operational and compliance and risk management functions as well as the implementation of the internal control system to ensure compliance with relevant legislations and regulations.

The internal control systems will be reviewed on an ongoing basis by the board in order to make it practical and effective.

COMMUNICATION WITH SHAREHOLDERS

The Company follows a policy of disclosing relevant information to shareholders in a timely manner. Annual and interim reports offers comprehensive operational and financial performance information to shareholders and the annual general meeting ("AGM") provides a forum for shareholders to exchange views directly with the board. The Company regards the AGM as an important event and all directors, senior management and external auditor make an effort to attend the AGM of the Company to address shareholders' queries. All the shareholders of the Company are given a minimum of 21 days' notice of the date and venue of the AGM of the Company. The Company supports the Code's principle to encourage shareholders' participation. The Company has also complied with the requirements concerning voting by poll under the Listing Rules. Details of the poll voting procedures and the rights of shareholders to demand a poll included in circulars to shareholders dispatched by the Company where applicable.

內部監控及風險管理

董事會的整體職責為為本集團引進及不斷維持良好及有效的內部監控系統，並檢討其是否適當及有效。董事會致力為本集團檢討及實施有效及良好的內部監控系統，以保障股東的利益。董事會已委派具有界定架構及相關權限的管理人員以檢討及維持所有重大監控，包括適當財務及會計記錄、營運及規管以及風險管理職能，並實行內部監控系統以確保符合相關法例與法規。

董事會會繼續監察內部監控系統以達致其可行及有效地運作。

與股東的溝通

本公司實行及時披露相關資料予股東的政策。年報及中期報告給予股東全面營運及財務表現資料，而股東週年大會（「股東週年大會」）為股東提供討論場所以便與董事會直接交換意見。本公司視股東週年大會為重要事件，而所有董事、高級管理層及外聘核數師會盡力出席本公司的股東週年大會以解答股東詢問。本公司的所有股東最少會於二十一天前獲通知本公司舉行股東週年大會的日期及地點。本公司堅持守則的原則，鼓勵股東參與。本公司已符合上市規則有關投票表決的要求。投票表決程序及股東要求投票的權利的詳情載於本公司向股東發出的通函內（倘適用）。

Independent Auditors' Report

獨立核數師報告

TO THE SHAREHOLDERS OF
China Outdoor Media Group Limited
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of China Outdoor Media Group Limited set out on pages 27 to 98, which comprise the consolidated and company balance sheets as at 30 June 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, 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.

致中國戶外媒體集團有限公司
全體股東
(於香港註冊成立的有限公司)

吾等已審核列載於第27頁至98頁中國戶外媒體集團有限公司的綜合財務報表，其中包括於二零零八年六月三十日的綜合及公司資產負債表、截止該日止年度的綜合收益表、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和其他附註解釋。

董事就財務報表須承擔的責任

公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例，編製及真實公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實公平地列報財務報表相關的內部控制，以確使綜合財務報表不存在因於欺詐或錯誤而導致的重大錯誤陳述；選擇並應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

吾等的責任是根據吾等的審核就該等財務報表發表意見，並按照香港公司條例第141條僅向全體股東報告。除此之外，本報告別無其他目的。吾等不會就本報告內容向任何其他人士負上或承擔任何責任。

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

Independent Auditors' Report

獨立核數師報告

AUDITORS' RESPONSIBILITY (cont'd)

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' judgment, 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 Group and of the Company as at 30 June 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 Hong Kong Companies Ordinance.

NCN CPA LIMITED

Certified Public Accountants
20/F., Hong Kong Trade Centre,
161-167 Des Voeux Road,
Central, Hong Kong,
Hong Kong S.A.R., China

Hong Kong, 24 October 2008

NG Hoi Yue Herman

Practising Certificate Number: P01554

核數師的責任(續)

審核涉及執行程式以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程式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制及真實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式，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適當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。

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團及貴公司於二零零八年六月三十日的事務狀況，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妥為編製。

德誠會計師事務所有限公司

執業會計師
中國香港特別行政區
香港中環
德輔道中161至167號
香港貿易中心20樓

香港，二零零八年十月二十四日

伍海于

執業證書編號：P01554

Consolidated Income Statement

綜合收益表

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

| | | Notes 附註 | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|--|---------------|-------------|----------------------------------|--|
| Turnover | 營業額 | 5 | 15,811 | 11,224 |
| Direct costs | 直接成本 | | (7,480) | (9,549) |
| Gross profit | 毛利 | | 8,331 | 1,675 |
| Other revenue and net income | 其他收益及淨收入 | 5 | 6,216 | 4,143 |
| Fair value gain on investment property | 投資物業公平值收益 | | 7,289 | – |
| Reversal of write-down of properties held for sale | 撥回有關持作出售物業之撇減 | | – | 414 |
| Administrative and other operating expenses | 行政及其他營運開支 | | (69,796) | (11,947) |
| Loss from operations | 營運虧損 | | (47,960) | (5,715) |
| Finance costs | 融資成本 | 6 | (1,691) | (5,057) |
| Loss before tax | 除稅前虧損 | 7 | (49,651) | (10,772) |
| Income tax | 所得稅 | 8 | (5,445) | (1,097) |
| LOSS FOR THE YEAR | 本年度虧損 | | (55,096) | (11,869) |
| Loss attributable to equity holders of the Company | 本公司權益持有人應佔虧損 | | (55,096) | (11,869) |
| | | | HK cents 港仙 | HK cents 港仙 (as restated) (經重列) |
| Loss per share: | 每股虧損： | | | |
| Basic | 基本 | 11 | (8) | (40) |
| Diluted | 攤薄 | 11 | N/A不適用 | N/A不適用 |

Consolidated Balance Sheet

綜合資產負債表

As at 30 June 2008 於二零零八年六月三十日

| | | Notes | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|--|------------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| NON-CURRENT ASSETS | | | | |
| | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 14,190 | 222 |
| Investment property | 投資物業 | 15 | 73,345 | - |
| Goodwill | 商譽 | 16 | 22,923 | - |
| Deposit paid for purchase of investment property | 購買投資物業之已付訂金 | 17 | - | 13,371 |
| | | | 110,458 | 13,593 |
| CURRENT ASSETS | | | | |
| | 流動資產 | | | |
| Properties held for sale | 持作出售物業 | 20 | 5,278 | 9,586 |
| Trade and other receivables | 應收貨款及其他應收款項 | 21 | 27,914 | 3,032 |
| Cash and bank deposits | 現金及銀行結存 | 22 | 7,087 | 4,195 |
| | | | 40,279 | 16,813 |
| CURRENT LIABILITIES | | | | |
| | 流動負債 | | | |
| Trade and other payables | 應付貨款及其他應付款項 | 23 | 41,926 | 4,563 |
| Borrowings | 借貸 | 24 | 1,523 | 17,057 |
| Tax payable | 應付稅項 | | 1,314 | - |
| | | | (44,763) | (21,620) |
| NET CURRENT LIABILITIES | 流動負債淨值 | | (4,484) | (4,807) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 105,974 | 8,786 |
| NON-CURRENT LIABILITIES | | | | |
| | 非流動負債 | | | |
| Borrowings | 借貸 | 24 | - | 13,371 |
| Deferred tax | 遞延稅項 | 25 | 1,822 | - |
| | | | (1,822) | (13,371) |
| NET ASSETS/(LIABILITIES) | 資產/(負債)淨值 | | 104,152 | (4,585) |
| CAPITAL AND RESERVES | | | | |
| | 股本及儲備 | | | |
| Share capital | 股本 | 26 | 10,493 | 573,500 |
| Reserves | 儲備 | 27 | 93,659 | (578,085) |
| EQUITY/(DEFICIT) | 權益/(虧絀) | | 104,152 | (4,585) |

Approved and authorised for issue by the board of directors on 24 October 2008.

已由董事會於二零零八年十月二十四日批核及授權刊發。

Lau Chi Yuen, Joseph

劉智遠

Director

董事

Chan Sing Fai

陳承輝

Director

董事

Balance Sheet

資產負債表

As at 30 June 2008 於二零零八年六月三十日

| | | | 2008 二零零八年 | 2007 二零零七年 |
|--------------------------------|---------------|-------------|-----------------|-----------------|
| | | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| NON-CURRENT ASSETS | | | | |
| 非流動資產 | | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 16 | 21 |
| Investments in subsidiaries | 於附屬公司之投資 | 18 | - | - |
| Amounts due from subsidiaries | 應收附屬公司款項 | 19 | 92,688 | 52,707 |
| | | | 92,704 | 52,728 |
| CURRENT ASSETS | | | | |
| 流動資產 | | | | |
| Trade and other receivables | 應收貨款及其他應收款項 | 21 | 415 | 304 |
| Cash and bank deposits | 現金及銀行結存 | 22 | 3,051 | 121 |
| | | | 3,466 | 425 |
| CURRENT LIABILITIES | | | | |
| 流動負債 | | | | |
| Trade and other payables | 應付貨款及其他應付款項 | 23 | 3,076 | 2,978 |
| Borrowings | 借貸 | 24 | 1,523 | 1,523 |
| | | | (4,599) | (4,501) |
| NET CURRENT LIABILITIES | 流動負債淨值 | | (1,133) | (4,076) |
| NET ASSETS | 資產淨值 | | 91,571 | 48,652 |
| CAPITAL AND RESERVES | | | | |
| 股本及儲備 | | | | |
| Share capital | 股本 | 26 | 10,493 | 573,500 |
| Reserves | 儲備 | 27 | 81,078 | (524,848) |
| EQUITY | 權益 | | 91,571 | 48,652 |

Approved and authorised for issue by the board of directors on 24 October 2008.

已由董事會於二零零八年十月二十四日批核及授權刊發。

Lau Chi Yuen, Joseph

劉智遠

Director

董事

Chan Sing Fai

陳承輝

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

| | | Reserves 儲備 | | | | | | |
|---|---------------------------|-----------------------------------|------------------|---------------------|---------------------|------------------|---------------|----------------|
| | | Share-based payment reserve | | | | Accumulated | Total | Total |
| | | Share capital | Share premium | 以股份為 基礎付款 之儲備 | Exchange reserve | losses | reserves | equity |
| | | 股本 | 股份溢價 | 之儲備 | 匯兌儲備 | 累計虧損 | 總儲備 | 總權益 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 July 2006 | 於二零零六年七月一日 | 573,500 | 103,257 | – | – | (669,473) | (566,216) | 7,284 |
| Loss for the year | 本年度虧損 | – | – | – | – | (11,869) | (11,869) | (11,869) |
| Total recognised income and expense for the year | 本年度已確認收入及 開支總額 | – | – | – | – | (11,869) | (11,869) | (11,869) |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及 二零零七年七月一日 | 573,500 | 103,257 | – | – | (681,342) | (578,085) | (4,585) |
| Loss for the year | 本年度虧損 | – | – | – | – | – | (55,096) | (55,096) |
| Total recognised income and expense for the year | 本年度已確認收入及 開支總額 | – | – | – | – | (55,096) | (55,096) | (55,096) |
| Recognition of equity-settled share-based payments | 確認以股權結算以股份為 基礎之款項 | – | – | 21,386 | – | – | 21,386 | 21,386 |
| Reduction of capital pursuant to a capital reorganisation | 根據資本重組之股本削減 | (573,213) | 573,213 | – | – | – | 573,213 | – |
| Shares issued pursuant to an open offer | 根據公開發售發行之股份 | 8,602 | 87,574 | – | – | – | 87,574 | 96,176 |
| Shares issued pursuant to an arranger agreement | 根據安排人協議發行之股份 | 440 | 4,479 | – | – | – | 4,479 | 4,919 |
| Shares issued pursuant to a placing agreement | 根據配售協議發行之股份 | 800 | 15,200 | – | – | – | 15,200 | 16,000 |
| Shares issued for acquisition of a subsidiary | 發行以收購一間附屬公司 之股份 | 364 | 22,543 | – | – | – | 22,543 | 22,907 |
| Cost attributable to issue of new shares | 發行新股份之成本 | – | (320) | – | – | – | (320) | (320) |
| Exchange differences arising on translation of foreign operations | 匯兌海外業務產生之匯兌差額 | – | – | – | 2,765 | – | 2,765 | 2,765 |
| At 30 June 2008 | 於二零零八年六月三十日 | 10,493 | 805,946 | 21,386 | 2,765 | (736,438) | 93,659 | 104,152 |

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

| | | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|--|-------------|-----------------|----------------------------------|----------------------------------|
| | Notes 附註 | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | 經營業務之現金流量 | | |
| Loss before tax | | 除稅前虧損 | (49,651) | (10,772) |
| Adjustments for:– | | 就下列項目所作調整： | | |
| Accruals written back | | 撥回應計費用 | (63) | (1,558) |
| Dividend income | | 股息收入 | – | (1) |
| Gain on disposal of property, plant and equipment | | 出售物業、廠房及設備之收益 | (54) | (90) |
| Fair value gain on investment property | | 投資物業公平值收益 | (7,289) | – |
| Write-down of properties held for sale reversed | | 撥回持作出售物業撇減 | – | (414) |
| Depreciation | | 折舊 | 181 | 97 |
| Equity settled share-based payments | | 以權益結算並以股份為基礎付款 | 21,386 | – |
| Finance costs | 6 | 融資成本 | 1,691 | 5,057 |
| Operating cash flows before changes in working capital | | 營運資金變動前之經營現金流量 | (33,799) | (7,681) |
| Decrease in properties held for sale | | 持作出售物業減少 | 4,308 | 9,278 |
| Increase in trade and other receivables | | 應收貨款及其他應收款項增加 | (24,882) | (2,550) |
| Increase in trade and other payables | | 應付貨款及其他應付款項增加 | 15,098 | 1,516 |
| Cash generated from/(used in) operations | | 經營產生/(耗用)現金 | (39,275) | 563 |
| Interests and charges paid on bank and other loans | | 銀行及其他借款之已付利息及費用 | (1,691) | (5,056) |
| Taxes paid | | 已付稅項 | (2,309) | (1,097) |
| Net cash used in operating activities | | 經營業務耗用之現金淨額 | (43,275) | (5,590) |

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

| | | Notes | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|--|---------------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| CASH FLOWS FROM INVESTING ACTIVITIES 投資活動之現金流量 | | | | |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | | 175 | 90 |
| Payment of deposit for purchase of investment property | 支付購買投資物業之按金 | | – | (13,371) |
| Payment for purchase of property, plant and equipment | 付款購買物業、廠房及設備 | | (14,270) | (1) |
| Payment of consideration for purchase of investment property | 支付購買投資物業之代價 | | (28,939) | – |
| Acquisition of a subsidiary | 收購一間附屬公司 | 30 | 1 | – |
| Dividend received | 已收股息 | | – | 1 |
| Net cash used in investing activities | 投資活動耗用之現金淨額 | | (43,033) | (13,281) |
| CASH FLOWS FROM FINANCING ACTIVITIES 融資活動之現金流量 | | | | |
| Proceeds from borrowings | 借貸所得款項 | | 20,842 | 13,371 |
| Repayment of borrowings | 償還借貸 | | (51,182) | (17,667) |
| Payment of finance lease liabilities | 償還融資租賃之債務 | | – | (8) |
| Proceeds from issue of shares | 發行股份所得款項 | | 117,095 | – |
| Payment of share issue expenses | 支付股份發行開支 | | (320) | – |
| Net cash generated from/(used in) financing activities | 融資活動產生/(耗用)之現金淨額 | | 86,435 | (4,304) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及等同現金項目之增加/(減少)淨額 | | 127 | (23,175) |
| Effect of foreign exchange rate changes | 匯率變動之影響 | | 2,765 | – |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 年初之現金及等同現金項目 | | 4,195 | 27,370 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 年末之現金及等同現金項目 | | 7,087 | 4,195 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS 現金及等同現金項目之分析 | | | | |
| Cash and bank deposits | 現金及銀行結存 | | 7,087 | 4,195 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

1. GENERAL INFORMATION

China Outdoor Media Group Limited (the "Company"), formerly known as eCyberChina Holdings Limited, was incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The trading of the Company's shares on the Stock Exchange has been suspended since 30 June 2003 and resumed on 5 October 2007. During the period of suspension of trading of the Company's shares on the Stock Exchange, the Company was subjected to delisting procedures which were eventually released by the Stock Exchange.

The addresses of the registered office and principal place of business of the Company are located at Room 2508, 25th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (the "Group") during the year were investments in properties for leasing and trading and the provision of media management and consultancy services.

The financial statements are presented in Hong Kong dollars, the functional currency of the Company.

2. APPLICATION OF NEW AND/OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted the following new and/or revised standard, amendment and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for annual reporting periods beginning on 1 July 2007. The initial application of the new HKFRSs, which are relevant to the Group's operations, has no significant effect on the Group's accounting policies and the amounts reported for the current and prior years in these financial statements.

| | |
|--------------------|---|
| HKAS 1 (Amendment) | Capital Disclosures |
| HKFRS 7 | Financial Instruments: Disclosures |
| HK(IFRIC)-Int 10 | Interim Financial Reporting and Impairment |
| HK(IFRIC)-Int 11 | HKFRS 2 – Group and Treasury Share Transactions |

1. 一般資料

中國戶外媒體集團有限公司(「本公司」)，前稱光訊控股集團有限公司為於香港註冊成立之有限公司，其股份在香港聯合交易所有限公司(「聯交所」)主板上市。本公司股份自二零零三年六月三十日以來暫停在聯交所買賣，並於二零零七年十月五日恢復買賣。於本公司股份在聯交所暫停買賣期間，本公司之取消上市程序最終獲聯交所解除。

本公司之註冊辦事處及主要營業地點之地址為香港灣仔港灣道25號港灣中心25樓2508室。

年內，本公司及其附屬公司(「本集團」)主要從事投資物業以作出租及買賣，以及提供媒體管理及顧問服務。

財務報表乃以本公司之功能貨幣港元呈列。

2. 實施新訂及／或經修訂香港財務報告準則

於本年度，本集團已採納下列香港會計師公會(「香港會計師公會」)所頒佈於二零零七年七月一日或之後開始年度報告期間生效之所有新訂及／或經修訂準則，修訂及詮釋(「新訂香港財務報告準則」)。首次實施該等新訂與本集團營運有關之香港財務報告準則對本集團之會計政策並無重大影響，對本年度及過往年度該等財務報表之賬目報告亦無重大影響。

| | |
|-----------------------------|----------------------------|
| 香港會計準則第1號(修訂本) | 資本披露 |
| 香港財務報告準則第7號 | 金融工具：披露 |
| 香港(國際財務報告詮釋委員會) — 詮釋第10號 | 中期財務報告及減值 |
| 香港(國際財務報告詮釋委員會) — 詮釋第11號 | 香港財務報告準則第2號 — 集團及庫務股份交易 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

2. APPLICATION OF NEW AND/OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

The Group has not early applied the following new and/or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors are in the process of making an assessment of the expected impact of these new and/or revised standards, amendments and interpretations upon initial application but is not yet in a position to state whether the application of these new and/or revised standards, amendments or interpretations would have a material impact on the results and the financial position of the Group.

| | |
|--------------------------|---|
| HKAS 1 (Revised) | Presentation of Financial Statements ⁽⁴⁾ |
| HKAS 23 (Revised) | Borrowing Costs ⁽⁴⁾ |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements ⁽⁵⁾ |
| HKAS 32 & 1 (Amendments) | Puttable Financial Instruments and Obligations arising on Liquidation ⁽⁴⁾ |
| HKFRS 2 (Amendment) | Share-based Payment – Vesting Conditions and Cancellations ⁽⁴⁾ |
| HKFRS 3 (Revised) | Business Combinations ⁽⁵⁾ |
| HKFRS 8 | Operating Segments ⁽⁴⁾ |
| HK(IFRIC)-Int 12 | Service Concession Arrangements ⁽¹⁾ |
| HK(IFRIC)-Int 13 | Customer Loyalty Programmes ⁽²⁾ |
| HK(IFRIC)-Int 14 | HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁽¹⁾ |
| HK(IFRIC)-Int 15 | Agreements for the Construction of Real Estate ⁽⁴⁾ |
| HK(IFRIC)-Int 16 | Hedges of a Net Investment in a Foreign Operation ⁽³⁾ |

- (1) Effective for annual periods beginning on or after 1 January 2008
- (2) Effective for annual periods beginning on or after 1 July 2008
- (3) Effective for annual periods beginning on or after 1 October 2008
- (4) Effective for annual periods beginning on or after 1 January 2009
- (5) Effective for annual periods beginning on or after 1 July 2009

2. 實施新訂及／或經修訂香港財務報告準則(續)

本集團並無提前應用以下已頒佈但未生效之新訂及／或經修訂準則、修訂或詮釋。董事正對該等新訂及／或經修訂準則、修訂及詮釋在首次實施後預期帶來之影響進行評估，但未能確定實施該等新訂及／或經修訂準則、修訂或詮釋會否對本集團之業績及財務狀況產生重大影響。

| | |
|------------------------|--|
| 香港會計準則第1號(經修訂) | 呈列財務報表 ⁽⁴⁾ |
| 香港會計準則第23號(經修訂) | 借貸成本 ⁽⁴⁾ |
| 香港會計準則第27號(經修訂) | 綜合及獨立財務報表 ⁽⁵⁾ |
| 香港會計準則第32號及第1號(修訂本) | 可沽售財務工具及清盤時產生之責任 ⁽⁴⁾ |
| 香港財務報告準則第2號(修訂本) | 以股份為基礎付款—歸屬條件及注銷 ⁽⁴⁾ |
| 香港財務報告準則第3號(經修訂) | 業務合併 ⁽⁵⁾ |
| 香港財務報告準則第8號 | 營運分部 ⁽⁴⁾ |
| 香港(國際財務報告詮釋委員會)—詮釋第12號 | 服務專利安排 ⁽¹⁾ |
| 香港(國際財務報告詮釋委員會)—詮釋第13號 | 客戶忠誠計劃 ⁽²⁾ |
| 香港(國際財務報告詮釋委員會)—詮釋第14號 | 香港會計準則第19號—定額福利資產之限制、最低資金要求及其相互關係 ⁽¹⁾ |
| 香港(國際財務報告詮釋委員會)—詮釋第15號 | 建設房地產合約 ⁽⁴⁾ |
| 香港(國際財務報告詮釋委員會)—詮釋第16號 | 海外業務投資淨額對沖 ⁽³⁾ |

- (1) 於二零零八年一月一日或之後開始之年度期間生效
- (2) 於二零零八年七月一日或之後開始之年度期間生效
- (3) 於二零零八年十月一日或之後開始之年度期間生效
- (4) 於二零零九年一月一日或之後開始之年度期間生效
- (5) 於二零零九年七月一日或之後開始之年度期間生效

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which include collectively all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation of the financial statements

The financial statements have been prepared using the historical cost convention, except for investment property and certain financial instruments which are measured at fair value, on a going concern basis.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year made up to 30 June 2008.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. 主要會計政策

(a) 承諾聲明

財務報表已按照香港會計師公會頒佈所有適用之香港財務報告準則(「香港財務報告準則」)編製。該統稱詞彙包括香港會計師公會所頒佈之所有適用個別香港財務報告準則、香港會計準則及詮釋，以及於香港通用之會計原則及香港公司條例之要求。此外，財務報表已遵守香港聯合交易所有限公司證券上市規則之適用披露。

(b) 財務報表編製基準

財務報表乃按持續基準以歷史成本法編製，惟投資物業及若干按公平值計量之金融工具除外。

(c) 綜合賬目基準

本綜合財務報表包括本公司及其附屬公司截至二零零八年六月三十日止年度之財務報表。

本年度收購或出售之附屬公司之業績，分別由收購有效日期起或截至出售有效日期止適當地計入綜合收益表。

如有需要，附屬公司之財務報表將予調整，令其會計政策與本集團其他成員公司所用者一致。

所有集團內公司間之交易、結餘、收入及支出已於編製綜合賬目時抵銷。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Basis of consolidation (cont'd)

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(d) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3. 主要會計政策(續)

(c) 綜合賬目基準(續)

綜合附屬公司淨資產內之少數股東權益與本集團之股本權益分開呈列。少數股東權益包括於原業務合併日期該權益數額，以及自合併日後少數股東應佔之權益變動。倘少數股東應佔之虧損高於少數股東應佔附屬公司之股本之權益，除非該少數股東須受約束性責任及有能力支付額外資金以彌補附屬公司之虧損，否則該虧損應由本集團承擔。

(d) 業務合併

收購附屬公司乃以購買法計算。收購成本按交換日期本集團指定資產、所產生或所承擔之負債及作為交換被收購人控制權而發行之股本工具公平值，加上業務合併之任何直接應佔成本之總和計量。被收購人之可識別資產、負債及或然負債乃以彼等於收購日期之公平值確認，而分類為持作出售之非流動資產(或出售集團)則以公平值減出售成本確認及計量。

因收購所產生之商譽乃確認為資產，並初步按成本計量，即業務合併之成本超出本集團於已確認之可識別資產、負債及或然負債之淨公平值中之權益之超額。倘於重新評估後，本集團於被收購人之可識別資產、負債及或然負債之淨公平值中之權益超出業務合併之成本，則超出部分即時於損益內確認。

少數股東於被收購人中之權益乃初步按少數股東於已確認之資產、負債及或然負債之淨公平值中之比例計量。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, associate or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill on acquisition of subsidiary or jointly controlled entity is presented separately.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the acquisition. Cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in subsequent periods.

On subsequent disposal of subsidiary, associate or jointly controlled entity, the carrying amount of attributable goodwill is included in the determination of the gain or loss on disposal.

(f) Investments in subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Company, directly or indirectly, holds more than half of the issued share capital or controls more than half the voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

3. 主要會計政策(續)

(e) 商譽

商譽乃指收購成本超逾本集團於收購當日應佔相關附屬公司、聯營公司或共同控制實體可識別資產、負債及或然負債公平淨值之權益之差額。有關商譽乃初步按成本值確認為資產，其後則按成本減任何累計減值虧損列賬。收購附屬公司或共同控制實體之商譽會分開列出。

為測試減值，商譽分配予預期本集團各個受惠於收購所產生協同效益的相關現金產生單位。已獲分配商譽的現金產生單位會每年或於有跡象顯示單位可能出現減值時更頻密地評估減值。倘現金產生單位的可收回金額少於單位的賬面值，則首先分配減值虧損以扣減分派至該單位的任何商譽之賬面值，其後根據該單位各資產的賬面值按比例分配至該單位的其他資產。商譽減值虧損即時於損益被確認，亦不會於其後的期間撥回。

倘接連出售附屬公司、聯營公司或共同控制實體，應佔商譽之賬面值於釐定出售收益或虧損時計入。

(f) 於附屬公司之投資

根據香港公司條例，附屬公司乃本公司直接或間接持有其過半數已發行股本或控制過半數投票權或控制董事會組成之公司。倘本公司有權直接或間接監管其財政及經營政策以從該等公司之活動中獲取利益，該等附屬公司則被視為受到控制。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Investments in subsidiaries (cont'd)

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment losses, unless the investment is classified as held for sale, in which case it is accounted for under "HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*".

(g) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

(h) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and is measured at the fair value of the consideration received or receivable for goods sold and services provided in the ordinary course of business, net of discounts and sales related taxes, on the following bases:—

- (i) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.
- (ii) Income from sales of properties is recognised when title has passed.
- (iii) Income from sales of financial instruments is recognised when title has passed on completion of transfer of risks and rewards of ownership to the transferee.
- (iv) Income from provision of services is recognised when the service is rendered.

3. 主要會計政策(續)

(f) 於附屬公司之投資(續)

於本公司之資產負債表，於附屬公司之投資按成本減任何減值虧損列賬，惟分類為持作出售之投資除外，於此情況下，按「香港財務報告準則第5號持作出售之非流動資產及已終止業務」入賬。

(g) 持作出售非流動資產

非流動資產及出售組別之賬面值如可透過出售交易而非透過持續使用而收回，則會分類為持作出售。此條件僅於很有可能產成出售及資產(或出售組別)可於現況下即時出售時方符合。

分類為持作出售之非流動資產(及出售組別)乃按資產(出售組別)以往賬面值及公平值兩者中之較低者減出售成本計量。

(h) 收益確認

收益於本集團可能獲經濟利益時確認及按已收或應收代價之公平值計量，代表於日常業務過程中提供已售商品及服務之應收款項減折扣及與銷售有關之稅項，並按下以基準確認：

- (i) 經營租賃之租金收入按有關租期以直線法確認。
- (ii) 出售物業之收入於業權轉移後確認。
- (iii) 出售金融工具之收入於完成轉移風險及回報擁有權予承讓人後確認。
- (iv) 提供服務之收入於提供服務時予以確認。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Revenue recognition (cont'd)

(v) Interest income is accrued on a time proportion basis, by reference to the principal outstanding using the effective interest method.

(vi) Dividend income is recognised when the shareholder's right to receive payment is established.

(i) Leases

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Interest in leasehold land is amortised over the lease term on a straight-line basis.

(j) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, the functional currency of the Company and the presentation currency of the consolidated financial statements.

3. 主要會計政策(續)

(h) 收益確認(續)

(v) 利息收入根據實際利率法按時間比例計算。

(vi) 股息收入於股東收取股息之權利確立後確認。

(i) 租約

倘租約條款將租約擁有權絕大部分風險及收益轉讓予承租人，則租約被分類為融資租約。所有其他租約被分類為經營租約。

按融資租約持有之資產按租約開始時之公平值或最低租賃付款現值之較低者確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租賃付款按比例於財務費用及租約承擔減少之間作出分配，從而就計算該等負債應付餘額得出固定比率。財務費用直接於損益扣除，惟倘若直接與合資格資產有關，則將會根據本集團有關借貸成本之一般政策撥充資本。

經營租約之應付租金於有關租賃期間按直線法於損益扣除。作為訂立經營租約優惠之已收及應收利益亦按租期以直線法確認為租金支出減少。

租賃土地之權益按租期以直線法攤銷。

(j) 外幣

各集團實體的個別財務報表均以該實體營運所在主要經濟環境的貨幣(其功能貨幣)列值。就綜合財務報表而言，各實體之業績及財務狀況以港元列值，港元為本公司之功能貨幣及綜合財務報表之呈列貨幣。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Foreign currencies (cont'd)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded using the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated using the rates of exchange prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated using the rates of exchange prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period in which they arise, except for exchange difference arising on a monetary item forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing at the balance sheet date. Income and expenses are translated using the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which cases, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised as exchange reserve in equity. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. 主要會計政策(續)

(j) 外幣(續)

編製個別實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃以交易日期當時之匯率記錄。於各結算日，以外幣列值之貨幣項目以結算當日之匯率重新換算。以外幣結算且按公平值列賬之非貨幣項目以釐定公平值當日之現行匯率重新換算。以外幣結算且按過往成本計算之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生匯兌差額會於產生期間於損益列賬，惟構成本公司海外業務淨投資之貨幣項目產生之匯兌差額則除外，在此情況下，該等匯兌差額於綜合財務報表中確認為權益。重新換算按公平值列賬之非貨幣項目所產生匯兌差額計入期內損益，惟重新換算非貨幣項目產生之損益直接於權益確認則除外，在此情況下，匯兌差額亦直接於權益確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算日之現行匯率換算為港元，而收入及開支項目乃按期內平均匯率換算，除非期內匯率出現重大波幅，於此情況下，則將採用交易當日之匯率。所產生匯兌差額(如有)確認為權益中之換算儲備。有關匯兌差額於該項海外業務出售期間在損益確認。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Foreign currencies (cont'd)

Goodwill and fair value adjustments on identifiable net assets arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operation and translated at the rate prevailing on the balance sheet date. Exchange differences arising are included in the exchange reserve in equity.

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Share options granted to employees are accounted for in accordance with the policies set out in note 3(t)(i)(1).

3. 主要會計政策(續)

(j) 外幣(續)

收購海外業務產生之商譽及可識別資產淨值公平值調整被視作為該海外業務之資產及負債，並按結算日現行匯率進行換算。所產生之匯兌差額於匯兌儲備列賬為權益。

(k) 借貸成本

與收購、建造或生產需要長時間方能達致計劃用途或推出銷售的合資格資產直接有關之借貸成本，均撥充該等資產之部分成本。當該等資產可作擬定用途或銷售時，有關借貸成本則不再撥充資本。特定借款用以支付合資格資產之經費前作出之短暫投資所賺取投資收益，從合資格撥充資本之借貸成本中扣除。

一切其他借貸成本均在其產生之期間內在損益確認。

(l) 僱員福利

薪金、年度獎金、有薪年假、界定供款退休計劃之供款和非貨幣福利成本在僱員提供相關服務之年度內累計。如果延遲付款或結算會造成重大之影響，則該等數額會以現值列賬。

倘本集團明確就終止僱用作出承擔或因在一項實際上不可能退出之詳細正式計劃下僱員自願離職而提供利益(及僅在上述情況下)，則離職福利可確認入賬。

授予僱員之購股權根據附註3(t)(i)(1)所載政策列賬。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

3. 主要會計政策(續)

(m) 稅項

所得稅開支指當期應付稅項與遞延稅項之總和。

當期應付稅項根據有關年度之應課稅溢利計算。應課稅溢利有別於收益表所列溢利，原因在於應課稅溢利不包括其他年度應課稅收入或可扣稅開支，亦不包括完全毋須課稅或不得扣稅之項目。本集團之即期稅項負債乃按結算日已生效或實質生效之稅率計算。

遞延稅項是根據財務報表所列資產和負債賬面值與計算應課稅溢利所使用的有關稅基的差額確認，以負債法於資產負債表入賬。應課稅暫時差額一般會確認遞延稅項負債，而遞延稅項資產則於有可能取得應課稅溢利且可動用可扣減暫時差額時確認。倘暫時差額是基於商譽或所涉資產和負債在首次確認時不會對應課稅溢利或會計溢利有影響的交易(業務合併除外)所產生，則不會確認有關資產和負債。

遞延稅項負債乃就於附屬公司及聯營公司之投資，以及於合營企業權益所產生之應課稅暫時差額予以確認，惟本集團可控制撥回之暫時差額則除外，而暫時差額將不得於可見將來撥回。

於各個結算日均會審閱遞延稅項資產的賬面值，並會於再不可能有足夠應課稅溢利收回全部或部分資產時作出扣減。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Taxation (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(n) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, after taking into account of their estimated residual value, if any, using the straight-line method over their estimated useful lives at the following rates:-

| | |
|--|---------------------|
| Furniture, fixtures and office equipment | 9% to 20% per annum |
| Motor vehicles | 25% per annum |
| Computer equipment | 9% to 20% per annum |

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss for the period in which the asset is derecognised.

Construction in progress represents buildings under construction and is stated at cost less any impairment losses.

3. 主要會計政策(續)

(m) 稅項(續)

遞延稅項按債項償還或資產變現期間內適用的預計稅率，根據於結算日已生效或實質生效之稅率計算。遞延稅項於損益計作開支或收入，惟當遞延稅項與直接自權益扣除或計入權益的項目有關時，則遞延稅項亦會於權益中處理。

(n) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何累計減值虧損入賬。

折舊乃以直線法，按物業、廠房及設備項目之估計可使用年期及經計及其估計剩餘價值撇銷其成本計入。年率如下：

| | |
|-------------|----------|
| 傢俬、裝置及辦公室設備 | 每年9%至20% |
| 汽車 | 每年25% |
| 電腦設備 | 每年9%至20% |

根據融資租約持有之資產乃按擁有資產或相關租期(如相關)之相同基準，根據其估計可使用年期折舊。

於出售資產或預期持續使用資產不會產生日後經濟利益時終止確認物業、廠房及設備項目。終止確認資產產生之任何損益(按出售所得款項淨額與項目賬面值之差額計算)於終止確認資產之期間在損益確認。

在建工程代表正在興建中之大廈且列值為成本減任何減值虧損。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value or from the retirement or disposal of investment property are included in profit or loss for the period in which they arise.

(p) Impairment of tangible and intangible assets other than goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the impairment loss is treated as revaluation decrease under that standard.

3. 主要會計政策(續)

(o) 投資物業

投資物業為持作賺取租金及／或資本增值之物業，於結算日按公平值列賬。投資物業公平值變動或報廢或出售產生之損益於產生期間計入損益。

(p) 有形及無形資產(商譽除外)減值

於各結算日，本集團審閱其有形及無形資產賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，將估計資產之可收回金額，以釐定減值虧損(如有)之程度。倘未能估計個別資產之可收回金額，本集團將估計資產所屬現金產生單位之可收回金額。

可收回金額為公平值減成本佔銷售及使用價值之較高者。於評估使用價值時，估計未來現金流量採用可反映金錢時間價值及資產指定風險之現行市場評估稅前貼現率貼現至現值。

倘資產(現金產生單位)之可收回金額估計低於其賬面值，資產(現金產生單位)之賬面值則調低至其可收回金額。減值虧損即時於損益確認，除非有關資產根據其他準則按重估金額列賬，否則於此情況下，減值虧損根據該準則將被視作重估減值。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Impairment of tangible and intangible assets other than goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Impairment losses recognised in an interim financial report prepared in compliance with "HKAS 34 Interim Financial Reporting" are not reversed at the end of the financial year to which the interim period relates even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of that financial year.

(q) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure and other direct costs attributable to bring the properties to their present location and condition. Net realisable value represents the estimated sales proceeds, based on prevailing market conditions, less any further costs expected to be incurred on disposal.

(r) Financial instruments

Financial assets and financial liabilities are recognized on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3. 主要會計政策(續)

(p) 有形及無形資產(商譽除外)減值(續)

倘減值虧損其後撥回，則資產(現金產生單位)賬面值會調高至經修訂估計可收回金額，惟已增加之賬面值不得超過倘資產(現金產生單位)於過往年度並無確認減值虧損時之賬面值。撥回之減值虧損即時於損益確認，除非有關資產根據其他準則按重估金額列賬，否則於此情況下，減值虧損之撥回根據該準則將視作重估增加。

於根據香港會計準則第34號「中期財務申報」編製之中期財務報告內確認之減值虧損並未預留至與該中期間相關之財務年度年終，即使並無虧損或只有少量虧損，該等金額僅於財務年度年終評估出減值時，方會被確認。

(q) 持作出售物業

持作出售物業乃按成本值及可變現淨值兩者中之較低者列賬。成本包括所有發展開支以及該等物業達至現有位置及狀況應佔之其他直接成本。可變現淨值為根據當時市場狀況，以估計銷售所得款項減預期出售物業產生之任何其他成本計算。

(r) 財務工具

當集團實體成為工具合約條文之訂約方，即於綜合資產負債表確認財務資產及財務負債。財務資產及財務負債初次按公平值計量。收購或發行財務資產及財務負債(按公平值計入損益賬之財務資產及財務負債除外)直接應佔之交易成本，於初次確認時於財務資產或財務負債(按適用情況而定)之公平值計入或扣除。收購按公平值計入損益賬之財務資產或財務負債直接應佔之交易成本，即時於損益賬確認。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

(i) Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

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

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated as at fair value through profit or loss on initial recognition.

A financial asset is classified as held for trading if:-

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of and identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

(r) 財務工具(續)

(i) 財務資產

本集團之財務資產分為四類，即按公平值計入損益之財務資產、貸款及應收款項、持有至到期日之投資及可出售財務資產。財務資產的所有定期買賣均於交易日確認或取消確認。定期買賣指根據有關市場規則或慣例設定的時限內交付財務資產的買賣。就每類財務資產所採納之會計政策如下。

(1) 按公平值計入損益之財務資產

按公平值計入損益之財務資產有兩個次類別，包括持作買賣之財務資產和在初始確認時指定按公平值計入損益之財務資產。

某項財務資產分類為持有作買賣若：

- 購入之主要目的為於不久將來購回；或
- 其為本集團聯合管理之財務工具之一部分及已物色組合，並擁有短期獲利之現時實際樣式；或
- 其為不指定及有效作為對沖工具之衍生工具。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

(i) Financial assets (cont'd)

- (1) Financial assets at fair value through profit or loss (cont'd)

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:-

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain on loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

3. 主要會計政策(續)

(r) 財務工具(續)

(i) 財務資產(續)

- (1) 按公平值計入損益之財務資產(續)

倘出現下列情況，則持作買賣之財務資產以外之財務資產，可於初始確認時被劃分為按公平值計入損益：

- 有關劃分撤銷或大幅減低計量或確認可能出現不一致之情況；或
- 財務資產組成財務資產或財務負債各部分或兩者，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或
- 財務資產組成包含一種或以上嵌入式衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約(資產或負債)將劃分為按公平值計入損益之財務資產。

初始確認後在每個結算日，按公平值計入損益之財務資產以公平值計量，公平值變動在出現期間直接在損益確認。於損益確認之收益或虧損淨額包括由財務資產賺得之股息或利息。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, loan receivables, other receivables and bank balances) are carried at amortized cost using the effective interest method, less any identified impairment losses.

(3) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any identified impairment losses.

(4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognized in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognized in equity is removed from equity and recognized in profit or loss.

3. 主要會計政策(續)

(r) 財務工具(續)

(i) 財務資產(續)

(2) 貸款及應收款項

貸款及應收款項為附帶固定或待定付款之非衍生財務資產，且並無在活躍市場報價。於初次確認後之各結算日，貸款及應收款項(包括應收賬款、應收貸款、其他應收款項及銀行結餘)乃採用實際利率法按已攤銷成本扣除任何已識別減值虧損列賬。

(3) 持有至到期日之投資

持有至到期日之投資為具有固定或可釐定付款及固定到期日令本集團管理層有正面意向及能力持有至到期之非衍生財務資產。於初始確認後之每個結算日，持有至到期日之投資乃以實際利率法按攤銷成本減任何已識別減值虧損計量。

(4) 可出售財務資產

可出售財務資產乃指定或並未分類為按公平值計入損益之財務資產、貸款及應收款項或持有至到期日之財務資產之非衍生工具。於初始確認後之每個結算日，可出售財務資產按公平值計算。公平值之變動於權益中確認，直至該財務資產被出售或決定出現減值，屆時過往於權益中確認之累計收益或虧損會自權益中剔除，並於損益賬確認。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(4) Available-for-sale financial assets (cont'd)

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

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

(ii) Financial liabilities

The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

(1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated as at fair value through profit or loss on initial recognition.

3. 主要會計政策(續)

(r) 財務工具(續)

(i) 財務資產(續)

(4) 可出售財務資產(續)

就並無活躍市場之市價報價及其公平值未能可靠計算及與其相關之衍生工具必須以交付有關非報價股本工具結付之可出售股本投資而言，於初始確認後之各個結算日按成本值減任何已識別減值虧損計算。

財務資產於自資產收取現金流量之權利屆滿時或於財務資產被轉讓時及於本集團轉讓財務資產所有權之絕大部分風險及回報時予以取消確認。於取消確認某項財務資產時，該資產賬面值與所收取及應收取之代價及直接於權益內確認之累計盈虧之總和之差額於損益中確認。

(ii) 財務負債

本集團之財務負債一般獲分類為按公平值計入損益之財務負債及其他財務負債。就財務負債所採納之會計政策如下。

(1) 按公平值計入損益之財務負債

按公平值計入損益之財務負債有兩個次類別，包括持作買賣之財務負債和在初始確認時指定按公平值計入負債之財務負債。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

(1) Financial liabilities at fair value through profit or loss (cont'd)

A financial liability is classified as held for trading if:-

- it has been acquired principally for the purpose of repurchasing in the near future; or
- it is a part of and identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:-

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 主要會計政策(續)

(r) 財務工具(續)

(ii) 財務負債(續)

(1) 按公平值計入損益之財務負債(續)

倘若出現下列情況，則某項財務負債分類為持有作買賣：

- 購入之主要目的為於不久將來購回；或
- 其為本集團聯管理之財務工具之一部分及已物色組合，並擁有短期獲利之現時實際樣式；或
- 其為不指定及有效作為對沖工具之衍生工具。

持作買賣之財務負債以外之財務負債，可於初始確認時被劃分為按公平值計入損益：

- 有關劃分撤銷或大幅減低計量或確認可能另外出現不一致之情況；或
- 財務負債組成財務資產或財務負債各部分或兩者，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

- (1) Financial liabilities at fair value through profit or loss (cont'd)
 - it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit and loss includes any interest paid on the financial liability.

- (2) Other financial liabilities
Other financial liabilities (including bank and other borrowings, trade and other payables) are subsequently measured at amortized cost, using the effective interest method.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策(續)

(r) 財務工具(續)

(ii) 財務負債(續)

- (1) 按公平值計入損益之財務負債(續)
 - 財務負債組成包含一種或以上嵌入式衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約(資產或負債)將劃分為按公平值計入損益之財務資產。

初始確認後在每個各別結算日，按公平值計入損益之財務負債以公平值計量，公平值變動在出現期間直接在損益確認。於損益確認之收益或虧損淨額包括因財務負債而支付之利息。

- (2) 其他財務負債
其他財務負債(包括銀行及其他借貸，應付賬款及其他應付款項)乃於其後以實際利率法按攤銷成本計量。

財務負債於有關合約訂明之責任獲解除、取消或屆滿時予以取消確認。已取消確認之財務負債之賬面值與已付代價之差額於損益中予以確認。

(iii) 股本工具

由本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

購回本公司本身股本工具乃直接於權益中予以確認及削減。於購買、出售、發行或註銷本公司之本身股本工具時，任何盈虧概不會於損益中予以確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Financial guarantees, provisions and contingent liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. The Group has asserted to regard financial guarantee contracts as insurance contracts and elect to apply "HKFRS 4 Insurance Contracts" to account for such contracts. The election applies to all existing contracts and new contracts on a contract-by-contract basis and is irrecoverable for each contract elected.

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future event(s) is also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

3. 主要會計政策(續)

(s) 財務擔保、撥備及或然負債

財務擔保合約指因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行者需支付指定金額給持有人以補償其所遭受損失之合約。本集團已將財務擔保合約視作為保險合約，並選擇應用「香港財務報告準則第4號保險合約」於該等合約中。該準則適用於所有以單一合約訂立之現有合約及新合約，且各合約一經選取得便不得撤回。

當本集團因過去事件而有現時責任時，及於將有可能需要流出經濟利益以履行責任及可靠估計可予以作出之情況下，撥備予以確認。倘若款項之時間價值屬重大，則撥備按預期履行責任之開支之現值予以列賬。

倘若將不可能需要流出經濟利益以履行責任或責任之款額不可予以充分可靠地計量，則現時之責任作為或然負債予以披露。因過去事件而產生及存在將僅由一項或多項未來事件之存在或不存在確認之可能性責任亦作為或然負債予以確認，除非流出經濟利益之可能性極微，則另當別論。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Share-based payment transactions

(i) *Equity-settled share-based payment transactions*

(1) Share options granted to employees

For share options granted to employees, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The effect of the change in estimate, if any, is recognized in profit or loss with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognized in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share options reserve will be transferred to retained profits.

(2) Share options granted to suppliers

For share options granted to suppliers in exchange for goods or services, they are measured at the fair value of the goods or services received. The fair values of the goods or services are recognized as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustments have been made to equity (share options reserve).

3. 主要會計政策(續)

(t) 以股份為基礎之付款交易

(i) 以權益結算並以股份為基礎付款之交易

(1) 向僱員授出購股權

就授予僱員之購股權而言，參考於授出日期已授出購股權之公平值釐定之所獲取服務之公平值於歸屬期間以直線基準支銷，而權益(購股權儲備)亦會相應增加。

於各結算日，本集團修訂其對預期將最終歸屬之購股權數目之估計。估計變動(如有)之影響於損益賬確認，並對購股權儲備作出相應調整。

於購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於購股權儲備確認之金額將轉撥至保留溢利。

(2) 向供應商授出購股權

就授予供應商以換取貨品或服務之購股權而言，該等購股權按所獲取之貨品或服務之公平值計量。貨品或服務之公平值即時確認為開支，除非貨品或服務合資格被確認為資產。本公司將對權益(購股權儲備)作出相應調整。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Share-based payment transactions (cont'd)

(ii) Cash-settled share-based payment transactions

For cash-settled share-based payments, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. At each balance sheet date, the liability is remeasured at its fair value until the liability is settled, with any changes in fair value recognized in profit or loss.

(u) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(v) Related parties

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

- (i) The party, directly or indirectly through one or more intermediaries, (1) controls, is controlled by, or is under common control with, the Group; (2) has an interest in the Group that gives it significant influence over the Group; or (3) has joint control over the Group;
- (ii) The party is an associate;
- (iii) The party is a jointly controlled entity;
- (iv) The party is a member of the key management personnel of the Group or its parent;

3. 主要會計政策(續)

(t) 以股份為基礎之付款交易(續)

(ii) 以現金結算及以股份為基礎之付款交易

就以現金結算股份為基礎之付款而言，本集團按負債之公平值計量所收購之貨品或服務及所產生之負債。於各結算日，負債以公平值重新計量直至負債被抵償，而任何公平值變動於損益賬確認。

(u) 現金及等同現金項目

現金及現金等值項目包括銀行現金及手頭現金、存於銀行及其他金融機構之活期存款及其他高流通性短期投資，該等投資可隨時轉換為已知金額現金且價值變動風險極低，並於購入後三個月內到期。須於提出要求後償還並構成集團現金管理一部份之銀行透支，就綜合現金流量表而言亦構成現金及現金等值項目一部份。

(v) 有關連人士

下列人士將視為本集團之有關連人士，倘：

- (i) 該名人士直接或間接透過一或多個中介人(1)控制或受控於本集團，或與本集團受到共同控制；(2)於本集團擁有權益，使其對本集團行使重要影響力；或(3)共同控制本集團；
- (ii) 該名人士為聯繫人士；
- (iii) 該名人士為共同控制實體；
- (iv) 該名人士為本集團或其母公司主要管理人員；

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Related parties (cont'd)

- (v) The party is a close member of the family of any individual referred to in (i) or (iv); or

- (vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides, with directly or indirectly, any individual referred to in (iv) or (v).

(w) Segment reporting

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

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

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

3. 主要會計政策(續)

(v) 有關連人士(續)

- (v) 該名人士為(i)或(iv)所述任何個體之親屬；或

- (vi) 該名人士為(iv)或(v)項中所指人士直接或間接控制、共同控制或對其有重大影響力或於其中擁有重大表決權的實體。

(w) 分類報告

分類是本集團內一個從事提供產品或服務(業務分類)，或在某一個經濟環境內(地域分類)提供產品或服務，而可予區別之分類，每一個分類所承受之風險及回報與其他分類皆有所不同。

根據本集團之內部財務匯報系統，本集團就財務報表選擇業務分類資料為主要報告形式，地域分類為次要報告形式。

分類之收入、支出、業績、資產及負債包含直接來自某一分類，以及可以合理地分配至該分類之項目。舉例而言，分類資產可能包括存貨、應收貨款以及物業、廠房及設備。分類之收入、支出、資產及負債均未計須在綜合計算之過程中抵銷之集團公司間結餘和集團公司間交易；但同屬一個分類之集團公司之間之集團公司間結存及交易則除外。分類之間之定價按與其他外界人士相若之條款計算。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Segment reporting (cont'd)

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

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

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

(a) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations as discussed below, which have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgment in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may effect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

3. 主要會計政策(續)

(w) 分類報告(續)

分類資本開支是指在期內購入預計可於超過一段期間使用之分類資產(包括有形及無形)所產生之成本總額。

未分配之項目主要包括財務及企業資產、計息貸款、借款、稅項結餘及企業和融資支出。

4. 關鍵會計判斷及估計

(a) 判斷

管理層在採納本集團之會計政策過程中作出了以下之判斷，除下文所處理涉及對財務報表所確認金額影響最大之估計者外。

(i) 資產減值

於釐定資產有否出現減值或過往導致減值之情況不再存在時，本集團須就資產減值範圍作出判斷，特別是評估(1)有否出現可能影響資產價值之事件或影響資產價值之該等事件已不存在；(2)資產賬面值是否獲得日後現金流量現值淨額支持，而日後現金流量按持續使用資產評估或終止確認估計；及(3)編製現金流量預測所用合適主要假設包括現金流量預測是否以合適比率折算。倘管理層所選用以決定減值水平之假設(包括現金流量預測所用折算率或增長率假設)有變，或對減值檢測所用現值淨額構成重大影響。

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財務報表附註

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4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

(cont'd)

(a) Judgments (cont'd)

(ii) Income taxes

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgment regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that all or part of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the carry forward tax losses, the asset balance will be reduced and charged to the income statement.

(b) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year are discussed below.

4. 關鍵會計判斷及估計(續)

(a) 判斷(續)

(ii) 所得稅

遞延稅項乃使用負債法，就於結算日資產及負債之稅基與其作財務申報用途之賬面值間之所有暫時性差額作出撥備。

由未用結轉稅項虧損產生之遞延稅項資產，僅會在根據所有可得之憑證預期可能取得足夠應課稅溢利作扣減之情況下，方予確認。遞延稅項資產之確認主要涉及有關法定實體或稅務申報相聯體之未來財務表現加以判斷。其他不同因素亦予以評估，以考慮是否有有力之憑證證明部份或全部遞延稅項資產最終有可能會變現，例如存在應課稅臨時差額、稅務規劃策略及可動用估計稅項虧損之期間。遞延稅項資產的賬面值及相關財務模式和預算於每個結算日進行審閱，遞延稅項資產的結餘將予減低或計入收益表，惟其金額會在無足夠證據顯示在可動用結轉稅項虧損的使用期內有足夠應課稅盈利的幅度為限。

(b) 估計不明朗因素

下文討論於結算日關於未來及其他估計的主要來源之不確定的主要假設，而具有對下一財政年度本集團之資產及負債賬面值造成重要調整的重大風險。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

(cont'd)

(b) Estimation uncertainty (cont'd)

(i) Impairment test of assets

The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Income taxes

The Group reviews the carrying amount of deferred tax assets at each balance sheet date and reduces the amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised. This requires an estimation of the future taxable profits. Estimating the future taxable profits requires the Group to make an estimate of the expected future earnings from the Group and also to choose a suitable discount rate in order to calculate the present value of the earnings.

(iii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year the estimate is changed and the future period.

4. 關鍵會計判斷及估計(續)

(b) 估計不明朗因素(續)

(i) 資產減值測試

本集團最少每年或當有跡象顯示資產減值時決定商譽是否減值。此舉需對資產之使用價值作出估計。對使用價值作出估計時，本集團需從資產之預期未來現金流量作出估計，亦需選擇適用之折現率以計算該等現金流量之現值。

(ii) 所得稅

本集團於各結算日審閱遞延稅項資產之賬面值並予以相應扣減，直至不再有足夠之應課稅溢利可供所有或部分遞延稅項資產動用為止。此舉需對未來應課稅溢利作出估計。對未來應課稅溢利作出估計時，本集團需估計本集團預期之未來盈利，亦需選擇適用之折現率以計算該等盈利之現值。

(iii) 物業、廠房及設備之折舊

物業、廠房及設備均按其估計可使用年期並經計及其估計剩餘價值，採用直線法進行折舊。釐定可使用年期及剩餘價值涉及管理層之估計。本集團每年將物業、廠房及設備之剩餘價值及可使用年期進行估計，倘預期與原先估計有分別，則該差異可能對本年度之折舊造成影響，而估計亦將會於未來期間改變。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

5. REVENUE

(a) An analysis of the Group's turnover for the year is as follows:-

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Sales of properties | 出售物業 | 5,582 | 10,099 |
| Property rental income | 物業租金收入 | 4,535 | 1,125 |
| Media management and consultancy service income | 媒體管理及顧問服務收入 | 5,694 | - |
| | | 15,811 | 11,224 |

5. 收益

(a) 本集團本年度之營業額分析如下：

(b) An analysis of the Group's other revenue and net income for the year is as follows:-

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Accruals written back | 撥回應計費用 | 63 | 1,558 |
| Bank interest income | 銀行利息收入 | 517 | 63 |
| Dividend income | 股息收入 | - | 1 |
| Forfeited rental payments | 沒收租金付款 | 1,039 | - |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | 54 | 90 |
| Guaranteed income related to investment property | 有關投資物業之保證收入 | 4,249 | - |
| Net investment gain from dealing in financial instruments | 買賣金融工具之投資收益淨額 | - | 62 |
| Net investment gain from dealing in foreign currencies | 買賣外幣之投資收益淨額 | - | 1 |
| Other interest income | 其他利息收入 | 293 | 1,438 |
| Sundry income | 雜項收入 | 1 | 930 |
| | | 6,216 | 4,143 |

(b) 本集團本年度之其他收益及淨收入分析如下：

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

6. FINANCE COSTS

6. 融資成本

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Interest on other loans and advances | 其他貸款及墊款利息 | 1,672 | 5,048 |
| Interest and charges on bank loans and advances | 銀行貸款及墊款利息及費用 | 19 | 8 |
| Interest on finance leases | 融資租賃利息 | - | 1 |
| | | 1,691 | 5,057 |

7. LOSS BEFORE TAX

7. 除稅前虧損

Loss before tax has been arrived at after charging/(crediting):-

除稅前虧損已扣除/(計入)下列項目：

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Properties held for sale recognised as expenses/(income): | 確認為開支/(收入)的 持作出售之物業： | | |
| Carrying amount of properties sold | 已售物業之賬面值 | 4,308 | 9,549 |
| Reversal of write-down of properties | 撇減物業之撥回 | - | (414) |
| Staff costs, including directors' remuneration: | 員工成本(包括董事酬金)： | | |
| Salaries and other benefits | 薪金及其他福利 | 5,043 | 1,240 |
| Equity-settled share-based payments | 以權益結算並以股份為基礎付款 | 5,067 | - |
| Retirement scheme contributions | 退休計劃供款 | 66 | 30 |
| | | 10,176 | 1,270 |
| Auditors' remuneration | 核數師酬金 | 330 | 440 |
| Depreciation | 折舊 | 181 | 97 |
| Net investment loss from dealing in financial instruments | 買賣金融工具之投資 虧損淨額 | - | 1,281 |
| Operating lease charges for land and buildings | 土地及樓宇之經營租賃開支 | 1,305 | 395 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

8. INCOME TAX

8. 所得稅

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Current tax: | 本期稅項： | | |
| Hong Kong profits tax | 香港利得稅 | 2,025 | – |
| PRC enterprise income tax and land appreciation tax | 中國企業所得稅及 土地增值稅 | 1,598 | 1,097 |
| | | 3,623 | 1,097 |
| Deferred tax (note 25) | 遞延稅項(附註25) | 1,822 | – |
| Income tax expense for the year | 本年度所得稅開支 | 5,445 | 1,097 |

Hong Kong profits tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year. Hong Kong profits tax for 2008 included an adjustment in respect of tax underprovided in previous years of approximately HK\$1,997,000 arising from a tax review carried out by the Hong Kong Inland Revenue Department as mentioned in note 31(b).

PRC enterprise income tax is calculated basing on a statutory rate of 25% of the taxable income from operations of the Company's subsidiaries carried on in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC during the year.

PRC land appreciation tax is levied, in accordance with the land appreciation tax law of the PRC, on the properties held by the Group for sale in the PRC and is charged at progressive rates ranged from 30% to 60% on the appreciated amount.

香港利得稅乃按本年度估計應課稅溢利以稅率16.5% (二零零七年：17.5%) 計算。二零零八年香港利得稅包括因香港稅務局進行之稅務檢討(如附註31(b)所述)而就以往年度稅項撥備不足作出約1,997,000港元之調整。

中國企業所得稅乃按來自本公司附屬公司於中國進行之業務應課稅收入(根據年內中國相關所得稅規則及法規釐定)以法定稅率25%計算。

中國土地增值稅乃根據中國土地增值稅法就本集團持作出售之中國物業徵收，並按增值額以介乎30%至60%之累進稅率計算。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

8. INCOME TAX (cont'd)

The total charge for the year can be reconciled to the accounting loss as follows:-

8. 所得稅(續)

本年度之總支出與會計虧損對賬如下：

| | | 2008 二零零八年 | | 2007 二零零七年 | |
|---|---|-----------------|---------------|-----------------|--------|
| | | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Loss before tax: | 除稅前虧損 | (49,651) | | (10,772) | |
| Tax at the domestic income tax rate of 16.5% (2007: 17.5%) | 按本地利得稅稅率16.5% (二零零七年：17.5%) 計算之稅項 | (8,192) | (16.5) | (1,885) | (17.5) |
| Tax effect of income not assessable in determining taxable profit | 釐定應課稅溢利時毋須課稅之收入之稅務影響 | (1,006) | (2.0) | (354) | (3.3) |
| Tax effect of expenses not deductible in determining taxable profit | 釐定應課稅溢利時不可扣稅開支之稅務影響 | 11,702 | 23.6 | 1,319 | 12.3 |
| Tax effect of other temporary differences not recognised | 未確認其他臨時差額之稅務影響 | (21) | (0.1) | (1) | (0.1) |
| Tax effect of additional tax losses not recognised | 未確認額外稅務虧損之稅務影響 | 2 | 0.1 | 1,017 | 9.5 |
| Tax effect of loss not allowable | 不可寬免虧損之稅務影響 | (364) | (0.7) | 22 | 0.2 |
| Effect of different tax rates of subsidiaries operating in the PRC | 於中國營運之附屬公司不同稅率之影響 | 1,327 | 2.6 | 979 | 9.1 |
| Tax underprovided in previous years | 於過往年度撥備不足稅款 | 1,997 | 4.0 | - | - |
| Tax expense and effective tax rate for the year | 年內稅項開支及有效稅率 | 5,445 | 11.0 | 1,097 | 10.2 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(i) Directors' emoluments

The directors' emoluments paid or payable to each of the 10 (2007: 8) directors are as follows:—

2008

| | | 二零零八年 Equity-settled | | | |
|--------------------------------------|--------------|-----------------------------------|-------------------------|---------------------------------------|--------------|
| | Fees | Salaries and other benefits | share-based payments | Retirement scheme contributions | Total |
| | 袍金 | 薪金及 其他福利 | 以權益結算 並以股份 為基礎付款 | 退休計劃供款 | 合計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Executive directors: | | | | | |
| Lau Chi Yuen, Joseph (a) | 1,277 | — | — | 7 | 1,284 |
| Chan Sing Fai (b) | 311 | — | 721 | 10 | 1,042 |
| Lu Liang | — | 780 | 1,048 | — | 1,828 |
| Ng Yan | 26 | — | — | — | 26 |
| Ho Chi Wing (c) | — | 550 | — | 7 | 557 |
| Lee Tsung Hei, David Chris (d) | — | — | — | — | — |
| Tao Wei Ming (e) | — | — | — | — | — |
| Independent non-executive directors: | | | | | |
| Cheng Kwong Choi, Alexander | 36 | — | — | — | 36 |
| Cheng Sheung Hing | 18 | — | — | — | 18 |
| Law Tai Yan | 36 | — | — | — | 36 |
| | 1,704 | 1,330 | 1,769 | 24 | 4,827 |

- (a) appointed on 27 November 2007
 (b) appointed on 21 August 2007
 (c) resigned on 15 December 2007
 (d) resigned on 14 August 2007
 (e) resigned on 23 November 2007

- (a) 於二零零七年十一月二十七日獲委任
 (b) 於二零零七年八月二十一日獲委任
 (c) 於二零零七年十二月十五日辭任
 (d) 於二零零七年八月十四日辭任
 (e) 於二零零七年十一月二十三日辭任

2007

| | | 二零零七年 Equity-settled | | | |
|--------------------------------------|------------|-----------------------------------|-------------------------|---------------------------------------|------------|
| | Fees | Salaries and other benefits | share-based payments | Retirement scheme contributions | Total |
| | 袍金 | 薪金及 其他福利 | 以權益結算 並以股份 為基礎付款 | 退休計劃供款 | 合計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Executive directors: | | | | | |
| Lu Liang | — | — | — | — | — |
| Ng Yan | 52 | — | — | — | 52 |
| Ho Chi Wing | — | 180 | — | 8 | 188 |
| Lee Tsung Hei, David Chris | 200 | — | — | — | 200 |
| Tao Wei Ming | 30 | — | — | — | 30 |
| Independent non-executive directors: | | | | | |
| Cheng Kwong Choi, Alexander | 36 | — | — | — | 36 |
| Cheng Sheung Hing | — | — | — | — | — |
| Law Tai Yan | 36 | — | — | — | 36 |
| | 354 | 180 | — | 8 | 542 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (cont'd)

(ii) Employees' emoluments

The 5 highest paid individuals included 3 (2007: 2) director(s), details of whose emoluments are set out above. The emoluments of the remaining highest paid individual are as follows:-

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|-------------------------------------|----------------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 849 | 435 |
| Equity-settled share-based payments | 以權益結算並以股份為基礎付款 | 1,483 | - |
| Retirement scheme contributions | 退休計劃供款 | 18 | 16 |
| | | 2,350 | 451 |

The emoluments of the non-director highest paid individuals fell within the following band:-

最高薪非董事之酬金範圍如下：

| | | Number of individuals 個別人士數目 | |
|--------------------------------|-------------------------|---------------------------------|---------------|
| | | 2008 二零零八年 | 2007 二零零七年 |
| HK\$ 0 to HK\$1,000,000 | 0港元至1,000,000港元 | 1 | 3 |
| HK\$1,000,001 to HK\$2,000,000 | 1,000,001港元至2,000,000港元 | 1 | - |
| | | 2 | 3 |

10. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss for the year attributable to equity holders of the Company included a loss of approximately HK\$56,283,000 (2007: a profit of approximately HK\$228,000) which has been dealt with in the financial statements of the Company.

10. 本年度本公司權益持有人應佔虧損

本年度本公司權益持有人應佔綜合虧損包括約56,283,000港元(二零零七年：溢利約228,000港元)虧損，已於本公司財務報表內處理。

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|--|-----------------------------|----------------------------------|----------------------------------|
| Amount of profit/(loss) attributable to equity shareholders dealt with in the Company's financial statements | 於本公司財務報表處理之權益持有人應佔溢利/(虧損)金額 | (56,283) | 228 |
| Impairment losses on amounts due from subsidiaries written back | 撥回應收附屬公司金額之減值虧損 | - | (3,125) |
| Impairment losses on amounts due from subsidiaries | 應收附屬公司金額之減值虧損 | (61,866) | - |
| Company's loss for the year (note 27(b)) | 本年度本公司之虧損(附註27(b)) | (118,149) | (2,897) |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

11. LOSS PER SHARE

The basic loss per share is calculated based on the loss attributable to equity holders of the Company of approximately HK\$55,096,000 (2007: HK\$11,869,000) and the weighted average number of 719,241,000 (2007: restated at 28,675,000 to reflect the consolidation of 100 shares into 1 share effected on 4 October 2007) ordinary shares in issue during the year.

The diluted loss per share for the years ended 30 June 2008 and 30 June 2007 has not been disclosed as the potential shares arising from the exercise of the Company's share options would decrease the loss per share of the Group for the years and is regarded as anti-dilutive.

12. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 30 June 2008 (2007: Nil).

13. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

The Group is organised into 2 major business divisions, (i) property investment and (ii) media management and consultancy services, during the year ended 30 June 2008; the Group was principally engaged in property investment only during the year ended 30 June 2007. The following operations are the basis on which the Group reports its primary segment information. There are no sales or other transactions between the business segments.

11. 每股虧損

每股基本虧損乃按本公司權益持有人應佔虧損約55,096,000港元(二零零七年: 11,869,000港元)及本年度已發行普通股之加權平均數719,241,000股(二零零七年(重列): 28,675,000股,已作調整以反映於二零零七年十月四日生效的100股股份合併為1股股份計算。)

由於行使本公司購股權而產生之潛在股份會導致本集團本年度之每股虧損下降故視為具反攤薄性質,因此並無披露於截至二零零八年六月三十日及截至二零零七年六月三十日止年度之每股攤薄虧損。

12. 股息

董事不建議派付截至二零零八年六月三十日止年度之股息(二零零七年:無)。

13. 業務及地區分類

(a) 業務分類

本集團的組織架構於截至二零零八年六月三十日止年度分為兩個主要業務範疇:(i)物業投資及(ii)媒體管理及顧問服務;本集團於截至二零零七年六月三十日止年度主要僅從事物業投資。以下業務為本集團匯報其主要分類資料之基準。業務分類之間並無銷售或其他交易。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

13. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

(a) Business segments (cont'd)

Year ended 30 June 2008

Income statement

| | | Property investment 物業投資 HK\$'000 千港元 | Media management and consultancy services 媒體管理及顧問服務 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--------------------------------|---------|--|---|--------------------------------|
| Revenue | 收益 | 10,117 | 5,694 | 15,811 |
| Segment results | 分類業績 | 6,344 | 5,120 | 11,464 |
| Unallocated corporate income | 未分配公司收入 | | | 8,213 |
| Unallocated corporate expenses | 未分配公司支出 | | | (67,637) |
| Finance costs | 融資成本 | | | (1,691) |
| Loss before tax | 除稅前虧損 | | | (49,651) |
| Income tax | 所得稅 | | | (5,445) |
| Loss for the year | 年內虧損 | | | (55,096) |

Other information

| | | Property investment 物業投資 HK\$'000 千港元 | Media management and consultancy services 媒體管理及顧問服務 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---------------------|------|--|---|---------------------------------|--------------------------------|
| Capital expenditure | 資本開支 | 65,008 | 22,923 | 512 | 88,443 |
| Depreciation | 折舊 | 7 | - | 174 | 181 |

As at 30 June 2008

Balance sheet

於二零零八年六月三十日

資產負債表

| | | Property investment 物業投資 HK\$'000 千港元 | Media management and consultancy services 媒體管理及顧問服務 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|-----------------------------------|---------|--|---|--------------------------------|
| Assets: | 資產： | | | |
| Segment assets | 分類資產 | 93,834 | 28,049 | 121,883 |
| Unallocated corporate assets | 未分配公司資產 | | | 28,854 |
| Total assets | 總資產 | | | 150,737 |
| Liabilities: | 負債： | | | |
| Segment liabilities | 分類負債 | 41,025 | 22 | 41,047 |
| Unallocated corporate liabilities | 未分配公司負債 | | | 5,538 |
| Total liabilities | 總負債 | | | 46,585 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

13. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

(a) Business segments (cont'd)

Year ended 30 June 2007
Income statement

| | | Property investment 物業投資 HK\$'000 千港元 | Media management and consultancy services 媒體管理及顧問服務 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--------------------------------|---------|--|---|--------------------------------|
| Revenue | 收益 | 11,224 | – | 11,224 |
| Segment results | 分類業績 | 2,031 | – | 2,031 |
| Unallocated corporate income | 未分配公司收入 | | | 3,187 |
| Unallocated corporate expenses | 未分配公司支出 | | | (10,933) |
| Finance costs | 融資成本 | | | (5,057) |
| Loss before tax | 除稅前虧損 | | | (10,772) |
| Income tax | 所得稅 | | | (1,097) |
| Loss for the year | 年內虧損 | | | (11,869) |

Other information

| | | Property investment 物業投資 HK\$'000 千港元 | Media management and consultancy services 媒體管理及顧問服務 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---------------------|------|--|---|---------------------------------|--------------------------------|
| Capital expenditure | 資本開支 | – | – | 1 | 1 |
| Depreciation | 折舊 | – | – | 97 | 97 |

As at 30 June 2007
Balance sheet

於二零零七年六月三十日
資產負債表

| | | Property investment 物業投資 HK\$'000 千港元 | Media management and consultancy services 媒體管理及顧問服務 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|-----------------------------------|---------|--|---|--------------------------------|
| Assets: | 資產： | | | |
| Segment assets | 分類資產 | 27,106 | – | 27,106 |
| Unallocated corporate assets | 未分配公司資產 | | | 3,300 |
| Total assets | 總資產 | | | 30,406 |
| Liabilities: | 負債： | | | |
| Segment liabilities | 分類負債 | 13,581 | – | 13,581 |
| Unallocated corporate liabilities | 未分配公司負債 | | | 21,410 |
| Total liabilities | 總負債 | | | 34,991 |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

13. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

(b) Geographical segments

The Group's operations are located in Hong Kong and elsewhere in the People's Republic of China ("PRC"). The property investment and the provision of media management and consultancy services are carried out in the PRC.

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services.

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
|---------------------------|----------|----------------------------------|----------------------------------|
| Hong Kong | 香港 | – | – |
| PRC, other than Hong Kong | 中國(香港除外) | 15,811 | 11,224 |
| | | 15,811 | 11,224 |

The following is an analysis of the carrying amount of segment assets, and capital expenditure, analysed by the geographical area in which the assets are located.

| | | Carrying amount of segment assets 分類資產賬面值 | | Capital expenditure 資本開支 | |
|---------------------------|----------|---|----------------------------------|----------------------------------|----------------------------------|
| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
| Hong Kong | 香港 | 28,185 | 7,037 | 512 | 1 |
| PRC, other than Hong Kong | 中國(香港除外) | 122,552 | 23,369 | 87,931 | – |
| | | 150,737 | 30,406 | 88,443 | 1 |

13. 業務及地區分類(續)

(b) 地區分類

本集團之業務位於香港及中華人民共和國(「中國」)其他地區。物業投資業務及媒體管理及顧問服務的提供乃於中國進行。

下表呈列本集團按地區市場分類(不論貨品/服務之來源地)之營業額分析。

下表為按資產所在地區進行之分類資產賬面值及資本開支分析。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

14. PROPERTY, PLANT AND EQUIPMENT

The Group

14. 物業、廠房及設備

本集團

| | | Construction in progress 在建工程 HK\$'000 千港元 | Furnitures, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Computer equipment 電腦設備 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---|---------------------------|--|--|--|--|--------------------------------|
| Cost: | 成本值： | | | | | |
| At 1 July 2006 | 於二零零六年七月一日 | - | 152 | 1,112 | 43 | 1,307 |
| Additions | 添置 | - | 1 | - | - | 1 |
| Disposals | 出售 | - | - | (822) | - | (822) |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日 及二零零七年七月一日 | - | 153 | 290 | 43 | 486 |
| Additions | 添置 | 13,680 | 80 | 475 | 35 | 14,270 |
| Disposals | 出售 | - | - | (290) | - | (290) |
| At 30 June 2008 | 於二零零八年六月三十日 | 13,680 | 233 | 475 | 78 | 14,466 |
| Accumulated depreciation and impairment losses: | 累計折舊 及減值虧損： | | | | | |
| At 1 July 2006 | 於二零零六年七月一日 | - | 87 | 894 | 8 | 989 |
| Charges for the year | 本年度支出 | - | 16 | 73 | 8 | 97 |
| Disposals | 出售 | - | - | (822) | - | (822) |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及 二零零七年七月一日 | - | 103 | 145 | 16 | 264 |
| Charges for the year | 本年度支出 | - | 23 | 143 | 15 | 181 |
| Disposals | 出售 | - | - | (169) | - | (169) |
| At 30 June 2008 | 於二零零八年六月三十日 | - | 126 | 119 | 31 | 276 |
| Net carrying amount: | 賬面淨值： | | | | | |
| At 30 June 2008 | 於二零零八年六月三十日 | 13,680 | 107 | 356 | 47 | 14,190 |
| At 30 June 2007 | 於二零零七年六月三十日 | - | 50 | 145 | 27 | 222 |

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company

14. 物業、廠房及設備(續)

本公司

**Computer
equipment**

電腦設備

HK\$'000

千港元

| | | |
|--|-----------------------|-----------|
| Cost: | 成本值： | |
| At 1 July 2006 | 於二零零六年七月一日 | 27 |
| Additions | 添置 | 1 |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及二零零七年七月一日 | 28 |
| Additions | 添置 | — |
| At 30 June 2008 | 於二零零八年六月三十日 | 28 |
| Accumulated depreciation and impairment losses: | 累計折舊及 減值虧損： | |
| At 1 July 2006 | 於二零零六年七月一日 | 1 |
| Charge for the year | 本年度支出 | 6 |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及二零零七年七月一日 | 7 |
| Charge for the year | 本年度支出 | 5 |
| At 30 June 2008 | 於二零零八年六月三十日 | 12 |
| Net carrying amount: | 賬面淨值： | |
| At 30 June 2008 | 於二零零八年六月三十日 | 16 |
| At 30 June 2007 | 於二零零七年六月三十日 | 21 |

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

15. INVESTMENT PROPERTY

15. 投資物業

| | | The Group 本集團 | |
|-----------------------------------|----------|----------------------------------|----------------------------------|
| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
| Fair value of investment property | 投資物業之公平值 | 73,345 | – |
| At beginning of the year | 年初 | – | – |
| Addition, at cost | 添置，按成本值 | 64,621 | – |
| Exchange adjustments | 匯兌調整 | 1,435 | – |
| Increase in fair value | 公平價值增加 | 7,289 | – |
| At end of the year | 年末 | 73,345 | – |

The Group's investment property comprised medium-term leasehold land and buildings in the PRC.

本集團的投資物業包括按中期租約持有之租賃土地及樓宇。

The investment property was acquired at a consideration of RMB58,000,000 pursuant to a sale and purchase agreement which was signed by a subsidiary of the Company on 5 March 2007 with a company incorporated in the PRC (the "Vendor") and was approved by shareholders of the Company at an extraordinary general meeting held on 29 June 2007. The Group had paid RMB13,000,000 as deposit to the Vendor during the year ended 30 June 2007 for the acquisition and took possession of the investment property on 1 July 2007. The Vendor provided an irrecoverable guarantee that the annual rental income from the investment property shall not be less than RMB9,000,000 and the net profit shall not be less than RMB4,000,000 up to 27 February 2010. The Vendor will transfer the legal title of the investment property to the Group until the consideration is fully settled; 40% of the shares of the Vendor has been registered under the name of a subsidiary of the Company for security purpose.

投資物業根據買賣協議按代價人民幣58,000,000元收購，該協議由本公司之附屬公司與一間於中國註冊成立之公司(「賣方」)於二零零七年三月五日簽訂並獲本公司股東於二零零七年六月二十九日舉行之特別股東大會上批准。本集團於截至二零零七年六月三十日止年度已支付定金人民幣13,000,000元予賣方作收購，且於二零零七年七月一日管有該投資物業。賣方提供一項不可撤回保證，保證投資物業截至二零一零年二月二十七日止之每年租金收入將不少於人民幣9,000,000元，而純利將不少於人民幣4,000,000元。賣方將轉讓投資物業之法律所有權予本集團，直至代價獲全數支付；賣方股份之40%已以本公司附屬公司名義登記作為保障。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

15. INVESTMENT PROPERTY (cont'd)

The cost of the investment property is determined as the purchase consideration of RMB58,000,000 and expressed in Hong Kong dollars, using the published market exchange rate at the date of acquisition of the investment property, at approximately HK\$64,621,000 of which approximately HK\$13,371,000 is recognised from deposit paid and approximately HK\$51,250,000 is recognised as balance of purchase consideration payable at a term of 2 years. During the year ended 30 June 2008, a sum of RMB25,410,000 (approximately HK\$28,939,000) was paid as part settlement of the balance of the consideration. The remaining balance of RMB19,590,000 (approximately HK\$22,311,000) will be paid by 30 June 2009.

The fair value of the investment property as at 30 June 2008 was determined according to a valuation conducted by an independent valuer, RHL Appraisal Limited, on an open market basis.

On 1 January 2008, the tenants vacated the investment property at the request of the Vendor, which was appointed by the Group to manage the affairs of the investment property, for the purpose of undertaking a construction plan to build an additional floor on the investment property (the "Construction") as a lease agreement (the "New Lease Agreement") had been signed by the Vendor, for the benefit of the Group, to lease the investment property to a single tenant (the "New Tenant") for a term starting on 1 July 2008 and ending on 31 December 2027. As the Construction could not be completed by 30 June 2008, the New Tenant has to occupy the investment property at a later date when the Construction is completed. According to the New Lease Agreement, the New Tenant is entitled to receive RMB10,000 per day for the first 2 months arising from delay in delivery of the investment property caused by the Vendor; thereafter the New Tenant has the right to revoke the New Lease Agreement or to enjoy additional rent-free period of 2 days for each day of delay. At the date of approval of these financial statements, the Construction is not yet completed and the Vendor is negotiating with the New Tenant to fix the terms in respect of the delay in delivery of the investment property.

The Group had pledged the investment property to secure certain loans granted to the Group from other parties. Those loans were subject to interest charge of 8% per annum and had been fully settled during the year ended 30 June 2008.

15. 投資物業(續)

投資物業成本乃按收購代價人民幣58,000,000元釐定，並按投資物業收購日期公佈之市場匯率換算為港元列示，即約64,621,000港元，其中就已付按金確認約13,371,000港元，就兩年內應付收購代價結餘確認約51,250,000港元。截至二零零八年六月三十日止年度內，已支付合共人民幣25,410,000元(約28,939,000港元)以清償部份代價結餘。餘下結餘人民幣19,590,000元(約22,311,000港元)將於二零零九年六月三十日前支付。

投資物業於二零零八年六月三十日之公平價值將根據獨立估值師永利行評值顧問有限公司按公開市值基準進行之估值而釐訂。

於二零零八年一月一日，應賣方要求，租戶遷離該投資物業。賣方乃受本集團委任以管理該投資物業之事務，以進行一項建築計劃，以於該投資物業興建一層額外樓層(「建設」)，此乃由於賣方已為本集團之利益簽訂一項租賃協議(「新租賃協議」)以出租投資物業予一位租戶(「新租戶」)，租期由二零零八年七月一日開始至二零二七年十二月三十一日止。由於建設項目未能於二零零八年六月三十日前完成，新租戶需於建設完成後之較後日期佔用該投資物業。根據新租賃協議，新租戶有權就由於賣方所導致投資物業延誤交付，而於首兩個月收取每日人民幣10,000元。其後新租戶有權撤銷新租賃協議，並就每日之延誤而享有兩日之免租期。於批准本務表日期，建設尚未完成，而賣方正與新租戶進行洽談以釐定有關投資物業之交付延誤之條款。

本集團曾抵押其投資物業，以作為由其他人士授予本集團之若干貸款之抵押。該等貸款之利息支出為每年8%，於截至二零零八年六月三十日止年度內已全數繳足。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

15. INVESTMENT PROPERTY (cont'd)

The income from the investment property and the direct operating expenses relating to the investment property for the year are as follows:–

| | | The Group 本集團 | |
|---|--|----------------------------------|----------------------------------|
| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
| Income: | 收入： | | |
| Rental income under operating leases | 經營租約項下之租金收入 | 4,106 | – |
| Guaranteed income from the Vendor | 來自賣方之擔保收入 | 4,249 | – |
| | | 8,355 | – |
| Direct operating expenses: | 直接經營費用： | | |
| Management fees charged by the Vendor | 賣方收取之管理費用 | 1,171 | – |
| Reimbursement of expenses, including salaries and wages, electricity, gas and water charges, land use tax, real estate tax, etc., charged by the Vendor | 賣方收取之退還費用（包括薪金及工資、電費、煤氣費及水費、土地使用稅、房地產稅等） | 2,345 | – |

15. 投資物業(續)

於年內自其投資物業賺取之收入以及與投資物業有關之直接經營開支如下：

16. GOODWILL

| | | | |
|---|---------------------|--------|---|
| At beginning of the year | 於年初 | – | – |
| Goodwill arising from acquisition of subsidiary (note 30) | 收購一間附屬公司產生之商譽(附註30) | 22,923 | – |
| At end of the year | 於年終 | 22,923 | – |

16. 商譽

| | | The Group 本集團 | |
|--|--|----------------------------------|----------------------------------|
| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

16. GOODWILL (cont'd)

The goodwill was arisen from the business combination on acquisition of a subsidiary, Fadara Limited, as mentioned in note 30. The Group has allocated the goodwill to the business of provision of media management and consultancy services carrying on by Fadara Limited, being considered as a cash-generating unit ("CGU"), that is expected to enhance the Group's revenue base.

The recoverable amount of the aforesaid CGU is assessed basing on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 8% per annum. Cash flows beyond that five-year period have been extrapolated at a steady growth rate of 15% per annum.

17. DEPOSIT PAID FOR PURCHASE OF INVESTMENT PROPERTY

16. 商譽(續)

商譽乃就收購一間附屬公司Fadara Limited之業務合併而產生，詳情載於附註30。本集團已分配商譽予Fadara Limited所從事提供媒體管理及顧問服務之業務(被視為預期可提高本集團收益基礎之現金產生單位(「現金產生單位」))。

上述現金產生單位之可收回金額乃根據適用於高級管理層所批准五年期間之財政預算按使用現金流量預測之使用中價值之計算法估計。現金流量預測之貼現年率為8%。超過該五年期間之現金流量已按穩定年增長率15%推算。

17. 購買投資物業之已付訂金

| | | The Group 本集團 | |
|--|----------------------|------------------|-----------------|
| | | 2008 二零零八年 | 2007 二零零七年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Deposit paid for acquisition of investment property in the People's Republic of China: | 於中華人民共和國購買投資物業之已付訂金： | | |
| At beginning of the year | 於年初 | 13,371 | - |
| Additions | 添置 | - | 13,371 |
| Recognition as cost of investment property | 確認投資物業成本 | (13,371) | - |
| At end of the year | 於年終 | - | 13,371 |

The deposit was paid pursuant to a sale and purchase agreement for the acquisition of an investment property as mentioned in note 15.

如附註15所載，訂金已根據一份關於購買一項投資物業之買賣協議而支付。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

18. INVESTMENTS IN SUBSIDIARIES

18. 於附屬公司之投資

| | | The Company | |
|------------------------------|------------|-------------|----------|
| | | 本公司 | |
| | | 2008 | 2007 |
| | | 二零零八年 | 二零零七年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Unlisted shares, at cost | 非上市股份，按成本值 | 1 | 1 |
| Impairment losses recognised | 已確認減值虧損 | (1) | (1) |
| | | - | - |

Details of principal subsidiaries as at 30 June 2008, which materially affected the Group's results or net assets, are set out in note 38.

於二零零八年六月三十日對本集團業績或資產淨值有重大影響之主要附屬公司詳情載列於附註38。

19. AMOUNTS DUE FROM SUBSIDIARIES

19. 應收附屬公司款項

| | | The Company | |
|--------------------------------|----------|-------------|-----------|
| | | 本公司 | |
| | | 2008 | 2007 |
| | | 二零零八年 | 二零零七年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 256,690 | 183,627 |
| Accumulated impairment losses: | 累計減值虧損： | | |
| At beginning of the year | 年初 | (130,920) | (134,045) |
| Provision for the year | 本年度撥備 | (61,866) | - |
| Write-back for the year | 本年度撥回 | - | 3,125 |
| Write-off upon waiver of debts | 豁免債務時撇銷 | 28,784 | - |
| At end of the year | 年終 | (164,002) | (130,920) |
| Net carrying amount | 賬面淨值 | 92,688 | 52,707 |

The amounts are unsecured and non-interest bearing. The Company has no intention to demand repayment within 1 year after the balance sheet date and the amounts are therefore classified as non-current assets.

有關款項為無抵押及免息。本公司無意於結算日後一年內要求還款，因此該款項分類為非流動資產。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

20. PROPERTIES HELD FOR SALE

20. 持作出售物業

| | The Group 本集團 | |
|---|----------------------------------|----------------------------------|
| | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
| Properties in the People's Republic of China held for sale 於中華人民共和國持作出售物業 | 5,278 | 9,586 |

21. TRADE AND OTHER RECEIVABLES

21. 應付貨款及其他應付款項

| | The Group 本集團 | | The Company 本公司 | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
| Trade receivables 應收貨款 | 5,125 | 87 | - | - |
| Other receivables, deposits and prepayments 其他應收款項、按金及預付款項 | 22,789 | 2,945 | 415 | 304 |
| | 27,914 | 3,032 | 415 | 304 |

The aging analysis of trade receivables is as follows:-

應收貨款賬齡分析如下：

| | The Group 本集團 | | The Company 本公司 | |
|---------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 |
| 0 – 3 months 0–3個月 | 5,125 | 87 | - | - |
| Over 3 months 超過3個月 | - | - | - | - |
| | 5,125 | 87 | - | - |

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

22. CASH AND BANK DEPOSITS

Cash and bank deposits comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

22. 現金及銀行結存

現金及銀行結存包括本集團持有之現金及原到期日期不超過三個月之短期銀行存款。

23. TRADE AND OTHER PAYABLES

23. 應付貨款及其他應付款項

| | | The Group 本集團 | | The Company 本公司 | |
|---------------------------------------|----------------|------------------|-----------------|--------------------|-----------------|
| | | 2008 二零零八年 | 2007 二零零七年 | 2008 二零零八年 | 2007 二零零七年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Other payables, deposits and accruals | 其他應付款項、按金及應計款項 | 41,926 | 4,563 | 3,076 | 2,978 |
| Amount due for payment: | 到期應付款項： | | | | |
| Within 1 year | 一年內 | 41,926 | 4,563 | 3,076 | 2,978 |
| After 1 year | 一年後 | - | - | - | - |
| | | 41,926 | 4,563 | 3,076 | 2,978 |

24. BORROWINGS

24. 借貸

| | | The Group 本集團 | | The Company 本公司 | |
|---------------------------------|---------|------------------|-----------------|--------------------|-----------------|
| | | 2008 二零零八年 | 2007 二零零七年 | 2008 二零零八年 | 2007 二零零七年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Secured loans | 有抵押貸款 | - | 13,371 | - | - |
| Unsecured loans | 無抵押貸款 | 1,523 | 17,057 | 1,523 | 1,523 |
| | | 1,523 | 30,428 | 1,523 | 1,523 |
| Amount due for payment: | 到期繳付款項： | | | | |
| Within 1 year | 一年內 | 1,523 | 17,057 | 1,523 | 1,523 |
| After 1 year but within 5 years | 一年後至五年內 | - | 13,371 | - | - |
| | | 1,523 | 30,428 | 1,523 | 1,523 |

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

24. BORROWINGS (cont'd)

The loans, which bear interest at prevailing market rates, are borrowings from individual third parties. Loans amounting to approximately HK\$13,371,000 as at 30 June 2007, which were secured by the shares of a subsidiary, 北京光訊投資管理顧問有限公司 (“北京光訊”), and the interest in an investment property to be acquired by 北京光訊, had been fully settled during the year ended 30 June 2008.

25. DEFERRED TAX

The Group

The major deferred tax liabilities recognised by the Group and movements thereon during the current and previous years are summarised below:–

24. 借貸(續)

此等貸款乃按現行市場利率計息，為來自獨立第三方之借款。於二零零七年六月三十日為數約13,371,000港元之貸款，乃以附屬公司北京光訊投資管理顧問有限公司(「北京光訊」)之股份以及由北京光訊持有一項投資物業之權益作擔保，已於截至二零零八年六月三十日止年度悉數清償。

25. 遞延稅項

本集團

本集團於本年度及過往年度之已確認主要遞延稅項負債及其變動概述如下：

| | | Change in fair value of investment property 投資物業 公平值變動 HK\$'000 千港元 |
|--|---------------------------|--|
| At 1 July 2006 | 於二零零六年七月一日 | – |
| Charge to income statement for the year | 於年內扣除收益表 | – |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及 二零零七年七月一日 | – |
| Charge to income statement for the year | 於年內扣除收益表 | (1,822) |
| At 30 June 2008 | 於二零零八年六月三十日 | (1,822) |

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

25. DEFERRED TAX (cont'd)

The Group (cont'd)

The deferred tax assets/(liabilities) which have not been recognised by the Group due to insignificant temporary difference on accelerated tax depreciation and unpredictability of future profit streams to utilise the tax losses, are analysed as follows:–

| | | Difference in depreciation and tax depreciation allowances | Tax losses | Total |
|------------------------|-------------|---|-----------------------|---------------|
| | | 折舊差異及 稅項折舊撥備 | 稅項虧損 | 合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| At 30 June 2008 | 於二零零八年六月三十日 | (63) | 17,408 | 17,345 |
| At 30 June 2007 | 於二零零七年六月三十日 | (31) | 12,271 | 12,240 |

The Company

No deferred tax assets and liabilities have been recognised by the Company due to insignificant temporary difference on accelerated tax depreciation and unpredictability of future profit stream to utilise the tax losses.

The unrecognised deferred tax assets/(liabilities) of the Company are analysed as follows:–

| | | Difference in depreciation and tax depreciation allowances | Tax losses | Total |
|------------------------|-------------|---|-----------------------|--------------|
| | | 折舊差異及 稅項折舊撥備 | 稅項虧損 | 合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| At 30 June 2008 | 於二零零八年六月三十日 | (1) | 8,847 | 8,846 |
| At 30 June 2007 | 於二零零七年六月三十日 | (2) | 2,803 | 2,801 |

25. 遞延稅項(續)

本集團(續)

由於並無出現重大的加速稅項折舊暫時差額，以及無法預測日後溢利來源以動用稅項虧損，故本集團並未確認遞延稅項資產/(負債)，並分析如下：

| | | Difference in depreciation and tax depreciation allowances | Tax losses | Total |
|------------------------|-------------|---|-----------------------|---------------|
| | | 折舊差異及 稅項折舊撥備 | 稅項虧損 | 合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| At 30 June 2008 | 於二零零八年六月三十日 | (63) | 17,408 | 17,345 |
| At 30 June 2007 | 於二零零七年六月三十日 | (31) | 12,271 | 12,240 |

本公司

由於並無出現重大的加速稅項折舊暫時差額，以及無法預測日後溢利來源以動用稅項虧損，故本公司並未確認遞延稅項資產及負債。

本公司並未確認之遞延稅項資產/(負債)分析如下：

| | | Difference in depreciation and tax depreciation allowances | Tax losses | Total |
|------------------------|-------------|---|-----------------------|--------------|
| | | 折舊差異及 稅項折舊撥備 | 稅項虧損 | 合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| At 30 June 2008 | 於二零零八年六月三十日 | (1) | 8,847 | 8,846 |
| At 30 June 2007 | 於二零零七年六月三十日 | (2) | 2,803 | 2,801 |

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For the year ended 30 June 2008 截至二零零八年六月三十日止年度

26. SHARE CAPITAL

26. 股本

| | | Number of ordinary shares 普通股數目 '000 千股 | Amount 金額 HK\$'000 千港元 |
|---|--|---|---------------------------------|
| Authorised: | 法定： | | |
| At 1 July 2006, 30 June 2007 and 1 July 2007 – Shares of HK\$0.2 each | 於二零零六年七月一日、二零零七年 六月三十日及二零零七年七月一日： 每股面值0.2港元的股份 | 4,000,000 | 800,000 |
| Consolidation of shares pursuant to a capital reorganisation (note (a)) | 根據股本重組合併股份 (附註(a)) | (3,960,000) | – |
| Shares of HK\$20 each | 每股面值20港元的股份 | 40,000 | 800,000 |
| Reduction of capital pursuant to a capital reorganisation (note (a)) | 根據股本重組削減股本 (附註(a)) | – | (799,600) |
| Shares of HK\$0.01 each | 每股面值0.01港元的股份 | 40,000 | 400 |
| Increase of authorised capital pursuant to a capital reorganisation (note (a)) | 根據股本重組增加法定股本 (附註(a)) | 19,960,000 | 199,600 |
| At 30 June 2008 – Shares of HK\$0.01 each | 於二零零八年六月三十日： 每股面值0.01港元的股份 | 20,000,000 | 200,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| At 1 July 2006, 30 June 2007 and 1 July 2007 – Shares of HK\$0.2 each | 於二零零六年七月一日、二零零七年 六月三十日及二零零七年七月一日： 每股面值0.2港元的股份 | 2,867,500 | 573,500 |
| Consolidation of shares pursuant to a capital reorganisation (note (a)) | 根據股本重組合併股份 (附註(a)) | (2,838,825) | – |
| Shares of HK\$20 each | 每股面值20港元的股份 | 28,675 | 573,500 |
| Reduction of capital pursuant to a capital reorganisation (note (a)) | 根據股本重組削減股本 (附註(a)) | – | (573,213) |
| Shares of HK\$0.01 each | 每股面值0.01港元的股份 | 28,675 | 287 |
| Shares issued pursuant to an open offer (note (b)) | 根據公開發售發行之股份 (附註(b)) | 860,250 | 8,602 |
| Shares issued pursuant to an arranger agreement (note (b)) | 根據安排人協議發行之股份 (附註(b)) | 44,000 | 440 |
| Shares issued for acquisition of a subsidiary (note (c)) | 發行以收購一間附屬公司之股份 (附註(c)) | 36,360 | 364 |
| Shares issued pursuant to a placing agreement (note (d)) | 根據配售協議發行之股份 (附註(d)) | 80,000 | 800 |
| At 30 June 2008 – Shares of HK\$0.01 each | 於二零零八年六月三十日： 每股面值0.01港元的股份 | 1,049,285 | 10,493 |

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26. SHARE CAPITAL (cont'd)

Notes:—

- (a) On 31 July 2007, the Company executed a capital reorganisation to (i) consolidate every 100 issued and unissued shares of HK\$0.2 each into one consolidated share of HK\$20 each in the capital of the Company; (ii) cancel capital paid up to the extent of HK\$19.99 per consolidated share in issue and to reduce the nominal value of all consolidated shares to HK\$0.01 per share; and (iii) increase the authorised share capital, after reduction, from HK\$400,000 to HK\$200,000,000 by the creation of 19,960,000,000 new shares of HK\$0.01 each.
- (b) On 5 October 2007 and 23 November 2007, 860,250,000 and 44,000,000 new shares of HK\$0.01 each were issued at HK\$0.12 per share pursuant to an open offer and an arranger agreement respectively.
- (c) On 28 January 2008, 36,360,000 shares new shares of HK\$0.01 each were issued as part of the consideration for the acquisition of a subsidiary. Fadara Limited, as mentioned in note 30. The value of those 36,360,000 shares issued was determined by reference to the published price of each share of HK\$0.63 at the date of issue.
- (d) On 28 April 2008, 80,000,000 new shares of HK\$0.01 each were issued at the placing price of HK\$0.20 per placing share pursuant to a placing agreement entered into by the Company with a placing agent for the purpose of obtaining general working capital for the Group.

27. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements during the years ended 30 June 2007 and 2008 are presented in the Consolidated Statement of Changes in Equity on page 30.

26. 股本(續)

附註：

- (a) 於二零零七年七月三十一日，本公司進行資本重組，(i)將每100股本公司已發行及未發行每股面值0.2港元的股份合併為1股面值20港元的合併股份；(ii)將每股已發行合併股份的已繳股本其中19.99港元註銷，並且將所有合併股份的面值減至每股0.01港元；及(iii)增設19,960,000,000股每股面值0.01港元的新股份，將已削減的法定股本由400,000港元增至200,000,000港元。
- (b) 於二零零七年十月五日及二零零七年十一月二十三日，根據公開發售及安排人協議以每股0.12港元的價格分別發行860,250,000股及44,000,000股每股面值0.01港元的新股份。
- (c) 於二零零八年一月二十八日，發行36,360,000股每股面值0.01港元之新股份，作為收購一間附屬公司Fadara Limited(如附註30所載)之部份代價。該等已發行的36,360,000股股份之價值乃參考於發行日每股股份之已公佈價格0.63港元釐定。
- (d) 於二零零八年四月二十八日，根據本公司與配售代理就本集團獲取一般營運資金而訂立之配售協議，按每股配售股份0.20港元之配售價發行80,000,000股每股面值0.01港元之新股份。

27. 儲備

(a) 本集團

本集團儲備於截至二零零七年及二零零八年六月三十日止年度之金額及變動載於第30頁之綜合權益變動表。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

27. RESERVES (cont'd)

(b) The amounts of the Company's reserves and the movements during the years ended 30 June 2007 and 2008 are presented below:–

| | | Share premium 股份溢價 HK\$'000 千港元 | Share-based payment reserve 以股份為基礎 付款之儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--|---------------------------|--|---|--|--------------------------------|
| At 1 July 2006 | 於二零零六年七月一日 | 103,257 | – | (625,208) | (521,951) |
| Loss for the year | 本年度虧損 | – | – | (2,897) | (2,897) |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及 二零零七年七月一日 | 103,257 | – | (628,105) | (524,848) |
| Loss for the year | 本年度虧損 | – | – | (118,149) | (118,149) |
| Recognition of equity-settled share-based payments | 確認以股權結算以股份為 基礎之款項 | – | 21,386 | – | 21,386 |
| Reduction of capital pursuant to a capital reorganisation | 根據資本重組之股本削減 | 573,213 | – | – | 573,213 |
| Shares issued pursuant to an open offer | 根據公開發售發行之股份 | 87,574 | – | – | 87,574 |
| Shares issued pursuant to an arranger agreement | 根據安排人協議發行之股份 | 4,479 | – | – | 4,479 |
| Shares issued pursuant to a placing agreement | 根據配售協議發行之股份 | 15,200 | – | – | 15,200 |
| Shares issued for acquisition of a subsidiary | 發行以收購一間附屬公司之 股份 | 22,543 | – | – | 22,543 |
| Cost attributable to issue of new shares | 發行新股份之成本 | (320) | – | – | (320) |
| At 30 June 2008 | 於二零零八年六月三十日 | 805,946 | 21,386 | (746,254) | 81,078 |

(c) Nature and purpose of the reserves are explained below:–

Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

27. 儲備(續)

(b) 本公司儲備於截至二零零七年及二零零八年六月三十日止年度之金額及變動載列如下：

| | | Share premium 股份溢價 HK\$'000 千港元 | Share-based payment reserve 以股份為基礎 付款之儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--|---------------------------|--|---|--|--------------------------------|
| At 1 July 2006 | 於二零零六年七月一日 | 103,257 | – | (625,208) | (521,951) |
| Loss for the year | 本年度虧損 | – | – | (2,897) | (2,897) |
| At 30 June 2007 and 1 July 2007 | 於二零零七年六月三十日及 二零零七年七月一日 | 103,257 | – | (628,105) | (524,848) |
| Loss for the year | 本年度虧損 | – | – | (118,149) | (118,149) |
| Recognition of equity-settled share-based payments | 確認以股權結算以股份為 基礎之款項 | – | 21,386 | – | 21,386 |
| Reduction of capital pursuant to a capital reorganisation | 根據資本重組之股本削減 | 573,213 | – | – | 573,213 |
| Shares issued pursuant to an open offer | 根據公開發售發行之股份 | 87,574 | – | – | 87,574 |
| Shares issued pursuant to an arranger agreement | 根據安排人協議發行之股份 | 4,479 | – | – | 4,479 |
| Shares issued pursuant to a placing agreement | 根據配售協議發行之股份 | 15,200 | – | – | 15,200 |
| Shares issued for acquisition of a subsidiary | 發行以收購一間附屬公司之 股份 | 22,543 | – | – | 22,543 |
| Cost attributable to issue of new shares | 發行新股份之成本 | (320) | – | – | (320) |
| At 30 June 2008 | 於二零零八年六月三十日 | 805,946 | 21,386 | (746,254) | 81,078 |

(c) 儲備之性質及目的載列如下：

股份溢價

股份溢價指按超過其每股面值之價格發行股份而產生之溢價，並不能分派，但可用於繳足予以向本公司股東以繳足紅股形式發行之未發行股份或用於支付購回股份所支付之溢價。

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For the year ended 30 June 2008 截至二零零八年六月三十日止年度

27. RESERVES (cont'd)

(c) Nature and purpose of the reserves are explained below:–
(cont'd)

Share-based payment reserve

The share-based payment reserve represents the fair value of the number of unexercised share options granted to employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(t)(i).

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(j).

28. CAPITAL DISCLOSURE

The Group's objectives when managing capital are:–

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the years ended 30 June 2007 and 2008.

The Group monitors capital on the basis of gearing ratio, which is calculated as total borrowings over total assets. The Group's strategy is to maintain the gearing ratio at an appropriate level. The gearing ratio as at 30 June 2008 was 1% (2007: 100%).

27. 儲備(續)

(c) 儲備之性質及目的載列如下：(續)

以股份為基礎之付款之儲備

以股份為基礎之付款之儲備指根據附註3(t)(i)所載就權益結算以股付款所採納之會計政策，確認授予本集團僱員及顧問之未行使購股權數目之公平價值。

匯兌儲備

匯兌儲備包括所有因匯兌海外業務財務報表所產生之所有匯兌差額。儲備根據附註3(j)所載之會計政策處理。

28. 資本披露

本集團於管理資本之目標為：

- (i) 確保企業持續經營之能力，以使其能夠持續為股東提供回報及為利益相關者帶來利益；及
- (ii) 向股東提供充足回報。

本集團根據經濟條件變動及相關資產之風險特性管理資本架構及對其作出調整。為維持或調整資本架構，本集團可能調整向股東支付股息之金額、向股東返還資本、發行新股、或出售資產以減輕負債。截至二零零七年及二零零八年六月三十日止年度，並無於目標、政策及過程作出變動。

本集團按資產負債比率(總借貸除以總資產)基準監控資本。本集團之策略為維持資產負債比率於合適之水平。於二零零八年六月三十日之資產負債比率為1%(二零零七年：100%)。

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29. SHARE OPTIONS

Share option scheme adopted in 1999

On 19 July 1999, a share option scheme was adopted by the Company (the "1999 Share Option Scheme"), pursuant to which the board of directors of the Company may grant options to any directors, officers or employees of the Company or of any of its subsidiaries to subscribe for shares in the Company at any price which is not less than the nominal value of the shares nor 80% of the average closing price of the shares of the Company on the Stock Exchange for the 5 trading days immediately preceding the date of the grant of the options. The maximum number of shares in respect of which options may be granted under the 1999 Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

Share option scheme adopted in 2002

On 25 July 2002, the share option scheme adopted by the Company on 19 July 1999 was terminated and replaced by a new share option scheme (the "2002 Share Option Scheme") pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on the same day. In accordance with the 2002 Share Option Scheme, the board of directors of the Company may grant options to any employees, directors, shareholders, suppliers, customers of the Group and any other person or company who has contributed or may contribute to the development and growth of the Group to subscribe for shares in the Company at any price which is at least the highest of (i) the closing price of the shares of the Company on the date of the grant of the options; (ii) the average closing price of the shares of the Company on the Stock Exchange for the 5 trading days immediately preceding the date of the grant of the options; and (iii) the nominal value of the shares of the Company. The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme shall not exceed 10% of the shares in issue as at the adoption date of the 2002 Share Option Scheme or the date of approval by the shareholders in general meeting where the limit is refreshed. The total number of shares issued and to be issued upon exercise of the options granted to each eligible person under the 2002 Share Option Scheme in any twelve months period must not exceed 1% of the shares in issue at the date of such grant unless approved by the shareholders in general meeting.

29. 購股權

於一九九九年採納之購股權計劃

於一九九九年七月十九日，本公司採納一項購股權計劃（「一九九九年購股權計劃」），據此，本公司董事會可向本公司或其任何附屬公司之任何董事、高級職員或僱員授出購股權，以按不得低於股份面值或緊接授出購股權日期前五個交易日在聯交所所報之本公司股份平均收市價之80%之任何價格，認購本公司股份。根據一九九九年購股權計劃可能授出之購股權所涉及之最高數目股份，不得超過本公司不時已發行股本10%。

於二零零二年採納之購股權計劃

於二零零二年七月二十五日，根據本公司於一九九九年七月十九日舉行之股東特別大會通過之普通決議案，本公司於當日採納之購股權計劃終止，由新購股權計劃（「二零零二年購股權計劃」）取代。按照二零零二年購股權計劃，本公司董事會可向本集團任何僱員、董事、股東、供應商、客戶及任何已經或可能對本集團之發展及增長作出貢獻之其他人士或公司授出購股權，可按任何價格認購本公司股份，惟該價格不得低以以下最高者：(i)於授出購股權當日本公司股份收市價；(ii)於緊接授出購股權之日前五個交易日本公司股份在聯交所之平均收市價；及(iii)本公司股份面值。根據二零零二年購股權計劃可授出購股權涉及的股份最高數目，不得超過二零零二年購股權計劃獲採納當日或於股東大會獲股東批准更新有關限額當日已發行股份10%。除經股東在股東大會批准外，各合資格人士於任何十二個月期間行使根據二零零二年購股權計劃獲授之購股權而已經及將發行之股份總數，不得超過授出當日已發行股份1%。

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29. SHARE OPTIONS (cont'd)

Details of the Company's share options granted are as follows:-

1999 Share Option Scheme

| Date of grant 授出日期 | Exercise period 行使期 | Number of share options granted 授出購股權數目 | Exercise price 行使價 (Note (a)) (附註(a)) HK\$ 港元 |
|----------------------------|--|---|--|
| 3 July 2001 二零零一年七月三日 | 3 July 2001-2 July 2011 二零零一年七月三日至 二零一一年七月二日 | 1,652,750 | 20.00 |
| 24 May 2002 二零零二年五月二十四日 | 24 May 2002-23 May 2012 二零零二年五月二十四日至 二零一二年五月二十三日 | 920,250 | 20.20 |

2002 Share Option Scheme

| Date of grant 授出日期 | Exercise period 行使期 | Number of Share options granted 授出購股權數目 | Exercise price 行使價 HK\$ 港元 | Fair value at grant date 於授出日期之公平值 HK\$ 港元 |
|--------------------------------------|--|---|-------------------------------------|---|
| 29 November 2007 二零零七年 十一月二十九日 | 29 November 2007-28 November 2017 二零零七年十一月二十九日至 二零一七年十一月二十八日 | 53,312,700 | 0.64 | 0.64 |
| 27 June 2008 二零零八年 六月二十七日 | 27 June 2008-26 June 2018 二零零八年六月二十七日至 二零一八年六月二十六日 | 35,500,000 | 0.64 | 0.44 |

Analysis of the number of share options granted by categories of grantees is as follows:-

按承授人類別已授出的購股權數目分析如下：

| Grantee 承授人 | Number of shares granted on 於下列日期授出之股份數目 | | | |
|-------------------|--|--|---|------------------------------------|
| | 3 July 2001 二零零一年 七月三日 (Note (a)) (附註(a)) | 24 May 2002 二零零二年 五月二十四日 (Note (a)) (附註(a)) | 29 November 2007 二零零七年 十一月二十九日 | 27 June 2008 二零零八年 六月二十七日 |
| Directors 董事 | 55,000 | 506,700 | 5,400,000 | - |
| Employees 僱員 | 1,597,750 | 413,550 | 8,850,000 | 4,530,000 |
| Consultants 顧問 | - | - | 39,062,700 | 30,970,000 |
| | 1,652,750 | 920,250 | 53,312,700 | 35,500,000 |

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

29. SHARE OPTIONS (cont'd)

Details of the share options outstanding during the year are as follows:—

29. 購股權(續)

年內尚未行使購股權之詳情如下：

| | | 2008 二零零八年 | | 2007 二零零七年 (Note (a)) (附註(a)) | |
|--|---------|--|---|--|--|
| | | Weighted average Number of share options 購股權數目 | exercise price 加權 平均行使價 HK\$ 港元 | Number of share options 購股權數目 | Weighted average exercise price 加權 平均行使價 HK\$ 港元 |
| Outstanding at the beginning of the year | 於年初尚未行使 | — | — | 259,350 | 20.20 |
| Granted during the year | 年內授出 | 88,812,700 | 0.64 | — | — |
| Cancelled during the year | 年內註銷 | — | — | (259,350) | 20.20 |
| Outstanding at the end of the year | 於年終尚未行使 | 88,812,700 | 0.64 | — | — |
| Exercisable at the end of the year | 於年終可予行使 | 88,812,700 | 0.64 | — | — |

The options outstanding at the end of the year have a weighted average remaining contractual life of 9.6 years (2007:Nil) and exercise price of HK\$0.64 (2007:Nil). During the year ended 30 June 2008, options were granted on 29 November 2007 and 27 June 2008. The estimated fair values of the options on those dates are HK\$15,688,219 and HK\$5,697,750 respectively. No options were granted in the year ended 30 June 2007.

於年終尚未行使購股權之加權平均合約餘期為9.6年(二零零七年：零)，行使價為0.64港元(二零零七年：零)。於截至二零零八年六月三十日止年度，購股權分別於二零零七年十一月二十九日及二零零八年六月二十七日授出。購股權於該等日期之估計公平值分別為15,688,219港元及5,697,750港元。截至二零零七年六月三十日止年度概無授出購股權。

Notes:

(a) The number of share options and exercise price are adjusted to reflect the consolidation of 100 shares into 1 share effected on 4 October 2007.

附註：

(a) 購股權數目及行使價已作調整，以反映二零零七年十月四日進行之每100股股份合併為1股股份。

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財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

29. SHARE OPTIONS (cont'd)

- (b) The closing prices of the Company's shares immediately before the dates of grant on 29 November 2007 was HK\$0.64 and on 27 June 2008 was HK\$0.44.
- (c) The Company has used the Binominal option pricing model ("the Model") to value the share options granted during the year. The value of an option varies with different variable of certain subjective assumptions. Any change in the variables as adopted may materially offset the estimation of the fair value of an option. For the year ended 30 June 2008, 53,312,700 shares options were granted on 29 November 2007, and 35,500,000 shares options were granted on 27 June 2008.

The inputs into the Model were as follows:-

| | |
|------------------------------------|---------|
| Closing price on the date of grant | 授出日期收市價 |
| Expected volatility | 預期波幅 |
| Risk free rate | 無風險利率 |
| Expected dividend yield | 預期股息率 |
| Estimated fair value | 估計公平值 |

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 260 trading days.

30. ACQUISITION OF A SUBSIDIARY

On 28 January 2008, the Group acquired 100% of the issued share capital of Fadara Limited by the issue of 36,360,000 shares of the Company as consideration. Fadara Limited was engaged in the provision of media management and consultancy services.

29. 購股權(續)

- (b) 緊接二零零七年十一月二十九日及二零零八年六月二十七日授出日期前本公司股份的收市價分別為0.64港元及0.44港元。
- (c) 本公司採用二項式購股權定價模式(「定價模式」)計算本年度所授出購股權的價值。購股權的價值會由於若干主觀假設的參數不同而改變。所採用的參數變動或會對購股權公平值的估計有重大抵銷作用。截至二零零八年六月三十日止年度，於二零零七年十一月二十九日及二零零八年六月二十七日分別授出53,312,700份及35,500,000份購股權。

定價模式使用的數據如下：

| Share options granted on 29 November 2007 二零零七年十一月二十九日授出的購股權 | Share options granted on 27 June 2008 二零零八年六月二十七日授出的購股權 |
|---|--|
| HK\$0.64 0.64港元 | HK\$0.44 0.44港元 |
| 131.31% | 163.95% |
| 3.28% | 3.56% |
| 0% | 0% |
| HK\$15,688,219 15,688,219港元 | HK\$5,697,750 5,697,750港元 |

預期波幅以過去260個交易日本公司股份價格波幅釐定。

30. 收購一間附屬公司

於二零零八年一月二十八日，本集團收購Fadara Limited全部已發行股本，以發行36,360,000股本公司股份作為代價。Fadara Limited從事提供媒體管理及顧問服務。

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30. ACQUISITION OF A SUBSIDIARY (cont'd)

The fair value of the identifiable assets and liabilities of Fadara Limited at 28 January 2008 (date of acquisition), which has no significant difference from its carrying amount, and the goodwill arisen from the acquisition, which is accounted for as a business combination in accordance with "HKFRS 3 Business Combinations", are as follows:-

Identifiable assets and liabilities acquired:-

| | | HK\$'000 千港元 |
|--|----------------|-----------------|
| Cash and bank deposit | 現金及銀行存款 | 1 |
| Trade and other payables | 貿易及其他應付款項 | (17) |
| | | (16) |
| Goodwill (note (a)) | 商譽(附註(a)) | 22,923 |
| Total cost of business combination (note (b)) | 業務合併總成本(附註(b)) | 22,907 |
| Net cash inflow arising on business combination: | 業務合併產生之現金流入淨額： | |
| Cash and bank deposit | 現金及銀行存款 | 1 |

Notes:

- (a) The goodwill arising on the acquisition of Fadara Limited is attributable to the anticipated profitability of the operations of Fadara Limited and the anticipated future operating synergies from the business combination.
- (b) Total cost of business combination represented the fair value of the 36,360,000 shares, which were issued to satisfy the consideration for the acquisition, determined by reference to the published price of each share of HK\$0.63 at the date of issue in exchange for the shares acquired as follows:

| | | HK\$'000 千港元 |
|--|---------------------|-----------------|
| Agreed consideration, calculated at an issue price of HK\$0.55 per share | 協定代價，按發行價每股0.55港元計算 | 19,998 |
| Fair value adjustment | 公平值調整 | 2,909 |
| | | 22,907 |

- (c) The vendor of Fadara Limited warranted and guaranteed that the income or turnover from a management contract since 28 January 2008 to 31 December 2008, extendable to 31 March 2009 upon consent by the Group, shall not be less than RMB13,000,000.
- (d) Fadara Limited contributed turnover of approximately HK\$5,694,000 and profit before tax of approximately HK\$5,102,000 to the Group from the date of business combination to 30 June 2008.
- (e) The Group's total turnover for the year and loss for the year would have no material changes if the acquisition had been completed on 1 July 2007 because Fadara Limited did not have significant operations during the period immediately before the date of business combination since 1 July 2007.

30. 收購一間附屬公司(續)

Fadara Limited於二零零八年一月二十八日(收購日期)可識別資產及負債之公平值與其賬面值並無重大差別，而收購(根據「香港財務報告準則第3號業務合併」以業務合併方式列賬)所產生之商譽如下：

可識別資產及負債淨值：

| | | HK\$'000 千港元 |
|--|----------------|-----------------|
| Cash and bank deposit | 現金及銀行存款 | 1 |
| Trade and other payables | 貿易及其他應付款項 | (17) |
| | | (16) |
| Goodwill (note (a)) | 商譽(附註(a)) | 22,923 |
| Total cost of business combination (note (b)) | 業務合併總成本(附註(b)) | 22,907 |
| Net cash inflow arising on business combination: | 業務合併產生之現金流入淨額： | |
| Cash and bank deposit | 現金及銀行存款 | 1 |

附註：

- (a) 收購Fadara Limited所產生之商譽乃由於Fadara Limited營運之預期利率及來自業務合併之預期未來營運協同效應所致。
- (b) 業務合併總成本指為支付收購代價而發行36,360,000股股份之公平值，該金額乃經參考於發行日換取所收購之股份之每股股份報價0.63港元釐定。
- (c) Fadara Limited之賣方授權及保證一項自二零零八年一月二十八日起至二零零八年十二月三十一日止，並於本集團同意下可延長至二零零九年三月三十一日之管理合約之收入或營業額將不少於人民幣13,000,000元。
- (d) 由業務合併日期起至二零零八年六月三十日，Fadara Limited貢獻約5,694,000港元之營業額及約5,102,000港元之除稅前溢利予本集團。
- (e) 由於Fadara Limited自二零零七年七月一日起，緊接業務合併日期前期間並無重大業務，倘收購於二零零七年七月一日已完成，本集團本年度總營業額及本年度虧損將不會出現重大變動。

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31. CONTINGENT LIABILITIES

At the balance sheet date, the Group and the Company had contingent liabilities as follows:-

31. 或然負債

於結算日，本集團及本公司有以下或然負債：

| | The Group | | The Company | |
|---|---------------|----------|---------------|----------|
| | 本集團 | | 本公司 | |
| | 2008 | 2007 | 2008 | 2007 |
| | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| (a) Possible claims arising from: (a) 有關以下情況之 | | | | |
| Guarantee related to a former 可能申索： | | | | |
| related company 有關前關連公司之擔保 | 5,000 | 5,000 | 5,000 | 5,000 |
| Indemnity related to a former 有關前附屬公司之 | | | | |
| subsidiary (note 36(b)) 彌償保證 (附註36(b)) | 7,000 | 5,800 | 7,000 | 5,800 |
| | 12,000 | 10,800 | 12,000 | 10,800 |

(b) The Hong Kong Inland Revenue Department had carried out a review in respect of the deductibility of management fees paid by a subsidiary, First Union Limited ("First Union"), to the Company during the years of assessment 2000/01 to 2004/05 in the sum of HK\$30,247,000 and was of the opinion that the management fees paid were excessive. First Union was asked to propose a basis for adding back excessive management fees and adjust the tax computations.

No provision had been made in the financial statements for the year ended 30 June 2007 as the directors of First Union were contesting the Hong Kong Inland Revenue Department's opinion and the result could not be reasonably estimated.

The review was finalised by the Hong Kong Inland Revenue Department during the year ended 30 June 2008 according to a proposal submitted by First Union, resulting in a balance of Hong Kong profits tax payable of approximately HK\$1,997,000 charged as shown in note 8.

(b) 香港稅務局已審查附屬公司壹聯有限公司(「壹聯」)於二零零零/零一至二零零四/零五評稅年度向本公司支付為數30,247,000港元管理費是否可扣稅，並認為已付管理費屬超額。壹聯被要求提供加回超額之管理費，並調整評稅之計算方法。

由於壹聯之董事正就香港稅務局之意見進行抗辯，目前無法合理估計其結果，故於截至二零零七年六月三十日止年度財務報表內並無作出任何撥備。

香港稅務局已於截至二零零八年六月三十日止年度內根據壹聯提交之建議完成審閱，因而須如附註8所示支付應付香港利得稅約1,997,000港元。

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32. COMMITMENTS

(a) Capital commitments

At the balance sheet date, the capital commitment outstanding not provided for in the financial statements are as follows:-

| | The Group | | The Company | |
|------------------------------------|-----------|----------|-------------|----------|
| | 本集團 | | 本公司 | |
| | 2008 | 2007 | 2008 | 2007 |
| | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| Acquisition of investment property | | | | |
| 收購投資物業 | | | | |
| | - | 59,334 | - | - |

(b) Operating lease commitments

At the balance sheet date, the total future minimum lease payments under non-cancelable operating leases are as follows:-

| | The Group | | The Company | |
|---------------------------------|-----------|----------|-------------|----------|
| | 本集團 | | 本公司 | |
| | 2008 | 2007 | 2008 | 2007 |
| | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| Properties: | | | | |
| 物業： | | | | |
| Within 1 year | 2,673 | 552 | 991 | 300 |
| 一年內 | | | | |
| After 1 year but within 5 years | 1,017 | - | 578 | - |
| 一年後至五年內 | | | | |
| | 3,690 | 552 | 1,569 | 300 |

32. 承擔

(a) 資本承擔

於結算日，在財務報表內並未提計撥備之未到期資本承擔如下：

(b) 經營租約承擔

於結算日，根據不可撤銷經營租約於未來須支付之最低租金總額如下：—

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33. EVENTS AFTER THE BALANCE SHEET DATE

(a) Acquisition of subsidiaries

On 25 September 2008, the Group acquired the entire issued share capital of L&L Partners' Limited ("L&L Partners'"), a company incorporated in the British Virgin Islands, who holds the entire share capital of Shanghai Winmedia Advertising Media Company Limited ("Shanghai Winmedia"), an enterprise established in the PRC. L&L Partners' and Shanghai Winmedia are engaged in the provision of outdoor media advertising services.

The consideration for the acquisition of HK\$240,000,000 was satisfied by (i) the allotment and issue of 250,000,000 new shares of the Company, credited as fully paid, in the sum of HK\$200,000,000; and (ii) the issue of convertible bonds, carrying no interest for a term of 5 years at a conversion price of HK\$0.8 for each new share of the Company, in the principal amount HK\$40,000,000. Details of the acquisition are set out in a circular issued by the Company on 23 May 2008.

Since the acquisition was completed on 25 September 2008, there is not sufficient time for the management of the Company to prepare consolidated financial statements of L&L Partners' and Shanghai Winmedia (the "L&L Group") in accordance with HKFRSs for business combination purposes. According to the management accounts of L&L Partners', prepared in accordance with the accounting principles applicable in Hong Kong, and the management accounts of Shanghai Winmedia, prepared in accordance with the accounting principles applicable in the PRC, the estimated net asset value of the L&L Group as at 30 September 2008 amounted to approximately HK\$8,225,000. The cost of business combination is determined at HK\$97,500,000, which is the sum of (i) the shares issued for the acquisition, based on the published closing price of the Company's shares at the date of issue of HK\$0.23 per share, valued at HK\$57,500,000; and (ii) the face value of the convertible bonds of HK\$40,000,000 issued for the acquisition. The goodwill arising on business combination at the best estimation of the directors is approximately HK\$89,275,000. The estimated net asset value and goodwill are subject to adjustments for fair value measurement of the identifiable net assets acquired and for the adoption of HKFRSs.

33. 結算日後事項

(a) 收購附屬公司

於二零零八年九月二十五日，本集團收購 L&L Partners' Limited (「L&L Partners'」) 之全部已發行股本，L&L Partners' 為於英屬處女群島註冊成立之有限公司，持有上海贏城廣告傳媒有限公司(「上海贏城」)之全部股本。上海贏城為於中國成立之企業。L&L Partners' 以及上海贏城從事提供戶外轉媒廣告服務。

收購之代價240,000,000港元透過下列方式支付：(i)200,000,000港元以配發及發行250,000,000股本公司入賬列為繳足新股份支付，及(ii)發行本金額40,000,000港元之五年不計息可換股債券，就本公司每股新股份之兌換價為0.8港元。收購之詳情載於本公司於二零零八年五月二十三日刊發之通函內。

由於收購於二零零八年九月二十五日完成，本公司管理層並無足夠時間按照香港財報報告準則就業務合併編製L&L Partners' 及上海贏城 (「L&L集團」) 之綜合財務報表。根據L&L Partners' 之管理賬目(按照適用於香港之會計準則編製)及上海贏城之管理賬目(按照適用於中國之會計準則編製)，L&L集團於二零零八年九月三十日之估計資產淨值約為8,225,000港元。業務合併之成本釐定為97,500,000港元，為(i)發行作收購之股份，按本公司股份於發行日之已公佈收市價每股0.23港元計算，價值為57,500,000港元；及(ii)發行作收購之可換股債券面值40,000,000港元之總和。以董事之最佳估計，業務合併所產生之商譽約為89,275,000港元。估計資產淨值及商譽須因應已收購之可識別淨資產之公平值計算及採納香港財報報告準則而作調整。

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33. EVENTS AFTER THE BALANCE SHEET DATE (cont'd)

(b) Change of name of the Company

On 4 July 2008, the English and Chinese names of the Company was changed from eCyberChina Holdings Limited 光訊控股集團有限公司 to China Outdoor Media Group Limited 中國戶外媒體集團有限公司.

34. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee.

Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions at HK\$1,000 or 5% of the relevant payroll costs, whichever is the lower, to the scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The employees of the Group's subsidiary in the People's Republic of China are members of a state-managed retirement benefit scheme operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total contributions payable to the retirement benefit schemes by the Group at rates specified in the rules of the schemes and charged to profit or loss for the year amounted to approximately HK\$66,000 (2007: HK\$30,000).

35. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Save as disclosed elsewhere in these financial statements, the Group had no material transactions with other related parties during both years.

33. 結算日後事項(續)

(b) 更改公司名稱

於二零零八年七月四日，本公司之英文及中文名稱由eCyberChina Holdings Limited光訊控股集團有限公司改為China Outdoor Media Group Limited中國戶外媒體集團有限公司。

34. 退休福利計劃

本集團為香港所有合資格僱員推行強制性公積金計劃(「強積金計劃」)。強積金計劃之資產與本集團之資產分開持有，歸入獨立信託人控制之基金內。

根據強積金計劃規則，僱主及僱員須各自向計劃作出1,000港元或有關薪金成本5%(以較低者為準)之供款。本集團對強積金計劃之唯一責任為作出指定供款。

本集團於中華人民共和國之附屬公司僱員為地方政府推行之國家管理退休福利計劃之成員。該附屬公司須向退休福利計劃繳納佔薪金成本指定百分比之款項，為有關福利籌資。本集團對該退休福利計劃之唯一責任為作出指定供款。

本年度於損益扣除之本集團按計劃規則所指定比例應付退休福利計劃供款總額約為66,000港元(二零零七年：30,000港元)。

35. 有關連人士交易

本公司與其附屬公司(本公司之有關連人士)間之交易於綜合時註銷，並無於本附註披露。

除財務報表所披露者外，於該兩個年度，本集團並無與其他有關連人士進行重大交易。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

36. LITIGATION

The Group had the following material claims:-

- (a) In September 2004, a Writ of Summons was served on the Company by an individual third party demanding immediate repayment of borrowings of approximately HK\$1.6 million together with the interest thereon. As the Company had never borrowed money from that individual third party, the directors were of the opinion that the Company had no obligation to pay the demanded amount. In January 2005, an Amended Writ of Summons was served on the Company by the lender of the Group (the "2nd Plaintiff") to clarify that the individual third party acted as an agent of the 2nd Plaintiff. The directors have instructed the lawyer of the Company to handle this matter. The loan advanced by the 2nd Plaintiff has been fully accrued in the financial statements and has not yet been settled, as at 30 June 2008.

The Court has granted an order to adjourn sine die the Plaintiffs' application to set down this case on 15 March 2006. That is to say, the Plaintiffs have temporarily withheld the proceedings against the Company. This claim has not been settled up to the date of approval of these financial statements.

36. 訴訟

本集團之重大申索如下：

- (a) 於二零零四年九月，一名個別第三者向本公司發出傳訊令狀，要求即時償還借款約1,600,000港元連同有關利息。由於本公司從未向該個別第三者借款，故董事認為本公司無責任支付要求償還之款項。於二零零五年一月，本集團之借款方（「第二位原告人」）向本公司發出一項經修訂之傳訊令，並澄清個別第三者乃作為第二位原告人之代表。董事已指示本公司律師處理有關事宜。由第二位原告人墊付之貸款已悉數計入此等財務報表，於二零零八年六月三十日，有關款項仍未清付。

法院已於二零零六年三月十五日發出指令，無限期押後原告人的訴訟申請，即原告人已暫停對本公司的訴訟。截至此等財務報表獲批准之日，上述索償仍未了結。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

36. LITIGATION (cont'd)

- (b) According to an agreement entered into by the Company, two of its subsidiaries and two independent third parties in February 2003, the Group had disposed of a subsidiary, World Giant Limited ("World Giant"), a company engaged in property investment in the People's Republic of China ("PRC"). In this connection, the Company has undertaken to indemnify World Giant for, among others, any increase in the liabilities of World Giant as a result of any claim for taxation arising from any transactions effected on or before the completion date of the above disposal. In October 2004, World Giant received a payment request from the PRC tax authority in respect of PRC property taxes relating to the property held by World Giant, including the late payment surcharge levied by the tax authority, of which approximately RMB6.1 million was related to transactions on or before the completion date. The existing management of World Giant had indicated to the directors that the amount in respect of transactions on or before the completion date should be paid by the Company. In February 2005, a Writ of Summons was served on the Company demanding the payment of approximately RMB6.1 million. However, such amounts are covered by the amount accrued in the accounts of World Giant at the time of disposal. Accordingly, in the opinion of the directors and having obtained an opinion from the Company's lawyer, the Group or the Company has no obligation to pay the above taxes. Because of the uncertainty of the outcome of this matter, the amount involved of approximately RMB6.1 million, equivalent to approximately HK\$7 million (2007: HK\$5.8 million), has been shown as contingent liabilities in note 31.

Since the Writ of Summons was served on the Company in February 2005, the Company has not received further claims from the Plaintiff up to the date of approval of these financial statements.

36. 訴訟(續)

- (b) 根據本公司、其兩間附屬公司與兩名獨立第三者於二零零三年二月訂立之協議，本集團出售於中華人民共和國(「中國」)從事物業投資之附屬公司華專有限公司(「華專」)，就此，本公司已承諾，(其中包括)其將就上述出售完成日期或之前進行之交易所產生之任何稅務申索而導致華專負債之任何增加向華專作出彌償。於二零零四年十月，華專接獲中國稅務當局就與華專所持物業有關之中國物業稅之付款通知，包括由稅務當局徵收之逾期繳稅附加費，其中約人民幣6,100,000元乃就完成日期或之前之交易而徵收。華專之現任管理層已向董事表示，就完成日期或之前之交易徵收之款項應由本公司支付。於二零零五年二月，已向本公司發出傳訊令狀，要求支付約人民幣6,100,000元。然而，該等金額已於出售時以應計入華專賬目之金額全數補償，因此，董事及本公司律師均認為，本集團或本公司並無責任繳付上述稅款。基於未能確定有關事宜之結果，故所涉及約人民幣6,100,000元，相等於約7,000,000港元(二零零七年：5,800,000港元)之款項已於附註31列示為或然負債。

自二零零五年二月本公司接獲上述傳票以來，截至此等財務報表獲批准之日本公司再未接獲與訟人其他索償。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

36. LITIGATION (cont'd)

- (c) A Notice of Intention to Proceed after a Year's Delay dated 22 October 2007 was received by the Company in respect of a Writ of Summons previously served on the company in August 2004 by an independent consultancy company for repayment of outstanding consultancy fees in the amount of approximately HK\$2.2 million together with interest thereon. As that consultancy company had never been formally appointed as a consultant of the Company, the directors are of the opinion that the Company has no obligations to pay the aforesaid amount to that consultancy company. In fact, an independent third party controlling that consultancy company had provided certain consultancy services to the Company during the relevant period. The directors had negotiated with that independent third party who agreed to take up the responsibility of settlement of the aforesaid amount owing to that consultancy company and the related legal costs. Therefore, the directors are of the opinion that no provision need to be made in view of such circumstances.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks, which include currency risk, interest rate risk, credit risk and liquidity risk, arising from its operating and investing activities in the normal course of business. The Group's major financial instruments, including trade and other receivables, trade and other payables and borrowings, are disclosed in respective notes.

Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management. Management regularly manages the financial risks of the Group as described below:-

(a) Currency risk

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China ("PBOC") or other institutions authorised to buy and sell foreign exchange. The exchange rate adopted for foreign exchange transactions are the rates of exchange quoted by the PBOC that would be subject to a managed float against an unspecified basket of currencies.

36. 訴訟(續)

- (c) 本公司就一間獨立顧問公司於二零零四年八月送達本公司之傳票修訂日期為二零零七年十月二十二日之延緩一年行事意向通知書。該傳票要求本公司償還未償付的顧問費連同利息總共約2,200,000港元。由於該顧問公司從未獲正式委任為本公司之顧問，董事認為本公司並無責任支付上述之金額予該顧問公司。事實上，於相關期間，控制該顧問公司之獨立第三方已提供若干顧問服務予本公司。董事已與同意負擔清算上述金額及欠付該顧問公司之上述金額以及相關法律成本之責任之該獨立第三方進行商討。因此，董事認為有鑒於此，並無需要作出撥備。

37. 財務風險管理目標及政策

本集團在日常業務過程中面對來自其營運及投資活動之一系列財務風險(包括貨幣風險、利率風險、信貸風險及流動資金風險)。本集團之主要財務工具，包括貿易及其他應收款項、貿易及其他應付款項及借款載於各有關附註內。

由於本集團之財務架構及現時營運性質並不複雜，管理層並無進行主要對沖活動。管理層定期管理本集團之財務風險如下：

(a) 貨幣風險

人民幣不可自由兌換為外幣。所有涉及人民幣的外匯交易均須透過中國人民銀行(「中國人民銀行」)或其他獲准買賣外匯之機構進行。外匯交易所採用之匯率為中國人民銀行所報之匯率，受一籃子不定之貨幣之管制波動所限。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Currency risk (cont'd)

Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currency (which depends on the foreign currency denominated earnings of the Group) or must be arranged through the PBOC with government approval.

Majority of the revenue-generating operations of the Group are transacted in RMB. The Group is exposed to foreign currency risk on financing transactions denominated in currencies other than RMB. Depreciation or appreciation of the RMB against foreign currencies can affect the Group's results.

The Group currently does not have a foreign exchange rate hedging policy in respect of commercial transactions denominated in foreign currencies. However, the directors monitor exchange rate exposure and will consider hedging significant exchange rate exposure should the need arise.

(b) Interest rate risk

The Group's interest risk arises primarily from its borrowings and bank deposits.

Certain bank deposits bear interest at various rates quoted by banks.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes of interest rates. The interest rates of the Group's borrowings are disclosed in note 24.

At 30 June 2008, it is estimated that there would not be a significant effect on the Group's loss after tax and accumulated losses on the anticipated changes in interest rates, with all other variables hold constant.

37. 財務風險管理目標及政策(續)

(a) 貨幣風險(續)

外幣付款(包括將收入匯出中國)乃受限於能否提供相關外匯(取決於本集團以外幣計值之收入)或必須獲政府批准及透過中國人民銀行安排。

本集團大部分賺取收入之業務以人民幣進行交易。本集團面對以非人民幣計值之融資交易之外幣風險。人民幣兌外幣之貶值或升值可影響本集團之業績。

本集團現時並無就以外幣計值之商業交易訂有外匯對沖政策。然而，董事會監察外匯風險，並於有需要時考慮對沖重大外匯風險。

(b) 利率風險

本集團之利率風險主要來自其借款及銀行存款。

若干銀行存款之利息利率為銀行所報之不同利率。

本集團之可變利率借款面臨利率變動導致之現金流量變動風險。本集團借款之利率於附註24披露。

於二零零八年六月三十日，估計所有其他變數維持不變下，利率之預期變動不會對本集團除稅後虧損及累計虧損有重大影響。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise credit risk, management monitors the collection of receivables and reviews the recoverable amount of each individual debt regularly. In this regard, management considers that the Group's exposure to credit risk is significantly reduced.

At the balance sheet date, the Group had concentration of credit risk as approximately 39% (2007: 72%) of the total trade and other receivables was due from 1 (2007: Nil) major customer and 3 (2007: 1) major debtor(s).

(d) Liquidity risk

The Group will consistently manage the liquidity risk prudently and ensure that sufficient cash and cash equivalents are maintained to meet its liquidity requirements. The management monitors the utilisation of borrowings as well as ensures compliance with loan covenants, if any.

37. 財務風險管理目標及政策(續)

(c) 信貸風險

本集團之信貸風險主要存在於應收賬款及其他應收款項。管理層監控收回應收款項的情況並定期檢討各個別債務之可收回數額，以減低信貸風險。於此方面，管理層認為本集團之信貸風險大幅減少。

於結算日，本集團涉及集中信貸風險，約39% (二零零七年：72%) 總貿易及其他應收款項與1名 (二零零七年：無) 主要客戶及3名 (二零零七年：1名) 主要債務人有關。

(d) 流動資金風險

本集團將不斷審慎管理流動資金風險及確保其能保持足夠現金及現金等值項目以符合其流動資金需要。管理層保持借款之使用及確保能符合貸款契約 (如有)。

Notes to the Financial Statements

財務報表附註

For the year ended 30 June 2008 截至二零零八年六月三十日止年度

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company at 30 June 2008 are as follows:–

38. 主要附屬公司詳情

於二零零八年六月三十日，本公司主要附屬公司之詳情如下：

| | Place of incorporation/ operation 註冊成立/ 營運地點 | Issued and paid up capital/ registered capital* 已發行及 已繳足股本/ 註冊股本* | Class of shares 股份類別 | Attributable percentage of shares held | | Principal activities 主要業務 |
|---|---|---|-----------------------------|--|------------------|--|
| | | | | Directly 持有股份 應佔百分比 直接 | Indirectly 間接 | |
| First Union Limited 壹聯有限公司 | Hong Kong 香港 | HK\$2 2港元 | Ordinary 普通股 | 100% | – | Investment holding 投資控股 |
| Ultra Union Limited # (formerly known as World Joy Limited) (前稱華緻有限公司) | Hong Kong 香港 | HK\$2 2港元 | Ordinary 普通股 | – | 100% | Inactive 暫無業務 |
| Fadara Limited | British Virgin Islands 英屬處女群島 | US\$100 100美元 | Ordinary 普通股 | – | 100% | Provision of media management and consultancy services 提供媒體管理及顧問 服務 |
| Konmate Investments Limited 廣美投資有限公司 | Hong Kong 香港 | HK\$2 2港元 | Ordinary 普通股 | 100% | – | Investment holding 投資控股 |
| Konwide Development Limited 廣偉發展有限公司 | Hong Kong 香港 | HK\$2 2港元 | Ordinary 普通股 | 100% | – | Inactive 暫無業務 |
| Noble City (Asia) Limited 港匯(亞洲)有限公司 | Hong Kong 香港 | HK\$2 2港元 | Ordinary 普通股 | 100% | – | Investment holding and provision of management services 投資控股及提供 管理服務 |
| Welchem Development Limited 華緯發展有限公司 | Hong Kong/ The People's Republic of China 香港/中華人民共和國 | HK\$2 2港元 | Ordinary 普通股 | – | 100% | Property investment 物業投資 |
| 北京光訊投資管理 顧問有限公司 | The People's Republic of China 中華人民共和國 | HK\$10,000,000* 10,000,000港元* | Registered 記名股 | – | 100% | Property investment 物業投資 |

Company name has been changed to China New Media Company Limited subsequent to 30 June 2008

公司名稱自二零零八年六月三十日後已更改為中國新媒體有限公司

Particulars of the Group's Major Properties

本集團主要物業之詳情

Particulars of properties held by the Group as at 30 June 2008 are as follows:-

本集團於二零零八年六月三十日持有之物業詳情如下：

1. INVESTMENT PROPERTY

1. 投資物業

| Location 地點 | Type 類型 | Lease term 租賃限期 |
|---|--|----------------------|
| No. 139, Ding Ku Xi Street Xin Cheng District Hohhot City, Inner Mongolia PRC 中國 內蒙古呼和浩特市 新城區 東庫西街139號 | Commercial (held for investment) 商業(持作投資) | Medium Lease 中期租賃 |

2. PROPERTIES HELD FOR SALE

2. 持作出售之物業

| Location 地點 | Type 類型 | Lease term 租賃限期 |
|--|--|----------------------|
| Units 904, 905, 9/F Shanghai Charity Plaza No. 120 Puxi Road Shanghai, PRC 中國上海 浦西路120號 上海聖愛廣場 9樓904、905室 | Commercial (held for sale) 商業(持作出售) | Medium Lease 中期租賃 |

Summary of Financial Information

財務資料概要

The summarised consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group, are set out below:-

摘自本集團綜合財務報表之本集團過去五個財政年度之綜合業績、資產及負債情況概述如下：

RESULTS

業績

| | | For the year ended 30 June 截至六月三十日止年度 | | | | |
|---|-------------------|--|-----------------|-----------------|-----------------|-----------------|
| | | 2004 二零零四年 | 2005 二零零五年 | 2006 二零零六年 | 2007 二零零七年 | 2008 二零零八年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Turnover | 營業額 | 6,445 | 3,600 | 43,337 | 11,224 | 15,811 |
| Profit/(loss) attributable to equity holders of the Company | 本公司權益持有人應佔溢利/(虧損) | (5,213) | 15,208 | (23,995) | (11,869) | (55,096) |

ASSETS AND LIABILITIES

資產及負債

| | | At 30 June 於六月三十日 | | | | |
|--------------------------|-----------|----------------------|-----------------|-----------------|-----------------|-----------------|
| | | 2004 二零零四年 | 2005 二零零五年 | 2006 二零零六年 | 2007 二零零七年 | 2008 二零零八年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Total assets | 資產總值 | 153,541 | 188,925 | 47,491 | 30,406 | 150,737 |
| Total liabilities | 負債總值 | (137,470) | (157,646) | (40,207) | (34,991) | (46,585) |
| Net assets/(liabilities) | 資產/(負債)淨值 | 16,071 | 31,279 | 7,284 | (4,585) | 104,152 |

CHINA OUTDOOR MEDIA GROUP LIMITED
中國戶外媒體集團有限公司

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