



**FOREFRONT GROUP LIMITED**  
**福方集團有限公司\***

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)  
Stock Code 股份代號：885

**ANNUAL REPORT 年報 2008**

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## BOARD OF DIRECTORS

### Executive Directors:

Mr. Yeung Ming Kwong#  
Ms. Lo Oi Kwok, Sheree  
Mr. Ting Wing Cheung, Sherman  
Mr. Wen Louis  
Mr. Zhou Qi Jin  
Mr. Zhuang You Dao

### Independent Non-Executive Directors

Mr. Chung Yuk Lun\*\*  
Ms. Lam Yan Fong, Flora\*\*  
Mr. Kwong Wai Tim, William\*\*  
Ms. Swartz Kristi Lynn

\* Member of Audit Committee

# Member of Remuneration Committee

## COMPANY SECRETARY

Chui Kark Ming

## REGISTERED OFFICE

P.O. Box 309, Ugland House,  
South Church Street, George Town,  
Grand Cayman, Cayman Islands,  
British West Indies.

## PRINCIPAL PLACE OF BUSINESS

Room 1103, 11/F., China United Centre,  
28 Marble Road, North Point,  
Hong Kong.

## AUDITOR

Mazars CPA Limited  
Certified Public Accountants  
34th Floor, The Lee Gardens,  
33 Hysan Avenue,  
Causeway Bay,  
Hong Kong.

## 董事會

### 執行董事：

楊明光先生#  
羅愛過女士  
丁永章先生  
溫耒先生  
周奇金先生  
莊友道先生

### 獨立非執行董事：

鍾育麟先生\*\*  
林欣芳女士\*\*  
鄭維添先生\*\*  
Swartz Kristi Lynn女士

\* 審核委員會成員

# 薪酬委員會成員

## 公司秘書

崔格鳴

## 註冊辦事處

P.O. Box 309, Ugland House,  
South Church Street, George Town,  
Grand Cayman, Cayman Islands,  
British West Indies.

## 主要營業地點

香港  
北角馬寶道28號  
華匯中心11樓1103室

## 核數師

馬賽會計師事務所有限公司  
執業會計師  
香港  
銅鑼灣  
希慎道33號  
利園廣場34樓

### **CAYMAN ISLAND LEGAL ADVISERS**

Maples and Calder Asia  
1504, One International Finance Centre,  
1 Harbour View Street,  
Hong Kong.

### **PRINCIPAL BANKERS**

Standard Chartered Bank  
The Bank of East Asia, Limited

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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

### **STOCK CODE**

885

### **COMPANY WEBSITE**

[www.forefront.com.hk](http://www.forefront.com.hk)

### **開曼群島法律顧問**

Maples and Calder Asia  
香港  
港景街1號  
國際金融中心一期1504室

### **主要往來銀行**

渣打銀行  
東亞銀行有限公司

### **香港股份過戶登記分處**

卓佳登捷時有限公司  
香港  
灣仔皇后大道東28號  
金鐘匯中心26樓

### **股份代號**

885

### **公司網址**

[www.forefront.com.hk](http://www.forefront.com.hk)

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

On behalf of the Board of Directors, I would like to present the annual report of the Group for the year ended 31 December 2008.

### FINANCIAL RESULTS

The Group's audited consolidated net loss for the year was HK\$274.30 million (2007: net loss of HK\$333.19 million). The net asset value of the Group decreased from HK\$246.88 million as at 31 December 2007 to HK\$225.28 million as at 31 December 2008. The net loss is mainly attributed to the loss from securities transactions, shares base payments in relation to the issuance of share options, provision for doubtful debts and the impairment on goodwill.

### FINAL DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year.

### BUSINESS REVIEW

#### Scania Business

The Scania distributorship was formally terminated on 31 March 2008. The Group discontinued all related business regarding the Scania distributorship since 1 April 2008.

本人謹代表董事會提呈本集團截至二零零八年十二月三十一日止年度之年報。

### 財務業績

本集團之年內經審核綜合虧損淨額為274,300,000港元(二零零七年:虧損淨額333,190,000港元)。本集團之資產淨值由二零零七年十二月三十一日之246,880,000港元減至二零零八年十二月三十一日之225,280,000港元。虧損淨額主要源自證券交易虧損、就發行購股權以股份支付之款項、呆帳撥備及商譽減值。

### 末期股息

董事會不建議派付本年度之末期股息。

### 業務回顧

#### Scania業務

Scania分銷權於二零零八年三月三十一日正式終止。本集團由二零零八年四月一日起已終止經營所有涉及Scania分銷權之相關業務。

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

### Investment in e-Ticketing System in the PRC

On 21 August 2007, Great Journey Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to acquire the entire issued share capital of Natural Harvest Investments Limited. Natural Harvest Investments Limited effectively held 49% of equity interest in a PRC joint venture namely China Railway Information and Technology Limited ("**China Railway**"). China Railway planned for the development, management and operation of an e-ticketing system for railway passengers and related freight cargo services in the PRC through the China Railway Web Portal. The acquisition was completed on 7 September 2007 and the consideration of HK\$80 million was fully paid on the same day. After the completion, the PRC partner refused to provide information of the financing positions as well as the status of the web portal projects. The PRC partner requested additional capital injection of HK\$150 million pursuant to the joint venture agreement. The PRC partner has submitted a arbitration proceedings in PRC against Talenteam Development Limited ("**Talenteam**"), a non wholly-owned subsidiary of the Group which holds 80% interest in China Railway. Legal action against the PRC partner has not commenced as the Group is waiting for the result of a similar action by an independent party against the PRC partner. In view of the PRC legal opinion, the Board made a full impairment on the investment in year 2007. On 4 July 2008, Talenteam received notification from the China International Economic and Trade Arbitration Commission regarding the withdrawal of the arbitration proceedings from the PRC partner.

### 於中國電子售票系統之投資

於二零零七年八月二十一日，本公司間接全資附屬公司Great Journey Limited訂立一項有關收購盛然投資有限公司全部已發行股本之買賣協議。盛然投資有限公司實際持有名為鐵流網資訊技術有限公司（「**鐵流網**」）之中國合營公司之49%股權。鐵流網原計劃透過鐵流網在中國從事鐵路乘客電子售票系統之開發、管理及營運以及有關鐵路貨運服務。該收購於二零零七年九月七日完成，並於同日悉數支付代價80,000,000港元。於完成後，中方夥伴拒絕提供財務狀況之資料及鐵流網項目之狀況。中方夥伴要求根據合營協議額外注資150,000,000港元。中方夥伴已於中國向本集團非全資附屬公司德天發展有限公司（「**德天**」，持有鐵流網80%權益）提出仲裁程序。由於本集團現靜待一名獨立人士向中方夥伴提出之類似法律行動之結果，故尚未對中方夥伴展開法律行動。考慮到中國法律意見，董事會已於二零零七年度就該項投資作出全數減值。德天於二零零八年七月四日接獲由中國國際經濟貿易仲裁委員會發出有關中方夥伴撤銷仲裁程序之通知。

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

### Tianjin Motor Business

On 11 October 2007, Crown Creation Limited, an indirect wholly-owned subsidiary of the Company, purchased the entire issued share capital of Leapfly Limited which holds the entire issued share capital of Suntrend China Limited ("Suntrend"). Suntrend holds 50% equity interest in Tianjin Kai Sheng Automobile Service Co., Ltd ("Kai Sheng"). Kai Sheng and its subsidiaries operated automobile sales and repair centers under the authorisation of General Motor Asia, Inc. and Zhong Ji Subaru (Beijing) Vehicles Sales Co., Ltd. On 22 October 2008, the authorisation from General Motor Asia, Inc. and Zhong Ji Subaru (Beijing) Vehicles Sales Co., Ltd. was ceased. At the same time, Kai Sheng and its subsidiaries obtained permission to conduct the sales and repair services of Zhengzhou Nissan under the authorisation of Zhengzhou Nissan Automobiles Sales Company Limited.

During the year under review, Kai Sheng and its subsidiaries contributed approximately HK\$3.70 million to the Group.

### Logistic Services

On 13 September 2007, Smart Oriental Limited, an indirect wholly-owned subsidiary of the Company, invested 40% in the enlarged issued share capital of Golden Fame International Investments Group Limited ("GFIIGL"). GFIIGL provides various logistic services in Hong Kong and the PRC including third party logistics, freight forwarding, supply chain management, river trade shipping and terminal stevedoring.

On 28 May 2008, the Group disposed its entire interest of 93.7% of U-Drive Company Limited, a company which provides fuel chain services to vehicular customers, to GFIIGL at a consideration of HK\$2 million. The disposal should result in better operational support as it ties in with the business development strategy of GFIIGL.

During the year under review, as a result of the global oil price increase and sharp decrease of cargo volume caused by the global economic recession, GFIIGL has only made approximately HK\$0.77 million contribution to the Group results.

### 天津汽車業務

於二零零七年十月十一日，本公司間接全資附屬公司Crown Creation Limited購入Leapfly Limited全部已發行股本。Leapfly Limited持有新怡中國有限公司（「新怡」）全部已發行股本，而新怡持有天津市凱聲汽車維修有限公司（「凱聲」）50%股權。凱聲及其附屬公司在General Motor Asia, Inc.及中冀斯巴魯（北京）汽車銷售有限公司之授權下經營汽車銷售及維修中心。於二零零八年十月二十二日，General Motor Asia, Inc.及中冀斯巴魯（北京）汽車銷售有限公司之授權已告終止。同時，凱聲及其附屬公司獲准在Zhengzhou Nissan Automobiles Sales Company Limited之授權下為Zhengzhou Nissan提供銷售及維修服務。

於回顧年度，凱聲及其附屬公司向本集團作出約3,700,000港元之貢獻。

### 物流服務

於二零零七年九月十三日，本公司間接全資附屬公司Smart Oriental Limited投資於金信環球投資集團有限公司（「金信」）經擴大已發行股本之40%。金信在香港及中國提供多類物流服務，包括第三方物流、貨運、供應鏈管理、內河貨運及碼頭裝卸。

於二零零八年五月二十八日，本集團以代價2,000,000港元向金信出售於任我行有限公司之全部93.7%權益。任我行有限公司為向汽車客戶提供燃料連鎖服務之公司。進行出售旨在獲得更有效之營運支援及配合金信之業務發展策略。

於回顧年度，全球油價高企加上全球經濟衰退導致貨運量急跌，金信向本集團業績僅作出約770,000港元之貢獻。

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

### Property Investment

On 14 April 2008, the Group disposed of two properties (Unit 1 to 3 and Unit 5 to 9 situated on 22/F, China United Centre, 28 Marble Road, North Point, Hong Kong) together with the mortgage loans through the disposal of the entire issued share capital of Allied Well Development Limited and its wholly-owned subsidiary, Hostbest Limited, in exchange for a consideration of 160,000,000 ordinary shares of Willie International Holdings Limited valued at HK\$0.126 per share. Willie International Holdings Limited is a company listed on the Stock Exchange of Hong Kong Limited. This disposal generated approximately HK\$3.6 million contribution to the Group.

### Trading of Securities

The Group invested its surplus cash in Hong Kong listed securities. The Hong Kong stock market has undergone a severe correction as a result of the global financial tsunami. The Group recorded a realised and unrealised loss of approximately HK\$80.82 million and approximately HK\$142.31 million respectively.

### Money Lending Business

The Group has used its surplus cash to fund a money lending business through its indirect wholly-owned subsidiary, Forefront Finance Co., Limited at interest rates ranging between 2% per month to Prime Rate plus 4% per annum.

A loan secured by a charge on certain properties in the amount of HK\$27.5 million was advanced to Tack Fat Group International Limited (Stock code 928). On 11 September 2008, Tack Fat Group International Limited defaulted the repayment of the advance. Judgment in favour of Forefront Finance Co., Limited on the charged properties were granted by the Court on 3 March 2009.

### 物業投資

於二零零八年四月十四日，本集團透過出售聯惠發展有限公司及其全資附屬公司 Hostbest Limited 之全部已發行股本，出售兩項物業（香港北角馬寶道28號華匯中心22樓1至3室及5至9室）連同有關按揭貸款，以換取威利國際控股有限公司作價每股0.126港元之160,000,000股普通股作為代價。威利國際控股有限公司為於香港聯合交易所有限公司上市之公司。此項出售為本集團帶來約3,600,000港元之貢獻。

### 證券買賣

本集團將現金盈餘投資於香港上市證券。香港股市因全球金融海嘯而大幅調整。本集團錄得已變現及未變現虧損分別約80,820,000港元及約142,310,000港元。

### 貸款業務

本集團動用現金盈餘透過其間接全資附屬公司福方財務有限公司進行貸款業務。該等貸款之利率介乎每月2厘至最優惠利率加年利率4厘不等。

本集團向德發集團國際有限公司（股份代號：928）墊付一筆27,500,000港元貸款，該筆貸款以若干物業之押記作擔保。於二零零八年九月十一日，德發集團國際有限公司未有償還墊款。於二零零九年三月三日，福方財務有限公司於押記物業之判決中獲法院裁定勝訴。



# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

### FINANCIAL REVIEW

#### Liquidity, financial resources, borrowing and gearing ratio

The Group financed its operation largely through internal cash resources and fund raising activities. As at the balance sheet date, the cash balance was approximately HK\$64.15 million (2007: HK\$24.61 million). The increase in cash balance was primarily from rights issues, issuance of option shares and placing exercises during the year. The Group had approximately HK\$27.27 million borrowings as at 31 December 2008 (as at 31 December 2007: HK\$240.05 million consists of bank borrowings and convertible notes). The Group's gearing ratio, calculated as total borrowings divided by net assets, is stated at 12.11% (2007: 97.23%).

As at 31 December 2008, the Group's net assets value amounted to approximately HK\$225.28 million (as at 31 December 2007: HK\$246.88 million) with total assets approximately HK\$270.36 million (as at 31 December 2007: HK\$506.16 million). Net current assets were approximately HK\$185.74 million (as at 31 December 2007: HK\$174.88 million) and the current ratio was 5.12 times (as at 31 December 2007: 1.67 times).

#### Capital Structure

On 4 December 2007, the Company proposed an Rights Issue of 892,906,512 rights share to the qualifying shareholders at a price of HK\$0.20 per rights share on the basis of one rights share for every two existing shares held on the record date (i.e. 3 January 2008). An aggregate of 1,191,064,032 rights shares and excess rights shares representing 133.39% of the total number of 892,906,512 rights shares offered under the Rights Issue were applied for. Immediately after completion of the Rights Issue, the Company's share capital increased from 1,785,813,024 shares to 2,678,719,536 shares. The Company received proceeds of approximately HK\$172 million.

### 財務回顧

#### 流動資金、財務資源、借貸及負債資產比率

本集團主要透過內部現金資源及集資活動為其業務提供資金。於結算日，現金結存約為64,150,000港元（二零零七年：24,610,000港元）。現金結存增加主要是由於年內進行供股、發行購股權股份及配售活動所致。本集團於二零零八年十二月三十一日有約27,270,000港元之借貸（於二零零七年十二月三十一日：240,050,000港元，包括銀行借貸及可換股票據）。本集團之負債資產比率（以借貸總額除以資產淨值計算）為12.11%（二零零七年：97.23%）。

於二零零八年十二月三十一日，本集團之資產淨值約為225,280,000港元（於二零零七年十二月三十一日：246,880,000港元），資產總值約為270,360,000港元（於二零零七年十二月三十一日：506,160,000港元）。流動資產淨值約為185,740,000港元（於二零零七年十二月三十一日：174,880,000港元），而流動比率為5.12倍（於二零零七年十二月三十一日：1.67倍）。

#### 資本架構

於二零零七年十二月四日，本公司建議根據於記錄日期（即二零零八年一月三日）每持有兩股現有股份可獲發一股供股股份之基準，按每股供股股份0.20港元之價格進行供股，向合資格股東配發892,906,512股供股股份。合共1,191,064,032股供股股份及額外供股股份獲申請，相當於根據供股提呈發售之供股股份總數892,906,512股之133.39%。緊隨供股完成後，本公司之股本由1,785,813,024股股份增至2,678,719,536股股份。本公司收到所得款項約172,000,000港元。

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

On 11 February 2008, 147,490,000 shares were granted to qualified participants under the share option scheme at an exercise price of HK\$0.213 per ordinary share of HK\$0.1 each. The share options were fully exercised on 12 February 2008. The Company received proceeds of approximately HK\$31.4 million.

On 11 February 2008, 294,983,744 shares were issued to independent investors at the placing price of HK\$0.20 per share through a placing agent. The placing was completed on 21 February 2008. The Company received proceeds of approximately HK\$58 million.

On 16 June 2008, 624,238,000 shares were issued to independent investors at the placing price of HK\$0.142 per share through a placing agent. The placing was completed on 27 June 2008. The Company received proceeds of approximately HK\$86.27 million.

On 26 August 2008, the Company proposed that the nominal value of the issue share capital be reduced from HK\$0.10 each to HK\$0.025 by canceling HK\$0.075 paid up capital on each share by way of capital reduction and every four issued reduced shares of HK\$0.025 be consolidated into one consolidated share of HK\$0.10. The capital reorganisation was approved by shareholders at the EGM of the Company held on 15 October 2008 and approved by the Grand Court of Cayman Islands on 21 November 2008.

### Foreign Currency Exposure

The Group is not subject to foreign currency exposure since its operations are mainly denominated in Hong Kong dollars.

### Pledge of Assets

As at 31 December 2008, the Group deposited approximately HK\$1,567,000 (2007: HK\$558,000) as collateral to satisfy contingent warranty and delivery obligations in relation to certain sales contracts.

於二零零八年二月十一日，合資格參與者根據購股權計劃獲授147,490,000股股份，每股行使價為每股面值0.1港元之普通股0.213港元。該等購股權已於二零零八年二月十二日獲悉數行使。本公司收到所得款項約31,400,000港元。

於二零零八年二月十一日，本公司透過配售代理發行294,983,744股股份予獨立投資者，配售價為每股股份0.20港元。是項配售已於二零零八年二月二十一日完成。本公司收取所得款項約58,000,000港元。

於二零零八年六月十六日，本公司透過配售代理發行624,238,000股股份予獨立投資者，配售價為每股股份0.142港元。是項配售已於二零零八年六月二十七日完成。本公司收取所得款項約86,270,000港元。

於二零零八年八月二十六日，本公司建議以削減資本之方式註銷每股股份之繳足股款0.075港元，將已發行股本之面值由每股0.10港元削減至每股0.025港元，以及將每四股每股面值0.025港元之已發行經削減股份合併為一股面值0.10港元之合併股份。股東已於本公司在二零零八年十月十五日舉行之股東特別大會上批准資本重組，而開曼群島大法院亦已於二零零八年十一月二十一日批准資本重組。

### 外幣風險

由於本集團之業務主要以港元計值，故本集團並無面對任何外幣風險。

### 資產抵押

於二零零八年十二月三十一日，本集團約1,567,000港元存款(二零零七年：558,000港元)已作為與若干銷售合約有關之或然保固責任及交付責任之抵押。

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

### Corporate Guarantee

The Group provided corporate guarantee to a bank for mortgage loans amounting to HK\$14.6 million granted to Hostbest Limited, an indirect wholly-owned subsidiary of the Group until April 2008. The corporate guarantee was released on 23 October 2008.

### PROSPECT

At the EGM of the Company held on 15 October 2008, independent shareholders approved the Group to enter into a subscription agreement with Excel Way Investments Ltd. ("Excel Way"), pursuant to the subscription agreement, amongst other things, Excel Way agreed to issue, and Ready Capital Limited (an indirect wholly-owned subsidiary of the Company) agreed to subscribe for 51% of the enlarged issued share capital of Excel Way at an aggregate consideration of US\$11 million. Upon completion of the subscription agreement, the Company will hold an effective interest of 21.86% in Tinhua Excel Way Special Fiber (Xintai) Company Limited ("Tinhua"). Tinhua is a manufacturer of carbon fiber in the PRC. The subscription agreement is pending for completion. The Company is negotiating for better terms with the relevant parties.

### EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFIT SCHEME

As at 31 December 2008, the Group had 19 employees, 15 of these employees were located in Hong Kong and 3 were in PRC and 1 in Macau.

The policy of employee remuneration, bonus, share option scheme and training are commensurate with performance and comparable to the market rate. The Group is committed in offering staff training courses to its employees. External training may be provided when necessary.

The Group contributes to a Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

### 公司擔保

本集團已就Hostbest Limited (截至二零零八年四月止為本集團之間接全資附屬公司)獲授之按揭貸款14,600,000港元向一間銀行提供公司擔保。該項公司擔保已於二零零八年十月二十三日解除。

### 前景

於二零零八年十月十五日舉行之本公司股東特別大會上，獨立股東批准本集團與溢威投資有限公司(「溢威」)訂立認購協議，據此，(其中包括)溢威同意發行而本公司間接全資附屬公司Ready Capital Limited同意認購溢威經擴大已發行股本之51%，總代價為11,000,000美元。認購協議完成後，本公司將持有天華溢威特種纖維(新泰)有限公司(「天華」)21.86%實際權益。天華現為中國碳纖維製造商。認購協議尚待完成，而本公司現正與相關訂約方商談更優惠之條款。

### 僱員、酬金政策及退休福利計劃

於二零零八年十二月三十一日，本集團共有19名員工，其中15名位於香港，3名位於中國，另有1名位於澳門。

僱員酬金、花紅、購股權計劃及培訓等政策均按表現和參照市場水平釐定。本集團致力為其僱員提供培訓課程，並於必要時提供外部培訓。

本集團根據香港強制性公積金計劃條例向強制性公積金供款。

# Chairman's Statement & Management Discussion and Analysis

## 主席報告以及管理層論述及分析

### CONTINGENT LIABILITIES

Details of the Group contingent liabilities as of 31 December 2008 are set out in note 32 to the financial statements.

**Yeung Ming Kwong**  
*Executive Director*

Hong Kong  
3 April 2009

### 或然負債

本集團於二零零八年十二月三十一日之或然負債詳情載於財務報表附註32。

執行董事  
楊明光

香港  
二零零九年四月三日

## Profile of the Management 管理層履歷

### EXECUTIVE DIRECTORS

**Mr. Yeung Ming Kwong**, aged 50, Acting Chairman of the Company. Formerly Executive Director and CEO of Wah Lee Resources Holdings Limited and executive director of Goldwiz Holdings Limited. He has over 20 years of experience in import and export trading and investment business in the PRC.

**Ms. Lo Oi Kwok, Sheree**, aged 40, holds an EMBA from Cheung Kong Graduate School of Business and a Bachelor's Degree of Arts from York University, Canada. She has over 10 years of experience in business development and investment. She was an executive director of Goldwiz Holdings Limited from May 2006 to January 2007.

**Mr. Ting Wing Cheung, Sherman**, aged 51, holds a Bachelor of Arts Degree from the University of Windsor, Canada. He has over 20 years of experience as Managing Director of an automobile accessories and consumer household product manufacturer. Mr. Ting is an expert in industrial safety design and in the managing and planning of large manufacturing facilities.

**Mr. Wen Louis**, aged 74, holds a Bachelor of Engineering degree from the City University of New York, USA. An Executive Director of Forefront International (Hong Kong) Limited ("FIHK") from 1993 to 1997 and General Manager of FIHK since August 2005. Mr. Wen has extensive experience in engineering, marketing, and advertising from previous positions at J. Walter Thompson Co. and Dow Jones International Marketing Services in the United States.

**Mr. Zhou Qi Jin**, aged 48, holds a Bachelor Degree in Law from the Southwest University of Political Science and Law, the PRC. He has over ten years of experience in large scale outdoor advertising and promotion related industry as well as experience in automobile sales and marketing in the PRC.

### 執行董事

**楊明光先生**，50歲，為本公司之署理主席。楊先生曾出任華利資源控股有限公司之執行董事及行政總裁以及科維控股有限公司之執行董事。楊先生於中國進出口貿易及投資業務方面擁有逾20年之經驗。

**羅愛過女士**，40歲，持有長江商學院高層管理人員工商管理碩士銜頭及加拿大約克大學之文學士學位。羅女士於業務發展及投資方面擁有逾10年經驗。彼於二零零六年五月至二零零七年一月擔任科維控股有限公司之執行董事。

**丁永章先生**，51歲，持有加拿大溫沙大學文學士學位。彼曾於一間汽車配件及消費品及家居產品製造公司出任董事總經理一職長達二十多年，對工業安全設計、管理及策劃大型製造設施方面經驗豐富。

**溫秉先生**，74歲，持有美國City University of New York工程學學士學位。溫先生由一九九三年至一九九七年為福方（香港）有限公司（「福方香港」）之執行董事，並自二零零五年八月起出任福方香港總經理一職。溫先生曾在美國智威湯遜公司及Dow Jones International Marketing Services出任要職，具備工程、市場推廣及廣告推銷方面之豐富經驗。

**周奇金先生**，48歲，持有中國西南政法大學法學院法律學士學位。彼於大型戶外廣告及宣傳相關行業以及於中國汽車銷售及市場推廣方面擁有逾10年經驗。

## Profile of the Management 管理層履歷

**Mr. Zhuang You Dao**, aged 56, graduated from The Institute of Operation Management of China (中國經營管理學院) majoring in corporate management. Mr. Zhuang has over 30 years of experience in the automobile industry. Chairman of Tianjin Kai Sheng Automobile Service Co. Ltd. (天津凱聲汽車維修有限公司) and general manager of Tianjin Jinri Automobile Sale & Service Company Limited (天津津日汽車銷售服務有限公司). Mr. Zhuang is a senior consultant of Shenzhen Lan-you Technology Co., Ltd. (深圳聯友科技有限公司), a developer of automobile industry management software. Mr. Zhuang is an executive of the Chamber of Industry and Commerce of Tinjin Xiqing District, a special procurator of the First Branch of the People's Procuratorate of Tianjin Municipality and a representative of the 14th Session of People's Congress of Tianjin Hedong District.

### INDEPENDENT NON EXECUTIVE DIRECTORS

**Mr. Chung Yuk Lun**, aged 48, a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Certified Public Accountants and an Associate Chartered Accountants (England and Wales). Mr. Chung has over 20 years of experience in finance project investment. An executive director and Chairman of Radford Capital Investment Limited (stock code: 901), executive director of Ming Fung Jewellery Group Limited (stock code: 860) and an independent non-executive director of Heritage International Holdings Limited (stock code: 412).

**Ms. Lam Yan Fong, Flora**, aged 33, holds a Bachelor Degree in Law from the University of Hong Kong in 1999 and a Postgraduate Certificate in Laws from the University of Hong Kong in 2001. Ms. Lam is a practicing solicitor in Hong Kong.

**莊友道先生**，56歲，中國經營管理學院企業管理專業。莊先生擁有超過30年於國內汽車行業之工作經驗，目前為天津凱聲汽車維修有限公司董事長及天津津日汽車銷售服務有限公司總經理。莊先生亦為汽車行業管理軟件開發商深圳聯友科技有限公司之高級顧問。莊先生現任天津市西青區工商執委、天津市第一檢察院特約檢察員及第十四屆天津市河東區人大代表。

### 獨立非執行董事

**鍾育麟先生**，48歲，為英國特許公認會計師公會資深會員、香港會計師公會會員以及英格蘭及威爾斯特許會計師公會會員。鍾先生於金融項目投資方面擁有逾20年經驗。彼現任萊福資本投資有限公司(股份代號：901)之執行董事兼主席、明豐珠寶集團有限公司(股份代號：860)之執行董事及漢基控股有限公司(股份代號：412)之獨立非執行董事。

**林欣芳女士**，33歲，於一九九九年獲香港大學頒授法律學士學位，另於二零零一年獲香港大學頒授法律深造文憑。林女士為香港執業律師。

## Profile of the Management 管理層履歷

**Mr. Kwong Wai Tim, William**, aged 52, holds a MBA degree from the University of Oregon, USA. Mr. Kwong has over 16 years of experience in banking and corporate finance gained with major international financial institutions including Citicorp, Bankers Trust, Credit Lyonnais Asia Limited and The New China Hong Kong Capital Limited. A member of the Council of The Stock Exchange of Hong Kong Limited from 1995 to 1997 and a Director and Chairman of the Finance Committee of Hong Kong Securities Clearing Company Limited from 1996 to 1997. Mr. Kwong is a Non-executive director of Freeman Corporation Limited (stock code: 279). He was also a non-executive director of Goldwiz Holdings Limited from May 2006 to February 2007.

**Ms. Swartz Kristi Lynn**, aged 39, obtained B.B.A., M.B.A. and LL.M. Degrees, and a member of the Law Societies of Hong Kong and England and Wales. Partner of Lister Swartz law firm. Ms. Swartz has a wealth of knowledge on legal matters and corporate litigation matters. Ms. Swartz is currently an independent non-executive director of Mascotte Holdings Limited (stock code: 136) and Unity Investments Holdings Limited (stock code: 913) both companies listed on the Main Board of the Stock Exchange. Ms. Swartz was appointed as an independent non-executive director of Tack Fat Group International Limited (stock code: 928) on 13 August 2008 but had resigned as an independent non-executive director on 12 September 2008.

**鄺維添先生**，52歲，持有美國俄勒岡州大學工商管理碩士學位。鄺先生曾於大型國際金融機構工作，包括美國花旗銀行、美國信孚銀行、里昂亞洲有限公司及新中港融資有限公司，於銀行及企業融資方面擁有逾16年之經驗。彼曾於一九九五年至一九九七年出任香港聯合交易所有限公司理事會成員，並於一九九六年至一九九七年出任香港中央結算有限公司財務委員會之董事及主席，現任民豐控股有限公司（股份代號：279）之非執行董事。彼於二零零六年五月至二零零七年二月亦曾任科維控股有限公司之非執行董事。

**Swartz Kristi Lynn女士**，39歲，持有工商管理學士、工商管理碩士及法律碩士學位，亦為香港、英格蘭及威爾斯律師會會員。彼現為Lister Swartz律師事務所之合夥人。Swartz女士於法律事務及企業訴訟事宜方面具豐富知識。Swartz女士現時為聯交所主板上市公司馬斯葛集團有限公司（股份代號：136）及合一投資控股有限公司（股份代號：913）之獨立非執行董事。Swartz女士於二零零八年八月十三日獲委任為德發集團國際有限公司（股份代號：928）之獨立非執行董事，惟已於二零零八年九月十二日辭任有關職務。

The directors herein present their report together with the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2008.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company, through its subsidiaries and associated companies is principally engaged in the business of selling and distribution of Nissan motor vehicles, operation of the Nissan 4S shops, provision of heavy motor vehicle repair and maintenance services in the PRC, provision of logistic services in Hong Kong and the PRC, properties investments, securities trading, and money lending business. Other activities and particulars of the Group's subsidiaries are set out in note 17 to the financial statements

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2008, the five largest customers accounted for approximately 85% of the Group's turnover in respect of the money-lending business and the sole securities trading service provider of the Group accounted for 100% of the Group's service costs in relation to the securities trading business. The largest customer accounted for approximately 56% of the Group's turnover in respect of the money-lending business.

### RESULT AND DIVIDENDS

The Group's loss for the financial year ended 31 December 2008 and the state of affair of the Company and of the Group at the date are set out in the financial statements on pages 35 to pages 122.

The directors do not recommend the payment of any dividend.

董事謹此提呈本公司及其附屬公司截至二零零八年十二月三十一日止財政年度之年報及經審核綜合財務報表。

### 主要業務

本公司是一間投資控股公司，透過其附屬公司及聯營公司主要從事銷售及分銷日產汽車、經營日產4S店、於中國提供重型汽車維修保養服務、於香港及中國提供物流服務、物業投資、證券買賣及貸款業務。本集團附屬公司之其他業務及詳情載於財務報表附註17。

### 主要客戶及供應商

截至二零零八年十二月三十一日止年度，五大客戶約佔本集團貸款業務營業額85%，而本集團證券買賣服務唯一供應商佔本集團證券買賣業務之服務成本達100%。最大客戶約佔本集團貸款業務營業額56%。

### 業績及股息

本集團截至二零零八年十二月三十一日止財政年度之虧損及本公司與本集團於該日之業務狀況載於財務報表第35至122頁。

董事並不建議派付任何股息。



## **SUBSIDIARIES**

Particulars of the Company's principal subsidiaries are set out in note 17 to the financial statements.

## **PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

Details of movements in property, plant and equipment during the year are set out in notes 11 and 12 to the financial statements.

## **BANK LOANS AND OTHER BORROWINGS**

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2008 are set out in note 23 to the financial statements.

## **SHARE CAPITAL AND SHARE OPTION**

Details of movements in share capital and share option scheme of the Company are set out in notes 27 and 28 respectively to the financial statements.

## **CONVERTIBLE SECURITIES, OPTION, WARRANTS OR OTHER SIMILAR RIGHTS**

Details of movements in convertible securities, option warrants or other similar rights of the Company are set out in notes 24 and 28 respectively to the financial statements.

## **附屬公司**

本公司主要附屬公司之詳情載於財務報表附註17。

## **物業、廠房及設備以及投資物業**

物業、廠房及設備於年內之變動詳情載於財務報表附註11及12。

## **銀行貸款及其他借貸**

本公司及本集團於二零零八年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註23。

## **股本及購股權**

本公司股本及購股權計劃之變動詳情分別載於財務報表附註27及28。

## **可換股證券、購股權、認股權證或其他相類權利**

本公司可換股證券、購股權、認股權證或其他相類權利之變動詳情分別載於財務報表附註24及28。

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the laws in the Cayman Islands, which would oblige the Company to offer shares on a pro rata basis to its existing shareholders.

### PURCHASE, SALES OR REDEMPTION OF SECURITIES

During the year ended 31 December 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### RESERVES

Movements in the reserves of the Company during the year are set out in note 29 to the financial statements. The surplus in distributable reserves of the Company as at 31 December 2008 amounted to approximately 115,770,000 (2007: deficit of HK\$77,549,000.)

### FIVE YEARS SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 123 and 124 of the annual report.

### 優先購買權

本公司組織章程細則及開曼群島法律並無關於本公司須按比例向其現有股東發售股份之優先購買權之條文。

### 購買、出售或贖回證券

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

### 儲備

本公司儲備於年內之變動載於財務報表附註29。於二零零八年十二月三十一日，本公司之可供分派儲備盈餘約為115,770,000港元（二零零七年：虧絀77,549,000港元）。

### 五年財務概要

本集團過去五個財政年度之業績及資產負債概要載於本年報第123及124頁。

## CONNECTED TRANSACTIONS

Certain related party transactions disclosed in note 34 to the consolidated financial statements constituted connected transactions under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Details of connected transactions are as follows:

### 1) Acquisition and Loan Agreement

On 11 October 2008, Crown Creation Limited, an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Z & Z International Limited to purchase the entire issued share capital of Leapfly Limited (“Leapfly”). Leapfly holds the entire issued share capital of Suntrend China Limited (“Suntrend”). Upon completion, Suntrend will hold 50% of the equity interest in Tianjin Kai Sheng Automobile Service Co. Ltd. Mr. Zhuang You Dao being a director of the Company and he substantial shareholder of Tianjin Kai Sheng Automobile Service Co., Ltd., The acquisition falls within Rule 14A.13(1)(b) of the Listing Rules and is a connected transaction for the Company. After completion, Crown Creation Limited may, if requested by Leapfly, would advance a loan of up to a maximum of HK\$5,000,000 to Leapfly to finance the operation of Tianjin Kai Sheng Automobile Service Co., Ltd. The loan, if advanced, constitutes financial assistance given by the Company to a connected person under the Listing Rules.

On 14 March 2008, Crown Creation Limited, entered into a loan agreement with Leapfly for the above-mentioned advancement with principle amount of HK\$5,000,000. Mr. Zhuang You Dao, being the director of the Company and substantial shareholder of Tianjin Kai Sheng Automobile Service Co., Ltd., is the guarantor of the loan.

Details of the connected transactions can be referred in the Company’s announcements dated 18 October 2007 and 14 March 2008 respectively.

## 關連交易

綜合財務報表附註34所披露之若干關連人士交易構成香港聯合交易所有限公司證券上市規則（「上市規則」）第14A章下之關連交易。關連交易詳情如下：

### 1) 收購及貸款協議

於二零零七年十月十一日，本公司間接全資附屬公司Crown Creation Limited與Z & Z International Limited訂立買賣協議，以購入Leapfly Limited（「Leapfly」）全部已發行股本。Leapfly持有新怡中國有限公司（「新怡」）全部已發行股本，而新怡將於完成時持有天津市凱聲汽車維修有限公司50%股權。莊友道先生為本公司之董事，亦為天津市凱聲汽車維修有限公司之主要股東。該收購事項屬上市規則第14A.13(1)(b)條之範圍，乃本公司一項關連交易。於完成後，Crown Creation Limited或須（如Leapfly要求）向Leapfly墊付最多5,000,000港元貸款，以為天津市凱聲汽車維修有限公司之營運提供融資。根據上市規則，該筆貸款一旦獲墊付，即構成本公司向關連人士提供財政資助。

於二零零八年三月十四日，Crown Creation Limited與Leapfly就上文所述本金額5,000,000港元之墊款訂立貸款協議。本公司董事兼天津市凱聲汽車維修有限公司主要股東莊友道先生為該筆貸款之擔保人。

上述關連交易之詳情可參閱本公司分別於二零零七年十月十八日及二零零八年三月十四日發表之公佈。

## 2) Subscription Agreement

On 26 August 2008, Ready Capital Limited, an indirect wholly-owned subsidiary of the Company entered into a subscription agreement with Excel Way Investments Limited (“**Excel Way**”) and Mr. Yeung Ming Kwong (“**Mr. Yeung**”), an executive director and the Acting Chairman of the Company who holds 51% of the issued share capital of Shinning Global Worldwide Limited (“**Shinning Global**”) which in turn wholly-owns Excel Way. Excel Way agreed to allot and issue and Ready Capital Limited agreed to subscribe shares representing 51% of the enlarged issued share capital of Excel Way at an aggregate consideration of US\$11 million. Excel Way holds 42.86% of the registered capital of Tinhua Excel Way Special Fiber (Xintai) Co., Ltd., a manufacturer of polyacrylonitrile based carbon fiber precursor, carbon fiber, carbon fiber prepreg and other special fiber.

As Shinning Global is an associate of Mr. Yeung. The subscription agreement constitutes a major and connected transaction for the Company and is subject to the approval of independent shareholders of the Company at an EGM. The transaction was approved at EGM of the Company on 15 October 2008.

The subscription agreement is still pending for completion.

Details of the above connected transaction can be referred to the Company’s announcement and circular dated 26 August 2008 and 19 September 2008 respectively.

These transactions also constitute related party transactions of the Group during the year and are set out in note 34 to the financial statements pursuant to the requirements under the Hong Kong Standard Accounting 24.

## 2) 認購協議

於二零零八年八月二十六日，本公司間接全資附屬公司Ready Capital Limited與溢威投資有限公司（「**溢威**」）及本公司執行董事兼署理主席楊明光先生（「**楊先生**」）訂立認購協議。楊先生持有Shinning Global Worldwide Limited（「**Shinning Global**」）已發行股本51%權益，而Shinning Global則全資擁有溢威。溢威同意配發及發行而Ready Capital Limited同意認購相當於溢威經擴大已發行股本51%之股份，總代價為11,000,000美元。溢威持有天華溢威特種纖維（新泰）有限公司註冊資本之42.86%。天華溢威特種纖維（新泰）有限公司為聚丙烯基礎纖維原絲、碳纖維、碳纖維預浸布及其他特種纖維製造商。

由於Shinning Global為楊先生之聯繫人，故該認購協議構成本公司之主要及關連交易，須獲本公司獨立股東於股東特別大會上批准。有關交易已於二零零八年十月十五日在本公司之股東特別大會上獲得批准。

該認購協議仍有待完成。

上述關連交易之詳情可參閱本公司分別於二零零八年八月二十六日發表之公佈以及於二零零八年九月十九日刊發之通函。

根據香港會計準則第24號之規定，該等交易亦構成本集團於年內之關連人士交易，載於財務報表附註34。

# Report of the Directors

## 董事會報告

### DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

#### Executive Directors

Ms. Yau Shum Tek, Cindy (Appointed as Chairman on 24 April 2007 and Resigned on 27 February 2008)

Mr. Yeung Ming Kwong (Appointed on 26 April 2007; re-designated as Acting Chairman on 27 February 2008)

Ms. Lo Oi Kwok, Sheree  
Mr. Ting Wing Cheung, Sherman  
Mr. Wen Louis  
Mr. Zhou Qi Jin  
Mr. Zhuang You Dao

#### Independent Non-Executive Directors

Mr. Chung Yuk Lun  
Ms. Lam Yan Fong, Flora  
Mr. Kwong Wai Tim, William  
Ms. Swartz Kristi Lynn

In accordance with Article 116 of the Articles of Association of the Company, Ms. Lo Oi Kwok, Sheree, Mr. Zhou Qi Jin and Mr. Kwong Wai Tim, William will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

### DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

### 董事及董事之服務合約

年內及截至本報告發佈當日任職之董事如下：

#### 執行董事

邱深笛女士 (於二零零七年四月二十四日獲委任為主席，於二零零八年二月二十七日辭任)  
楊明光先生 (於二零零七年四月二十六日獲委任，於二零零八年二月二十七日調任為署理主席)

羅愛過女士  
丁永章先生  
溫耒先生  
周奇金先生  
莊友道先生

#### 獨立非執行董事

鍾育麟先生  
林欣芳女士  
鄭維添先生  
Swartz Kristi Lynn女士

按照本公司組織章程細則第116條，羅愛過女士、周奇金先生及鄭維添先生將於應屆股東週年大會上輪流告退及符合資格並願意膺選連任。

### 董事之服務合約

擬於應屆股東週年大會上重選之董事概無與本公司訂立任何本公司不可於一年內免付補償（法定補償除外）而終止之服務合約。

## MANAGEMENT CONTRACTS

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

## DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARE AND UNDERLYING SHARES

As at 31 December 2008, the interests and short positions of the Directors and the Company's chief executives in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transaction by Directors of Listed Companies and which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

### (i) Long positions in Shares

Name of Director	Capacity	Number of shares held	% of the Company's issued share capital 佔本公司已發行股本之百分比
董事姓名	身份	所持股份數目	
Mr. Yeung Ming Kwong 楊明光先生	Beneficial owner 實益擁有人	5,587,500	0.60%
Mr. Wen Louis 溫耒先生	Interest of spouse 配偶權益	37,500	0.01%

## 管理合約

年內概無訂立或存在關於本公司全部或任何重大部分業務之管理或行政合約。

## 董事於股份及相關股份之權益及淡倉

於二零零八年十二月三十一日，董事及本公司主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有須根據證券及期貨條例第XV部第7及8分部及上市公司董事進行證券交易的標準守則知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益及淡倉），以及須根據證券及期貨條例第352條而存置之登記冊所記錄之權益及淡倉如下：

### (i) 於股份中之好倉

**(ii) Long positions in shares or registered capital of associated corporations**

At 31 December 2008, Mr. Zhuang You Dao, an executive director of the Company, is the ultimate beneficial owner of 50% interest in the registered share capital of Tianjin Kai Sheng Automobile Service Co., Ltd. (天津市凱聲汽車維修有限公司), an associated company of the Company.

As at 31 December 2008, Mr. Yeung Ming Kwong, acting Chairman and executive director of the Company, is the beneficial owner of 51% interest in Shinning Global Worldwide Limited, Shinning Global Worldwide Limited in turn holds 100% interest in Excel Way Investments Limited; Excel Way Investments Limited in turn holds 42.86% interest in 天華溢威特種纖維(新泰)有限公司 (Tinhua Excel Way Special Fiber (Xintai) Co. Ltd). These companies are deemed an associated company of the Company.

**DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in the section headed "Share Option Scheme" below, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, neither the Directors nor any of their spouses or children under the age of 18 had any right to subscribe for the securities or debt securities of the Company or had exercised any such right.

**DIRECTORS' INTEREST IN CONTRACTS**

Save as disclosed in the financial statements, No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding companies was a party to and in which any of the Company's directors or members of its management had a material interest in, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**(ii) 於相聯法團之股份或註冊資本中之好倉**

於二零零八年十二月三十一日，本公司執行董事莊友道先生為本公司之聯營公司天津市凱聲汽車維修有限公司註冊股本50%權益之最終實益擁有人。

於二零零八年十二月三十一日，本公司署理主席兼執行董事楊明光先生為Shinning Global Worldwide Limited 51%權益之實益擁有人，而Shinning Global Worldwide Limited持有溢威投資有限公司全部權益，溢威投資有限公司則持有天華溢威特種纖維(新泰)有限公司42.86%權益。此等公司均被視為本公司之聯營公司。

**董事購買股份或債權證之權利**

除下文「購股權計劃」一節所披露者外，於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債務證券(包括債權證)而獲取利益，而各董事或彼等之配偶或十八歲以下子女概無擁有可認購本公司證券或債務證券之任何權利，亦無行使任何該等權利。

**董事於合約之權益**

除財務報表所披露者外，於本公司或其任何附屬公司或控股公司所訂立關於本集團業務，且在年結日或年內任何時間仍然生效之任何重大合約中，本公司之董事或其管理層成員並無直接或間接擁有任何重大權益。

## SHARE OPTION SCHEME

The Company adopted a new share option scheme (the "Scheme") on 6 August 2007. Under the Scheme, the Directors may grant options to those qualified participants (including Directors and employees) who, in the opinion of the Board, have contributed or may contribute to the development of the Group and any entity in which the Group holds an equity interest. The following table discloses movement in the Company's share options under the Scheme during the year.

Category of participant	Date of grant	Exercise price	As at 1 January 2008 於二零零八年一月一日	Granted during the year 年內授出	Exercise during the year 年內行使	As at 31 December 2008 於二零零八年十二月三十一日
Qualified allottees in aggregate 合資格承配人(合計)	11 February 2008 二零零八年二月十一日	HK\$0.213 0.213港元	-	147,490,000	(147,490,000)	-

Details of the Scheme are set out in notes 28 to the financial statements. As at 31 December 2008, no option has been granted to any directors

## SUBSTANTIAL SHAREHOLDER AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2008, no persons (other than the Directors or Chief Executive of the Company) has interests or short position in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register required to be kept under Section 336 of the SFO and in accordance with information received by the Company.

## 購股權

本公司於二零零七年八月六日採納一項新購股權計劃(「該計劃」)。根據該計劃，董事可向董事會認為曾經或可能對本集團及本集團持有任何股權之任何實體之發展作出貢獻之合資格參與者(包括董事及僱員)授出購股權。下表披露本公司根據該計劃授出之購股權於年內之變動。

該計劃之詳情載於財務報表附註28。於二零零八年十二月三十一日，本集團概無將購股權授予任何董事。

## 主要股東及其他人士於股份及相關股份之權益

於二零零八年十二月三十一日，根據證券及期貨條例第336條須存置之登記冊所記錄及根據本公司收到之資料，概無人士(董事及本公司主要行政人員除外)於本公司股份及相關股份中擁有本公司已發行股本5%或以上之權益或淡倉。



# Report of the Directors

## 董事會報告

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules.

### CODE OF BEST PRACTICE

Principle corporate governance practices adopted by the Company are set out in the Corporate Governance section on pages 25 to 32.

### AUDITOR

The financial statements of the Company for the year ended 31 December 2006 were audited by Messrs. Moores Rowland Mazars, while those for the years ended 31 December 2007 and 2008 were audited by Mazars CPA Limited, *Certified Public Accountants*.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Mazars CPA Limited as auditor of the Company.

ON BEHALF OF THE BOARD

**Yeung Ming Kwong**

*Executive Director*

Hong Kong  
3 April 2009

### 公眾持股量之充足度

本公司已維持上市規則規定之公眾持股量。

### 最佳常規守則

本公司採納之主要企業管治常規載於第25至32頁之企業管治報告。

### 核數師

本公司截至二零零六年十二月三十一日止年度之財務報表由摩斯倫•馬賽會計師事務所審核，而截至二零零七年及二零零八年十二月三十一日止年度之財務報表則由馬賽會計師事務所有限公司(香港執業會計師)審核。

本公司將於應屆股東週年大會上提呈一項決議案，續聘馬賽會計師事務所有限公司為本公司之核數師。

代表董事會

執行董事

楊明光

香港  
二零零九年四月三日

The Company recognizes that good governance standards maintained throughout the Group serves as an effective risk management mechanism for the Company. The Board of Directors (the “**Board**”) of the Company is committed to ensuring a high level of corporate governance standards.

### 1. CORPORATE GOVERNANCE PRACTICES

The Board of the Company had adopted its own code on corporate governance practices which incorporate all the code provision in the Code on Corporate Governance Practices (the “**CG 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**”)

The Company will continue to enhance the corporate governance standards throughout the Group and ensure further standards be put in place by reference to the recommended best practices whenever suitable and appropriate.

### 2. CORPORATE MANAGEMENT

#### i) Board of Directors

##### *Composition*

As the date of this report, the Board is comprised of 10 members including 6 executive directors and 4 independent non-executive directors. The biographical details are set out on pages 12 to 14 of this report.

The executive directors are responsible for managing the Group’s business, including the business development, corporate strategies and company policies.

本公司確認，本集團上下奉行之良好企業管治標準，能有效地管理本公司之風險。本公司董事會（「**董事會**」）致力確保維持高度企業管治水平。

### 1. 企業管治常規

本公司董事會已採納自訂企業管治常規守則，該守則加入香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄十四載列之企業管治常規守則（「**企業管治守則**」）之所有守則條文。

本公司將繼續提升本集團整體之企業管治標準，確保於合適及適當之時參考建議最佳常規採用進一步之標準。

### 2. 企業管理

#### i) 董事會

##### *成員*

於本報告日期，董事會由十名成員組成，包括六名執行董事及四名獨立非執行董事，彼等之簡歷載於本年報第12至14頁。

執行董事負責管理本集團之業務，包括業務發展、企業策略及公司政策。

# Corporate Governance Report

## 企業管治報告

The Independent Non-executive Directors serve an important function of advising the management on strategic development and ensuring that the Board maintains high standards of financial and other mandatory reporting standards as well as providing adequate checks and balance for safeguarding the interest of shareholders and the Company as a whole. For the year ended 31 December 2008, the number of Independent Non-executive Directors at all times exceed one-third of the Board membership.

Pursuant to the Listing Rules, the Company has received a written confirmation from each independent non-executive director of his/her independence to the Company.

None of the existing Independent Non-executive Directors of the Company is appointed for a specific term which constitutes a deviation from code provision A.4.1 of the CG Code. However, one-third of the Directors of the Company (both executive and independent non-executive) are subject to retirement by rotation at each annual general meeting under the Articles of Association of the Company. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are in line to those of the CG Code.

The Board is comprised of professionally qualified and diversified individuals.

獨立非執行董事於向管理層提供策略發展意見方面扮演重要角色，並確保董事會維持高標準之財政及其他強制性申報標準，並作出充份制衡，以保障股東及本公司之整體利益。截至二零零八年十二月三十一日止年度，獨立非執行董事之人數一直超過董事會成員人數三分之一。

根據上市規則，本公司已接獲各獨立非執行董事發出之確認書，確認其獨立於本公司。

本公司現任獨立非執行董事概無特定任期，此舉構成偏離企業管治守則之守則條文A.4.1。然而，按照本公司組織章程細則，本公司三分之一之董事（包括執行董事及獨立非執行董事）須於每屆股東週年大會上輪流告退。本公司認為已採取足夠措施，確保本公司之企業管治常規符合企業管治守則之守則條文。

董事會成員包括具備專業資格之多個界別人士。

#### *Nomination of Directors*

The Board as a whole is responsible for the procedures of appointment of board members and for nominating them for election by shareholders on the initial appointment and thereafter at regular intervals by rotation.

#### *Board Process*

The Board meets regularly throughout the year to discuss the overall strategy as well as the operational and financial performance of the Group. In 2008, the Board held 30 meetings. Individual attendance records are set out on page 28 of this Annual Report.

Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolutions subject to certain exceptions set out in the Articles of Association of the Company.

The Company Secretary maintains the minutes of the Board meetings for inspection by directors.

All directors have access to the services of the Company Secretary who regularly updates the Board on corporate governance and regulatory matters. Any Director, Audit Committee member and Remuneration Committee member of the Company may take independent professional advice at the expense of the Company should they so wish.

#### *提名董事*

董事會全體須負責委任董事會成員之程序，並於首次任命及於其後定期輪值時提名董事會成員供股東投選。

#### *董事會程序*

董事會在全年定期舉行會議，討論整體策略以及本集團之經營及財務表現。於二零零八年，董事會曾舉行30次會議，個別出席紀錄載於本年報第28頁。

被認為於建議交易或將予討論事宜中存在利益衝突或擁有重大權益之董事，將不會計入會議法定人數，並會就相關決議案放棄投票，惟本公司組織章程細則所載之若干例外情況除外。

公司秘書保存董事會會議之紀錄以供董事查閱。

公司秘書定期為董事會更新企業管治及法規事宜之資料，並向所有董事提供有關服務。本公司董事、審核委員會成員及薪酬委員會成員均可按意願獲取獨立專業意見，費用由本公司承擔。

# Corporate Governance Report

## 企業管治報告

### Board and Board Committee attendance

The following table indicates the number of Board and Committee Meetings during the financial year and the number of attendance by each of the Directors:

### 董事會及董事委員會之出席率

下表顯示董事會及其轄下委員會於本財政年度內舉行會議之數目及各董事出席該等會議之次數：

		Board Meetings 董事會會議	Remuneration Committee Meetings 薪酬委員會會議	Audit Committee Meetings 審核委員會會議
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>			
Mr. Kwong Wai Tim, William	鄺維添先生	0/30	3/3	2/2
Mr. Chung Yuk Lun	鍾育麟先生	2/30	3/3	2/2
Ms. Lam Yan Fong, Flora	林欣芳女士	4/30	3/3	2/2
Ms. Swartz Kristi Lynn	Swartz Kristi Lynn女士	6/30	–	–
<b>Executive Director</b>	<b>執行董事</b>			
Ms. Yau Shum Tek, Cindy	邱深笛女士	1/11	–	–
Mr. Yeung Ming Kwong	楊明光先生	30/30	3/3	–
Mr. Ting Wing Cheung, Sherman	丁永章先生	28/30	–	–
Ms. Lo Oi Kwok, Sheree	羅愛過女士	27/30	–	–
Mr. Zhou Qi Jin	周奇金先生	2/30	–	–
Mr. Wen Louis	溫耒先生	12/30	–	–
Mr. Zhuang You Dao	莊友道先生	4/30	–	–

### Directors' Duties

The Board is charged with leadership and supervision of the Group's affairs and is collectively responsible for promoting the success of the Group. Each director has a duty to act in good faith and in the best interests of the Company.

### 董事之職責

董事會之職責為領導及監督本集團事務，並須共同負責為本集團之成功作出努力。各董事有責任盡心為本公司之最佳利益行事。

Matters that require decisions by the Board normally include but not limited to the overall group strategies, major acquisitions and disposals, annual budgets, annual and interim results, recommendation on the appointment or re-appointment of directors, and other significant operational and financial matters.

All directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations.

The Board acknowledges its responsibility to prepare the financial statements and have them audited. The Company has adopted the generally accepted accounting standards in Hong Kong in preparing financial statements. Reasonable and prudent judgment and estimates have been made. The Group announces its financial results on a timely basis.

#### *Conduct on Share Dealings*

The Company has adopted a code of conduct for securities transactions and dealings (the "**Code of Conduct**") based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "**Model Code**"). The terms of Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined therein. Specific enquiry has been made of all Directors of the Company who have confirmed in writing of their compliance with the required standards set out in the Code of Conduct during the year under review.

須提交董事會決定之事宜一般包括（但不限於）整體集團策略、主要收購事項及出售事項、年度預算、年度及中期業績、就任命或重新任命董事提出建議以及其他重大營運及財務事宜。

全體董事均會適時得悉可能影響本集團業務之重大變動，包括相關規則及規例。

董事會知悉彼等有責任編製財務報表，並安排將之審核。本公司於編製財務報表時採納香港公認會計原則，並已作出合理而審慎之判斷及估計。本集團適時公佈其財務業績。

#### *股份買賣操守*

本公司已根據上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》（「**標準守則**」）採納證券交易及買賣之操守守則（「**操守守則**」）。操守守則之條款不遜於標準守則內之標準，而操守守則適用於該守則所界定之全部有關人士。本公司已向全體董事作出特定查詢，而所有董事已書面確認於回顧年度內已遵守操守守則所載之規定標準。

**ii) Chairman and Chief Executive Officer**

The Company does not have a designated position of Chief Executive Officer. The daily operation and management of the Company is monitored by the Executive Directors.

On 27 February 2008, Ms. Yau Shum Tek, Cindy, resigned from her post as Chairman due to health reasons. Mr. Yeung Ming Kwong, executive director of the Company, was appointed as acting Chairman of the Group.

**iii) Board Committees**

In 2007, the Board established an Audit Committee and a Remuneration Committee with defined terms of reference. Both committees are chaired by Independent Non-Executive Directors.

*(a) Audit Committee*

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises of three Independent Non-Executive Directors of the Company.

The Audit Committee has reviewed the audit findings, the accounting principles and practices adopted by the Group, the listing rules and statutory compliance, and has discussed auditing, internal control, risk management and financial reporting matters (including the interim and annual financial statements) with the senior management and the auditor before recommending them to the Board for approval.

**ii) 主席及行政總裁**

本公司並無設立行政總裁一職，惟執行董事會負責監督本公司日常營運及管理。

於二零零八年二月二十七日，邱深笛女士因健康理由辭任主席一職。本公司執行董事楊明光先生獲委任為本集團之署理主席。

**iii) 董事委員會**

於二零零七年，董事會成立具有界定職權範圍之審核委員會及薪酬委員會。兩個委員會均由獨立非執行董事擔任主席。

*(a) 審核委員會*

本公司已就檢討及監督本集團財務申報程序及內部監控成立審核委員會。審核委員會由本公司之三名獨立非執行董事組成。

審核委員會已審閱核數結果、本集團所採納之會計原則及慣例、上市規則及法定事宜之遵守情況，並於提交下列事宜及文件供董事會批准前，聯同高級管理層及核數師討論審核、內部監控、風險管理及財務申報事宜（包括中期及年度財務報表）。

(b) *Remuneration Committee*

The Company established a Remuneration Committee responsible for review and determination of the remuneration policy and packages of the directors and management executives. The Remuneration Committee comprises three independent non-executive directors and one Executive Director. The terms of reference of the Remuneration Committee follow the CG Code. No director is involved in deciding his own remuneration.

iv) **External Auditor**

The fees payable to the Company's auditor, Mazars CPA Limited in respect of audit, review services and non-audit services for the year ended 31 December 2008 amounted to HK\$670,000, HK\$150,000 and HK\$325,000 respectively.

**3. INTERNAL CONTROL**

The Board recognizes the overall responsibility for the establishment, maintenance, and review of a system of internal control that provides reasonable assurance of the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, the safeguarding of assets and the compliance with laws and regulations. The system of internal control is designed to manage rather than eliminate all risks of failure while its goal is to provide reasonable but not absolute assurance regarding the achievement of organisational objectives.

(b) *薪酬委員會*

本公司已成立薪酬委員會，負責審閱及釐定董事及管理級行政人員之薪酬政策及組合。薪酬委員會由三名獨立非執行董事及一名執行董事組成。薪酬委員會之職權範圍按照企業管治守則訂定。概無董事參與釐定其本身之薪酬。

iv) **外聘核數師**

截至二零零八年十二月三十一日止年度，應付本公司核數師馬賽會計師事務所有限公司之審核、審閱及非審核服務之費用分別為670,000港元、150,000港元及325,000港元。

**3. 內部監控**

董事會確認其有整體責任成立、維持及檢討內部監控系統，以合理地確保財務及營運資料之可靠性及真實性、營運效率及效益、保障資產及遵守法律及法規。內部監控系統乃為管理而非消除所有錯誤之風險而設，旨在就達成組織目標提供合理而非絕對之保證。



#### 4. INVESTOR RELATIONS AND COMMUNICATIONS

The Company continues to pursue a proactive policy of promoting investor relations and communication by maintaining regular meetings with institutional shareholders, fund managers and analysts through different means including meetings, presentations and correspondence. In an effort to enhance communications with shareholders and investors, the Company maintains a website ([www.forefront.com.hk](http://www.forefront.com.hk)) to disseminate information relating to the latest business developments and all Company announcements.

The Company regards the Annual General Meeting (the “AGM”) as an important event as it provides an opportunity for direct communication between the Board and its shareholders. All shareholders of the Company are given a minimum of 21 days notice of the date and venue of the AGM at which time the Directors and Committee members are available to answer questions on the business. The Company supports the CG Code’s principle to encourage shareholder participation. The Board, according to the new Listing Rules, will conduct voting at the forthcoming AGM by poll. The results of the Company voting will be declared at the meeting, and announced on the Hong Kong Stock Exchange website and the Company website.

#### 4. 投資者關係及溝通

本公司繼續採取主動促進投資者關係和溝通之政策，定期與機構股東、基金經理及分析師會面，形式包括會議、簡報及書信。為加強與股東及投資者之溝通，本公司已設立一個網站 ([www.forefront.com.hk](http://www.forefront.com.hk))，方便發放有關最新業務發展之資料及本公司所有公佈。

本公司將股東週年大會（「股東週年大會」）視為重要事件，因股東週年大會可讓董事會與其股東直接溝通。本公司全體股東於股東週年大會舉行前不少於21日獲通知大會舉行日期及地點，而董事及委員會成員屆時會於會上回應有關業務之提問。本公司支持企業管治守則鼓勵股東參與之原則。董事會將根據新上市規則，於即將舉行之股東週年大會上以投票表決方式進行投票。本公司之投票結果將於會上宣佈，並於香港聯交所網站及本公司網站刊登公佈。

# Independent Auditor's Report 獨立核數師報告



## MAZARS CPA LIMITED

馬賽會計師事務所有限公司

34th Floor, The Lee Gardens,

33 Hysan Avenue, Causeway Bay, Hong Kong

香港銅鑼灣希慎道33號利園廣場34樓

### To the shareholders of Forefront Group Limited

*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Forefront Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 122, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and 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 are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body. 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.

### 致福方集團有限公司

*(於開曼群島註冊成立之有限公司)*

### 全體股東

吾等已審核列載於第35至122頁福方集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括二零零八年十二月三十一日之綜合及公司資產負債表，以及截至該日止年度之綜合收益表、綜合股東權益變動表及綜合現金流量表連同主要會計政策摘要及其他附註解釋。

### 董事就財務報表之責任

董事負責根據由香港會計師公會頒布之香港財務報告準則及香港公司條例之披露規定，編製及真實而公平地列報該等財務報表。此責任包括設計、實施及維持與編製及真實而公平地列報財務報表相關之內部監控，以使財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇及應用適當之會計政策；以及按情況作出合理之會計估計。

### 核數師之責任

吾等之責任是根據吾等之審核，就該等財務報表提出意見，並僅向全體股東報告吾等之意見。吾等概不就本報告內容向任何其他人士承擔或負上任何責任。吾等乃根據香港會計師公會頒布之香港核數準則進行審核工作。該等準則要求吾等遵守道德規範，並策劃及執行審核，以合理確定該等財務報表是否不存在任何重大錯誤陳述。

# Independent Auditor's Report

## 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

### Mazars CPA Limited

*Certified Public Accountants*

Hong Kong  
3 April 2009

### Fung Shiu Hang

Practising Certificate number: P04793

審核涉及進行取得財務報表所載金額及披露事項之審核憑證之程序。獲選用之程序取決於吾等之判斷，包括評估財務報表因欺詐或錯誤而存在重大錯誤陳述之風險。在評估有關風險時，吾等會考慮與實體編製及真實而公平地列報財務報表相關之內部監控，以設計適合有關情況之審核程序，惟並非旨在對實體內部監控之成效發表意見。審核亦包括評估所採用之會計政策是否合適，董事作出之會計估計是否合理，以及評估財務報表之整體呈報方法。

吾等相信已獲足夠而合適之審核憑證作為吾等審核意見之基礎。

### 意見

吾等認為，綜合財務報表已根據香港財務報告準則真實而公平地顯示 貴公司及 貴集團於二零零八年十二月三十一日之財務狀況，以及 貴集團於截至該日止年度之虧損及現金流量，並已根據香港公司條例之披露規定妥為編製。

### 馬賽會計師事務所有限公司

*執業會計師*

香港  
二零零九年四月三日

### 馮兆恆

執業證書編號：P04793

# Consolidated Income Statement

## 綜合收益表

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

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>			
Turnover	營業額	3	<b>(71,564)</b>	(51,774)
Other income	其他收入	3	<b>9,919</b>	18,518
Distribution and selling expenses	分銷及銷售開支		–	(331)
General and administrative expenses	一般及行政開支		<b>(70,187)</b>	(128,386)
Changes in fair value of financial assets at fair value through profit or loss	於損益帳按公平值處理之財 務資產之公平值變動		<b>(142,310)</b>	(139,420)
<b>Loss from operations</b>	<b>經營虧損</b>		<b>(274,142)</b>	(301,393)
Finance costs	融資成本	4	<b>(1,630)</b>	(24,250)
Gain on disposal of subsidiaries	出售附屬公司之收益	31	<b>5,648</b>	–
Share of results of associates	應佔聯營公司之業績	13	<b>4,464</b>	1,860
Loss before taxation	除稅前虧損	4	<b>(265,660)</b>	(323,783)
Taxation	稅項	7	–	–
Loss for the year from continuing operations	持續經營業務之年內虧損		<b>(265,660)</b>	(323,783)
<b>Discontinued operations</b>	<b>已終止經營業務</b>			
Loss for the year from discontinued operations	已終止經營業務之年內虧損	8	<b>(8,642)</b>	(9,404)
Loss for the year	年內虧損		<b>(274,302)</b>	(333,187)

# Consolidated Income Statement

## 綜合收益表

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

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)
Attributable to:	以下人士應佔：			
Equity holders of the parent	母公司股權持有人	9	(274,302)	(333,187)
Minority interest	少數股東權益		—	—
			<u>(274,302)</u>	<u>(333,187)</u>
<b>Dividend</b>	<b>股息</b>		<u>—</u>	<u>—</u>
<b>Basic loss per share:</b>	<b>每股基本虧損：</b>	10		
From continuing operations (HK cents per share)	來自持續經營業務 (每股港仙)		<u>(31.62)</u>	<u>(102.93)</u>
From discontinued operations (HK cents per share)	來自已終止經營業務 (每股港仙)		<u>(1.03)</u>	<u>(2.99)</u>

## Consolidated Balance Sheet

## 綜合資產負債表

At 31 December 2008 於二零零八年十二月三十一日

			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			
<b>ASSETS AND LIABILITIES</b>		<b>資產及負債</b>		
<b>Non-current assets</b>		<b>非流動資產</b>		
Investment properties	11	投資物業	–	30,065
Property, plant and equipment	12	物業、廠房及設備	2,316	1,187
Interests in associates	13	於聯營公司之權益	37,218	32,754
Goodwill	14	商譽	–	8,000
Available-for-sale financial assets	15	可供出售財務資產	–	–
			<b>39,534</b>	72,006
<b>Current assets</b>		<b>流動資產</b>		
Financial assets at fair value through profit or loss	16	於損益帳按公平值處理之 財務資產	98,748	209,975
Inventories	18	存貨	6,782	32,625
Loan receivables	19	應收貸款	35,729	–
Trade and other receivables	20	應收貿易帳款及 其他應收款項	23,841	19,477
Pledged deposits	21	有抵押存款	1,567	558
Bank balances and cash		銀行結存及現金	64,154	24,610
Cash balances maintained with broker		存於經紀帳戶之現金結存	–	138,303
Interests in a subsidiary held for sale		持作出售於附屬公司之權益	–	2,315
Assets reclassified as held for sale		重新分類為持作出售之資產	–	6,292
			<b>230,821</b>	434,155
<b>Current liabilities</b>		<b>流動負債</b>		
Trade and other payables	22	應付貿易帳款及 其他應付款項	17,806	19,232
Interest-bearing borrowings	23	計息借貸	27,274	14,885
Zero coupon convertible notes	24	零息票可換股票據	–	225,160
			<b>45,080</b>	259,277
<b>Net current assets</b>		<b>流動資產淨值</b>	<b>185,741</b>	174,878
<b>NET ASSETS</b>		<b>資產淨值</b>	<b>225,275</b>	246,884

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 December 2008 於二零零八年十二月三十一日

		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
<b>Equity and reserves</b>	<b>股權及儲備</b>			
Share capital	股本	27	<b>93,636</b>	178,581
Reserves	儲備		<b>131,639</b>	68,303
Equity attributable to equity holders of the parent	母公司股權持有人應佔股權		<b>225,275</b>	246,884
Minority interest	少數股東權益		—	—
<b>TOTAL EQUITY</b>	<b>股權總值</b>		<b>225,275</b>	246,884

The financial statements on pages 35 to 122 were approved and authorised for issue by the Board of Directors on 3 April 2009 and are signed on behalf by:

第35至122頁之財務報表經由董事會於二零零九年四月三日批准並授權刊發及由下列董事代表簽署：

**Yeung Ming Kwong**  
楊明光  
Director  
董事

**Lo Oi Kwok, Sheree**  
羅愛過  
Director  
董事

# Balance Sheet

## 資產負債表

At 31 December 2008 於二零零八年十二月三十一日

			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		
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益	17	212,462	441,456
Available-for-sale financial assets	可供出售財務資產	15	–	–
			<b>212,462</b>	<b>441,456</b>
<b>Current assets</b>	<b>流動資產</b>			
Trade and other receivables	應收貿易帳款及 其他應收款項	20	8	36
Pledged deposits	有抵押存款	21	1,567	558
Bank balances and cash	銀行結存及現金		21,617	19,183
			<b>23,192</b>	<b>19,777</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables	其他應付款項	22	2,185	1,326
Amounts due to subsidiaries	應付附屬公司款項	17(a)	22,890	32,702
Zero coupon convertible notes	零息票可換股票據	24	–	225,160
			<b>25,075</b>	<b>259,188</b>
<b>Net current liabilities</b>	<b>流動負債淨額</b>		<b>(1,883)</b>	<b>(239,411)</b>
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>210,579</b>	<b>202,045</b>
<b>Equity and reserves</b>	<b>股權及儲備</b>			
Share capital	股本	27	93,636	178,581
Reserves	儲備	29	116,943	23,464
<b>Total equity</b>	<b>股權總值</b>		<b>210,579</b>	<b>202,045</b>

The financial statements on pages 35 to 122 were approved and authorised for issue by the Board of Directors on 3 April 2009 and are signed on behalf by:

第35至122頁之財務報表經由董事會於二零零九年四月三日批准並授權刊發及由下列董事代表簽署：

**Yeung Ming Kwong**  
楊明光  
Director  
董事

**Lo Oi Kwok, Sheree**  
羅愛過  
Director  
董事



# Consolidated Statement of Changes in Equity

## 綜合股東權益變動表

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

		Attributable to the equity holders of the parent 母公司股權持有人應佔										
		Share Capital	Share Premium	Share Option Reserve	Equity Component of Zero Coupon Convertible Notes 零息票 可換股票據之 權益部分	Capital Reserve	Capital Redemption Reserve	Cumulative Translation Reserve	Accumulated Deficit	Total	Minority Interest	Total Equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	權益部分 HK\$'000 千港元	資本儲備 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	累計換算儲備 HK\$'000 千港元	累計虧絀 HK\$'000 千港元	總計 HK\$'000 千港元	少數股東權益 HK\$'000 千港元	股權總值 HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	43,577	235,491	-	-	10,482	1,173	(5,381)	(260,683)	24,659	-	24,659
Issuance of new shares	發行新股	90,985	150,202	-	-	-	-	-	-	241,187	-	241,187
Issuance cost	發行成本	-	(12,914)	-	-	-	-	-	-	(12,914)	-	(12,914)
Zero coupon convertible notes	零息票可換股票據	30,000	120,000	-	99,840	-	-	-	-	249,840	-	249,840
Share options granted	授出購股權	-	-	16,374	-	-	-	-	-	16,374	-	16,374
Exercise of share options	行使購股權	10,667	53,999	(16,374)	-	-	-	-	-	48,292	-	48,292
Issuance of shares to A&M	向安邁發行股份	3,352	3,788	-	-	-	-	-	-	7,140	-	7,140
Disposal of unconsolidated subsidiaries held for sale	出售持作出售之未綜合附屬公司	-	-	-	-	-	-	5,383	-	5,383	-	5,383
Translation adjustments	換算調整	-	-	-	-	-	-	110	-	110	-	110
Loss for the year	年內虧損	-	-	-	-	-	-	-	(333,187)	(333,187)	-	(333,187)
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>178,581</b>	<b>550,566</b>	<b>-</b>	<b>99,840</b>	<b>10,482</b>	<b>1,173</b>	<b>112</b>	<b>(593,870)</b>	<b>246,884</b>	<b>-</b>	<b>246,884</b>
At 1 January 2008	於二零零八年一月一日	178,581	550,566	-	99,840	10,482	1,173	112	(593,870)	246,884	-	246,884
Issuance of shares on rights issue	供股時發行股份	89,291	89,291	-	-	-	-	-	-	178,582	-	178,582
Issuance of new shares	發行新股	91,922	55,716	-	-	-	-	-	-	147,638	-	147,638
Issuance cost	發行成本	-	(8,913)	-	-	-	-	-	-	(8,913)	-	(8,913)
Share options granted	授出購股權	-	-	6,239	-	-	-	-	-	6,239	-	6,239
Exercise of share options	行使購股權	14,749	22,906	(6,239)	-	-	-	-	-	31,416	-	31,416
Redemption of zero coupon convertible notes	贖回零息票可換股票據	-	-	-	(99,840)	-	-	-	(2,560)	(102,400)	-	(102,400)
Translation adjustments	換算調整	-	-	-	-	-	-	131	-	131	-	131
Capital reorganization	資本重組	(280,907)	-	-	-	-	-	-	280,907	-	-	-
Loss for the year	年內虧損	-	-	-	-	-	-	-	(274,302)	(274,302)	-	(274,302)
<b>At 31 December 2008</b>	<b>於二零零八年十二月三十一日</b>	<b>93,636</b>	<b>709,566</b>	<b>-</b>	<b>-</b>	<b>10,482</b>	<b>1,173</b>	<b>243</b>	<b>(589,825)</b>	<b>225,275</b>	<b>-</b>	<b>225,275</b>

Note: Cumulative translation reserve as at 1 January 2007 included a debit amount of HK\$5,383,000 which is attributable to interests in unconsolidated subsidiaries held for sale and a credit amount of HK\$2,000 which is attributable to interests in a subsidiary incorporated in Mainland China.

附註：二零零七年一月一日之累計換算儲備包括持作出售於未綜合附屬公司之權益應佔之支帳額5,383,000港元以及於中國內地註冊成立之一間附屬公司之權益應佔之進帳額2,000港元。

# Consolidated Cash Flow Statement

## 綜合現金流量表

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

			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>			
Cash used in operations	經營所用現金	30	(155,924)	(438,233)
Interest paid	已付利息		(797)	(250)
<b>Net cash used in operating activities</b>	<b>經營業務所用現金淨額</b>		<b>(156,721)</b>	<b>(438,483)</b>
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		143	84
Interest received	已收利息		577	6,388
Purchase of property, plant and equipment	購買物業、廠房及設備		(3,625)	(1,909)
Purchase of investment property	購買投資物業		-	(30,234)
Proceed on disposal of assets held for sale	出售持作出售資產所得款項		5,299	-
Proceed on disposal of subsidiaries	出售附屬公司所得款項	31	1,214	-
Proceed on disposal of Taiwan subsidiaries	出售台灣附屬公司所得款項		-	707
Deposit paid on a proposed investment	就建議投資支付之按金		(9,776)	-
Acquisition of a subsidiary	收購一間附屬公司		-	(100,000)
Acquisition of associates	收購聯營公司		-	(26,650)
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(6,168)</b>	<b>(151,614)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Proceed from new bank and other borrowings	新增銀行及其他借貸所得款項		37,500	15,000
Repayment of bank and other borrowings	償還銀行及其他借貸		(3,254)	(115)
Proceeds from issue of convertible notes	發行可換股票據所得款項		-	750,000
Payments on issue of share on convertible notes	就可換股票據發行股份支付之款項		-	(16,510)
Redemption of convertible notes	贖回可換股票據		(320,000)	(280,000)
Proceeds from issue of new shares	發行新股所得款項		326,220	241,187
Shares issue costs	股份發行成本		(8,913)	(9,164)
Proceeds from issue of new shares based on share option scheme	根據購股權計劃發行新股之所得款項		31,416	45,972
Proceeds from Jerry Liu Option	劉振偉購股權所得款項		-	2,320
<b>Net cash generated from financing activities</b>	<b>融資活動所得現金淨額</b>		<b>62,969</b>	<b>748,690</b>
<b>Effect on cumulative translation adjustments</b>	<b>累計換算調整之影響</b>		<b>131</b>	<b>97</b>

# Consolidated Cash Flow Statement

## 綜合現金流量表

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

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Net (decrease) increase in cash and cash equivalents</b>	現金及現金等價物 (減少)增加淨額	<b>(99,789)</b>	158,690
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	<u>165,510</u>	<u>6,820</u>
<b>Cash and cash equivalents at end of year</b>	年終之現金及現金等價物	<u><b>65,721</b></u>	<u>165,510</u>
<b>Analysis of cash and cash equivalents:</b>	現金及現金等價物分析：		
Bank balances and cash	銀行結存及現金	<b>64,154</b>	24,610
Pledged deposits	有抵押存款	<b>1,567</b>	558
Cash balance maintained with broker	存於經紀帳戶之現金結存	<u>-</u>	<u>138,303</u>
		<u><b>65,721</b></u>	<u>163,471</u>
<b>Cash and cash equivalents included in subsidiary held for sale</b>	計入持作出售之附屬公司 之現金及現金等價物	<u>-</u>	<u>2,039</u>
		<u><b>65,721</b></u>	<u>165,510</u>

## 1. CORPORATION INFORMATION

Forefront Group Limited is a limited liability company incorporated in Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office, principal place of business, activities and particulars of the Company and its subsidiaries are set out in the Corporation Information and Report of the Directors.

## 2. PRINCIPAL ACCOUNTING POLICIES

### Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and Hong Kong Accounting Standards (“**HKAS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, 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. The measurement basis used in the preparation of these financial statements is historical cost, except for financial assets at fair value through profit or loss, which are measured at fair value.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2007 financial statements. The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year has had no significant effects on the results and financial position of the Group and the Company for the current and prior years. A summary of the principal accounting policies adopted by the Group is set out below.

## 1. 公司資料

福方集團有限公司為於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司及其附屬公司之註冊辦事處及主要營業地點地址、業務及詳情載於公司資料及董事會報告內。

## 2. 主要會計政策

### 編製基準

此等財務報表乃按香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）及香港會計準則（「香港會計準則」）、香港公認會計原則及香港公司條例之披露規定編製。此外，財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。此等財務報表乃採用歷史成本計算基準編製，惟於損益帳按公平值處理之財務資產乃以公平值計量。

此等財務報表之編製基準與二零零七年財務報表所採納之會計政策貫徹一致。採納與本集團有關並於本年度生效之新訂／經修訂香港財務報告準則對本集團及本公司於本年度及過往年度之業績及財務狀況並無重大影響。本集團採納之主要會計政策概要載於下文。

# Notes to the Financial Statements

## 財務報表附註

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost, except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceased.

Minority interest represents the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from equity holders of the parent. 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.

#### Subsidiaries

A subsidiary is an entity, in which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's balance sheet, investments in subsidiaries are stated at cost less impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

### 2. 主要會計政策 (續)

#### 計量基準

編製此等財務報表所採用之計量基準為歷史成本法，惟如下文載列之會計政策所述，若干財務工具乃以公平值計量。

#### 綜合基準

綜合財務報表包括本公司及其所有附屬公司截至每年十二月三十一日為止之財務報表。附屬公司之財務報表乃使用與本公司貫徹一致之會計政策就與本公司相同之申報年度編製。

集團內公司間之所有結餘、交易、收支及集團內公司間交易所產生盈虧會全數對銷。附屬公司之業績由本集團取得控制權當日起至有關控制權終止當日止綜合計算。

少數股東權益指並非由本集團持有之盈虧及資產淨值部分，乃於綜合收益表及綜合資產負債表之股權中與母公司股權持有人分開呈列。少數股東適用之虧損超出少數股東於附屬公司股權之權益之部分，如少數股東負有具約束力之義務及可作出額外投資彌補虧損，會於本集團權益中作出分配。

#### 附屬公司

附屬公司指本集團有權監管其財務及營運政策以自其業務中獲取利益之實體。

於本公司之資產負債表中，於附屬公司之投資乃按成本減減值虧損入帳。投資之帳面金額按個別基準扣減至其可收回金額。本公司按已收及應收股息基準將附屬公司之業績入帳。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Associates

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The Group's investment in associate is accounted for under the equity method of accounting. The consolidated income statement includes the Group's share of the post-acquisition results of the associate for the year. The consolidated balance sheet includes the Group's share of the net assets of the associate and also goodwill. The Group discontinues recognising its share of further losses when the Group's share of losses of the associate equals or exceeds the carrying amount of its interest in the associate, which includes any long term interests that, in substance, form part of the Group's net investment in the associate.

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary and associate. Goodwill on acquisition of subsidiary is recognised as a separate asset. Goodwill on acquisitions of associates or jointly controlled entities is included in interests in associates or jointly controlled entities. Goodwill is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries or associates at the date of acquisition, after reassessment, is recognised immediately in the income statement.

## 2. 主要會計政策 (續)

### 聯營公司

聯營公司指本集團對其擁有重大影響力但不屬於附屬公司及合營公司之實體。

本集團於聯營公司之投資以權益會計法入帳。綜合收益表包括年內本集團分佔聯營公司之收購後業績。綜合資產負債表包括本集團分佔聯營公司之資產淨值以及商譽。倘本集團分佔聯營公司之虧損相等於或超過其於該聯營公司之權益(包括任何實質上構成本集團於該聯營公司之淨投資一部分之長期權益)之帳面金額,則本集團不再確認其分佔之進一步虧損。

### 商譽

商譽指收購成本超過本集團分佔被收購附屬公司及聯營公司之可識別資產、負債及或然負債之公平值之差額。收購附屬公司產生之商譽確認為獨立之資產。收購聯營公司或共同控制實體產生之商譽計入於聯營公司或共同控制實體之權益。商譽以成本減累計減值虧損列帳,並每年或於發生事件或狀況變動顯示帳面值可能出現減值時更頻密地進行減值測試。進行減值測試及釐定出售盈虧時會將商譽分配至現金產生單位。商譽之減值虧損不作撥回。

本集團於可識別資產、負債及或然負債之公平淨值超過收購附屬公司或聯營公司於收購當日之成本之差額會於重新評估後即時於收益表確認。

# Notes to the Financial Statements

## 財務報表附註

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 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. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repair and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvement	50%
Furniture and fixture	20%-50%
Motor vehicles	33%

#### Investment properties

Investment property is property which is held under leasehold to earn rental income and/or for capital appreciation. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

### 2. 主要會計政策 (續)

#### 持作出售之非流動資產

倘非流動資產及出售組別之帳面金額將可主要通過銷售交易(而非通過持續使用)收回,則該等非流動資產及出售組別將劃分為持作出售項目。此項條件僅於出售機會相當高及資產或出售組別可於現況下即時出售時,方被視為達成。管理層必須致力達成出售,而該出售應預期由分類日期起計一年內合資格確認為已完成出售。分類為持作出售之非流動資產及出售組別按資產或出售組別先前之帳面金額及公平值減銷售成本(以較低者為準)計量。

#### 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列帳。物業、廠房及設備項目之成本包括其購買價及令資產達致其營運狀況及運送至其運作地點作擬定用途之任何直接應佔費用。維修及保養開支於產生當年在收益表扣除。

本集團於計及物業、廠房及設備之估計餘值後,於由可供使用日期起之估計可用年期內以直線法按下列年率撇銷成本減累計減值虧損,以作出折舊撥備:

租賃物業裝修	50%
傢具及設備	20%-50%
汽車	33%

#### 投資物業

投資物業為根據租賃持有以賺取租金收入及/或持作資本增值之物業。投資物業乃按成本減累計折舊及累計減值虧損列帳。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Investment properties (Continued)

As the cost of the investment property cannot be allocated reliably between the land element and building element, the investment property is accounted for as if it is property held under finance lease and depreciated over its estimated useful life.

Depreciation is provided to write off the cost less accumulated impairment losses of investment property over its estimated useful lives of 75 years, using the straight-line method, after taking into account its estimated residual value.

### Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the financial asset and the Group has transferred substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. They are carried at fair value, with any resultant gain and loss recognised in the income statement.

Financial assets are classified as held for trading if they are (i) acquired principally for the purpose of selling in the near future; (ii) part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) derivatives that are not designated and effective hedging instruments.

## 2. 主要會計政策 (續)

### 投資物業 (續)

由於投資物業之成本不能可靠地於土地部分及樓宇部分之間分配，故假設投資物業乃根據融資租賃持有及於估計可用年期內折舊之物業而入帳。

本集團於計及投資物業之估計餘值後，在投資物業75年之估計可用年期內以直線法計算折舊，以撇銷投資物業之成本減累計減值虧損。

### 財務工具

財務資產及財務負債乃按交易日期基準於本集團成為該等工具之合約條文之一方時確認。

倘本集團於財務資產未來現金流量之合約權利屆滿，或本集團轉讓該財務資產，同時轉移該項財務資產擁有權之絕大部分風險及回報，則終止確認財務資產。財務負債僅於負債消除時（即相關合約列明之義務被免除、取消或屆滿時）終止確認。

#### *於損益帳按公平值處理之財務資產*

於損益帳按公平值處理之財務資產包括持作買賣之財務資產及於首次確認時指定於損益帳按公平值處理之財務資產，所產生之任何盈虧於收益表中以公平值列帳。

倘財務資產(i)主要為於短期內出售而購入；(ii)屬本集團進行集中管理且有跡象顯示近期進行短期獲利之已識別財務工具組合之一部分；或(iii)屬並非指定且為有效對沖工具之衍生工具，則分類為持作買賣財務資產。



## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Financial assets at fair value through profit or loss (Continued)

Financial assets are designated at initial recognition as at fair value through profit or loss if (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or (ii) they are part of a group of financial assets and/or financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) they contain embedded derivatives that would need to be separately recorded.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

#### Loans and receivables

Loans and receivables including trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the year to maturity. Gains and losses arising from de-recognition, impairment or through the amortisation process are recognised in the income statement.

## 2. 主要會計政策 (續)

### 財務工具 (續)

#### 於損益帳按公平值處理之財務資產 (續)

財務資產會於下列情況下於首次確認時指定為於損益帳按公平值處理：(i)該項指定消除或大幅減少因按不同基準計量資產或負債或確認盈虧而導致處理方法不一之情況；或(ii)該等財務資產屬受管理且根據明文風險管理策略按公平值基準評估表現之一組財務資產及／或財務負債之一部分；或(iii)該等財務資產包含須分開記錄之嵌入式衍生工具。

倘一份合約包含一項或多項嵌入式衍生工具，則整份混合合約或會指定為於損益帳按公平值處理之財務資產，惟倘嵌入式衍生工具不能大幅改善現金流量或將嵌入式衍生工具分開明顯受到禁止則除外。

#### 貸款及應收款項

貸款及應收款項包括應收貿易帳款及其他應收款項，為有固定或可釐定付款額而並無活躍市場報價且非持作買賣之非衍生財務資產。此等資產以實際利率法按經攤銷成本計量，惟倘應收款項為無固定還款期或貼現影響不大之免息貸款，則按成本減減值虧損列帳。經攤銷成本於到期前各年經計及收購時之任何折讓或溢價後計算。終止確認、減值或透過攤銷過程所產生之盈虧於收益表確認。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as a separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in equity is transferred to the income statement. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

#### Impairment of financial assets

At each balance sheet date, the Group assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through income statement when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## 2. 主要會計政策 (續)

### 財務工具 (續)

#### 可供出售財務資產

可供出售財務資產為指定為此類別或不予分類為其他財務資產類別之非衍生財務資產，乃按公平值計量，而價值變動會確認為獨立之股權部分，直至資產被出售、收回或以其他方式處置或釐定為出現減值為止，屆時，先前於股權中呈報之累計盈虧會轉撥至收益表。並無活躍市場報價且公平值不能可靠地計量之可供出售財務資產按成本減減值虧損列帳。

#### 財務資產減值

本集團會於各結算日評估是否有客觀證據顯示財務資產（於損益帳按公平值處理者除外）出現減值。按經攤銷成本列帳之財務資產之減值虧損按資產帳面值與按財務資產原實際利率貼現之估計未來現金流量現值之差額計量。倘資產之可收回金額增加，而是項增加能夠客觀地與確認減值後之事件有關，則於往後期間透過收益表撥回有關減值虧損，惟該項資產於撥回減值當日之帳面值不得超過原先並無確認減值時之經攤銷成本。

# Notes to the Financial Statements

## 財務報表附註

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Impairment of financial assets (Continued)

When an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, less any previously recognised impairment loss, is transferred from equity to income statement. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale equity instrument after recognition of impairment loss is recognised in equity. Reversal of impairment loss of available-for-sale debt instruments are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

##### Financial liabilities

The Group's financial liabilities include trade and other payables, bank loans and other borrowings. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

##### Convertible notes

The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of issue costs. On the issue of the convertible note, the fair value of the liability component is determined using a market rate for an equivalent non-cumulative bond; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption.

### 2. 主要會計政策 (續)

#### 財務工具 (續)

##### 財務資產減值 (續)

倘一項可供出售財務資產出現減值，其收購成本（扣除任何主要還款額及攤銷）與其現行公平值之差額，再扣減先前確認之任何減值虧損後，會由股權轉撥至收益表。就可供出售股本工具在損益帳中確認之減值虧損不會透過損益帳撥回。可供出售股本工具之公平值如在確認減值虧損後有任何增加，則於股權中確認。倘可供出售債務工具之公平值增加可客觀地與在收益表中確認減值虧損後發生之事件有關，則透過收益表沖銷工具之減值虧損撥回。

至於按成本列帳之可供出售財務資產，減值虧損之金額為財務資產之帳面金額與按類似財務資產現有市場回報率貼現之估計未來現金流量現值之差額。有關減值虧損不予撥回。

##### 財務負債

本集團之財務負債包括應收貿易帳款及其他應付款項、銀行貸款及其他借貸。所有財務負債（衍生工具除外）初步以公平值確認，其後利用實際利率法按經攤銷成本計量，惟倘貼現影響並不重大，則按成本列帳。

##### 可換股票據

具有負債特點之可換股票據部分會於資產負債表確認為負債，當中扣除發行成本。於發行可換股票據時，負債部分之公平值以同等非累積債券之市場利率釐定，而此金額會按經攤銷成本入帳列為長期負債，直至因轉換或贖回而消除為止。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Convertible notes (Continued)

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years.

Issue costs are apportioned between the liability and equity components of the convertible note based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

### Cash equivalents

For the purpose of the consolidated cash flow statement, cash equivalent represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

Realised gain or loss on investments held for trading is recognised on a trade date basis whilst unrealised gain or loss on investment held for trading is recognised to reflect their fair value on the balance sheet date.

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Service income and fuel commission income are recognised when services are rendered.

Finance income from loan receivables and interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

## 2. 主要會計政策 (續)

### 可換股票據 (續)

餘下所得款項會分配至換股權，換股權會於扣除發行成本後在股東資金確認及計入。於股權列帳之換股權價值不會於往後年度出現變動。

發行成本會於可換股票據之負債與權益部分之間按所得款項於首次確認工具時在負債與權益部分之分配額分配。

### 現金等價物

就綜合現金流量表而言，現金等價物指扣除銀行透支後可隨時轉換為可知數額現金，而所承受之價值變動風險不大之短期高流動性投資項目。

### 收益確認

收益乃於經濟利益極有可能將會流入本集團且收益及成本（如適用）能可靠地計量時按下列基準確認。

持作買賣投資之已變現收益或虧損按交易日基準確認，而持作出售投資之未變現收益或虧損則予確認，以反映其於結算日之公平值。

貨品銷售乃於擁有權之風險及回報轉移（一般與有關貨品付運及所有權移交客戶之時間相同）時確認。

服務費收入及燃料佣金收入乃於提供有關服務後確認。

應收貸款之融資收入及財務資產之利息收入參考未償還本金及適用實際利率按時間基準計算。

# Notes to the Financial Statements

## 財務報表附註

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Foreign currency translation

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

Transactions involving foreign currencies are translated into functional currency at the rates of exchange prevailing at the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency ("**foreign operations**") are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rate;
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity. On disposal of a foreign operation, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation is recognised in income statement when the gain or loss on disposal is recognised.

### 2. 主要會計政策 (續)

#### 外幣換算

本集團各實體之財務報表內所列項目乃依各實體營運所在之主要經濟環境所用貨幣(「**功能貨幣**」)計量。綜合財務報表以本集團之功能及呈列貨幣港元呈列。

涉及外幣之交易按交易日之匯率換算為功能貨幣。

因結算該等交易及按年結日匯率換算以外幣計值之貨幣資產及負債而產生之匯兌收益及虧損於收益表內確認。

本集團功能貨幣有別於呈列貨幣之各個實體(「**海外業務**」)之業績及財務狀況，乃按以下方式換算為呈列貨幣：

- 於各資產負債表呈列之資產及負債按結算日之收市匯率換算；
- 各收益表之收入及開支按平均匯率換算；
- 所有因上述換算而產生之匯兌差額以及因構成本集團於海外業務之淨投資一部分之貨幣項目而產生之匯兌差額，確認為股權之獨立部分。出售海外業務時，歸入涉及海外業務股權獨立部分之匯兌差額之累計金額於確認出售盈虧時在收益表內確認。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. For motor vehicles, cost is determined on the specific identification basis, while for other inventories, cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### Impairment of non-financial assets

At each balance sheet date, the Group reviews internal and external sources of information to determine whether property, plant and equipment have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

## 2. 主要會計政策 (續)

### 存貨

存貨以成本與可變現淨值兩者中之較低者列帳。成本包括所有採購成本及(如適用)轉換成本及將存貨運送至現時地點及達致現況時產生之其他成本。汽車成本按特定辨識基準釐定,而其他存貨之成本則按加權平均成本法計算。可變現淨值指於日常業務過程中之估計售價減估計完成成本及估計進行銷售所需之成本。

### 非財務資產之減值

於各結算日,本集團審閱內部及外部所得資料,以釐定物業、廠房及設備有否出現減值虧損,或先前確認之減值虧損是否不再存在或可能有所減少。倘有任何該等跡象存在,則根據其公平值減銷售成本及使用價值(以較高者為準)估計該項資產之可收回金額。倘無法估計個別資產之可收回金額,本集團則估計可獨立產生現金流量之最小資產組別(即現金產生單位)之可收回金額。

倘資產或現金產生單位之可收回金額估計低於其帳面金額,則資產或現金產生單位之帳面金額會減至其可收回金額。減值虧損即時確認為開支。

撥回之減值虧損以假設在過往年度並無確認減值虧損之情況下釐定之資產或現金產生單位之帳面金額為限。撥回之減值虧損即時確認為收入。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### Operating lease

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.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Lease incentives are recognised in the income statement as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

### Employee benefits

#### Defined contribution plans

The obligations for contributions to defined contribution retirement schemes are recognised as expenses in the income statement as incurred. The assets of the schemes are held separately from those of the Group in an independently administered fund.

## 2. 主要會計政策 (續)

### 撥備

倘本集團因過往事件而產生目前之法定或推定責任，而有可能須耗用包含經濟利益之資源以履行責任，並且能夠可靠地估計責任涉及之款額，則須就此確認撥備。已確認撥備之支出乃於支出產生當年於相關撥備扣除。撥備乃於各結算日審閱及調整，以反映目前之最佳估計款額。倘貨幣之時間值會產生重大影響，則作出撥備之款額乃預期履行責任所需支出之現值。倘本集團預期該撥備可獲補償，則補償款額僅於大致肯定將獲補償之情況下確認為獨立資產。

### 經營租賃

倘租賃之條款將擁有權之絕大部分風險及回報轉移予承租人，則將租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

根據經營租賃應付之租金於相關租賃期內以直線法從收益表中扣除。

租賃優惠於收益表中確認為協定使用租賃資產代價淨額之一部分。或然租金於產生之會計期間內確認為開支。

### 僱員福利

#### 界定供款計劃

向界定供款退休計劃供款之責任於產生時於收益表確認為開支。計劃資產與本集團之資產分開，由獨立管理之基金持有。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Employee benefits (Continued)

#### Long service payment

The Group's net obligation in respect of long service payment under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including retirement scheme benefit.

### Share based payment transactions

#### Equity-settled transactions

The Company issues equity-settled share-based payments to eligible employees including directors of the Company and its subsidiaries, any other persons including consultants, advisors, agents, customers, suppliers etc. to subscribe for shares in the Company. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effort of non market-based vesting conditions.

## 2. 主要會計政策 (續)

### 僱員福利 (續)

#### 長期服務金

本集團根據香港僱傭條例之長期服務金責任淨額為僱員於本期間及過往期間提供服務所賺取之未來福利金額。有關責任乃以估計單位基數法計算，並貼現至其現值，再扣除任何相關資產（包括退休計劃福利）之公平值。

### 以股份付款之交易

#### 以股權結算之交易

本公司向合資格僱員（包括本公司及其附屬公司之董事以及任何其他人士（包括諮詢人、顧問、代理、客戶、供應商等））發出以股權結算並以股份支付之付款，供其認購本公司之股份。以股權結算並以股份支付之付款按授出日期之公平值計量。於授出以股權結算並以股份支付之付款日期之公平值於歸屬期內根據本集團對最終歸屬之股份之估計，再就非市場歸屬條件之影響作出調整後，按直線基準支銷。



## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 in the financial statements. However, any deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

## 2. 主要會計政策 (續)

### 稅項

即期所得稅支出乃按就無須課稅或不得扣除項目調整之年內業績計算，並使用於結算日已實行或大致上已實行之稅率計算。

遞延稅項乃使用負債法，就資產與負債之稅基以及該等資產與負債於財務報表內所列之帳面金額間於結算日之所有暫時差額作出撥備。然而，倘遞延稅項因首次確認商譽而產生，或因業務合併以外之交易之其他資產或負債而產生，而進行交易時對會計溢利或應課稅溢利或虧損均無影響，則不予確認。

遞延稅項負債及資產乃按照於結算日已實行或大致上實行之稅率及稅務法律，按照預期將於收回資產或償還負債之期間適用之稅率計量。遞延稅項資產乃在極可能有未來應課稅溢利以可抵扣暫時差額、稅項虧損及稅項抵免時確認。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Related parties

A party is related to the Group if (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group; (b) the party is an associate of the Group; (c) the party is a joint venture in which the Group is a venturer; (d) the party is a member of the key management personnel of the Group or its parent; (e) the party is a close member of the family of any individual referred to in (a) or (d); (f) 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 (d) or (e); or (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

### 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 with 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, the Group has determined that business segments be presented as the primary reporting format and geographical segment as the secondary reporting format.

## 2. 主要會計政策 (續)

### 關連人士

在以下情況下，一方將被視為本集團之關連人士：(a)該方透過一名或多名中間人直接或間接控制本集團、受控於本集團或與本集團受共同控制；或於本集團擁有權益，使其對本集團有重大影響；或對本集團有共同控制權；(b)該方為本集團之聯繫人士；(c)該方為本集團乃合營夥伴之合營公司；(d)該方為本集團或其母公司之主要管理層成員；(e)該方為(a)或(d)項所述任何人士之直系親屬；(f)該方為直接或間接受(d)或(e)項所述任何人士控制、共同控制或重大影響之實體，或(d)或(e)項所述任何人士於該實體直接或間接擁有重大投票權；或(g)該方為一離職後福利計劃，而受益人為本集團僱員或任何屬本集團關連人士之實體。

### 分類報告

分類乃指本集團內從事提供產品或服務(業務分類)或在特定經濟環境內提供產品或服務(地區分類)之可識別組成部分，而其承受之風險及所得回報有別於其他分類。

根據本集團之內部財務申報，本集團決定將業務分類作為主要呈報方式呈列，並以地區分類作為次要呈報方式。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Segment reporting (Continued)

Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables, operating cash and investments in securities. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment, including additions resulting from acquisitions through purchases of subsidiaries.

In respect of geographical segment reporting, sales are based on the destination of shipment of merchandise and total assets and capital expenditure are where the assets are located.

### Critical accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

## 2. 主要會計政策 (續)

### 分類報告 (續)

未分類成本指公司開支。分類資產主要包括物業、廠房及設備、存貨、應收款項、經營現金以及證券投資。分類負債包括經營負債，並不包括稅項及若干公司借貸等項目。資本開支包括物業、廠房及設備之添加，包括因透過購入附屬公司進行收購之添加。

就地區分類呈報而言，銷售乃按貨物付運目的地劃分，而資產總值及資本開支則按資產所在地劃分。

### 關鍵會計估計及判斷

編製財務報表時會作出估計、關於未來之假設以及判斷。有關估計、假設及判斷會影響本集團會計政策之應用情況、資產、負債、收入及開支之申報金額以及所披露之資料，並持續根據經驗及相關因素（包括對於各種情況下相信屬合理之未來事件之預期）評估。於適用時，會計估計之修訂會於作出修訂之期間及未來期間（如有關修訂同時影響未來期間）確認。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Critical accounting estimates and judgements (Continued)

#### *Impairment of investments and receivables*

The Group assesses annually if investment in subsidiaries/ associates has suffered any impairment in accordance with HKAS 36 and follows the guidance of HKAS 39 in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and course the adjustments of their carrying amounts.

#### *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the estimates used to calculate the recoverable amount are given in note 14. Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances

## 2. 主要會計政策 (續)

### 關鍵會計估計及判斷 (續)

#### *投資及應收款項之減值*

本集團根據香港會計準則第36號每年評估於附屬公司／聯營公司之投資有否出現減值，並依循香港會計準則第39號之指引釐定應收此等實體款項有否出現減值。有關方法詳載於相關之會計政策。評估時須估計資產之未來現金流量（包括預期股息）及挑選適當之貼現率。倘此等實體之財務表現及狀況日後有變，會影響對減值虧損之估計，因而須對帳面金額作出調整。

#### *商譽減值*

本集團最少每年釐定商譽有否出現減值，當中須估計獲分配商譽之現金產生單位之使用價值。本集團於估計使用價值時須估計現金產生單位之預期現金流量，亦須選擇合適之貼現率，以計算該等現金流量之現值。用於計算可收回金額之估計之詳情載於附註14。編製財務報表時所作有關未來之估計及假設以及判斷會影響本集團會計政策之應用情況、資產、負債、收入及開支之申報金額以及所披露之資料，並持續根據經驗及相關因素（包括對於各種情況下相信屬合理之未來事件之預期）評估。

# Notes to the Financial Statements

## 財務報表附註

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Critical accounting estimates and judgements (Continued)

##### *Allowance for inventories*

The Group reviews an ageing analysis of inventories at each balance sheet date, and make allowance for obsolete and slow-moving inventory items identified that are no longer recoverable or suitable for use. The management estimates the net realised value for inventory based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowances for obsolete items.

##### *Allowance for bad and doubtful debts*

The provisioning policy for bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of the trade and loan receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance will be required.

### 2. 主要會計政策 (續)

#### 關鍵會計估計及判斷 (續)

##### *存貨撥備*

本集團於各結算日檢討存貨之帳齡分析，並就已辨識為無法收回或不再適合使用之過時及滯銷存貨項目作出撥備。管理層主要根據最新發票價及現時市況估計存貨之可變現淨值。本集團於各結算日按個別產品基準審閱存貨，並就過時項目作出撥備。

##### *呆壞帳撥備*

本集團之呆壞帳撥備政策乃根據能否收回應收貿易帳款及應收貸款以及應收貿易帳款及應收貸款之帳齡分析作出評估。於評估該等應收款項之最終變現能力時，須從多方面作出判斷，包括各名客戶之現時信譽及過往收帳記錄。倘該等客戶之財務狀況惡化，導致其還款能力出現減值，將須作出額外撥備。

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Future charges in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

HKFRS 8	Operating Segments <sup>1</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
Amendments to HKFRS 2	Share-based Payment – Vesting Conditions and Cancellations <sup>1</sup>
Amendments to HKAS 32 and HKAS 1	Puttable Financial Instruments and Obligations Arising on Liquidations <sup>1</sup>
Amendments to HKFRS 1 and HKAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>2</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>
HKFRS 1 (Revised)	First-time adoption of HKFRS <sup>2</sup>
Amendments to HKAS 39	Eligible Hedge Items <sup>2</sup>
Improvements to HKFRS	Improvements to HKFRS <sup>3</sup>
HK(IFRIC) – Int 13	Customer Loyalty Programmes <sup>4</sup>
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation <sup>5</sup>
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate <sup>1</sup>
HK(IFRIC) – Int 17	Distributions of non-cash Assets to Owners <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5 which are effective for annual periods beginning on or after 1 July 2009

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>5</sup> Effective for annual periods beginning on or after 1 October 2008

## 2. 主要會計政策 (續)

### 香港財務報告準則之未來變動

於授權刊發此等財務報表當日，香港會計師公會已頒佈以下多項新訂／經修訂香港財務報告準則，該等準則於本年度尚未生效，而本集團亦未有提早採納。

香港財務報告準則第8號	經營分類 <sup>1</sup>
香港會計準則第1號(經修訂)	財務報表之呈列 <sup>1</sup>
香港會計準則第23號(經修訂)	借貸成本 <sup>1</sup>
香港財務報告準則第2號之修訂	以股份支付之款項－歸屬條件及註銷 <sup>1</sup>
香港會計準則第32號及香港會計準則第1號之修訂	可沽售財務工具及清盤產生之責任 <sup>1</sup>
香港財務報告準則第1號及香港會計準則第27號之修訂	於附屬公司、共同控制實體或聯營公司之投資之成本 <sup>1</sup>
香港財務報告準則第3號(經修訂)	業務合併 <sup>2</sup>
香港會計準則第27號(經修訂)	綜合及獨立財務報表 <sup>2</sup>
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則 <sup>2</sup>
香港會計準則第39號之修訂	合資格對沖項目 <sup>2</sup>
香港財務報告準則之改進	香港財務報告準則之改進 <sup>3</sup>
香港(國際財務報告詮釋委員會)－詮釋第13號	顧客忠誠計劃 <sup>4</sup>
香港(國際財務報告詮釋委員會)－詮釋第16號	於海外業務之淨投資之對沖 <sup>5</sup>
香港(國際財務報告詮釋委員會)－詮釋第15號	房地產建設協議 <sup>1</sup>
香港(國際財務報告詮釋委員會)－詮釋第17號	向擁有人分派非現金資產 <sup>1</sup>

<sup>1</sup> 於二零零九年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零零九年七月一日或之後開始之年度期間生效

<sup>3</sup> 於二零零九年一月一日或之後開始之年度期間生效，惟香港財務報告準則第5號之修訂於二零零九年七月一日或之後開始之年度期間生效

<sup>4</sup> 於二零零八年七月一日或之後開始之年度期間生效

<sup>5</sup> 於二零零八年十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

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Future charges in HKFRSs (Continued)

The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's financial statements.

### 3. TURNOVER AND REVENUE

Turnover and revenue recognised by category are analysed as follows:

### 2. 主要會計政策 (續)

#### 香港財務報告準則之未來變動 (續)

董事現正評估日後採納該等新訂／經修訂香港財務報告準則可能造成之影響，惟尚未能夠合理估計有關準則對本集團財務報表之影響。

### 3. 營業額及收益

按分類確認之營業額及收益分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)
<b>(a) Turnover</b>	<b>(a) 營業額</b>		
<b>Continuing operations</b>			
Net loss on disposal of financial assets at fair value through profit or loss (note 3(c))	持續經營業務 出售於損益帳按公平值處理之財務資產之虧損淨額 (附註3(c))	<b>(80,823)</b>	(52,213)
Finance income from loan receivables	應收貸款之融資收入	<b>9,259</b>	439
		<b>(71,564)</b>	(51,774)
<b>Discontinued operations</b>			
Sale of motor trucks, coaches and vehicle accessories	已終止經營業務 銷售貨車、旅遊巴士及汽車配件	<b>48,966</b>	60,857
Provision of motor vehicle repairs and maintenance services	提供汽車維修及保養服務	<b>5,251</b>	23,728
Fuel commission income	燃料佣金收入	<b>936</b>	3,253
		<b>55,153</b>	87,838

# Notes to the Financial Statements

## 財務報表附註

### 3. TURNOVER AND REVENUE (Continued)

### 3. 營業額及收益 (續)

		2008 二零零八年			2007 二零零七年		
		Continued operations 持續 經營業務 HK\$'000 千港元	Discontinued operations 已終止 經營業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Continued operations 持續 經營業務 HK\$'000 千港元	Discontinued operations 已終止 經營業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
(b) Other income	(b) 其他收入						
Interest income	利息收入	577	152	729	6,267	121	6,388
Gain on disposal of interest in unconsolidated subsidiaries	出售於未綜合附屬公司之 權益之收益	-	-	-	1,422	-	1,422
Negative goodwill recognised on acquisition of associate	收購聯營公司時確認之 負商譽	-	-	-	4,244	-	4,244
Gain on redemption of zero coupon convertible notes	贖回零息票可換 股票據之收益	8,393	-	8,393	6,240	-	6,240
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益	-	-	-	-	83	83
Others	其他	949	141	1,090	345	1,225	1,570
		<b>9,919</b>	<b>293</b>	<b>10,212</b>	<b>18,518</b>	<b>1,429</b>	<b>19,947</b>



### 3. TURNOVER AND REVENUE (Continued)

#### (c) Net loss on disposal of financial assets at fair value through profit or loss

The Group's proceeds from the disposal of financial assets at fair value through profit or loss and the corresponding carrying amount were separated into "Turnover" and "Cost of investments held for trading sold", respectively, in the prior year's consolidated income statement. During the current year, the Group changed its presentation, as in the opinion of the directors, it is more appropriate to present the gain/loss from the disposal of financial assets at fair value through profit or loss in "Turnover" on a net basis. The effect of this change in presentation was to decrease revenue and cost of investment held for trading sold for the year ended 31 December 2008 by HK\$233,935,000, representing the carry amount of investments at fair value through profit or loss disposed of during the year. To conform with the current year's presentation, the carrying amount of financial assets at fair value through profit or loss disposed of for the year ended 31 December 2007 of HK\$720,463,000 has been offset against revenue, resulting in a decrease in revenue and cost of investments held for trading sold for that year by the same amount. This has resulted in no change in the results of the Group in respect of the current and prior year.

### 3. 營業額及收益 (續)

#### (c) 出售於損益帳按公平值處理之財務資產之虧損淨額

於過往年度之綜合收益表，本集團出售於損益帳按公平值處理之財務資產之所得款項及相應之帳面值分別列為「營業額」及「出售持作買賣投資之成本」。由於董事認為於「營業額」內按淨額基準呈列出售於損益帳按公平值處理之財務資產之收益／虧損更為恰當，故本集團於本年度更改有關呈列方式。更改有關呈列方式之影響為使截至二零零八年十二月三十一日止年度之收益及出售持作買賣投資之成本減少233,935,000港元，即於年內所出售於損益帳按公平值處理之投資之帳面值。為符合本年度之呈列方式，截至二零零七年十二月三十一日止年度所出售於損益帳按公平值處理之財務資產之帳面值720,463,000港元已與收益對銷，導致該年度之收益及出售持作買賣投資之成本等額減少。此等變動不會導致本集團於本年及往年之業績有變。

# Notes to the Financial Statements

## 財務報表附註

### 4. LOSS BEFORE TAXATION

This is stated after charging (crediting):

### 4. 除稅前虧損

除稅前虧損經扣除(計入)下列各項後列帳：

	2008			2007		
	Continued operation	Discontinued operation	Total	Continued operation	Discontinued operation	Total
	持續經營業務	已終止經營業務	總計	持續經營業務	已終止經營業務	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
<b>(a) Finance costs</b>	<b>(a) 融資成本</b>					
Interest on interest-bearing borrowings wholly repayable within five years	797	-	797	-	-	-
Interest on interest-bearing borrowings wholly repayable after five years	-	-	-	172	-	172
Amortisation of effective interest on convertible notes	833	-	833	24,000	-	24,000
Interest paid to supplier and broker	-	-	-	78	702	780
	<b>1,630</b>	<b>-</b>	<b>1,630</b>	<b>24,250</b>	<b>702</b>	<b>24,952</b>

# Notes to the Financial Statements

## 財務報表附註

### 4. LOSS BEFORE TAXATION (Continued)

### 4. 除稅前虧損 (續)

		2008 二零零八年			2007 二零零七年		
		Continued operation 持續 經營業務 HK\$'000 千港元	Discontinued operation 已終止 經營業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Continued operation 持續 經營業務 HK\$'000 千港元	Discontinued operation 已終止 經營業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
(b)	Other items		(b)	其他項目			
	Auditor's remuneration	670	150	820	600	370	970
	Depreciation of investment property and property, plant and equipment	134	2,091	2,225	169	2,148	2,317
	Operating lease charges on premises	50	2,309	2,359	14	5,495	5,509
	Share-based payment in respect of share option (note 28(b))	6,239	-	6,239	14,762	-	14,762
	Provision for doubtful debts	44,240	146	44,386	-	61	61
	Allowance for trade and other receivables written back	(98)	(55)	(153)	(311)	(149)	(460)
	Loss (Gain) on exchange	4	(5)	(1)	-	(3)	(3)
	Staff costs, including directors' emoluments:						
	- Salaries and other allowances	10,450	6,156	16,606	3,985	14,265	18,250
	- Contributions to pension schemes	48	277	325	49	638	687
	Impairment of goodwill included in administrative expenses	8,000	-	8,000	67,000	-	67,000
	Allowance on inventories	-	516	516	-	1,932	1,932

# Notes to the Financial Statements

## 財務報表附註

### 5. DIRECTORS' REMUNERATION

The remuneration of the Company's directors is as follows:

### 5. 董事酬金

本公司董事之酬金載列如下：

Name of Director	董事姓名	Appointed during the year	Resigned during the year	Year ended 31 December 2008				2007
				截至二零零八年十二月三十一日止年度				二零零七年
				Basic salaries, allowance and other benefits	Mandatory Provident Fund contribution	Fees	Total	Total
				基本薪金、津貼及其他福利	強制性公積金計劃供款	袍金	總計	總計
				HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				千港元	千港元	千港元	千港元	千港元
Mr. Alistair Macleod	Alistair Macleod先生	-	-	-	-	-	-	90
Mr. Arne Karlsson	Arne Karlsson先生	-	-	-	-	-	-	90
Mr. Cheong Ying Chew	張英潮先生	-	-	-	-	-	-	90
Mr. Lau Siu Ki	劉紹基先生	-	-	-	-	-	-	90
Mr. Wen Louis	溫耒先生	-	-	-	613	-	613	920
Mr. Kelvin Edward Flynn	Kelvin Edward Flynn先生	-	-	-	-	-	-	90
Mr. Fung Kwok Leung	馮國良先生	-	-	-	-	-	-	49
Ms. Huang Li	黃莉女士	-	-	-	-	-	-	29
Mr. Wu Wing Kit	胡永傑先生	-	-	-	-	-	-	5
Ms. Yang Xiao Feng	楊曉峰女士	-	-	-	-	-	-	5
Mr. Sun Ka Ziang	孫克強先生	-	-	-	-	-	-	15
Ms. Yau Shum Tek, Cindy (Note)	邱深笛女士 (附註)	-	27 Feb 二月二十七日	-	100	2	102	431
Mr. Zhou Qi Jin	周奇金先生	-	-	-	360	-	360	253
Ms. Lo Oi Kwok, Sheree	羅愛過女士	-	-	-	520	12	532	376
Mr. Yeung Ming Kwong	楊明光先生	-	-	-	420	12	432	294
Mr. Kwong Wai Tim, William	鄭維添先生	-	-	187	-	-	187	137
Mr. Chung Yuk Lun	鍾育麟先生	-	-	187	-	-	187	137
Mr. Ting Wing Cheung	丁永章先生	-	-	-	420	12	432	269
Ms. Lam Yan Fong, Flora	林欣芳女士	-	-	187	-	-	187	75
Ms. Swartz Kristi Lynn	Swartz Kristi Lynn女士	-	-	187	-	-	187	54
Mr. Lam Kwan Sing	林君誠先生	-	-	-	-	-	-	160
Mr. Zhuang You Dao	莊友道先生	-	-	-	270	-	270	102
				<b>748</b>	<b>2,703</b>	<b>38</b>	<b>3,489</b>	<b>3,761</b>

Note: During the year, the Group paid salaries and allowance of HK\$541,500 to Ms. Yau Shum Tek, Cindy, in which HK\$102,000 was paid for the capacity as director of the Company as disclosed above; the balance was paid during the period of which she was not acting as director of the Company.

附註：年內，本集團向邱深笛女士支付薪金及津貼541,500港元，當中102,000港元乃就其出任本公司董事（如上文所披露）而支付；餘款已於彼不再出任本公司董事之期間支付。

# Notes to the Financial Statements

## 財務報表附註

### 5. DIRECTORS' REMUNERATION (Continued)

No director waived any emoluments during the year. No incentive payment nor compensation for loss of office was paid or payable to any director for the year ended 31 December 2008 (2007: Nil).

### 6. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Among the five individuals with the highest emoluments, three (2007: none) are executive directors whose emoluments are disclosed in note 5.

The emoluments paid to the remaining two (2007: five) individuals during the year were as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,156	6,443
Mandatory Provident Fund scheme contributions	強制性公積金計劃供款	24	24
		<b>1,180</b>	<b>6,467</b>

The emoluments fell within the following band:

		Number of individuals 人數	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	2	–
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	–	5
		<b>2</b>	<b>5</b>

### 5. 董事酬金 (續)

年內並無董事放棄任何酬金。於截至二零零八年十二月三十一日止年度，本集團概無向任何董事支付或應付任何款項作為獎金或離職補償（二零零七年：無）。

### 6. 最高薪人士

五位最高薪人士中，有三位（二零零七年：無）為執行董事，彼等之酬金已於附註5內披露。

年內已付其餘兩位（二零零七年：五位）最高薪人士之酬金如下：

酬金介乎以下範圍：

## 6. INDIVIDUALS WITH HIGHEST EMOLUMENTS

(Continued)

During the year, no payments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office.

## 7. TAXATION

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands. Hong Kong Profits Tax has not been provided in the financial statements as the Company and its subsidiaries either have no assessable profits or have unutilised tax losses to set off against current year's assessable profits both for the years of 2008 and 2007.

### Reconciliation of tax expenses

Loss before taxation from continuing and discontinued operation	持續及已終止經營業務之除稅前虧損
Income tax at Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	按香港利得稅稅率16.5% (二零零七年: 17.5%) 計算之所得稅
Net effect of non-deductible expenses/ tax-exempted revenue	不可扣稅開支/免稅收益之影響淨額
Unrecognised temporary differences	未確認之暫時差額
Utilisation of previously unrecognised tax losses	動用先前未確認之稅項虧損
Unrecognised deferred tax assets in respect of tax losses	有關稅項虧損之未確認遞延稅項資產
Taxation as per income statement	收益表所列之稅項

## 6. 最高薪人士 (續)

年內，本集團並無向五位最高薪人士（包括董事及其他僱員）支付款項，作為鼓勵加盟或加盟本集團時之獎金或離職補償。

## 7. 稅項

本公司於開曼群島註冊成立，並獲豁免繳納開曼群島稅項。由於本公司及其附屬公司於二零零八年及二零零七年並無應課稅溢利，亦無未動用稅項虧損以抵銷本年度之應課稅溢利，故並無於財務報表中計提香港利得稅撥備。

### 稅項開支對帳

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
(274,302)	(333,187)
(45,260)	(58,308)
1,361	23,243
99	206
(265)	(495)
44,065	35,354
-	-

## 8. DISCONTINUED OPERATIONS

Discontinued operations include trading of motor vehicle and vehicle accessories, provision of motor vehicle repairs and maintenance services and provision of fuel chain services.

### (a) Termination of Scania distributorship

Reference is made to the annual report of year 2007 and related announcements. The Group and Scania CV AB agreed to terminate the distributorship of Scania vehicle and accessories in Hong Kong and Macau effective from 1 April 2008. Certain assets of the Group were disposed to Scania at HK\$11,416,000 in aggregate.

### (b) Disposal of U-Drive Company Limited

During the year, the Group disposed of its entire interest in a 93.7% indirectly-held subsidiary, U-Drive Company Limited ("U-Drive"), to Golden Fame International Investments Group Limited, an associate of the Group, at a consideration of HK\$2,000,000 on 30 May 2008 and recognised a gain of approximately HK\$2,000,000. The principal activity of U-Drive was investment holding and provision of fuel chain services to vehicle customers. The profit of U-Drive from 1 January 2008 up to the date of disposal amounting to HK\$823,000 (2007: profit of HK\$2,414,000) has been included in loss from discontinued operation in the income statement. The comparative information in relation to income and cash flow statement and the related notes attributable to discontinued operations have been restated as discontinued operations in the current year.

## 8. 已終止經營業務

已終止經營業務包括買賣汽車及汽車配件、提供汽車維修及保養服務以及提供燃料連鎖服務。

### (a) 終止Scania分銷權

謹請參閱二零零七年年報及相關公佈。本集團與Scania CV AB協定終止有關Scania汽車及配件於港澳地區之分銷權，由二零零八年四月一日起生效。本集團若干資產已按合共11,416,000港元出售予Scania。

### (b) 出售任我行有限公司

年內，本集團於二零零八年五月三十日向本集團之聯營公司金信環球投資集團有限公司出售本集團於任我行有限公司（「任我行」，本集團間接持有93.7%權益之附屬公司）之全部權益，代價為2,000,000港元，並確認收益約2,000,000港元。任我行之主要業務為投資控股及向汽車客戶提供燃料連鎖服務。由二零零八年一月一日至出售日期止，任我行之溢利823,000港元（二零零七年：溢利2,414,000港元）已於收益表中計入已終止經營業務之虧損。收益表及現金流量表中有關已終止經營業務之比較資料及相關附註已於本年度重列為已終止經營業務。

## 8. DISCONTINUED OPERATIONS (Continued)

### (c) Analysis of loss for the year from discontinued operation

The combined results of the discontinued operations included in the income statement are set out below. The comparative information in relation to income and cash flow statement and related notes attributable to discontinued operations have been restated as discontinued operation, where necessary, in the current year.

## 8. 已終止經營業務 (續)

### (c) 已終止經營業務之年內虧損分析

計入收益表之已終止經營業務合併業績載於下文。收益表及現金流量表中有關已終止經營業務之比較資料及相關附註已於本年度重列為已終止經營業務(如有需要)。

		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
<b>Loss for the year from discontinued operations</b>	<b>已終止經營業務之年內虧損</b>			
Turnover	營業額	3	55,153	87,838
Less: Cost of sales	減: 銷售成本		(51,031)	(73,930)
			4,122	13,908
Other income	其他收入	3	293	1,429
Expenses	開支		(13,057)	(24,741)
Loss before taxation	除稅前虧損		(8,642)	(9,404)
Taxation	稅項		-	-
Loss for the year from discontinued operations	已終止經營業務之年內虧損		(8,642)	(9,404)
<b>Cash flows from discontinued operations</b>	<b>已終止經營業務之現金流量</b>			
Net cash flows generated from (used in) operating activities	經營業務所得(所用)現金流量淨額		16,471	(21,651)
Net cash flows generated from (used in) investing activities	投資活動所得(所用)現金流量淨額		1,968	(1,826)
Net cash flows (used in) generated from financing activities	融資活動(所用)所得現金流量淨額		(12,970)	23,549
Net cash inflows	現金流入淨額		5,469	72



## 8. DISCONTINUED OPERATIONS (Continued)

### (d) Interest in a subsidiary held for sale

On 1 April 2008, the Group entered into an agreement with Scania in relation to the disposal of a subsidiary in PRC amounting to approximately HK\$2,200,000 to a subsidiary of Scania. The Group's interest in this subsidiary of HK\$2,315,000 was reclassified as held for sale in the financial statements of year 2007.

Since certain conditions as set out in the agreement have not been fulfilled within nine months after the date of agreement, the agreement was deemed to be terminated and ceased to have effect. Accordingly, the interest in this subsidiary is no longer classified as held for sale as at 31 December 2008.

### (e) Assets reclassified as held for sale

As required by HKFRSs, the Group has reclassified property, plant and equipment, inventories to be disposed to Scania as assets held for sale in the financial statements of year 2007:

## 8. 已終止經營業務 (續)

### (d) 持作出售於附屬公司之權益

於二零零八年四月一日，本集團與Scania就向Scania一間附屬公司出售約2,200,000港元之中國附屬公司訂立一項協議。本集團於此附屬公司之權益2,315,000港元已於二零零七年之財務報表中重新分類為持作出售。

由於該協議所載之若干條件未能於協議日期起計九個月內達成，故該協議被視為已終止及失效。因此，於二零零八年十二月三十一日，於此附屬公司之權益不再分類為持作出售。

### (e) 重新分類為持作出售之資產

按照香港財務報告準則之規定，本集團已於二零零七年之財務報表中將出售予Scania之物業、廠房及設備以及存貨重新分類為持作出售之資產：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Property, plant and equipment held for sale	持作出售之物業、廠房及設備	-	1,937
Inventories held for sale	持作出售之存貨	-	4,355
		-	6,292

These assets were disposed of to Scania during the year.

該等資產已於年內出售予Scania。

## 9. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The loss attributable to equity holders of the parent includes a loss of approximately HK\$244,028,000 (2007: HK\$364,058,000) which has been dealt with in the financial statements of the Company.

## 10. LOSS PER SHARE

### Weighted average number of shares

The calculation of basic loss per share is based on the weighted average number of ordinary shares of 840,089,000 shares (2007 (restated): 314,572,000 shares) in issue during the year.

The weighted average number of ordinary shares adopted in the calculation of the basic loss per share for the years of 2008 and 2007 has been adjusted to reflect the impact of the rights issues effected in January 2008 and the capital reorganisation effected in October 2008.

### From continuing operations

The calculation of the basic loss per share from continuing operations attributable to shareholders is based on the loss for the year from continuing operations of HK\$265,660,000 (2007 (restated): HK\$323,783,000) and the denominators detailed above in respect of weighted average number of shares.

### From discontinued operations

Basic loss per share for the discontinued operations was HK\$1.03 cents (2007: HK\$2.99 cents) per share based on the loss for the year from the discontinued operations of HK\$8,642,000 (2007 (restated): HK\$9,404,000) and the denominators detailed above in respect of weighted average number of shares.

### Diluted loss per share

No diluted loss per share is presented for years of 2008 and 2007 as the effect of all potential ordinary shares held at the balance sheet date is anti-dilutive.

## 9. 母公司股權持有人應佔虧損

母公司股權持有人應佔虧損包括約 244,028,000 港元 (二零零七年: 364,058,000 港元) 之虧損, 有關虧損已於本公司財務報表中處理。

## 10. 每股虧損

### 加權平均股數

每股基本虧損乃按年內已發行 840,089,000 股 (二零零七年 (重列): 314,572,000 股) 普通股加權平均數計算。

計算二零零八年及二零零七年每股基本虧損所採用之普通股加權平均數經已調整, 以反映於二零零八年一月生效之供股及於二零零八年十月生效之資本重組之影響。

### 來自持續經營業務

股東應佔來自持續經營業務之每股基本虧損乃根據持續經營業務之年內虧損 265,660,000 港元 (二零零七年 (重列): 323,783,000 港元) 及上文所詳述之加權平均股數計算。

### 來自已終止經營業務

已終止經營業務之每股基本虧損為每股 1.03 港仙 (二零零七年: 2.99 港仙), 乃根據已終止經營業務之年內虧損 8,642,000 港元 (二零零七年 (重列): 9,404,000 港元) 及上文所詳述之加權平均股數計算。

### 每股攤薄虧損

由於在結算日持有之所有潛在普通股具反攤薄影響, 故並無呈列二零零八年及二零零七年之每股攤薄虧損。

Notes to the Financial Statements  
財務報表附註

11. INVESTMENT PROPERTIES

11. 投資物業

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Carrying amount</b>	<b>帳面值</b>		
At beginning of year	於年初	30,065	-
Additions during the year	年內添置	-	30,234
Depreciation	折舊	(134)	(169)
Disposal of subsidiaries	出售附屬公司	(29,931)	-
		<u>-</u>	<u>-</u>
At balance sheet date	於結算日	<u>-</u>	<u>30,065</u>
Cost	成本	-	30,234
Accumulated depreciation and impairment losses	累計折舊及減值虧損	-	(169)
		<u>-</u>	<u>(169)</u>
		<u>-</u>	<u>30,065</u>
Fair value	公平值	<u>-</u>	<u>35,000</u>

The Company's investment properties were situated at Rm.2201-3 and Rm.2205-9, 22/F, China United Centre, 28 Marble Road, North Point, Hong Kong and held under long term leases. In April 2008, the Group disposed of its interest in the subsidiary which held the foregoing investment properties.

本公司之投資物業位於香港北角馬寶道28號華匯中心22樓2201至3室及2205至9室，以長期租賃持有。於二零零八年四月，本集團已出售其於持有上述投資物業之附屬公司之權益。

Notes to the Financial Statements  
財務報表附註

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At beginning of year 2007	於二零零七年初	2,555	579	390	3,524
Additions	添置	453	843	613	1,909
Disposals	出售	-	-	(1)	(1)
Reclassified as assets held for sale	重新分類為持作出售資產	(1,106)	(662)	(169)	(1,937)
Reclassified as interest in a subsidiary held for sale	重新分類為於持作出售附屬公司之權益	-	(60)	(113)	(173)
Depreciation charged for the year	年內折舊支出	(1,615)	(316)	(217)	(2,148)
Translation adjustments	匯兌調整	1	1	11	13
		<u>288</u>	<u>385</u>	<u>514</u>	<u>1,187</u>
At 31 December 2007	於二零零七年十二月三十一日				
Cost	成本	781	1,831	1,160	3,772
Accumulated depreciation	累計折舊	(493)	(1,446)	(646)	(2,585)
		<u>288</u>	<u>385</u>	<u>514</u>	<u>1,187</u>
At beginning of year 2008	於二零零八年初	288	385	514	1,187
Additions	添置	1,245	489	1,891	3,625
Disposals	出售	(222)	(11)	(200)	(433)
Reclassified from assets held for sale	從持作出售資產重新分類	-	114	118	232
Reclassified as assets held for sale	重新分類為持作出售資產	-	(202)	-	(202)
Depreciation charged for the year	年內折舊支出	(1,180)	(234)	(677)	(2,091)
Disposal of a subsidiary	出售一間附屬公司	-	(2)	-	(2)
		<u>131</u>	<u>539</u>	<u>1,646</u>	<u>2,316</u>
At 31 December 2008	於二零零八年十二月三十一日				
Cost	成本	1,247	1,411	2,371	5,029
Accumulated depreciation	累計折舊	(1,116)	(872)	(725)	(2,713)
		<u>131</u>	<u>539</u>	<u>1,646</u>	<u>2,316</u>

# Notes to the Financial Statements

## 財務報表附註

### 13. INTERESTS IN ASSOCIATES

The interests of the Group in the associates is set out below:

		As at 31 December 2008 於二零零八年十二月三十一日			As at 31 December 2007 於二零零七年十二月三十一日		
		Tianjin			Tianjin		
		Golden Fame	Kai Sheng	Total	Golden Fame	Kai Sheng	Total
		金信	天津市凱聲	總計	金信	天津市凱聲	總計
		HK\$'000	HK\$'000	HK'000	HK'000	HK'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Share of net assets	分佔資產淨值	33,521	3,697	37,218	32,754	-	32,754

Details of the associates at the balance sheet date are as follows:

### 13. 於聯營公司之權益

本集團於聯營公司之權益載列如下：

於結算日之聯營公司詳情如下：

Name of associates	Form of business	Principal place of operation/ Place of incorporation	Proportion of registered capital and voting power held by the Group	Principal activities
聯營公司名稱	業務形式	主要營運地點/ 註冊成立地點	本集團所持註冊資本及投票權所佔比例	主要業務
Tianjin Kai Sheng Automobile Service Co. Limited ("Tianjin Kai Sheng")	Incorporate	PRC	50%	Provision of repair service for automobile and distribution of Nissan motor vehicles
天津市凱聲汽車維修有限公司 ("天津市凱聲")	法團	中國		提供汽車維修服務及分銷日產汽車
Golden Fame International Investments Group Limited ("Golden Fame")	Incorporate	Hong Kong	40%	Logistic business
金信環球投資集團有限公司 ("金信")	法團	香港		物流業務

# Notes to the Financial Statements

## 財務報表附註

### 13. INTERESTS IN ASSOCIATES (Continued)

Summary of financial information of associates are as follows:

		Golden Fame 金信		Tianjin Kai Sheng 天津市凱聲		Total 總計	
		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	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Share of associates' assets and liabilities</b>	<b>分佔聯營公司資產及負債</b>						
Non-current assets	非流動資產	28,045	23,028	21,841	6,379	49,886	29,407
Current assets	流動資產	94,193	78,450	33,110	37,212	127,303	115,662
Non-current liabilities	非流動負債	(62,058)	(11,489)	-	-	(62,058)	(11,489)
Current liabilities	流動負債	(20,551)	(50,917)	(48,120)	(44,042)	(68,671)	(94,959)
Minority interest	少數股東權益	(6,108)	(6,318)	(3,134)	(4,005)	(9,242)	(10,323)
<b>Share of associates' revenue and profit</b>	<b>分佔聯營公司收益及溢利</b>						
Revenue	收益	224,362	39,779	154,714	17,301	379,076	57,080
Profit (Loss)	溢利(虧損)	767	1,860	3,697	(229)	4,464	1,631

Tianjin Kai Sheng had net liabilities at the date of acquisition and goodwill amounted to HK\$20,000,000 has been recognised. The Group has not recognised the losses of HK\$229,000 in Tianjin Kai Sheng and its subsidiaries in year 2007 since the group's share of losses of the associates has exceed the Group's interest in these associates.

During the year, the Group assessed the recoverable amount of goodwill and determined that goodwill associated with the Group's interest in Tianjin Kai Sheng was impaired by HK\$8,000,000 (2007: HK\$12,000,000).

Under clause 5 of the acquisition agreement of Golden Fame, the guarantor, who is the 40% equity owner in Golden Fame, has guaranteed in the event that Golden Fame's yearly profits before tax for the two years period from 1 January 2008 to 31 December 2009 falls below HK\$12,000,000, he will compensate the shortfall to Golden Fame which will eventually increase the Group's share of Golden Fame's net assets.

### 13. 於聯營公司之權益 (續)

各聯營公司之財務資料概要如下：

於收購日期天津市凱聲錄得負債淨額，因此已確認商譽20,000,000港元。由於本集團分佔聯營公司虧損超出本集團於該等聯營公司之權益，故本集團並無確認天津市凱聲及其附屬公司於二零零七年之虧損229,000港元。

年內，本集團已評估商譽之可收回金額，並釐定與本集團於天津市凱聲之權益相關之商譽已減值8,000,000港元(二零零七年：12,000,000港元)。

根據金信收購協議第5款，擔保人(為金信40%股權之擁有人)已作出擔保，倘若金信由二零零八年一月一日起至二零零九年十二月三十一日止兩個年度期間之每年除稅前溢利低於12,000,000港元，擔保人將向金信補貼不足之數，此舉將最終增加本集團分佔之金信資產淨值。

# Notes to the Financial Statements

## 財務報表附註

### 14. GOODWILL

### 14. 商譽

		As at 31 December 2008 於二零零八年十二月三十一日			As at 31 December 2007 於二零零七年十二月三十一日		
		Tianjin Kai Sheng 天津市凱聲	Natural Harvest 盛然	Total 總計	Tianjin Kai Sheng 天津市凱聲	Natural Harvest 盛然	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Carrying value</b>	<b>帳面值</b>						
Acquisition of subsidiary/ associates	收購附屬公司/ 聯營公司	20,000	55,000	75,000	20,000	55,000	75,000
Less: Impairment loss	減：減值虧損	(20,000)	(55,000)	(75,000)	(12,000)	(55,000)	(67,000)
At balance sheet date	於結算日	-	-	-	8,000	-	8,000
		(Note 14(b)) (附註14(b))	(Note 15(a)) (附註15(a))				

#### Notes:

- (a) Goodwill is related to the Group's acquisition of Tianjin Kai Sheng Automobile Service Company Limited and Natural Harvest Investment Limited.
- (b) The recoverable amounts of the cash generating units containing goodwill have been determined based on a value in use calculation. The value in use is calculated based on discounted cash flow projections, which are prepared on the basis of financial budgets approved by management covering a 5-year period and a discount rate of 10% per annum.

By reference to the cash flow projection, management considered the carrying amount of goodwill of HK\$8,000,000 arisen from the acquisition of Tianjin Kai Sheng would not generate future economic benefit to the Group. A further impairment loss of HK\$8,000,000 (2007: HK\$12,000,000) has been recognised.

#### 附註：

- (a) 商譽與本集團收購天津市凱聲汽車維修有限公司及盛然投資有限公司有關。
- (b) 該等現金產生單位之可收回金額（包括商譽）根據使用價值計算法釐定。使用價值根據折現現金流量預測計算，有關預測以管理層批准之五年財政預算及折現率每年10%編製。

參照現金流量預測，管理層認為因收購天津市凱聲而產生之商譽之帳面值8,000,000港元不會為本集團帶來未來經濟利益，故已進一步確認減值虧損8,000,000港元（二零零七年：12,000,000港元）。

Notes to the Financial Statements  
財務報表附註

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

15. 可供出售財務資產

	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
<b>At cost less impairment loss</b>	<b>按成本減去減值虧損</b>			
Unlisted equity interest in Taiwan, at cost	6,908	6,908	6,908	6,908
Unlisted equity interest in Hong Kong at cost (note15(a))	25,000	25,000	-	-
Impairment loss recognised	(31,908)	(31,908)	(6,908)	(6,908)
	-	-	-	-

The unlisted investments represented long-term investments in unlisted equity securities issued by private entities.

非上市投資指於私人實體發行之非上市股本證券之長期投資。



## 15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(Continued)

### (a) Acquisition of interest in a Sino-foreign equity joint venture

Reference is made to the annual report of year 2007. The Group acquired the entire share capital of Natural Harvest Investments Limited, which holds 61.25% in Talenteam Development Limited (“**Talenteam**”) and on completion of the transaction, Talenteam holds 80% in China Railway Information and Technology Limited (collectively referred to as the “China Railway” or “Project”). Upon the completion of this acquisition, the Group’s effective interest in China Railway would be 49%. However, these entities were treated as subsidiaries of the Company as the Company had control over the board composition of them.

The consideration was HK\$80,000,000 which had been fully paid on 7 September 2007. The registered capital of China Railway is HK\$200,000,000 of which HK\$50,000,000 had been paid up. Under a joint venture agreement, Talenteam was committed to pay an additional capital contribution requirement of HK\$150,000,000.

Since the Group’s effective interest in China Railway is 49%, the equity interest attributable to the Group was approximately HK\$25 million. Upon acquisition, the excess of HK\$55,000,000 representing the excess of the HK\$80,000,000 consideration paid over the Group’s HK\$25,000,000 share of the interest in China Railway and was recognised as goodwill.

In November 2007, Management considered they had lost control over these entities and the Project was suspended.

## 15. 可供出售財務資產 (續)

### (a) 收購中外合資企業之權益

謹請參閱二零零七年年報。本集團收購盛然投資有限公司全部股本。盛然投資有限公司持有德天發展有限公司(「德天」)61.25%權益，而於交易完成後，德天持有鐵流網資訊技術有限公司(統稱「鐵流網」或「該項目」)之80%權益。是次收購完成後，本集團於鐵流網之實際權益應為49%。然而，由於本公司擁有該等附屬公司董事會組成之控制權，故該等實體被視為本公司之附屬公司。

代價80,000,000港元已於二零零七年九月七日悉數支付。鐵流網之註冊資本為200,000,000港元，其中50,000,000港元已繳足。根據合資協議，德天承諾支付規定之額外注資150,000,000港元。

由於本集團擁有鐵流網之49%實際權益，本集團應佔其股本權益約為25,000,000港元。收購後，已付代價80,000,000港元較本集團應佔鐵流網之權益25,000,000港元超出55,000,000港元，有關金額已確認為商譽。

於二零零七年十一月，管理層認為已經喪失對此等實體之控制權，而該項目亦已暫停。

## 15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(Continued)

### (a) Acquisition of interest in a Sino-foreign equity joint venture (Continued)

Management considered the goodwill of HK\$55,000,000 as mentioned above would not generate future economic benefit to the Group. A full impairment loss had been recognised immediately, leaving a net carrying amount of HK\$25,000,000 of interest in China Railway.

According to HKAS 27, a parent loses control when it lost the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities. The lost of control can occur with or without a change in absolute or relative ownership in an investee. Management considered the lost of control occurred in November 2007 and therefore the remaining interest in China Railway of HK\$25,000,000 had been reclassified as available for sale financial instrument under HKFRS 39 subject to impairment review. Management considered the chance of recovering the Project as remote and had made a further impairment loss of HK\$25,000,000 in 2007 against the remaining interest in China Railway.

The PRC investment partner has submitted an arbitration proceedings in PRC against the Talenteam demanding the remaining HK\$150,000,000 additional capital injection as mentioned above plus related interests of RMB2,250,000 and pecuniary loss of HK\$150,000,000 resulted from the suspension of the ticketing project. Management has filed a defence to deny against the claim and on 25 June 2008, the PRC investment partner has submitted an application to the China International Economic and Trade Arbitration Commission (the “**Arbitration Commission**”) to withdraw the claim. Talenteam received notification dated 4 July 2008 from the Arbitration Commission regarding the withdrawal of such arbitration proceedings from the PRC investment partner. According to PRC legal opinion, the Group would no longer be liable to any additional capital injection to the Project.

## 15. 可供出售財務資產 (續)

### (a) 收購中外合資企業之權益 (續)

董事認為上述商譽55,000,000港元將不會為本集團帶來未來經濟利益，故已即時確認全數減值虧損，僅餘於鐵流網之權益之帳面淨值25,000,000港元。

根據香港會計準則第27號，母公司一旦喪失監管被投資方財務及營運政策之權力以自其業務中獲取利益，即代表喪失控制權。喪失控制權可能會亦可能不會導致被投資方之絕對或相對擁有權變動。管理層認為於二零零七年十一月已喪失控制權，故於鐵流網之餘下權益25,000,000港元已根據香港財務報告準則第39號重新分類為可供出售財務工具，須予檢討減值。管理層認為收回該項目之機會甚微，故已於二零零七年就鐵流網之餘下權益進一步確認減值虧損25,000,000港元。

中方投資夥伴已於中國向德天提出仲裁程序，要求申索上述額外注資之餘額150,000,000港元，另加相關利息人民幣2,250,000元及因售票項目暫停而引致之經濟損失150,000,000港元。管理層已就有關申索提出否認控罪答辯，而於二零零八年六月二十五日，中方投資夥伴向中國國際經濟貿易仲裁委員會（「**仲裁委員會**」）提出申請以撤回申索。德天收到仲裁委員會於二零零八年七月四日發出之通知，指中方投資夥伴已撤回該仲裁程序。根據中國法律意見，本集團再無責任向該項目作出額外注資。

Notes to the Financial Statements  
財務報表附註

**16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Held for trading	持作買賣		
Equity securities listed in Hong Kong	香港上市股本證券	<b>98,748</b>	209,975

The fair value of listed equity securities is based on quoted market prices in active markets at the balance sheet date.

**16. 於損益帳按公平值處理之財務資產**

上市股本證券之公平值乃根據結算日在活躍市場所報之市價計算。

**17. INTERESTS IN SUBSIDIARIES**

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	-	-
Amounts due from subsidiaries	應收附屬公司款項	<b>958,310</b>	952,381
		<b>958,310</b>	952,381
Less: Provision for amounts due from subsidiaries	減：應收附屬公司款項撥備	<b>(745,848)</b>	(510,925)
		<b>212,462</b>	441,456

The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed repayment term.

應收附屬公司款項為無抵押、免息及無固定還款期。

# Notes to the Financial Statements

## 財務報表附註

### 17. INTERESTS IN SUBSIDIARIES (Continued)

Details of the Company's principal subsidiaries at 31 December 2008 were as follows:

### 17. 於附屬公司之權益 (續)

本公司主要附屬公司於二零零八年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
<b>Continuing operations</b> 持續經營業務					
Crown Creation Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Cybergear Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Forefront Finance Co Limited 福方財務有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	-	100%	Licensed money-lending 持牌放債
Great Journey Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Leapfly Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Loyal Fine Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
Merrier Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Natural Harvest Investments Limited 盛然投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股

# Notes to the Financial Statements

## 財務報表附註

### 17. INTERESTS IN SUBSIDIARIES (Continued)

### 17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
<b>Continuing operations (Continued)</b> 持續經營業務 (續)					
Ready Capital Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Sino Wealthy Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Trading of securities 證券買賣
Smart Oriental Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Suntrend China Limited 新怡中國有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	Investment holding 投資控股
Talenteam Development Limited 德天發展有限公司	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	-	61.25%	Investment holding 投資控股
<b>Discontinued operation</b> 已終止經營業務					
Allen Motor Co, Limited	Hong Kong	HK\$2	-	100%	Provision of agency services for insurance and financing of motor vehicles
亞倫車行有限公司	香港	2港元			提供汽車保險及融資代 理服務

# Notes to the Financial Statements

## 財務報表附註

### 17. INTERESTS IN SUBSIDIARIES (Continued)

### 17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
<b>Discontinued operation (Continued)</b> 已終止經營業務 (續)					
Forefront Automotive Services Company Limited	Hong Kong	HK\$20	-	100%	Trading of motor vehicle accessories and provision of motor vehicle repairs and maintenance
福方汽車服務有限公司	香港	20港元			汽車零配件貿易及提供汽車維修保養服務
Forefront International (Hong Kong) Limited	Hong Kong	HK\$100,000 Ordinary share HK\$6,000,000 Non-voting deferred shares (i)	-	100%	Trading of motor trucks and coaches
福方(香港)有限公司	香港	100,000港元 普通股 6,000,000港元 無投票權 遞延股份(i)			貨車及旅遊巴士貿易
福方汽車服務(深圳)有限公司	Mainland China  中國內地	HK\$3,500,000(ii)  3,500,000港元(ii)	-	100%	Trading of motor Trucks, coaches and vehicle Accessories 貨車、旅遊巴士及汽車零配件貿易

# Notes to the Financial Statements

## 財務報表附註

### 17. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

- (i) Holders of deferred shares have no rights to vote at general meetings or receive any dividend. Upon winding up, they are entitled to one half of the balance of the company's assets after HK\$100,000,000,000 has been distributed to holders of ordinary shares.

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

17(a) The amounts due to subsidiaries are unsecured, non-interest bearing and have no fixed repayment term.

### 18. INVENTORIES

### 17. 於附屬公司之權益 (續)

附註：

- (i) 遞延股份之持有人無權在股東大會上投票，亦無權收取任何股息。在清盤時，該公司資產中100,000,000,000港元將首先用於分派予普通股之持有人，而餘額之一半由遞延股份之持有人享有。

各附屬公司於截至二零零八年十二月三十一日止年度內任何時間並無任何已發行借貸資本。

17(a) 應付附屬公司款項為無抵押、免息及無固定還款期。

### 18. 存貨

		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
Motor trucks and coaches	貨車及旅遊巴士	7,175	32,833
Vehicle accessories	汽車配件	123	4,241
		<b>7,298</b>	37,074
Less: Provision for obsolete and slow-moving inventories	減：陳舊及滯銷存貨撥備	<b>(516)</b>	(4,449)
		<b>6,782</b>	32,625

# Notes to the Financial Statements

## 財務報表附註

### 19. LOAN RECEIVABLES

Loans granted to borrowers are repayable according to repayment schedules. The balance comprises loans receivable from:

		Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Third parties	第三方	(a)	79,969	—
Allowance for doubtful debts	呆帳撥備	(b)	(44,240)	—
Balances due within one year included in current assets	計入流動資產、於一年內 到期之結餘		35,729	—

Notes:

- (a) At the balance sheet date, loan receivables (1) carry effective interest rates ranging from 2% per month to prime rate plus 4% per annum (2007: from prime rate to prime rate plus 4% per annum); (2) include balance of HK\$31,583,000 which is overdue and secured by a legal charge over properties and share charges (note c); (3) include loan balance of HK\$1,525,000 which is overdue; (4) include loan balances of HK\$46,861,000 which are within the respective maturity dates (2007: none); (5) include loan balances of HK\$30,707,000 which are secured by the borrowers' net interests in their account maintained with a securities broker (2007: none); and (6) include loan balances of HK\$17,678,000 which are not secured by any collaterals (2007: None).

### 19. 應收貸款

借款人獲授之貸款須按照還款時間表償還。有關結餘包括來自下列各方之應收貸款：

	Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Third parties	(a)	79,969	—
Allowance for doubtful debts	(b)	(44,240)	—
Balances due within one year included in current assets		35,729	—

附註：

- (a) 於結算日，應收貸款(1)之實際利率介乎每月2厘至最優惠利率加年利率4厘(二零零七年：介乎最優惠利率至最優惠利率加年利率4厘)；(2)包括結餘31,583,000港元，乃逾期未付，並以物業之法定押記及股份押記作擔保(附註c)；(3)包括貸款結餘1,525,000港元，乃逾期未付；(4)包括貸款結餘46,861,000港元，有多個到期日(二零零七年：無)；(5)包括貸款結餘30,707,000港元，乃以借款人證券經紀帳戶內之淨權益作擔保(二零零七年：無)；及(6)包括貸款結餘17,678,000港元，並無以任何抵押品作擔保(二零零七年：無)。



# Notes to the Financial Statements

## 財務報表附註

### 19. LOAN RECEIVABLES (Continued)

- (b) The directors assessed the collectability of loans receivable at the balance sheet date individually with reference to borrowers' past collection history and current creditworthiness. An amount of HK\$44,240,000 (2007: Nil) in respect of five loans was determined to be impaired as a result of the assessment. In the directors' opinion, there was no indication of deterioration in the collectability of the remaining amount of HK\$35,729,000 and thus no additional allowance was considered necessary.
- (c) During the year, the Group made a loan of HK\$27,500,000 to a third party ("the Borrower"). The loan is secured by (i) guarantee from the Chairman of The Borrower; (ii) charges on all issued shares capital of two subsidiaries of the Borrower; and (iii) first legal charge on properties indirectly owned by the Borrower.

At the time entering into the foregoing loan agreement, the Group also entered into a participation agreement with another third party (the "Participant") to accept the Participant in participating in such loan to the extent of HK\$7,500,000 and received HK\$7,500,000 remitted from the Participant, which has been recorded as other payable. Pursuant to the participation agreement, in the event of the default of the Borrower, the Participant will entitle to 27.27% of the right to (i) the accrued loan interest; and (ii) the proceeds from realisation of the properties under legal charges.

In September 2008, the Borrower defaulted the loan repayment. Pursuant to the loan agreement, the legal title of the shares of a subsidiary of the Borrower has been transferred to one of the Group's subsidiaries in order to enforce the legal charge on properties mentioned above, without the intention to control this subsidiary.

The Group has taken legal action for recovering the loan. Pursuant to the Court Order dated 3 March 2009, the Borrower is required to deliver up to the Group the vacant possession of the properties comprised the legal charge. In assessing the fair value of the properties, the directors have made reference to a valuation report issued by an independent valuer, which estimates the value of the properties under repossession to be HK\$17,000,000. Pursuant to the participation agreement with the Participant, upon realisation of the properties, the Participant will entitle to 27.27% of the distribution of the proceeds. After deducting the HK\$7,500,000 received from the Participant as well as the legal costs payable to the receiver, the directors estimate that there would be a shortfall of HK\$8,000,000 which has been fully provided against the Loan receivables in the financial statements. The Group has made full provision against the interests of HK\$5,600,000 accrued on the said loan.

### 19. 應收貸款 (續)

- (b) 董事於結算日參照借款人過往之還款紀錄及現時之信用程度，個別評估能否收回應收貸款。於評估後，一筆涉及五項貸款之44,240,000港元款項被釐定為經已減值（二零零七年：無）。董事認為並無跡象顯示收回餘額35,729,000港元方面出現問題，故無須作出額外撥備。
- (c) 年內，本集團向一名第三方（「借款人」）借出一筆27,500,000港元之貸款。該筆貸款以(i)借款人之主席提供之擔保；(ii)有關借款人兩間附屬公司全部已發行股本之押記；及(iii)有關由借客人間接擁有之物業之第一法定押記作擔保。

於訂立上述貸款協議同時，本集團亦與另一名第三方（「參與方」）訂立參與協議，接受參與方參與提供該筆貸款中最多7,500,000港元。本集團已收取參與方匯入之7,500,000港元，並已將之記錄為其他應付款項。根據參與協議，倘借款人失責，參與方將有權享有(i)應計貸款利息；及(ii)變現法定押記所涉及物業之所得款項中之27.27%。

於二零零八年九月，借款人欠繳貸款還款額。根據貸款協議，本集團其中一間附屬公司獲轉讓借客人一間附屬公司股份之法定所有權，以強制執行上述物業之法定押記，而非有意控制該附屬公司。

本集團已就收回貸款採取法律行動。根據日期為二零零九年三月三日之法令，借款人須向本集團交出法定押記下物業之管有權。董事於評估物業之公平值時已參考獨立估值師發出之估值報告，而該估值師估計管有中之物業之價值為17,000,000港元。根據與參與方訂立之參與協議，參與方可於物業變現時享有所得款項之27.27%分派。於扣除自參與方收取之7,500,000港元及應付財產接收人之法律成本後，董事估計會出現8,000,000港元差額，有關不足之數已於財務報表內之應收貸款作出全數撥備。本集團已就該貸款應計之5,600,000港元利息作出全數撥備。

Notes to the Financial Statements  
財務報表附註

20. TRADE AND OTHER RECEIVABLES

20. 應收貿易帳款及其他應收款項

		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 (note a)	應收貿易帳款 (附註a)	12	9,460	-	-
Other receivables	其他應收款項				
Deposits, prepayments and other debtors	按金、預付款項及其他應收帳款	8,763	10,017	8	36
Due from an associate (note b)	應收一間聯營公司款項 (附註b)	5,290	-	-	-
Deposit paid on a proposed investment (note c)	就建議投資支付之按金 (附註c)	9,776	-	-	-
		<b>23,841</b>	<b>19,477</b>	<b>8</b>	<b>36</b>

(a) The Group grants to its customers credit terms ranging from 1 to 3 months. The ageing analysis of the trade receivables at the balance sheet date is as follows:

(a) 本集團給予客戶之信貸期介乎一至三個月不等。應收貿易帳款於結算日之帳齡分析如下：

		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
0 to under 3 months	零至不超過三個月	-	9,190
3 to under 6 months	三個月至不超過六個月	-	268
6 to under 9 months	六個月至不超過九個月	-	104
9 to under 12 months	九個月至不超過十二個月	13	-
Over 12 months	超過十二個月	5,072	5,453
		<b>5,085</b>	15,015
Less: Allowance on bad and doubtful debts	減：呆壞帳撥備	(5,073)	(5,555)
		<b>12</b>	<b>9,460</b>

# Notes to the Financial Statements

## 財務報表附註

### 20. TRADE AND OTHER RECEIVABLES (Continued)

(a) (Continued)

Movement for provision for bad and doubtful debts is listed below:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At beginning of year 2008	於二零零八年初	5,555	5,732
Impairment loss recognised	已確認之減值虧損	45	-
Reversal of impairment loss previously recognised	撥回以往確認之減值虧損	(194)	(177)
Disposal of a subsidiary	出售一間附屬公司	(333)	-
As at 31 December 2008	於二零零八年十二月三十一日	<u>5,073</u>	<u>5,555</u>

The analysis of trade receivables that were past due but not impaired 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
Neither past due nor impaired	未逾期亦未減值	-	8,223
Past due but not impaired	逾期未付但無減值		
1-90 days	1至90天	-	1,136
91-180 days	91至180天	-	55
181-360 days	181至360天	12	46
		<u>12</u>	<u>9,460</u>

The Group's neither past due nor impaired trade receivables represent sales made to recognised and creditworthy customers.

### 20. 應收貿易帳款及其他應收款項 (續)

(a) (續)

呆壞帳撥備之變動載列如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At beginning of year 2008	於二零零八年初	5,555	5,732
Impairment loss recognised	已確認之減值虧損	45	-
Reversal of impairment loss previously recognised	撥回以往確認之減值虧損	(194)	(177)
Disposal of a subsidiary	出售一間附屬公司	(333)	-
As at 31 December 2008	於二零零八年十二月三十一日	<u>5,073</u>	<u>5,555</u>

逾期未付但無減值之應收貿易帳款分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	-	8,223
Past due but not impaired	逾期未付但無減值		
1-90 days	1至90天	-	1,136
91-180 days	91至180天	-	55
181-360 days	181至360天	12	46
		<u>12</u>	<u>9,460</u>

本集團未逾期亦未減值之應收貿易帳款乃向穩健而信譽良好之客戶進行之銷售。

## 20. TRADE AND OTHER RECEIVABLES (Continued)

(b) The amount due from an associate is unsecured, bearing interest at prime rate plus 2% per annum and repayable in 2010. During the year, the Group has received interest income in respect of the amount due amounting to HK\$290,000 (2007: HK\$Nil).

### (c) Deposit paid on a proposed investment

On 26 August 2008, the Group entered into a subscription agreement (the “**Subscription Agreement**”) with Excel Way Investments Limited (“Excel Way”) and Mr. Yeung Ming Kwong (“**Mr. Yeung**”), the director of the Company. Pursuant to the subscription agreement, Excel Way agreed to allot and issue and the Group agreed to subscribe the subscription shares, representing 51% of the enlarged issued share capital of Excel Way. Excel Way is wholly-owned by Shinning Global Worldwide Limited, which in turn is held as to 51% by Mr. Yeung.

Excel Way has entered into joint venture agreement with a PRC investment partner and under the agreement, Excel Way holds 42.86% of the register capital of a PRC JV, Tinhua Excel Way Special Fiber (Xintai) Company Limited (“**Tinhua**”). Under the joint venture agreement, the PRC investment partner has contributed US\$10,000,000 by way of machinery and held 57.14% of the registered capital of Tinhua. Excel Way is required to make capital contribution of US\$7,500,000 in cash. Tinhua’s registered capital will be increased to US\$24,000,000 through additional cash contribution by Excel Way and the PRC investment partner. The capital contribution to be made by Excel Way is therefore increased proportionately to US\$10,286,000. On 28 August 2008, Excel Way injected US\$1,150,000 as capital contribution.

## 20. 應收貿易帳款及其他應收款項 (續)

(b) 應收一間聯營公司款項為無抵押、按最優惠利率加年利率2厘計息，並須於二零一零年償還。年內，本集團就應收款項收取利息收入290,000港元(二零零七年：無)。

### (c) 就建議投資支付之按金

於二零零八年八月二十六日，本集團與溢威投資有限公司(「溢威」)及本公司董事楊明光先生(「楊先生」)訂立認購協議(「認購協議」)。根據認購協議，溢威同意配發及發行而本集團同意認購認購股份(相當於溢威經擴大已發行股本之51%)。溢威由Shinning Global Worldwide Limited全資擁有，而Shinning Global Worldwide Limited由楊先生持有51%權益。

溢威與中方投資夥伴訂有合營協議，而根據該協議，溢威持有中國合營企業天華溢威特種纖維(新泰)有限公司(「天華」)42.86%註冊資本。根據該合營協議，中方投資夥伴已以提供機器之方式出資10,000,000美元，並持有天華註冊資本之57.14%。溢威須出資現金7,500,000美元。於溢威及中方投資夥伴以現金額外出資後，天華之註冊資本將增加至24,000,000美元，而溢威之出資額因而按比例增加至10,286,000美元。於二零零八年八月二十八日，溢威已注資1,150,000美元。

## 20. TRADE AND OTHER RECEIVABLES (Continued)

### (c) Deposit paid on a proposed investment (Continued)

Upon signing of the subscription agreement, the Group paid a deposit of HK\$9,776,000 (equivalent to US\$1,250,000) for subscribing the shares in Excel Way. The amount was classified as a deposit paid on the proposed investment.

Pursuant to the acquisition agreement, the original completion of the acquisition should not be later than 27 February 2009 and if so, under the memorandum of association of Tinhua, the second capital injection of US\$6,350,000 should be injected by February 2009.

Up to the date of the authorisation of these financial statements, the acquisition is not yet completed. Excel Way has submitted an application to Taian Administration for Industry and Commerce to apply for an extension on the deadline of capital injection. The application was approved and the deadline is extended to end of April 2009.

## 21. PLEDGED DEPOSITS

As at 31 December 2008, the Group and the Company deposited approximately HK\$1,567,000 (2007: HK\$558,000) as collateral to satisfy contingent warranty and delivery obligations in relation to certain sales contracts.

## 20. 應收貿易帳款及其他應收款項 (續)

### (c) 就建議投資支付之按金 (續)

於簽訂認購協議後，本集團已支付按金9,776,000港元（相等於1,250,000美元）認購溢威之股份。有關金額已被分類為就建議投資支付之按金。

根據該收購協議，收購事項原應於二零零九年二月二十七日前完成，而收購事項如若完成，根據天華之組織章程大綱，第二筆資金6,350,000美元應於二零零九年二月底前注入。

截至此等財務報表授權刊發日期，收購事項尚未完成。溢威已向泰安市工商行政管理局提交申請以延遲注資限期。有關申請已獲批准，而限期已延遲至二零零九年四月底。

## 21. 有抵押存款

於二零零八年十二月三十一日，本集團及本公司存入約1,567,000港元（二零零七年：558,000港元）作為滿足有關若干銷售合約之或然保固及交付責任之抵押品。

Notes to the Financial Statements  
財務報表附註

22. TRADE AND OTHER PAYABLES

22. 應付貿易帳款及其他應付款項

		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
<b>Trade payables</b>	<b>應付貿易帳款</b>	<b>530</b>	12,066	-	-
<b>Other payables</b>	<b>其他應付款項</b>				
Accrued charges and other creditors	應計費用及其他應付帳款	<u>17,276</u>	<u>7,166</u>	<u>2,185</u>	<u>1,326</u>
		<u>17,806</u>	<u>19,232</u>	<u>2,185</u>	<u>1,326</u>

The ageing analysis of the trade payables at the balance sheet date is as follows:

應付貿易帳款於結算日之帳齡分析如下：

		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
0 to under 3 months	零至不超過三個月	<b>312</b>	10,772
3 to under 6 months	三個月至不超過六個月	<b>54</b>	1,043
6 to under 9 months	六個月至不超過九個月	-	5
9 to under 12 months	九個月至不超過十二個月	<b>5</b>	-
Over 12 months	超過十二個月	<u>159</u>	<u>246</u>
		<u>530</u>	<u>12,066</u>

Notes to the Financial Statements  
財務報表附註

**23. INTEREST-BEARING BORROWINGS**

**23. 計息借貸**

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loans	貸款		
Secured bank loans	有抵押銀行貸款	-	14,885
Unsecured other loans	無抵押其他貸款	<u>27,274</u>	<u>-</u>
		<u>27,274</u>	<u>14,885</u>

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The maturity of the bank and other borrowings is as follows:	銀行及其他借貸之到期情況如下：		
On demand or within a period not exceeding one year	應要求或於不超過一年期間內	<u>27,274</u>	-
Within a period of more than one year but not exceeding two years	於一年以上但不超過兩年期間內	-	1,493
Within a period of more than two years but not exceeding five years	於兩年以上但不超過五年期間內	-	2,498
Within a period of more than five years	於五年以上期間內	<u>-</u>	<u>10,894</u>
		<u>27,274</u>	<u>14,885</u>

# Notes to the Financial Statements

## 財務報表附註

### 23. INTEREST-BEARING BORROWINGS (Continued)

Notes:

- (a) Other loans are repayable within one year and carry interest at prime rate for the year of 2008 (2007: Nil).
- (b) Movements in other loans are as follows:

At beginning of year	於年初
Addition	增添
Repayment	償還
Interest accrued	應計利息
At balance sheet date	於結算日

### 23. 計息借貸 (續)

附註：

- (a) 其他貸款須於一年內償還，並按二零零八年之最優惠利率計息（二零零七年：無）。
- (b) 其他貸款之變動如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零八年 HK\$'000 千港元
-	-
30,000	-
(3,000)	-
274	-
<u>27,274</u>	<u>-</u>

### 24. ZERO COUPON CONVERTIBLE NOTES

The Group and the Company

<b>Liability component</b>	<b>負債部分</b>
At beginning of year	於年初
Fair value at inception	發行時之公平值
Issuing costs	發行成本
Amortisation of effective interest	攤銷實際利息
Redemption	贖回
<b>At balance sheet date</b>	<b>於結算日</b>
<b>Equity component</b>	<b>權益部分</b>
At beginning of year	於年初
Fair value at inception	發行時之公平值
Issuing costs	發行成本
Redemption	贖回
<b>At balance sheet date</b>	<b>於結算日</b>

### 24. 零息票可換股票據

本集團及本公司

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
225,160	-
-	408,000
-	(10,200)
833	24,000
(225,993)	(196,640)
<u>-</u>	<u>225,160</u>
99,840	-
-	192,000
-	(4,800)
(99,840)	(87,360)
<u>-</u>	<u>99,840</u>



## 24. ZERO COUPON CONVERTIBLE NOTES

(Continued)

### Liability and equity components

On 10 August 2007 and 16 August 2007, the Company had issued certain zero coupon convertible notes (the “Notes”) to certain independent third parties at an aggregate principal amount of HK\$750,000,000 bearing no interest. The Notes are convertible into ordinary shares of the Company, the whole or any part of the principal amount outstanding, at conversion price of HK\$0.5 per share and be matured on 3 December 2010.

The fair value of the liability component and the equity conversion component were determined at issuance of the New Convertible Notes. The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible notes. The residual amount represents the value of the equity conversion component.

On 10 August 2007, the Company received six conversion notices from the Notes holders to request for the conversion of the Notes issued. The Company then issued a total of 300,000,000 shares at the conversion price of HK\$0.5.

In December 2007, Notes of HK\$280,000,000 was redeemed. The remaining balance of HK\$320,000,000 was also redeemed in January 2008.

## 24. 零息票可換股票據 (續)

### 負債及權益部分

於二零零七年八月十日及二零零七年八月十六日，本公司向若干獨立第三方發行若干零息票可換股票據（「票據」），本金總額為750,000,000港元，不予計息。票據可以兌換價每股股份0.5港元，將全部或任何部分未償還本金額兌換為本公司普通股。票據將於二零一零年十二月三日到期。

負債部分及權益兌換部分之公平值於發行新可換股票據時釐定。負債部分之公平值以同等之不可換股票據之市場利率計算。剩餘金額為權益兌換部分之價值。

於二零零七年八月十日，本公司接獲票據持有人發出之六項兌換通知，要求兌換已發行之票據。本公司隨後按兌換價0.5港元發行合共300,000,000股股份。

於二零零七年十二月，本公司贖回280,000,000港元之票據。餘下之320,000,000港元票據其後亦於二零零八年一月贖回。

## 25. DEFINED CONTRIBUTION PLANS

The Group companies in Hong Kong participate in the Mandatory Provident Fund (the “MPF Scheme”) which is a defined contribution scheme managed by independent trustees. The assets of the fund are held separately from those of the group companies and are managed by independent professional fund managers. Under the MPF Scheme, each of the Group (the employer) and its employees make monthly contributions to the MPF Scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employees are subject to a cap of HK\$1,000 and thereafter contributions are voluntary.

Contributions of approximately HK\$325,000 (2007: HK\$118,000) were made during the year ended 31 December 2008.

## 26. DEFERRED TAXATION

The Group has not recognised deferred tax asset in respect of unused tax loss of HK\$587,749,000 (2007: HK\$322,295,000) relating to certain Hong Kong incorporated subsidiaries. The tax losses have no expiry date under current tax legislation. The deferred tax asset has not been recognised due to uncertainty of its recoverability.

## 25. 界定供款計劃

本集團旗下在香港之公司已參加強制性公積金計劃(「強積金計劃」)，該計劃乃由獨立受託人管理之界定供款計劃。該基金之資產與本集團各公司之資產分開持有，並由獨立專業基金經理管理。根據強積金計劃，本集團(僱主)及其僱員須根據強制性公積金法例之規定，各自每月向強積金計劃作出相等於僱員收入5%之供款。每名僱員之每月供款上限為1,000港元，超出之供款純屬自願性質。

本集團於截至二零零八年十二月三十一日止年度作出之供款約為325,000港元(二零零七年：118,000港元)。

## 26. 遞延稅項

本集團並無就有關若干於香港註冊成立之附屬公司之未動用稅項虧損587,749,000港元(二零零七年：322,295,000港元)確認遞延稅項資產。根據現行稅法，稅項虧損並無屆滿日期。遞延稅項資產因未能估計可收回性而未予確認。

# Notes to the Financial Statements

## 財務報表附註

### 27. SHARE CAPITAL

### 27. 股本

		2008 二零零八年		2007 二零零七年	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
		'000 千股		'000 千股	
<b>Authorised:</b>	<b>法定：</b>				
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股				
At beginning of year	於年初	10,000,000	1,000,000	1,000,000	100,000
Increase in authorised share capital	法定股本增加	-	-	9,000,000	900,000
At end of the year	於年終	<u>10,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>				
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股				
At beginning of year	於年初	1,785,813	178,581	435,772	43,577
Issuance of shares on rights issue (note a)	供股時發行股份(附註a)	892,906	89,291	-	-
Issuance of new shares (note b)	發行新股(附註b)	919,222	91,922	909,852	90,985
A&M Allotment	安邁配發事項	-	-	33,521	3,352
Issuance of shares under share options scheme (note c)	根據購股權計劃發行股份(附註c)	147,490	14,749	95,774	9,578
Share issued on conversion of zero coupon convertible notes	轉換零息票可換股票據時發行股份	-	-	300,000	30,000
Exercise of share option granted to Mr. Jerry Liu	行使向劉振偉先生授出之購股權	-	-	10,894	1,089
Capital Reorganisation (note d)	資本重組(附註d)	<u>(2,809,073)</u>	<u>(280,907)</u>	-	-
At balance sheet date	於結算日	<u>936,358</u>	<u>93,636</u>	<u>1,785,813</u>	<u>178,581</u>

## 27. SHARE CAPITAL (Continued)

Note:

- (a) Pursuant to the special resolutions passed at the extraordinary general meeting held on 4 December 2007, rights shares of 892,906,512 were allotted to successful applicants at HK\$0.2 each on 3 January 2008.
- (b) On 11 February 2008 and 16 June 2008, the Company had allotted and issued to independent third parties respectively 294,984,000 and 624,238,000 shares at cash consideration of HK\$0.2 and HK\$0.142 per share.
- (c) Pursuant to the ordinary resolutions passed during the year, an aggregate of 147,490,000 new shares of HK\$0.213 each of the Company were issued to certain individuals under the share option scheme at the exercise price of HK\$0.213 each.
- (d) At the extraordinary general meeting of the Company held on 15 October 2008, the resolutions in respect of the share consolidation and the capital reduction of the Company (the "Capital Reorganisation") were approved by the shareholders. The effects of the Capital Reorganisation were as follows:
- (i) Under the capital reduction, the nominal value of all the issued existing share was reduced from HK\$0.1 each to HK\$0.025 each by cancelling HK\$0.075 paid up on each issued existing share by way of a reduction of capital.
- (ii) Under the share consolidation, every four reduced issued shares of HK\$0.025 each was consolidated into one adjusted issued share of HK\$0.10 each.
- (iii) The credit arising from such reduction was applied towards cancelling the accumulated deficit of the Company with the balance transferred to the distributable capital reduction reserve account of the Company.

## 27. 股本 (續)

附註：

- (a) 根據於二零零七年十二月四日舉行之股東特別大會上通過之特別決議案，供股之成功申請人於二零零八年一月三日獲配發892,906,512股供股股份，每股作價0.2港元。
- (b) 於二零零八年二月十一日及二零零八年六月十六日，本公司向獨立第三方配發及發行分別294,984,000股及624,238,000股股份，現金代價分別為每股0.2港元及0.142港元。
- (c) 根據於年內通過之普通決議案，本公司根據購股權計劃向若干個別人士發行合共147,490,000股每股0.213港元之新股，行使價為每股0.213港元。
- (d) 於本公司在二零零八年十月十五日舉行之股東特別大會上，股東批准多項關於本公司股份合併及資本削減（「資本重組」）之決議案。資本重組之影響如下：
- (i) 根據資本削減，以削減資本之方式註銷每股已發行現有股份之繳足股款0.075港元，將所有已發行現有股份之面值由每股0.1港元削減至每股0.025港元。
- (ii) 根據股份合併，將每四股每股面值0.025港元之已發行經削減股份合併為一股面值0.10港元之經調整已發行股份。
- (iii) 動用削減資本所產生之進帳額抵銷本公司之累計虧絀，餘額則轉撥至本公司之可分派資本削減儲備帳。

## 28. SHARE OPTIONS

### (a) Share option scheme

A share option scheme was approved by shareholders on 6 August 2007 which will remain in force for a period of 10 years commencing on 6 August 2007.

Under the new share option scheme, the Company may grant to Directors and employees of the Group and any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group. The maximum of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the new share option scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the new share option scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue, the General Scheme Limit, at the date of the passing of the relevant ordinary resolution. If any options is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

## 28. 購股權

### (a) 購股權計劃

購股權計劃於二零零七年八月六日獲股東批准，自二零零七年八月六日起生效，有效期10年。

根據新購股權計劃，本公司可授予董事、本集團僱員及董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士。因行使根據新購股權計劃及本公司任何其他購股權計劃授出但未行使之全部購股權而發行之股份上限合共不得超過不時已發行股份總數之30%。因行使根據新購股權計劃及本公司任何其他購股權計劃授出之全部購股權而可發行之股份總數合共不得超過於通過相關普通決議案當日已發行股份之10%（一般計劃上限）。授予關連人士任何購股權須先經獨立非執行董事或獨立股東（視情況而定）批准。

## 28. SHARE OPTIONS (Continued)

### (b) Movement in share option scheme during the year:

On 11 February 2008, 147,490,000 share options were granted under the share option scheme to individuals who provided professional services to the Group. The share price at the date of grant is HK\$0.22. The share price at the date of grant is the Stock Exchange closing price on the trading date immediately prior to the date of the grant of the options. The options were fully exercised on 12 February 2008 and the Company received proceeds of HK\$31 million.

### (c) Fair value of share options and assumptions

The fair value of share option granted at the grant date was HK\$0.042 per share, which are calculated using the Binomial option pricing model with the following inputs:

Average share price	HK\$0.221
Weighted average exercise price	HK\$0.213
Expected volatility	141%
Expected life	10 years
Risk free rate	2.553%
Suboptimal exercise factor on early exercise behaviour	1.25

## 28. 購股權 (續)

### (b) 年內購股權計劃之變動：

於二零零八年二月十一日，本公司根據購股權計劃授予向本集團提供專業服務之多名個別人士147,490,000份購股權。授出購股權當日之股價為0.22港元。授出購股權當日之股價為於緊接授出購股權當日之前之交易日於聯交所之收市價。購股權已於二零零八年二月十二日獲全數行使，本公司因而獲取所得款項31,000,000港元。

### (c) 購股權公平值及假設

於授出日期授出之購股權之公平值為每股股份0.042港元，乃根據下列數據以二項式期權定價模式計算：

平均股價	0.221港元
加權平均行使價	0.213港元
預期波幅	141%
預期有效期	10年
無風險利率	2.553%
提早行使時之 次佳行使因素	1.25

# Notes to the Financial Statements

## 財務報表附註

### 29. RESERVES

#### The Company

### 29. 儲備

#### 本公司

		Share Premium	Share option reserve	Zero coupon convertible notes 零息票	Capital Contributed Surplus 資本 撥入盈餘	Capital Reserve	Capital Redemption Reserve	Accumulated Deficit	Total
		股份溢價	購股權儲備	可換股票據	撥入盈餘	資本儲備	資本贖回儲備	累計虧絀	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2007	於二零零七年一月一日	235,491	-	-	16,692	4,492	1,173	(285,241)	(27,393)
Issuance of new shares	發行新股	150,202	-	-	-	-	-	-	150,202
Issuance costs on issue of new shares	發行新股之發行成本	(12,914)	-	-	-	-	-	-	(12,914)
Zero coupon convertible notes	零息票可換股票據	120,000	-	99,840	-	-	-	-	219,840
Share options granted	授出購股權	-	16,374	-	-	-	-	-	16,374
Exercise of share options	行使購股權	53,999	(16,374)	-	-	-	-	-	37,625
Issued of shares to A&M	向安邁發行股份	3,788	-	-	-	-	-	-	3,788
Loss for the year	年內虧損	-	-	-	-	-	-	(364,058)	(364,058)
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>550,566</b>	<b>-</b>	<b>99,840</b>	<b>16,692</b>	<b>4,492</b>	<b>1,173</b>	<b>(649,299)</b>	<b>23,464</b>
At 1 January 2008	於二零零八年一月一日	550,566	-	99,840	16,692	4,492	1,173	(649,299)	23,464
Issuance of shares on rights issue	供股時發行股份	89,291	-	-	-	-	-	-	89,291
Issuance of new shares	發行新股	55,716	-	-	-	-	-	-	55,716
Issuance costs on issue of new shares	發行新股之發行成本	(8,913)	-	-	-	-	-	-	(8,913)
Redemption of zero coupon convertible notes	贖回零息票可換股票據	-	-	(99,840)	-	-	-	(2,560)	(102,400)
Share options granted	授出購股權	-	6,239	-	-	-	-	-	6,239
Exercise of share options	行使購股權	22,906	(6,239)	-	-	-	-	-	16,667
Capital reorganisation	資本重組	-	-	-	-	-	-	280,907	280,907
Loss for the year	年內虧損	-	-	-	-	-	-	(244,028)	(244,028)
<b>At 31 December 2008</b>	<b>於二零零八年十二月三十一日</b>	<b>709,566</b>	<b>-</b>	<b>-</b>	<b>16,692</b>	<b>4,492</b>	<b>1,173</b>	<b>(614,980)</b>	<b>116,943</b>

Notes to the Financial Statements  
財務報表附註

30. CASH USED IN OPERATIONS

30. 經營所用現金

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)
Loss before taxation from continuing operations	持續經營業務之除稅前虧損	(265,660)	(323,783)
Interest on bank and other borrowings	銀行及其他借貸之利息	797	250
Interest income	利息收入	(577)	(6,388)
Negative goodwill in acquiring an associate	收購一間聯營公司產生之負商譽	-	(4,244)
Share of results of associates	應佔聯營公司之業績	(4,464)	(1,860)
Impairment on available for sale investment	可供出售之投資減值	-	25,000
Impairment loss on goodwill	商譽之減值虧損	8,000	67,000
Gain on redemption of zero coupon convertible notes	贖回零息票可換股票據之收益	(8,393)	(6,240)
Amortisation of liabilities component of convertible notes	攤銷可換股票據之負債部分	833	24,000
Loss in discontinued operations	已終止經營業務之虧損	(8,642)	(9,404)
Gain on disposal of interest in Taiwan subsidiaries	出售於台灣附屬公司之權益之收益	-	(1,422)
Gain on disposal of subsidiaries	出售附屬公司之收益	(5,648)	-
Gain on disposal of assets held for sale	出售持作出售資產之收益	(175)	-
Depreciation of investment properties and property, plant and equipment	投資物業以及物業、廠房及設備折舊	2,225	2,317
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損／(收益)	290	(83)
Share options granted	授出購股權	6,239	16,374
Reclassified back from subsidiary held for sale	從持作出售附屬公司重新分類	276	-
A&M allotment	安邁配發事項	-	7,140
Changes in working capital:	營運資金之變動：		
Financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產	131,387	(209,975)
Inventories	存貨	20,864	(2,270)
Trade and other receivables	應收貿易帳款及其他應收款項	16	(1,063)
Trade and other payables	應付貿易帳款及其他應付款項	923	(10,857)
Loan receivables	應收貸款	(34,215)	-
Inventories classified as held for sale	分類為持作出售之存貨	-	(4,506)
Trade and other receivables of a subsidiary held for sale	持作出售之附屬公司之應收貿易帳款及其他應收款項	-	1,077
Trade and other payables of a subsidiary held for sale	持作出售之附屬公司之應付貿易帳款及其他應付款項	-	704
<b>Cash used in operations</b>	<b>經營所用現金</b>	<b>(155,924)</b>	<b>(438,233)</b>



# Notes to the Financial Statements

## 財務報表附註

### 31. DISPOSAL OF SUBSIDIARIES

#### (a) Allied Well Development Limited (“Allied Well”)

During the year, the Group disposed of its entire interest in a subsidiary, Allied Well to a wholly-owned subsidiary of Willie International Holding Limited (“Willie”) (see note 34) at a consideration of approximately HK\$20,160,000 which was satisfied by the issuance and allotment of 160,000,000 shares of Willie valued at HK\$0.126 per share. A gain of approximately HK\$3,600,000 was recognised during the year.

#### (b) U-Drive

The disposal of the Group’s interests in U-Drive is fully explained in note 8(b) to the financial statements.

The disposal of Allied well and U-Drive had the following effect on the Group’s assets and liabilities:

### 31. 出售附屬公司

#### (a) 聯惠發展有限公司(「聯惠」)

年內，本集團向威利國際控股有限公司(「威利」)之一間全資附屬公司出售本集團於附屬公司聯惠之全部權益(見附註34)，代價約為20,160,000港元，已透過按每股0.126港元發行及配發160,000,000股威利股份之方式支付。年內確認之收益約為3,600,000港元。

#### (b) 任我行

出售本集團於任我行之權益一事於財務報表附註8(b)詳述。

出售聯惠及任我行對本集團資產及負債之影響如下：

		2008 二零零八年 HK\$'000 千港元
Net assets disposed of:	所出售淨資產：	
Investment properties	投資物業	29,931
Property, plant and equipment	物業、廠房及設備	2
Trade and other receivables	應收貿易帳款及其他應收款項	4,091
Cash and bank balances	現金及銀行結存	186
Trade and other payables	應付貿易帳款及其他應付款項	(3,067)
Bank borrowings	銀行借貸	(14,631)
		16,512
Gain on disposal of subsidiaries	出售附屬公司之收益	5,648
<b>Total consideration</b>	<b>總代價</b>	<b>22,160</b>

Notes to the Financial Statements  
財務報表附註

**31. DISPOSAL OF SUBSIDIARIES** (Continued)

(b) U-Drive (Continued)

**31. 出售附屬公司** (續)

(b) 任我行 (續)

		2008 二零零八年 HK\$'000 千港元
Satisfied by:	支付方式：	
Cash consideration	現金代價	2,000
Listed shares included in financial assets at fair value through profit or loss	計入於損益帳按公平值處理之 財務資產之上市股份	20,160
		<u>22,160</u>

Analysis of net inflow (outflow) of cash and cash equivalents in respect of disposal of businesses:

有關出售業務之現金及現金等價物流入  
(流出)淨額分析：

		2008 二零零八年 HK\$'000 千港元
Cash consideration	現金代價	1,400
Cash and cash equivalents disposed	所出售之現金及現金等價物	<u>(186)</u>
<b>Net inflow of cash and cash equivalents</b>	<b>現金及現金等價物流入 淨額</b>	<u>1,214</u>

### 32. CONTINGENT LIABILITIES

#### Alleged agreement on investment in a customer

Mr. Lo Chia Yu (“**Mr. Lo**”) has allegedly claimed a verbal agreement was entered into on 12 March 2002 by his wholly-owned company, Global Travel Holdings Limited (“**Global Travel**”) and Forefront Automotive Services Company Limited (“**FAS**”), a wholly owned subsidiary of the Company, relating to an equity investment by FAS in Global Travel amounting to HK\$7,800,000. FAS position is that the agreement was subject to it conducting due diligence on Global Travel to its satisfaction. As requested, FAS paid a deposit of HK\$2,000,000 to Mr. Lo. Subsequently, the accounting firm employed by FAS reported unsatisfactory result on the due diligence review, therefore FAS did not elect to proceed with the alleged agreement. Mr. Lo has filed proceedings claiming HK\$7,800,000 together with alternative damage and FAS has lodged a counter claim to Mr. Lo for return of the HK\$2,000,000 paid as deposit. A contingent liability netting off the counter claims as set out above amounting to HK\$5,800,000 are alleged to be due from FAS to Global Travel. The matter has not progressed after an initial hearing and was adjourned to a further date to be determined by the court subject to its receipt of sufficient document from the two parties. The Company has not received any notice in relation to any specific dates for any further hearing. The directors are of the opinion that no reliable estimate can be made and do not consider a provision is necessary.

### 32. 或然負債

#### 於一名客戶之投資的指稱協議

駱家雨先生（「駱先生」）就彼指稱其全資擁有之公司Global Travel Holdings Limited（「**Global Travel**」）曾與本公司之全資附屬公司福方汽車服務有限公司（「**福方汽車服務**」）於二零零二年三月十二日訂立之口頭協議提出申索，當中涉及福方汽車服務於Global Travel之股權投資7,800,000港元。福方汽車服務之立場為該協議僅於其信納對Global Travel進行之盡職審查後方可作實。福方汽車服務已應要求向駱先生支付一筆按金2,000,000港元。其後，鑑於福方汽車服務委聘之會計師行報告並不信納該盡職審查結果，福方汽車服務因而選擇不繼續進行該指稱協議。駱先生已入稟索償7,800,000港元連同替代損害賠償，而福方汽車服務已向駱先生提出反索償，要求退回已付按金2,000,000港元。因此，於抵銷上述所載反索償款項後指稱福方汽車服務欠負Global Travel之或然負債為5,800,000港元。上述事宜於初步聆訊後並無任何進展，有關聆訊已押後至法院於接獲雙方足夠文件後決定之其他日子再行審理。本公司並無接獲有關於任何指定日期進行任何進一步聆訊之通知。董事認為無法作出可靠估計，並認為無需作出撥備。

### 32. CONTINGENT LIABILITIES (Continued)

#### Legal claims against a customer

The Group issued a Writ of Summons to a customer on 3 July 2008 to claim for the balance of nine coaches totalling HK\$10,300,000 pursuant to a purchase order from the customer received by the Group in August 2006. The customer was unable to obtain the Passenger Service Licenses (PSL) for the nine coaches and the customer filed a counterclaim against the Group for non-compliance with the delivery schedules and claimed for HK\$7,000 per coach per week from the extended delivery deadline (1 February 2008) until the date the Group duly delivers the coaches.

In February 2009, a supplier has agreed to take up the nine coaches at HK\$4,000,000 to settle the matter. The extra body-builder costs will be borne by the supplier. On 6 March 2009, the Group entered into Chassis Sale Agreement with the supplier for sales of the nine coaches to the supplier at HK\$4,000,000 and on the same day, the parties involved entered into a settlement to effect a full and final settlement.

Upon settlement, the Group was released from the case. The cost of the nine coaches was HK\$4,500,000 and a provision on the net realisable value of the nine coaches of HK\$500,000 and legal costs in connection with the above dispute of HK\$100,000 have been made in the financial statements.

### 32. 或然負債 (續)

#### 向一名客戶提出之法律申索

於二零零八年七月三日，本集團向一名客戶發出傳票，申索根據本集團於二零零六年八月接獲該客戶之採購訂單所涉及九輛旅遊巴士之餘額合共10,300,000港元。該客戶未能就該九輛旅遊巴士取得客運營業證。此外，該客戶就本集團未能遵守付運時間表而向本集團提出反申索，申索金額為由經延長付運限期（二零零八年二月一日）起至本集團妥為付運旅遊巴士當天止每星期每輛旅遊巴士7,000港元。

於二零零九年二月，一名供應商同意以4,000,000港元接收該九輛旅遊巴士以解決事件，而該供應商將會承擔額外之車身製造成本。於二零零九年三月六日，本集團與該供應商訂立車架銷售協議，以4,000,000港元向該供應商出售九輛旅遊巴士。同日，所涉及各方訂立和解，以完全並最終解決有關事件。

本集團於和解後獲解除於此案件下之責任。九輛旅遊巴士之成本為4,500,000港元，另財務報表中已就九輛巴士之可變現淨值500,000港元及上述爭議之法律成本100,000港元作出撥備。

# Notes to the Financial Statements

## 財務報表附註

### 33. COMMITMENTS

#### Commitments under operating leases

The Group leases a number of properties under operating leases, which typically run for an initial period of 1-3 years. None of these leases includes contingent rentals. At the balance sheet date, the Group had future lease payments under non-cancellable operating leases, which are payable as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	211	2,922
In the second to fifth years inclusive	第二至第五年（包括首尾兩年）	7	124
		<b>218</b>	<b>3,046</b>

#### Commitments on a new investment

As more fully described in note 20(c) to the financial statements, pursuant to the acquisition agreement signed with Excel Way and Mr. Yeung Ming Kwong, the completion of the acquisition of Excel Way should not be later than 27 February 2009 and if so, under the memorandum of association of Tinhua, the second capital injection of US\$6,350,000 should be injected by February 2009.

### 33. 承擔

#### 經營租賃承擔

本集團以一般初步為期一至三年之經營租賃租用多項物業。有關租賃並不包括或然租金。於結算日，本集團於不可註銷經營租賃之未來租賃付款應按以下年期支付：

#### 於一項新投資之承擔

根據溢威與楊明光先生簽訂之收購協議，溢威之收購應於二零零九年二月二十七日前完成，而收購事項如若完成，根據天華之組織章程大綱，第二筆資金6,350,000美元應於二零零九年二月底前注入，更詳盡披露請見財務報表附註20(c)。

### 33. COMMITMENTS (Continued)

#### Commitments on a new investment (Continued)

Up to the date of the financial statements, the acquisition is not yet completed. Management is negotiating for better terms with the relevant parties and has withheld the second capital injection. Excel Way has submitted an application to Taian Administration for Industry and Commerce to apply for an extension on the deadline of capital injection. The application was approved and the deadline is extended to end of April 2009. The directors indicated that they will determine whether to proceed with the project by April 2009. If the directors decided not to proceed, the deposit paid will be refunded to the Group as agreed in the agreement. The refund is guaranteed by the Group's director, Mr. Yeung Ming Kwong.

Upon completion, Tinhua will be treated as an associate of the Group and accounted for under the equity accounting method.

### 33. 承擔 (續)

#### 於一項新投資之承擔 (續)

截至財務報表日期，收購事項尚未完成。管理層現正與相關訂約方磋商更優惠之條款，並已擱置第二次注資。溢威已向泰安市工商行政管理局提交申請以延遲注資限期。該項申請已獲批准，限期亦已延遲至二零零九年四月底。董事表示將會於二零零九年四月前決定是否進行該項目。倘若董事決定不進行該項目，已付之按金將會按該協議所協定退還予本集團。該筆退款已由本集團董事楊明光先生擔保。

天華將於完成後被視為本集團之聯營公司，並根據權益會計法入帳。

# Notes to the Financial Statements

## 財務報表附註

### 34. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, during the year the Group had the following significant related party transactions:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Scania CV AB (notes c & d)	Scania CV AB (附註c及d)		
– Purchase and service provided	– 購貨及獲提供服務	–	23,633
– Warranty claim	– 保固承擔	–	808
– Interest paid	– 已付利息	–	109
– Miscellaneous income	– 雜項收入	–	467
Consideration received from disposal of subsidiaries:	已收出售附屬公司之代價：		
– Willie International Holding Limited (note a)	– 威利國際控股有限公司 (附註a)	<b>20,160</b>	–
– Golden Fame (note b)	– 金信(附註b)	<b>2,000</b>	–
Wintop Shipping Company Ltd – Sales (note b)	Wintop Shipping Company Ltd – 銷貨(附註b)	–	2,520
Loan from a subsidiary of Willie (note f)	威利一間附屬公司提供之貸款 (附註f)	<b>10,000</b>	–

Notes:

- (a) Willie International Holding Limited was a shareholder of the Company holding 6.03% equity interest in share capital of the Company. Its shareholding was reduced to 4.92% on 19 December 2008.
- (b) The Group holds 40% interest in Golden Fame which holds 50% equity share of Wintop Shipping Company Ltd in turn.
- (c) Scania CV AB is the principal supplier of the Group and a holding company of Scania Trade Development AB, a substantial shareholder up to 4 June 2007 as its share holding has diluted to 8.5% on that day. Scania Singapore Pte Ltd is wholly owned subsidiaries of Scania CV AB.
- (d) Sales and purchases were charged at market prices.

### 34. 關連人士交易

除財務報表其他部分所披露者外，本集團於年內進行之重大關連人士交易如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Scania CV AB (notes c & d)	Scania CV AB (附註c及d)		
– Purchase and service provided	– 購貨及獲提供服務	–	23,633
– Warranty claim	– 保固承擔	–	808
– Interest paid	– 已付利息	–	109
– Miscellaneous income	– 雜項收入	–	467
Consideration received from disposal of subsidiaries:	已收出售附屬公司之代價：		
– Willie International Holding Limited (note a)	– 威利國際控股有限公司 (附註a)	<b>20,160</b>	–
– Golden Fame (note b)	– 金信(附註b)	<b>2,000</b>	–
Wintop Shipping Company Ltd – Sales (note b)	Wintop Shipping Company Ltd – 銷貨(附註b)	–	2,520
Loan from a subsidiary of Willie (note f)	威利一間附屬公司提供之貸款 (附註f)	<b>10,000</b>	–

附註：

- (a) 威利國際控股有限公司曾為本公司股東，持有本公司股本中6.03%股權。其所持股權於二零零八年十二月十九日減少至4.92%。
- (b) 本集團持有金信40%股權，而金信則持有Wintop Shipping Company Ltd 50%股權。
- (c) Scania CV AB為本集團之主要供應商，並為Scania Trade Development AB之控股公司。Scania Trade Development AB於截至二零零七年六月四日前為本集團之主要股東，因其持股權益於該日攤薄至8.5%。Scania Singapore Pte Ltd為Scania CV AB之全資附屬公司。
- (d) 銷貨與購貨均按市價計算。

### 34. RELATED PARTY TRANSACTIONS (Continued)

- (e) Interest expenses were charged at the pre-agreed rates.
- (f) The loan from a subsidiary of Willie is unsecured, bearing interest at prime rate and repayable in September 2009. During the year, the Group has paid interest in respect of the amount due amounting to HK\$169,000 (2007: HK\$Nil).

Reference is made to the annual report of year 2007 and related announcements. In year 2007, the Group acquired interests in Tianjin Kai Sheng. Mr. Zhuang You Dao, a director of the Company, was a substantial shareholder of Tianjin Kai Sheng.

In addition to the above, Mr. Zhuang You Dao, the director of the Company, has given personal guarantee to the Group for a loan of HK\$5,000,000 granted to a subsidiary to finance its loans to Tianjin Kai Sheng.

As more fully explained in note 20(c), the Group entered into a subscription agreement with Excel Way and Mr. Yeung Ming Kwong, a director of the Company. Upon signing of the subscription agreement, the Group paid a deposit of HK\$9,776,000 for subscribing the shares in Excel Way.

### 35. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments are investment securities, convertible notes, bank loans, cash and short-term deposits. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables and financial asset and liabilities at fair value through profit or loss, which arise directly from its business activities.

### 34. 關連人士交易 (續)

- (e) 利息開支均按預先協定之價格計算。
- (f) 威利一間附屬公司提供之貸款為無抵押、按最優惠利率計息及須於二零零九年九月償還。年內，本集團已就欠款支付利息169,000港元 (二零零七年：零港元)。

謹此提述二零零七年年報及相關公佈。於二零零七年度，本集團收購天津市凱聲之權益。本公司董事莊友道先生為天津市凱聲之主要股東。

除上述者外，本公司董事莊友道先生為一間附屬公司獲授之5,000,000港元貸款向本集團提供個人擔保，該筆貸款乃用作向天津市凱聲提供貸款。

如附註20(c)所詳述，本集團與溢威及本公司董事楊明光先生訂立認購協議。於簽署認購協議時，本集團已支付9,776,000港元作為認購溢威股份之按金。

### 35. 財務風險管理

本集團之主要財務工具為投資證券、可換股票據、銀行貸款、現金及短期存款。此等財務工具之主要用途乃為本集團之業務籌集及維持融資。本集團有若干其他財務工具，如直接自其業務活動產生之應收貿易帳款及應付貿易帳款，以及於損益帳按公平值處理之財務資產及負債。



### 35. FINANCIAL RISK MANAGEMENT (Continued)

The main risks arising from the Group's financial instruments are equity price risk, credit risk, interest rate risk and liquidity risk. The Board of Directors generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

#### Equity price risk

The Group is exposed to equity price risk arising from trading of listed securities classified as investments held for trading in the balance sheet. The sensitivity analysis has been determined based on the exposure to equity price risk.

At the balance sheet date, if the quoted market prices had been 20% higher or lower while all other variables were held constant, the Group's net loss would decrease or increase by HK\$19,750,000 (2007: 42,578,000) as a result of changes in fair value of investments. The Group's sensitivity to equity price has changed significantly from the prior year.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the balance sheet date and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, that none of the Group's securities investments would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

### 35. 財務風險管理 (續)

本集團財務工具所產生之主要風險為股價風險、信貸風險、利率風險及流動資金風險。董事會對風險管理採納審慎策略，並將本集團承擔之風險減至最低。董事會為管理以上各種風險檢討及協定有關政策，各種風險已概列於下文。本集團亦會監察所有財務工具所產生之市場價格風險。

#### 股價風險

本集團之股價風險來自於資產負債表分類為持作買賣投資之上市證券買賣。敏感度分析乃根據股價風險釐定。

於結算日，倘若市場報價上調或下滑20%，在所有其他變數不變之情況下，本集團之虧損淨額將因為投資公平值變動而減少或增加19,750,000港元（二零零七年：42,578,000港元）。本集團對股價之敏感程度較往年有大幅轉變。

敏感度分析乃假設股票市場指數或其他相關風險變數於結算日出現合理可能變動而釐定，並適用於當日之股價風險。敏感度分析亦假設本集團投資之公平值隨相關股票市場指數或相關風險變數之歷史關係而變動，本集團之證券投資不會因相關股票市場指數或其他相關風險變數之合理可能下調而被視作減值，以及所有其他變數不變。上述變動指管理層對相關股票市場指數或相關風險變數於下年度結算日期間之合理可能變動之評估。分析之基準與二零零七年相同。

### 35. FINANCIAL RISK MANAGEMENT (Continued)

#### Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group, resulting in a loss to the Group. The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The credit policy on extending credit terms to customers includes assessing and valuing of customer's creditworthiness and financial standing. Management also closely monitors all outstanding debts and reviews the collectability of trade debtors periodically. At the balance sheet date, the Group has a concentration of credit risk as 37% (2007: 27%) and 97% (2007: 30%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The Group has limited credit risk with its money deposited in financial institutions and brokers, which are leading and reputable and are assessed as having low credit risk. The Group has not had any significant loss arising from non-performance by these parties in the past and management does not expect so in the future.

#### Interest rate risk

The Group has exposures to interest rate as its loan receivables and other borrowings are subject to floating interest rates. However, cash flow interest rate risk is considered minimal as the loan receivables and other borrowings have short maturity dates.

The interest rate risk for bank balance exposed is considered minimal as such amounts are placed in banks with maturing less than three months.

#### Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-terms obligations. Liquidity risk is minimal and is managed by matching the payments and receipts cycles. The Group's operations are financed mainly through its business activities.

Although the Company has net current liabilities, these mainly consist of amounts due to its wholly-owned subsidiaries which would not involve cash outflow in the near future. The Company has sufficient cash balances to meet its obligation to outsiders and management considers the liquidity risk is low.

### 35. 財務風險管理 (續)

#### 信貸風險

信貸風險指債務人未能履行其償還應付本集團款項之責任，致令本集團蒙受虧損之風險。本集團已採納若干程序延長客戶之信貸期，並監察有關信貸風險。延長客戶信貸期之信貸政策包括評定及估計客戶之信用度及財務狀況。管理層亦會密切監察所有應收未收債項及定期審閱應收貿易帳之收回情況。於結算日，本集團之信貸風險集中，應收貿易帳款及其他應收款項總額中有37% (二零零七年：27%) 及97% (二零零七年：30%) 分別源自本集團之最大客戶及五大客戶。

本集團於金融機構及經紀之存款面對之信貸風險有限，原因是該等金融機構及經紀均成立已久且財務背景良好，獲評定為低信貸風險。本集團過往並無因有關人士不履行責任而產生之重大虧損，而管理層預期日後亦不會出現該等情況。

#### 利率風險

本集團之應收貸款及其他借貸以浮動利率計息，令本集團承受利率風險。然而，由於應收貸款及其他借貸於短期內到期，故現金流量利率風險被視為輕微。

由於銀行結存乃存於銀行，到期日少於三個月，故此承受之利率風險被視為輕微。

#### 流動資金風險

流動資金風險指本集團無力履行其短期責任之風險。流動資金風險微不足道，乃透過配合還款及收款週期加以管理。本集團之營運主要透過商業活動提供資金。

儘管本公司錄得流動負債淨額，惟當中主要包括應付其全資附屬公司之款項，而有關款項於可見將來並不涉及現金流出。本公司擁有充裕現金結餘，可向外界人士履行其責任，故管理層認為流動資金風險甚低。

# Notes to the Financial Statements

## 財務報表附註

### 35. FINANCIAL RISK MANAGEMENT (Continued)

#### Liquidity risk (Continued)

The maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments are summarized below:

		Year ended 31 December 2008 截至二零零八年十二月三十一日止年度				
		Less than 3 months 三個月 以內 HK\$'000 千港元	3-12 months 三至 十二個月 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade and other payables	應付貿易帳款及其他應付款項	17,806	-	-	-	17,806
Interest-bearing borrowing	計息借貸	-	28,087	-	-	28,087
		<b>17,806</b>	<b>28,087</b>	<b>-</b>	<b>-</b>	<b>45,893</b>

		Year ended 31 December 2007 截至二零零七年十二月三十一日止年度				
		Less than 3 months 三個月 以內 HK\$'000 千港元	3-12 months 三至 十二個月 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade and other payables	應付貿易帳款及其他應付款項	19,232	-	-	-	19,232
Interest-bearing borrowing	計息借貸	180	551	3,260	10,894	14,885
Zero coupon convertible notes	零息票可換股票據	225,160	-	-	-	225,160
		<b>244,572</b>	<b>551</b>	<b>3,260</b>	<b>10,894</b>	<b>259,277</b>

### 35. 財務風險管理 (續)

#### 流動資金風險 (續)

本公司財務負債於結算日根據合約未貼現款項之到期情況概列如下：

### 35. FINANCIAL RISK MANAGEMENT (Continued)

#### Capital management

The objectives of the Group's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure and makes adjustments, including payment of dividend to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2008 and 2007.

The Group monitors capital on the basis of debt-to-adjusted capital ratio, which is net debt divided by adjusted capital. The debt-to-adjusted capital ratios at the balance sheet date were as follow:

### 35. 財務風險管理 (續)

#### 資本管理

本集團管理資本之目的為保障該實體能持續經營，並為股東帶來回報。本集團管理其資本架構並作出調整，包括向股東派付股息、向股東退還資本或發行新股或出售資產以減少債項。截至二零零八年及二零零七年十二月三十一日止年度並無更改有關目標、政策或程序。

本集團根據債務與經調整股本比率（以債務淨額除以經調整股本計算）監察資本。於結算日之債務與經調整股本比率如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest bearing loans and borrowings	計息貸款及借貸	27,274	14,885
Trade and other payables	應付貿易帳款及其他應付款項	17,806	19,232
Zero coupon convertible notes	零息票可換股票據	-	225,160
Less: Cash and short term deposits	減：現金及短期存款	<u>(64,154)</u>	<u>(162,913)</u>
Net debt	債務淨額	<u>(19,074)</u>	<u>96,364</u>
Total equity and adjusted capital	股權總值及經調整股本	<u>225,275</u>	<u>246,884</u>
Debt-to-adjusted capital ratio	債務與經調整股本比率	<u>(8%)</u>	<u>39%</u>

# Notes to the Financial Statements

## 財務報表附註

### 36. SEGMENTAL INFORMATION

#### a. By business segments

The Group is principally engaged in investing, securities trading and provision of financing services. An analysis by business segment is as follow:

### 36. 分類資料

#### a. 按業務分類

本集團主要從事投資、證券買賣及提供融資服務。按業務分類分析如下：

		Year ended 31 December 2008 截至二零零八年十二月三十一日止年度			
		Investing	Financing	Unallocated	Total
		投資	融資	未經分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Turnover</b>	<b>營業額</b>				
Net loss on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之虧損淨額	(80,823)	-	-	(80,823)
Interest income from provision of financial services	提供金融服務之利息收入	-	9,259	-	9,259
Total turnover	總營業額	(80,823)	9,259	-	(71,564)
<b>Operating results</b>	<b>經營業績</b>				
Segment results	分類業績	(222,562)	(37,092)	(16,118)	(275,772)
Share of results of associates	應佔聯營公司之業績				4,464
Gain on disposal of subsidiaries	出售附屬公司之收益				5,648
Taxation	稅項				-
Loss from continuing operations	來自持續經營業務之虧損				(265,660)
Loss from discontinued operations	來自已終止經營業務之虧損				(8,642)
Loss attributable to shareholders	股東應佔虧損				(274,302)
<b>Other information</b>	<b>其他資料</b>				
Assets – Continuing operations	資產 – 持續經營業務	135,966	66,517	44,998	247,481
– Discontinued operations	– 已終止經營業務				22,874
					270,355

Notes to the Financial Statements  
財務報表附註

**36. SEGMENTAL INFORMATION** (Continued)

**a. By business segments** (Continued)

**36. 分類資料** (續)

**a. 按業務分類** (續)

		Year ended 31 December 2008 截至二零零八年十二月三十一日止年度			
		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities – Continuing operations	負債 – 持續經營業務	<u>-</u>	<u>34,824</u>	<u>5,356</u>	<u>40,180</u>
- Discontinued operations	- 已終止經營業務				<u>4,900</u>
					<u>45,080</u>
Capital expenditure – Continuing operations	資本開支 – 持續經營業務	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Discontinued operations	- 已終止經營業務				<u>3,627</u>
					<u>3,627</u>
Depreciation and other non-cash expenditures – Continuing operations	折舊及其他非現金開支 – 持續經營業務	<u>150,444</u>	<u>44,142</u>	<u>6,285</u>	<u>200,871</u>
- Discontinued operations	- 已終止經營業務				<u>3,376</u>
					<u>204,247</u>

# Notes to the Financial Statements

## 財務報表附註

### 36. SEGMENTAL INFORMATION (Continued)

#### a. By business segments (Continued)

### 36. 分類資料 (續)

#### a. 按業務分類 (續)

		Year ended 31 December 2007 (Restated) 截至二零零七年十二月三十一日止年度 (重列)			
		Investing	Financing	Unallocated	Total
		投資	融資	未經分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Turnover</b>	<b>營業額</b>				
Net loss on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之虧損淨額	(52,213)	–	–	(52,213)
Interest income from provision of financial services	提供金融服務之利息收入	–	439	–	439
Total turnover	總營業額	<u>(52,213)</u>	<u>439</u>	<u>–</u>	<u>(51,774)</u>
<b>Operating results</b>	<b>經營業績</b>				
Segment results	分類業績	<u>(282,930)</u>	<u>727</u>	<u>(43,440)</u>	<u>(325,643)</u>
Share of results of associates	應佔聯營公司之業績				<u>1,860</u>
Loss from continuing operations	來自持續經營業務之虧損				<u>(323,783)</u>
Loss from discontinued operations	來自已終止經營業務之虧損				<u>(9,404)</u>
Loss attributable to shareholders	股東應佔虧損				<u>(333,187)</u>
<b>Other information</b>	<b>其他資料</b>				
Assets – Continuing operations	資產 – 持續經營業務	<u>421,161</u>	<u>1,551</u>	<u>19,796</u>	<u>442,508</u>
– Discontinued operations	– 已終止經營業務				<u>63,653</u>
					<u>506,161</u>

Notes to the Financial Statements  
財務報表附註

**36. SEGMENTAL INFORMATION (Continued)**

**a. By business segments (Continued)**

**36. 分類資料 (續)**

**a. 按業務分類 (續)**

		Year ended 31 December 2007 (Restated) 截至二零零七年十二月三十一日止年度 (重列)			
		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities – Continuing operations	負債 – 持續經營業務	<u>15,005</u>	<u>–</u>	<u>226,486</u>	241,491
– Discontinued operations	– 已終止經營業務				<u>17,786</u>
					<u>259,277</u>
Capital expenditure – Continuing operations	資本開支 – 持續經營業務	<u>126,650</u>	<u>–</u>	<u>–</u>	126,650
– Discontinued operations	– 已終止經營業務				<u>1,909</u>
					<u>128,559</u>
Depreciation and other non-cash expenditures – Continuing operations	折舊及其他非現金開支 – 持續經營業務	<u>231,589</u>	<u>–</u>	<u>23,494</u>	255,083
– Discontinued operations	– 已終止經營業務				<u>3,493</u>
					<u>258,576</u>



# Notes to the Financial Statements

## 財務報表附註

### 36. SEGMENTAL INFORMATION (Continued)

#### b. By geographical segments

The Group's activities are conducted predominantly in Taiwan, Hong Kong and People's Republic of China ("Mainland China"). An analysis by geographical segments is as follows:

### 36. 分類資料 (續)

#### b. 按地區分類

本集團之業務主要於台灣、香港及中華人民共和國(「中國內地」)進行。按地區分類分析如下：

		Year ended 31 December 2008 截至二零零八年十二月三十一日止年度				
		Hong Kong	Mainland	Taiwan	Unallocated	Total
		香港	中國內地	台灣	未經分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	(71,564)	-	-	-	(71,564)
Segment results	分類業績	(268,052)	(7,720)	-	-	(275,772)
Loss from operations	經營虧損	(266,422)	(7,720)	-	-	(274,142)
Assets – Continuing operations	資產 – 持續經營業務	213,561	8,987	1,733	23,200	247,481
- Discontinued operations	- 已終止經營業務	-	-	-	-	22,874
						270,355
Capital expenditure – Continuing operations	資本開支 – 持續經營業務	-	-	-	-	-
- Discontinued operations	- 已終止經營業務	-	-	-	-	3,627
						3,627

# Notes to the Financial Statements

## 財務報表附註

### 36. SEGMENTAL INFORMATION (Continued)

#### b. By geographical segments (Continued)

### 36. 分類資料 (續)

#### b. 按地區分類 (續)

		Year ended 31 December 2007 截至二零零七年十二月三十一日止年度				
		Hong Kong	Mainland China	Taiwan	Unallocated	Total
		香港	中國內地	台灣	未經分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	(51,774)	-	-		(51,774)
Segment results	分類業績	(235,036)	(92,015)	1,408		(325,643)
Profit (Loss) from operations	經營溢利 (虧損)	(210,786)	(92,015)	1,408		(301,393)
Assets – Continuing operations	資產 – 持續經營業務	412,979	8,000	1,733	19,796	442,508
	– Discontinued operations					63,653
						506,161
Capital expenditure – Continuing operations	資本開支 – 持續經營業務	26,650	100,000	-	-	126,650
	– Discontinued operations					1,909
						128,559

# Notes to the Financial Statements

## 財務報表附註

### 37. COMPARATIVE FIGURES

In prior year, sale proceeds and related cost of sales of investments held for trading were presented in the consolidated income statement within turnover and cost of investments held for trading sold respectively.

In the current year, the Group changed its presentation of turnover and cost of sales, as in the opinion of the directors, it is more appropriate to present the gain/loss on investments held for trading disposed of during the year on a net basis so as to provide more relevant information in respect of the Group's operations and to conform with market practices.

The effects of this change in presentation have been accounted for retrospectively with comparative figures restated. The specific line items affected are as follows:

Decrease in turnover	營業額下跌
Decrease in cost of sales	銷售成本下跌

The above changes do not have any impact on the results of the Group in respect of the current and prior year.

As more fully explained in note 8(b), the Group has disposed of its interests in U-Dirve, which resulted a discontinuance of the provision of fuel chain services. The comparative information in relation to income and cash flow statement and the related notes attributable to the discontinued operations have been restated accordingly.

In addition, as explained in note 8(d), certain conditions as set out in the agreement with Scania have not been fulfilled in relation to the disposal of a subsidiary in PRC, the agreement was deemed to be terminated and ceased to have effect. Accordingly, the interests in this subsidiary of HK\$2,315,000 is no longer classified as held for sale as at 31 December 2008.

### 37. 比較數字

於往年，銷售所得款項及相關出售持作買賣投資之成本會於綜合收益表內之營業額及出售持作買賣投資之成本內分開呈列。

由於董事認為就提供更多有關本集團營運之相關資訊及符合市場慣例而言，以淨額基準呈列年內出售持作買賣之投資之收益／虧損較為合適，故本集團於本年度更改營業額及銷售成本之呈列方式。

上述更改呈列方式之影響已追溯入帳，並已重列比較數字。受影響之特定項目如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Decrease in turnover	233,935	720,463
Decrease in cost of sales	(233,935)	(720,463)
	-	-

上述變動不會對本集團本年度及往年度之業績構成任何影響。

如附註8(b)所詳述，本集團已出售其於任我行之權益，導致終止提供燃料連鎖服務。收益表及現金流量表中有關已終止經營業務之比較資料及相關附註已相應重列。

此外，如附註8(d)所述，與Scania就出售一間中國附屬公司訂立之協議所載之若干條件未能達成，故該協議被視為已終止及無效。因此，於該附屬公司之權益2,315,000港元於二零零八年十二月三十一日不再分類為持作出售。

# Financial Summary

## 財務概要

The following is a summary of the published consolidated income statement and consolidated balance sheets of Forefront Group Limited (the “Company”) and its subsidiaries (together the “Group”) for the past five years. Certain figures has been restated for comparative purpose with year 2007:

以下為福方集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)過去五年之已刊發綜合收益表及綜合資產負債表概要。若干數字已經重列，以與二零零七年之數字作比較：

### CONSOLIDATED INCOME STATEMENT

### 綜合收益表

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover	營業額	(71,564)	(51,774)	3,786	5,528	7,417
Cost of sales and services	銷售及服務成本	—	—	—	(566)	(426)
Gross (loss) profit	(毛損)毛利	(71,564)	(51,774)	3,786	4,962	6,991
Other income	其他收入	9,919	18,518	337	15,881	—
Distribution and selling expenses	分銷及銷售開支	—	(331)	(286)	(46)	(157)
General and administrative expenses	一般及行政開支	(70,187)	(128,386)	(15,919)	(129,970)	(29,152)
Changes in fair value of financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產之公平值變動	(142,310)	(139,420)	—	—	—
Loss from operations	經營虧損	(274,142)	(301,393)	(12,082)	(109,173)	(22,318)
Finance costs	融資成本	(1,630)	(24,250)	(290)	(3,479)	(584)
Gain on disposal of subsidiaries	出售附屬公司之收益	5,648	—	—	—	—
Share of results of associates	應佔聯營公司業績	4,464	1,860	—	—	—
Loss before taxation	除稅前虧損	(265,660)	(323,783)	(12,372)	(112,652)	(22,902)
Taxation	稅項	—	—	—	1,261	—
Loss from continuing operations	來自持續經營業務之虧損	(265,660)	(323,783)	(12,372)	(111,391)	(22,902)
Loss from discontinuing operations	來自已終止經營業務之虧損	(8,642)	(9,404)	(12,380)	(5,713)	(32,458)
		<b>(274,302)</b>	<b>(333,187)</b>	<b>(24,752)</b>	<b>(117,104)</b>	<b>(55,360)</b>
Attributable to:	以下人士應佔：					
Equity holders of the parent	母公司股權持有人	(274,302)	(333,187)	(24,752)	(117,104)	(55,360)
Minority interests	少數股東權益	—	—	—	—	—
Loss attributable to shareholders	股東應佔虧損	<b>(274,302)</b>	<b>(333,187)</b>	<b>(24,752)</b>	<b>(117,104)</b>	<b>(55,360)</b>

Financial Summary  
財務概要

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Non-current assets	非流動資產	<u>39,534</u>	<u>72,006</u>	<u>3,524</u>	<u>48,487</u>	<u>206,398</u>
Current assets	流動資產	<u>230,821</u>	<u>434,155</u>	<u>103,763</u>	<u>164,653</u>	<u>118,959</u>
Current liabilities	流動負債	<u>(45,080)</u>	<u>(259,277)</u>	<u>(82,628)</u>	<u>(163,731)</u>	<u>(74,991)</u>
Net current assets	流動資產淨值	<u>185,741</u>	<u>174,878</u>	<u>21,135</u>	<u>922</u>	<u>43,968</u>
Total assets less current liabilities	資產總值減流動負債	<u>225,275</u>	<u>246,884</u>	<u>24,659</u>	<u>49,409</u>	<u>250,366</u>
Non-current liabilities	非流動負債	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,686)</u>
Net assets	資產淨值	<u>225,275</u>	<u>246,884</u>	<u>24,659</u>	<u>49,409</u>	<u>170,680</u>



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**FOREFRONT GROUP LIMITED**  
**福方集團有限公司\***