

Annual Report 2008
二零零八年年報



CNNC International Limited
中核國際有限公司

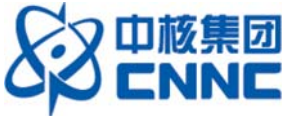
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2302



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CNNC INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Qiu Jiangan

Executive Directors

Han Ruiping

Xu Hongchao

Non-Executive Director

Huang Mingang

Independent Non-Executive Directors

Cheong Ying Chew Henry

Cui Ligu

Zhang Lei

AUDIT COMMITTEE

Cheong Ying Chew Henry (*Chairman*)

Huang Mingang

Cui Ligu

Zhang Lei

REMUNERATION COMMITTEE

Han Ruiping (*Chairman*)

Huang Mingang

Cheong Ying Chew Henry

Cui Ligu

Zhang Lei

COMPANY SECRETARY

Li Philip Sau Yan

REGISTERED OFFICE

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Grand Cayman

Cayman Islands

中核國際有限公司*

(於開曼群島註冊成立之有限公司)

董事局

主席暨非執行董事

邱建剛

執行董事

韓瑞平

許紅超

非執行董事

黃敏剛

獨立非執行董事

張英潮

崔利國

張雷

審核委員會

張英潮 (*主席*)

黃敏剛

崔利國

張雷

薪酬委員會

韓瑞平 (*主席*)

黃敏剛

張英潮

崔利國

張雷

公司秘書

李守仁

註冊辦事處

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Cayman Islands

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SOLICITOR

Baker & Mckenzie

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

China Construction Bank Corporation
Chong Hing Bank Limited

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE (BRANCH REGISTRAR)

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre, 183 Queen's Road East
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE (REGISTRAR)

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street, George Town
Grand Cayman, KY1-1107
Cayman Islands

CORPORATE WEBSITE

www.cncintl.com

SHARE LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 2302

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律師

貝克•麥堅時律師事務所

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國建設銀行股份有限公司
創興銀行有限公司

香港股份過戶登記處(分處)

香港中央證券登記有限公司
香港
皇后大道東183號合和中心
46樓

開曼群島股份過戶登記處(總處)

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
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Grand Cayman, KY1-1107
Cayman Islands

公司網站

www.cncintl.com

股份上市及股份代號

香港聯合交易所有限公司
股份代號：2302

Chairman's Statement 主席報告書



邱建剛
主席
Qiu Jianguang
Chairman

On behalf of the Board of Directors of CNNC International Limited (the "Company") (formerly known as United Metals Holdings Limited) and its subsidiaries (collectively the "Group"), I am pleased to present the annual results of the Group for the year ended 31st December, 2008.

本人謹代表董事局向股東提呈中核國際有限公司(「本公司」)(前稱「科鑄技術集團有限公司」)及其附屬公司(統稱為「本集團」)截至二零零八年十二月三十一日止年度之全年業績。

CHANGE IN MAJOR SHAREHOLDER

2008 marked a significant milestone in the development of the Group. On 5th November, 2008, the Company issued 159,168,308 new shares and a three-year maturity convertible note with a principal amount of HK\$106,200,000. Upon the completion of share transfer on the same date, the Group became a subsidiary of China National Nuclear Corporation ("CNNC"). Following the enlargement of its share capital, the Group is backed by strong cash flow for future development and investments.

CNNC is a mega-sized enterprise solely owned by the State and the only PRC enterprise covering a full range of nuclear-technology industries. As the major investor and owner of nuclear power stations in China, CNNC is a principal in nuclear power development and related technology development, as well as a supplier of nuclear power designs, nuclear fuel and nuclear technology equipment.

主要股東變動

二零零八年為本集團發展的一個重大里程碑。於二零零八年十一月五日本公司增發159,168,308股新股及發行三年期港幣106,200,000元可換股票據；同日完成股份轉讓交易後，本集團即成為中國核工業集團公司(「中核集團」)旗下之子公司。增資擴股後，本集團擁有充足現金用作日後發展及投資。

中核集團是中國唯一建立了完整的核科技工業體系的特大型國有獨資企業，是中國核電站的主要投資方和業主，是核電發展及技術開發的主體，是核電設計供應商、核燃料供應商和核技術設備供應商。

RESULTS

For the year ended 31st December, 2008, the Group reported turnover of approximately HK\$209,082,000 (2007: HK\$234,919,000), a decrease by approximately 11%. Gross profit was approximately HK\$8,916,000 (2007: approximately HK\$25,281,000). Consolidated loss attributable to equity holders of the Company for the year was approximately HK\$19,717,000, compared to loss of approximately HK\$4,356,000 for the previous year. 2008 results of the Group comprised mainly results of the die casting business of the Group's subsidiary.

DIE CASTING BUSINESS

2008 was a challenging year for the die casting business of the Group. The Group reported a year-on-year decrease in turnover of approximately 11% as its die casting business had been severely affected under the financial crisis. The segment was also subject to aggravated cost pressure given surging prices for raw materials and energy as well as rising staff costs. Natural disasters also took its toll, as some enterprises under the Group reported suspension in production for as long as three weeks in the wake of the flood in Southern China.

Amid a challenging environment, the Group reinforced its solid business foundations and strived to maximise value for shareholders with the implementation of effective operational measures, including stringent cost control and management.

The Group believes that its die casting business has been set in the right direction and will make positive contributions to the Group in the medium to long term.

URANIUM LEVERAGING BUSINESS

As a form of clean energy, nuclear power has become the subject of focused development for the PRC Government. On the back of CNNC's leadership and solid experience in the uranium leveraging business, the Group is actively expanding its overseas uranium leveraging business and identifying related opportunities to answer the demand for uranium resources created by the development of nuclear power in nuclear power generation. Through the operation of this business, we expect to deliver sound operating results to reward shareholders for their support.

業績

截至二零零八年十二月三十一日止，本集團之營業額約為港幣209,082,000元（二零零七年：港幣234,919,000元），較去年減少約11%。實現毛利約港幣8,916,000元（二零零七年：約港幣25,281,000元）。本年度本公司權益持有人應佔綜合虧損約港幣19,717,000元，去年虧損約港幣4,356,000元。二零零八年之業績主要為本集團附屬公司壓鑄業務之業績。

壓鑄業務

二零零八年對本集團的壓鑄業務來說是充滿挑戰的一年。受金融危機影響，本集團壓鑄業務受到較大衝擊，營業額較上年下降約11%；原材消耗、能源成本及員工成本大幅上漲，加重了壓鑄業務的成本；自然災害亦帶來衝擊，特別是華南水災令本集團部分企業中斷生產三星期。

面對種種挑戰，本集團實施了一系列措施，特別是加強了成本控制管理，從而保持了良好的商業基礎，為股東爭取最大利益。

本集團認為，壓鑄業務仍循正確方向經營，並將於中長期內為本集團帶來正面貢獻。

鈾資源相關業務

中國政府正致力於快速發展清潔型能源——核電。為滿足核電對鈾資源之市場需求，憑藉中核集團在鈾資源領域的優勢地位和豐富經驗，本集團積極尋求及拓展海外鈾資源業務，以期創造良好經營業績，回饋廣大股東的厚愛。

Chairman's Statement 主席報告書 (continued 續)

BUSINESS PROSPECTS AND CONCLUSION

The renaming of the Company as CNNC International Limited (中核國際有限公司), as approved at the extraordinary general meeting of the Company held on 7th August, 2008, signified the expansion of the scope of business of the Group to include the uranium leveraging business, in addition to its existing die casting business. Such expansion should unveil new development opportunities and facilitate business diversification of the Group.

Leveraging the wealth of experience of our new management, expert task forces and proficient technical teams as well as the strong support of shareholders, the Group will continue to look into business opportunities, with a particular focus on expanding the uranium leveraging business, with a view to enhancing shareholders' value.

APPRECIATION

On behalf of the Board of Directors, I would like to express sincere gratitude to our shareholders, customers and business partners for their long-standing support. Thanks are also due to our management and staff for their dedication and contributions during the past year.

Qiu Jiangang
Chairman

Hong Kong, 9th April, 2009

業務展望及總結

二零零八年八月七日，本公司股東特別大會通過決議將本公司的名稱變更為CNNC International Limited(中核國際有限公司)，標誌著本集團之業務策略由已有之壓鑄業務擴展至鈾資源領域，為本集團帶來新的發展機遇，實現業務發展多元化。

憑藉本公司新管理層、專家工作小組、資深技術團隊之豐富經驗，加上股東之鼎力支持，本集團將繼續尋找商機，尤其致力於鈾資源領域及相關業務之拓展，以期為股東創造更大價值。

致謝

本人謹代表董事局藉此機會就股東、客戶及業務夥伴長期對我們的支持致以衷心謝意，並感謝管理團隊及本集團的員工過去一年付出的努力及作出的貢獻。



邱建剛
主席

香港，二零零九年四月九日

MARKET OVERVIEW

2008 was a year full of challenges and difficulties to the Group's die casting business. In particular, the spread of financial crisis in the second half of the year caused rapid economic downturn on a global scale. Being the key driver market for casting parts, the automotive industry was the one of the hardest hit industries. The Group's die casting business was severely affected as many of our customers from the overseas reduced inventory level and implemented more prudent purchasing policies in anticipation of contracting retail demand. In addition, the industry also faced challenges brought about by Renminbi appreciation, rising production costs particularly in relation to raw materials and labour, and natural disasters such as flooding in Southern China.

With the downturn of the global economy and a difficult operating environment ahead in 2009, further contraction in die casting product market, especially international retail consumption, is expected.

BUSINESS REVIEW

For the year ended 31st December, 2008, the operating results of the Group mainly came from the die casting business. Turnover of the Group for the year under review dropped 11% to approximately HK\$209,082,000 as compared to the last financial year (2007: HK\$234,919,000). The decrease was mainly attributable to (i) the decrease in demand for die casting products from overseas market in the second half of the year and (ii) severe flooding occurred in June 2008 resulting in suspension of production for weeks. Loss after taxation were approximately HK\$19,717,000 (2007: loss of HK\$4,356,000) for the year. The gross profit margin decreased to 4.3% (2007: 10.8%) mainly because of adverse factors such as Renminbi appreciation, higher inflation, reduction in export tax rebates as well as rising energy and labor costs during the year under review.

Despite the declining performance for the year under review, the Group continued to maintain a strong financial position. Total assets as at 31st December, 2008 increased to approximately HK\$470 million as compared to approximately HK\$190 million as at 31st December, 2007 as a result of the issue of new shares and a convertible note during the year.

市場概覽

二零零八年是對本集團壓鑄業務充滿挑戰的一年。一年來，特別是下半年金融危機的爆發，導致全球經濟急劇下滑，作為壓鑄部件市場主要增長動力的汽車產業，受到較為嚴重的衝擊。本集團產品之境外客戶消費需求收縮，紛紛降低存貨水準，採購政策也趨向審慎，因此，本集團壓鑄業務受到較大的影響。另外，人民幣升值、生產成本（特別是原材料及勞工成本）上漲、華南地區水災等天災，均對產業造成了不同程度的衝擊。

二零零九年受全球經濟不景氣之影響，預計整體壓鑄產品市場尤其是國際市場零售消費將進一步萎縮，本集團之外部經營環境依然嚴峻。

業務回顧

截至二零零八年十二月三十一日止年度，本集團經營業績主要來源於壓鑄業務。本集團回顧年度的營業額約港幣209,082,000元（二零零七年：港幣234,919,000元），較上一個財政年度下跌11%。營業額下跌主要是由於(i)海外市場於下半年對壓鑄產品的需求減少；及(ii)二零零八年六月發生嚴重水災，以致生產中斷數星期。年內錄得稅後虧損約港幣19,717,000元（二零零七年：虧損港幣4,356,000元）。回顧年度內，受人民幣升值、通脹加劇、出口退稅減少、能源成本和勞工成本增加等多個不利因素影響，毛利率下降至4.3%（二零零七年：10.8%）。

儘管回顧年度經營業績倒退，但本集團的財政狀況仍維持穩健。年內發行新股份及可換股票據後，總資產由二零零七年十二月三十一日約港幣190,000,000元增至二零零八年十二月三十一日約港幣470,000,000元。

Management Discussion & Analysis 管理層討論及分析 (continued 續)

OPERATIONAL REVIEW

During the year under review, the cost of sales increased because of rising inflation and customers demand declined due to the global economy downturn. Therefore, the Group actively undertook a series of measures to overcome the challenges encountered and to mitigate any negative impact brought by the deteriorating economic environment. The Group continued to apply stringent cost and quality controls, upgraded the production process and developed advanced technology for product improvement.

Effective Cost and Quality Control Measures

To counter the increase in labor cost, mainly due to inflation and increase in minimum wages, the Group introduced full automation as a long-term strategy. Automatic spray and extract system was installed in the zinc casting operation to reduce the number of senior technicians, leading to a corresponding reduction in operating cost and an improvement in the quality of products.

In view of the surge in energy cost, the Group made substantial research and development efforts to study alternative fuel options for production. Arrangements were also made to enhance furnace utilization so as to reduce the energy cost.

Technology Improvement and Increased Efficiency

During the year under review, as a result of the application of quick-change-over-mould technology, the efficiency of multi-parts production was increased, requiring smaller production area and lower levels of inventory.

The Group always strives to provide products of top quality and to enhance production efficiency through technology innovation and development. During the year under review, our proprietary technologies used in the casting operation in China were documented and applications were made to register patent rights. Two of them have since been approved and patent rights have been granted. The Group will continue to invest in research and development to maintain our competitiveness in the market.

Strong Relations with Clients

With over 50 clients at present, the customer base of the Group's die casting business spans numerous countries and regions around the world.

Despite the difficult macroeconomic environment prevailing in the year under review, the Group was able to secure a world-class client which produces home furnace control valve after this company had decided to close down their own casting operation in the USA and outsource all their casting parts to the Group.

營運回顧

回顧年度內，通脹加劇導致銷售成本上升，全球經濟衰退導致客戶需求下降。為此，本集團積極採取一系列措施，務求克服挑戰，緩解經濟環境惡化的不利影響，並繼續推行嚴格的成本及品質控制措施，提升生產工藝，同時開發先進技術藉以改良產品。

行之有效的成本及品質監控措施

面對通貨膨脹及法定最低工資提升所導致的勞工成本上漲，本集團把推行全面自動化作業作為一項長遠戰略，為鋅鑄造業務配置了自動噴灑及抽取設備，以減少高級技工人數，從而降低相應的營運成本，也提高產品品質。

鑒於能源成本上漲，本集團加大替代生產燃料的研發力度，同時提高了熔爐利用率，節省了能源成本。

技術進步與效率提高

回顧年度內，由於採用了快速更換模具技術，本集團零件生產效率提高，生產車間面積和存貨水平有所降低。

本集團一直致力提供優質產品，並透過技術創新及開發提升生產效率。回顧年度內，本集團鑄造業務所採用的自有技術，已完成編製相關文獻，申請中國專利權，其中兩項已通過審批並成功獲得專利。本集團將繼續投放資源進行研發，維持市場競爭力。

與客戶的緊密關係

本集團壓鑄業務現有客戶逾50名，遍佈全球多個國家或地區。

回顧年度內，一家全球知名的家居爐具控制閥門製造商，擬關閉其美國鑄造業務，所有零件鑄造業務改為外判予本集團，使本集團得以在疲弱的宏觀經濟環境中，新增一家世界級客戶。

PROSPECTS AND FUTURE PLAN OF THE GROUP

Management of the Group expects the effect of the negative macroeconomic environment will continue through to 2009. Incoming orders of die casting products will dwindle accordingly as the demand for commodities from all sectors is expected to drop, in particular for the automotive industry. The worsened economy will intensify competition and bring cost pressure to the industry, cutting profitability to a lower level. On the other hand, while material cost has slightly fallen in the market, there is no sign that the structural costs including labor and energy costs will be lowered in the near future.

The Group will continue to exercise stringent cost and quality controls, strengthen controls in all financial areas including asset management and minimize all inventory levels.

The Group will strive to stay ahead of its competitors by investing more resources in technology innovation and by engaging more heavily in hi-tech production. Our strategy will focus on the improvements in our automated manufacturing processes with the aim to reduce labor costs and enhance production yield. Two task forces are being set up to research and develop solutions for energy saving, automatic complete system in surface finishing and porosity-free casting technology.

The Group will also concentrate its sales effort in the China domestic market, as China is expected to recover from the economic crisis earlier than other markets.

While closely monitoring the performance of its die casting business, the Group has also strived to diversify its business and maximize shareholders' benefits by looking into investments and business opportunities, particularly those relating to uranium leveraging which promising return is expected by the market.

Looking ahead, the operating environment in the coming year will be more difficult. Nonetheless, with the Group's strong financial strength, solid foundation built over the years, support of the shareholders and prudent plans for the future, the management has confidence in expanding into new uranium leveraging business while riding its existing business through, leading to a rapid growth in the Group's performance within a short period of time.

本集團之前景及未來計劃

本集團管理層預期，二零零九年將繼續受到全球經濟衰退的不利影響。各行業的商品需求將會下跌，其中汽車業需求的跌幅將尤其顯著，因此壓鑄產品的訂單也會相應減少。在經濟環境惡化的情況下，競爭將會更加激烈，為業界構成成本壓力，進一步蠶食企業的盈利水平。另一方面，現階段只有原材料成本輕微降低，至於勞工及能源成本等結構性成本，暫無跡象顯示會於短期內下調。

本集團將繼續嚴格監控成本和品質，加強對資產管理等各財務範疇的控制，以及將存貨量控制於最低水平。

本集團將投放更多資源進行技術創新，採用更多高科技生產技術，務求在競爭對手中脫穎而出。我們將以改良製造過程自動化工藝為戰略，減少勞動成本及提高成品率。本集團已成立兩個專案工作小組，自主研發節能方案、自動表面處理系統以及無孔隙鑄造技術。

本集團預期中國經濟復蘇速度將較其他市場快，因此銷售力度也將集中於國內市場。

本集團除密切關注壓鑄業務的表現外，還將探討各類投資和業務商機，尤其是在市場前景看好的鈾資源領域拓展新業務，實現業務發展多元化及股東利益最大化。

展望來年，營運環境雖然仍然維艱，但管理層深信，憑藉雄厚的財力、穩固的基礎、股東的支持及審慎的規劃，本集團將在穩步推進原有業務的同時，積極拓展鈾資源領域新經濟增長點，務求在較短時期內實現本集團業績快速提升。

Management Discussion & Analysis 管理層討論及分析 (continued)

EMPLOYEES AND REMUNERATION POLICIES

As at 31st December, 2008, the Group employed approximately 1,420 (2007: 1,906) full-time employees of whom 27 (2007: 21) were based in Hong Kong, 1,393 (2007: 1,885) were based in the Group's factories in Dongguan, the PRC. Total staff cost incurred during the year amounted to approximately HK\$59,978,000 (2007: HK\$58,233,000).

Remuneration policies and packages for the Group's employees are based on their performance, working experiences and condition prevailing in the industry. In addition to basic salaries, retirement schemes and medical schemes, discretionary share options and performance bonuses to eligible staff are according to the financial results of the Group and the performance of individual employees. To raise work quality and management abilities of its employees, the Group provides job rotation, in-house training and external training courses to employees.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2008, total bank borrowings amounted to HK\$16,000,000 (At 31st December, 2007: HK\$19,334,000) which would be due within one year. The bank borrowings are denominated in Hong Kong dollars, and bear interest at rates calculated with reference to Hong Kong Interbank Offered Rate ("HIBOR") plus basis.

The Group had a net current assets amounting to HK\$433,855,000 (At 31st December, 2007: HK\$67,776,000) and a current liabilities of HK\$56,564,000 as at 31st December, 2008 (At 31st December, 2007: HK\$50,258,000). Average stock turnover days increased to 73 days as at 31st December, 2008 from 72 days as at 31st December, 2007. Debtors' turnover days decreased from 79 days as at 31st December, 2007 to 77 days as at 31st December, 2008.

Capital expenditures on plant, equipment, leasehold improvements and construction in progress totalled HK\$17,218,000 in 2008 (2007: HK\$25,762,000), of which HK\$3,015,000 (2007: HK\$7,323,000) was related to the construction cost of the new manufacturing plant situated in Shanghai, the PRC. Furthermore, HK\$18,000,000 (At 31st December, 2007: HK\$29,701,000) was committed as at 31st December, 2008 to purchase additional property, plant and equipment, and the whole amount was contracted for but not provided in the financial statements.

僱員及薪酬政策

於二零零八年十二月三十一日，本集團僱用約1,420名(二零零七年：1,906名)全職員工，當中27名(二零零七年：21名)駐於香港，另1,393名(二零零七年：1,885名)駐於本集團在中國東莞之廠房。全年員工成本總額約為港幣59,978,000元(二零零七年：港幣58,233,000元)。

本集團僱員之薪酬政策及方案乃按照員工之表現、工作經驗及行業當時之狀況釐定。除基本薪金、退休計劃及醫療計劃外，因應本集團財務業績及個別員工之表現，合資格員工亦可獲發酌情購股權及表現花紅。為提高僱員之工作質素及管理 ability，本集團向僱員提供職位調配、內部培訓及外界培訓課程。

流動資金及財務資源

於二零零八年十二月三十一日，銀行借貸總額為港幣16,000,000元(於二零零七年十二月三十一日：港幣19,334,000元)，將於一年內到期。銀行借貸以港幣列值，參考香港銀行同業拆息加指定息率計息。

於二零零八年十二月三十一日，本集團流動資產淨值為港幣433,855,000元(於二零零七年十二月三十一日：港幣67,776,000元)，流動負債為港幣56,564,000元(於二零零七年十二月三十一日：港幣50,258,000元)。平均存貨週轉期由二零零七年十二月三十一日之72天增加至二零零八年十二月三十一日之73天。應收賬款收款期由二零零七年十二月三十一日之79天減至二零零八年十二月三十一日之77天。

二零零八年之廠房、設備、租賃物業裝修與在建工程之資本開支合共港幣17,218,000元(二零零七年：港幣25,762,000元)，當中港幣3,015,000元(二零零七年：港幣7,323,000元)與位於中國上海之新生產廠房之興建成本有關。此外，於二零零八年十二月三十一日，已訂立合同的增購物業、廠房及設備為港幣18,000,000元(於二零零七年十二月三十一日：港幣29,701,000元)，其訂立之金額並未於財務報表撥備。

LIQUIDITY AND FINANCIAL RESOURCES (continued)

Net cash from operating activities amounted to HK\$14,775,000 (2007: HK\$20,454,000). The Group's cash on hand and bank balances increased from HK\$18,807,000 as at 31st December, 2007 to HK\$400,150,000 as at 31st December, 2008. The increase was due to the issue of new shares and a convertible note during the year.

Total shareholders' funds increased from HK\$189,674,000 as at 31st December, 2007 to HK\$469,640,000 as at 31st December, 2008, due mainly to the issue of new shares and a convertible note during the year.

As at 31st December, 2008, the gearing ratio, in terms of total debts to total assets, increased to 0.23 (At 31st December, 2007: 0.21). The increase was mainly a result of the issue of a convertible note.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisitions and disposals of subsidiaries and associated companies for the year ended 31st December, 2008.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's income and expenditure of raw materials and manufacturing cost are mainly denominated in USD, HKD and RMB. Fluctuations of the exchange rates of RMB against foreign currencies could affect the operating costs of the Group. Currencies other than RMB were relatively stable during the year, the Group did not expose to significant foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, management will continue to monitor foreign exchange exposure and will take prudence measures to minimize the currency translation risk. The Group will consider hedging significant foreign currency exposure should the need arise.

流動資金及財務資源 (續)

來自經營業務之現金淨額為港幣14,775,000元(二零零七年:港幣20,454,000元)。本集團之手頭現金及銀行結餘由二零零七年十二月三十一日之港幣18,807,000元增加至二零零八年十二月三十一日之港幣400,150,000元。增加是由於年內發行新股份及可換股票據所致。

由於年內發行新股份及可換股票據,故股東資金總額由二零零七年十二月三十一日之港幣189,674,000元增至二零零八年十二月三十一日之港幣469,640,000元。

於二零零八年十二月三十一日,資產負債比率(按負債總額相對資產總值計算)增至0.23(於二零零七年十二月三十一日:0.21)。有關增幅主要由於發行可換股票據所致。

收購及出售附屬公司及聯營公司

截至二零零八年十二月三十一日止年度,本集團並無任何重大收購及出售附屬公司及聯營公司。

外匯風險承擔

本集團收入與原材料開支及製造成本開支主要以美元、港幣及人民幣列值。人民幣兌外幣匯率波動可影響本集團經營成本。人民幣以外之貨幣於年內相對穩定,本集團並無面對重大外匯風險。本集團現時並無外幣對沖政策。然而,管理層將繼續監察外匯風險,並將採取審慎措施盡量減低匯兌風險。本集團將於必要時考慮對沖重大外匯風險。

Management Discussion & Analysis 管理層討論及分析 (continued 續)

CAPITAL STRUCTURE

There has been no material significant change in the capital structure of the Group during the year.

資本結構

本集團之資本結構於年內並無實質重大變動。

CHARGE ON ASSETS

There was no charge on the Group's assets for the year ended 31st December, 2008 (2007: Nil).

資產抵押

截至二零零八年十二月三十一日止年度，本集團並無抵押任何資產（二零零七年：無）。

CONTINGENT LIABILITIES

The Group has given guarantees to banks in respect of general facilities granted to its subsidiaries. The extent of such facilities utilized by the subsidiaries at 31st December, 2008 amounted to approximately HK\$16,000,000 (At 31st December, 2007: HK\$19,334,000).

或然負債

本集團已就其附屬公司獲授一般融資向銀行作出擔保。於二零零八年十二月三十一日，有關附屬公司已動用部分該等融資為數約港幣16,000,000元（於二零零七年十二月三十一日：港幣19,334,000元）。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31st December, 2008.

BOARD OF DIRECTORS

Members of the Board of directors of the Company (the “Board”) are collectively responsible for overseeing the business and affairs of the Company and its subsidiaries (the “Group”) that aims to enhancing the Company’s value for stakeholders. Roles of the Board include reviewing and guiding corporate strategies and policies; monitoring financial and operating performance; ensuring the integrity of the Group’s accounting and financial reporting systems; and setting appropriate policies in managing risks of the Group.

The Board currently comprises a total of seven members including two executive directors, two non-executive directors and three independent non-executive directors (“INEDs”), whose details are set out on pages 20 and 23. Members of the Board have different professional and industry experiences and background so as to bring in valuable contributions and advices for the development of the Group’s business. More than one-third of the Board are INEDs.

Directors have full access to accurate, relevant and timely information of the Group through management and are able to obtain independent professional advices on issues whenever deemed necessary by the directors.

Board members meet regularly to discuss strategies and business issues, including financial performance of the Group. During the year, the Board held 4 meetings; and Board members can attend meetings in person or through electronic communications means in accordance with the Memorandum and Articles of Association of the Company. A record of the Directors’ attendance at Board meetings is set out on page 19.

The roles of the Chairman and the Chief Executive Officer are segregated in order to reinforce their independence and accountability. Their respective responsibilities are clearly established and set out in writing. The Chairman leads the Board’s workings and proceedings, while the Chief Executive Officer is responsible for implementing the Group’s strategies and policies and for conducting the Group’s businesses.

企業管治常規守則

本公司於截至二零零八年十二月三十一日止年度內一直遵守根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「企業管治守則」）所訂守則條文。

董事局

本公司董事局（「董事局」）成員共同監督本公司及其附屬公司（「本集團」）業務及事務，旨在提升本公司為股東帶來的價值。董事局職責包括檢討企業策略及政策並作出指引；監管財務及營運表現；確保本集團會計及財務申報制度充足完備；以及制訂合適政策管理本集團風險。

董事局現由合共七名成員組成，包括兩名執行董事、兩名非執行董事及三名獨立非執行董事（「獨立非執行董事」）。董事履歷詳情載於第20至23頁。董事局成員具備不同專業及行業經驗及背景，能為本集團業務發展作出寶貴貢獻及意見。董事局超過三分之一成員為獨立非執行董事。

董事可透過管理層，全面取得本集團之準確、相關及最新資料，且可於彼等認為需要時取得獨立專業意見。

董事局成員定期會面，以商討本集團策略及業務，包括財務表現。年內，董事局舉行了四次會議，根據本公司之公司組織章程大綱及細則，董事局成員可親身或透過電子通訊方式出席。董事出席董事局會議之記錄載於第19頁。

主席及行政總裁之角色獨立區分以加強獨立性及問責性，而各自之職責已書面確立。主席領導董事局運作及程序，而行政總裁負責實行本集團策略及政策，以及進行本集團業務。

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements of the Group. With the assistance of the accounting department, which is under the supervision of the qualified accountant of the Company, the directors ensure that the financial statements of the Group have been properly prepared in accordance with statutory requirements and applicable accounting standards. The directors also ensure that the publication of the accounts of the Group is in a timely manner.

A report of the independent auditor on the Group's accounts is set out in this annual report.

獨立非執行董事之確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條就確認彼等之獨立性發出之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納一套不寬鬆於上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）所規定標準的操守準則。向全體董事作出明確查詢後，全體董事確認彼等已遵守標準守則及本公司就董事進行證券交易所採納的操守準則所載標準規定。

董事對財務報表之責任

董事明瞭彼等編製本集團財務報表之責任。在由本公司合資格會計師督導的會計部門協助下，董事確保本集團財務報表根據法定規定及適用會計準則妥為編製，並依時刊發本集團賬目。

本年報載有獨立核數師對本集團賬目之報告。

INTERNAL CONTROL AND INTERNAL AUDIT

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the shareholders and assets of the Company at all times.

The system of internal controls aims to help achieving the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

Management has conducted regular reviews during the year on the effectiveness of the internal control system covering all material controls in area of financial, operational and compliance controls, various functions for risks management as well as physical and information system security.

Procedures have been designed for the business objectives, safeguard asset against unauthorized use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations.

Internal Audit Department has conducted an on going independent review on the effectiveness of the system of internal control and risk management of the Group and considers it to be adequate and effective. Reports on the effectiveness of the Group's internal control on difference areas had been submitted to the Audit Committee. It is noted that there is no significant areas of concern which may affect the effectiveness of the internal control system.

Throughout the year ended 31st December, 2008, the Board is satisfied that the Group has fully complied with the code provisions on internal control as set out in C.2.1 of the CG code.

內部監控及內部審計

董事局理解須負責為本集團維持穩健有效之內部監控制度，隨時保障股東投資及本公司資產。

內部監控制度旨在協助本集團達致業務目標、保障資產及恰當存管會計記錄以提供可靠財務數據。然而，有關制度只為防止財務報表出現重大錯誤陳述或資產損失提供合理而非絕對保證，並管理而非消除實現業務目標時面對之失敗風險。

管理層於本年度定期檢討內部監控制度之成效，涵蓋財務、營運及守章方面之所有重大監管、風險管理各項職能以至實質及信息系統保安。

本集團已就業務目標、保障資產免遭非法挪用或處置、確保妥善存置賬簿及記錄以提供內部使用或刊發之可靠財務數據，以及確保遵循相關法例及法規制定多項程序。

內部審核部門持續獨立審閱本集團內部監控制度及風險管理之成效，並認為有關制度充足有效。有關本集團就不同範疇之內部監控成效所作出報告，已提呈審核委員會審理。務請注意，並無重大範疇或會影響內部監控系統之成效。

截至二零零八年十二月三十一日止年度，董事局信納，本集團全面遵守企業管治守則第C.2.1條所載有關內部監控之守則條文。

AUDITOR'S REMUNERATION

For the year, the remuneration paid to the Company's auditor, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered 所提供服務	Fees paid/payable 已付／應付費用	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Audit services 審計服務	900	1,018
Non-audit services (i.e. Professional Service) 非審計服務 (即專業服務)	180	—
	1,080	1,018

核數師酬金

於本年度，應付本公司核數師德勤•關黃陳方會計師行之酬金載列如下：

AUDIT COMMITTEE

The Company's Audit Committee was first established in December 2002 and its terms of reference are available on the Company's website.

The principal duties of the Audit Committee include reviewing the Group's financial reporting system, internal control procedures and risk management and maintaining good and independent communications with the management as well as external auditor of the Company. Its current members include:

Mr. Cheong Ying Chew Henry (*Chairman of the Audit Committee*)
Mr. Huang Mingang
Mr. Cui Liguo
Mr. Zhang Lei

Three out of four members of the Audit Committee are the INEDs of the Company. Mr. Cheong has appropriate related financial management expertise as required under the Listing Rules. None of them is employed by or otherwise affiliated with former or existing auditor of the Company.

The Audit Committee held 2 meetings during the year. The minutes of the Audit Committee meetings were tabled to the Board for noting and for action by the Board where appropriate. The attendance of each member is set out on Page 19.

During the year, the Audit Committee reviewed the Group's interim and annual report for the year ended 31st December, 2008 and the accounting principles and practices adopted by the Group. The Audit Committee also reviewed the adequacy and effectiveness of the Company's internal control system and made recommendations to the Board.

審核委員會

本公司審核委員會於二零零二年十二月成立，其職權範圍載於本公司網頁。

審核委員會主要負責審閱本集團之財務報告制度、內部監控程序及風險管理，並與管理層及本公司外聘核數師保持良好以及獨立的溝通。現任成員包括：

張英潮先生 (*審核委員會主席*)
黃敏剛先生
崔利國先生
張雷先生

審核委員會四名成員當中，有三名為本公司獨立非執行董事。張先生具備上市規則所規定適當的相關財務管理知識。彼等概無受僱於本公司前任或現任核數師，或以其他方式與其有聯繫。

審核委員會於年內舉行兩次會議。審核委員會會議記錄已提呈董事局過目及採取適當行動。每名成員出席率載於第19頁。

年內，審核委員會已審閱本集團截至二零零八年十二月三十一日止年度之中期及年度報告與本集團所採納會計準則及慣例。審核委員會另審閱本公司內部監控制度是否充足有效，並向董事局提供推薦意見。

REMUNERATION COMMITTEE

The Company's Remuneration Committee was established in September 2005. Its current members include:

Mr. Han Ruiping (*Chairman of the Remuneration Committee*)
Mr. Huang Mingang
Mr. Cheong Ying Chew Henry
Mr. Cui Liguao
Mr. Zhang Lei

Three out of five members of the remuneration committee are the INEDs of the Company. The terms of reference of the Remuneration Committee are available on the Company's website.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of directors and reviewing their specific remuneration package for directors and senior management, including terms of salary, discretionary bonus scheme, benefits in kind, pension rights, compensation payments and other long-term incentive schemes by reference to market conditions, performance of the Group and the individual and corporate goals and objectives as set by the Board from time to time.

The Remuneration Committee held 1 meeting during the year. The minutes of the Remuneration Committee meeting were tabled to the Board for noting and for action by the Board where appropriate. The attendance of each member is set out on Page 19. During the meeting, the committee members discussed the policy for the remuneration of executive directors and senior management, assessed the performance of executives and approved the terms of Executive Directors' service contracts.

薪酬委員會

本公司薪酬委員會於二零零五年九月成立，現任成員包括：

韓瑞平先生 (*薪酬委員會主席*)
黃敏剛先生
張英潮先生
崔利國先生
張雷先生

薪酬委員會五名成員當中，有三名為本公司獨立非執行董事。薪酬委員會之職權範圍載於本公司網頁。

薪酬委員會之主要職責包括就本公司有關董事薪酬之政策及結構向董事局作出建議，並參照市場狀況、本集團及個人表現以及董事局不時制定之企業目標及定向後，檢討董事及高級管理層之具體薪酬待遇，包括薪酬條款、酌情花紅計劃、實物利益、退休權利、薪酬付款及其他長期獎勵計劃。

薪酬委員會於年內舉行一次會議。薪酬委員會會議記錄已提呈董事局過目及採取適當行動。每名成員出席率載於第19頁。會上，委員會成員討論執行董事及高級管理層之薪酬政策、評估行政人員表現及審批執行董事之服務合約條款。

SHAREHOLDERS' RIGHTS

The Board and management shall ensure shareholders' rights and all shareholders are treated equitably and fairly. Pursuant to the Company's bye-laws, any shareholder entitled to receive notice of and to attend and vote at a general meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. Shareholders who hold not less than one-tenth of the paid up capital of the Company shall have the right, by written requisition to the Board, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Chairmen of the various Board committees, or failing the Chairmen, any member from the respective committees, must attend the annual general meetings of the Company to address shareholders' queries. External auditor shall also be invited to attend the Company's annual general meetings and are available to assist the Directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of their auditor report.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company sees high quality reporting as an essential element in building successful relationship with the Company's shareholders. The information provided will not only comply with the different requirements in force but to provide additional information to enhancing communications with shareholders and the investment public. It is part of a continuous communication that encompasses meetings and announcements to the market as well as periodic written reports in the form of preliminary announcement of results and interim and annual reports.

The Company also maintains a corporate website on which comprehensive information of the Group is provided.

股東權利

董事局及管理層須保障股東權利，且全體股東均獲得公平公正的對待。根據本公司之公司細則，任何有權接獲出席本公司股東大會通告，出席大會並於會上表決之股東，有權委聘另一名人士作為彼之受委代表，代彼出席及表決。持有不少於本公司繳足股本十分之一之股東，有權書面要求董事局就該項要求所訂明任何事宜召開股東特別大會。

各董事委員會主席，或如主席未能出席，則相關委員會之任何成員，必須出席本公司之股東周年大會解答股東提問。外聘核數師亦獲邀出席本公司之股東周年大會，從旁協助董事解答股東有關審核工作及核數師報告編製與內容之提問。

投資者關係及與股東溝通

本公司視良好報告制度為與本公司股東建立良好關係之關鍵。所提供數據除符合現行不同法律法規外，更可提供額外數據加強與股東及公眾投資者之溝通。本公司透過各項會議及市場公佈以及業績初步公佈與中期及年度報告等定期書面報告與股東及投資者持續溝通。

本公司亦設有公司網頁，提供本集團全面數據。

DIRECTORS' ATTENDANCE AT BOARD, AUDIT AND REMUNERATION COMMITTEES' MEETINGS**董事局、審核委員會及薪酬委員會會議之出席記錄**

		Board Meetings 董事局會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議
Total number of meetings held during the year ended 31st December, 2008	截至二零零八年十二月三十一日止年度舉行之會議總數	4	2	1
Number of meetings attended:	所出席會議次數：			
Non-Executive Director	非執行董事			
Mr. Qiu Jiangang (appointed on 5th November, 2008)	邱建剛先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	N/A 不適用
Mr. Huang Mingang (appointed on 5th November, 2008)	黃敏剛先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	1(100%)
Mr. Wong Wing Sing (resigned on 3rd December, 2008)	黃永勝先生 (二零零八年十二月三日辭任)	3(100%)	2(100%)	N/A 不適用
Executive Directors	執行董事			
Mr. Han Ruiping (appointed on 5th November, 2008)	韓瑞平先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	1(100%)
Mr. Xu Hongchao (appointed on 5th November, 2008)	許紅超先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	N/A 不適用
Mr. Tsang Chiu Wai (resigned on 3rd December, 2008)	曾昭偉先生 (二零零八年十二月三日辭任)	3(100%)	N/A 不適用	N/A 不適用
Mr. Kong Cheuk Luen Trevor (resigned on 3rd December, 2008)	江爵煖先生 (二零零八年十二月三日辭任)	3(100%)	N/A 不適用	N/A 不適用
Independent Non-Executive Directors	獨立非執行董事			
Mr. Cheong Ying Chew Henry (appointed on 5th November, 2008)	張英潮先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	1(100%)
Mr. Cui Liguu (appointed on 5th November, 2008)	崔利國先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	1(100%)
Mr. Zhang Lei (appointed on 5th November, 2008)	張雷先生 (二零零八年十一月五日獲委任)	1(100%)	N/A 不適用	1(100%)
Mr. Lee Tho Siem (resigned on 3rd December, 2008)	李多森先生 (二零零八年十二月三日辭任)	3(100%)	2(100%)	N/A 不適用
Mr. Wang Jianguo (resigned on 3rd December, 2008)	王建國先生 (二零零八年十二月三日辭任)	1(33%)	1(50%)	N/A 不適用
Dr. Loke Yu, alias Loke Hoi Lam (resigned on 3rd December, 2008)	陸海林博士 (二零零八年十二月三日辭任)	3(100%)	2(100%)	N/A 不適用

Profiles of Directors and Senior Management 董事及高級管理層簡介

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Mr. Qiu Jiangan, aged 54, currently serves as the deputy general manager of CNNC. Mr. Qiu joined CNNC in 1982 and had served as the director of the Overall Planning Department of CNNC and the assistant to the general manager of CNNC before his current position. Mr. Qiu has been the chairman of SUFA Technology Industrial Co., Ltd. CNNC (中核蘇閩科技實業股份有限公司) (stock code: 000777), a company listed on the Shenzhen Stock Exchange, since December 2005. Mr. Qiu has over 26 years of experience in the nuclear industry. Mr. Qiu graduated from Shanghai Jiao Tong University in 1982 with a bachelor degree in nuclear energy engineering.

Executive Directors

Mr. Han Ruiping, aged 46, currently serves as the Chief Executive Officer of the Company and a director of China Uranium Corporation Limited. Mr. Han joined CNNC in 1992 and had served as engineer, senior engineer of China National Nuclear Corporation (中國核工業總公司) (the predecessor of CNNC) and deputy director of the Nuclear Fuel Department of CNNC before his current position. Before joining CNNC, Mr. Han was a trainee researcher of China Institute of Atomic Energy (中國原子能科學研究院). Apart from serving CNNC, Mr. Han also served as the deputy commissioner of the Science and Technology Division of the Overall Planning Department of Commission of Science, Technology, and Industry for National Defense of the Peoples' Republic of China (COSTIND) during 1998 to 1999 and a researcher of the Science and Technology Division of the Overall Planning Department of COSTIND during 1999 to 2004. Mr. Han has over 20 years of experience in the nuclear industry. Mr. Han graduated from Wuhan University in 1986 with a bachelor degree in Science. He also holds a master degree in management science and engineering from Harbin Engineering University.

董事局成員

主席暨非執行董事

邱建剛先生，54歲，現任CNNC副總經理。邱先生於一九八二年加入CNNC，擔任現職之前，彼曾任CNNC綜合計劃部主任及CNNC總經理助理。邱先生自二零零五年十二月起擔任深圳證券交易所上市公司中核蘇閩科技實業股份有限公司（證券代碼：000777）董事長。邱先生於核工業領域累積逾26年經驗。邱先生於一九八二年畢業於上海交通大學，獲核動力工程學士學位。

執行董事

韓瑞平先生，46歲，現任本公司行政總裁及中國國核海外鈾業有限公司總經理。韓先生於一九九二年加入CNNC，擔任現職之前，彼曾任中國核工業總公司（CNNC的前身）工程師、高級工程師以及CNNC核燃料部副處長。加入CNNC前，韓先生為中國原子能科學研究院研究實習員。除於CNNC之任職外，韓先生亦於一九九八年至一九九九年期間擔任中華人民共和國國防科學技術工業委員會（國防科工委）綜合計劃司科研處副處長，並於一九九九年至二零零四年期間擔任國防科工委綜合計劃司科研處調研員。韓先生於核工業累積逾20年經驗。韓先生於一九八六年畢業於武漢大學，獲理學士學位，另獲哈爾濱工程大學管理科學與工程碩士學位。

BOARD OF DIRECTORS (continued)

Executive Directors (continued)

Mr. Xu Hongchao, aged 38, currently serves as the Executive Vice President of the Company. Mr. Xu joined CNNC in 1993 and had served as the accountant of the finance department of China National Nuclear Corporation (中國核工業總公司) (the predecessor of CNNC), the deputy director of the Assets Management Division of the Investments Operations Department of CNNC, the director of the Overall Management Division of the Policy Research and System Reform Department of CNNC and the director of the Investment Division of the Assets Management Department of CNNC. Mr. Xu is a director of Sanmen Nuclear Power Co., Ltd. (三門核電有限公司) and a director of SUFA Technology Industrial Co., Ltd. CNNC (中核蘇閩科技實業股份有限公司) (stock code: 000777), a company listed on the Shenzhen Stock Exchange. Mr. Xu has about 15 years of experience in the areas of project investment, assets management and securities investment. Mr. Xu graduated from Hengyang Engineering School in 1993 with a bachelor degree in industrial management engineering. He also holds a master degree in business administration from the Tsinghua University. Mr. Xu is also qualified as a senior accountant.

Non-executive Director

Mr. Huang Mingang, aged 42, currently serves as the deputy general manager of China Nuclear Energy Industry Corporation (中國原子能工業公司). Mr. Huang had served as a deputy commissioner, a senior engineer, a commissioner of the Nuclear Energy Department and the assistant to the general manager of China Nuclear Energy Industry Corporation. before his current position. Mr. Huang also served as a director of a department of China Trade Centre Limited in London during 1999 to 2000. Mr. Huang has about 19 years of experience in the nuclear industry. Mr. Huang graduated from Xi'an Jiao Tong University in 1989 with a bachelor degree in engineering. He also holds a master degree in business administration from Tsinghua University. Mr. Huang has obtained the professional qualifications of senior engineer (post-graduate level) and senior international business engineer.

董事局成員 (續)

執行董事 (續)

許紅超先生，38歲，現任本公司執行副總裁。許先生於一九九三年加入CNNC，並擔任中國核工業總公司(CNNC的前身)財務局會計師、CNNC投資經營部資產經營處副處長、CNNC政研體改部綜合管理處處長以及CNNC資產經營部投資處處長。許先生為三門核電有限公司董事及深圳證券交易所上市公司中核蘇閩科技實業股份有限公司(證券代碼：000777)董事。許先生於項目投資、資產管理及證券投資方面累積約15年經驗。許先生於一九九三年畢業於衡陽工學院，獲工業管理工程學士學位，另獲清華大學工商管理碩士學位。許先生亦具有高級會計師職稱。

非執行董事

黃敏剛先生，42歲，現任中國原子能工業公司副總經理。在擔任現職之前，黃先生曾任中國原子能工業公司副處長、高級工程師、核燃料處處長、總經理助理職務。一九九九年至二零零零年期間，黃先生在倫敦擔任China Trade Centre Limited部門經理。黃先生在核工業領域累積約19年經驗。黃先生於一九八九年畢業於西安交通大學，獲工學學士學位，另獲清華大學工商管理碩士學位。黃先生取得研究員級高級工程師及高級國際商務師的職稱。

BOARD OF DIRECTORS (continued)

Independent Non-executive Directors

Mr. Cheong Ying Chew Henry, aged 61, currently serves as an Executive Director & Deputy Chairman of Worldsec Limited, a company listed on the London Stock Exchange. Mr. Cheong also serves as an independent non-executive director of Cheung Kong (Holdings) Limited (stock code: 0001), New World Department Store China Limited (stock code: 825), SPG Land (Holdings) Limited (stock code: 337), Cheung Kong Infrastructure Holdings Limited (stock code: 1038), TOM Group Limited (stock code: 2383), all being companies listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of Excel Technology International Holdings Limited (stock code: 8048), a company listed on the GEM Board of the Stock Exchange. He was an independent non-executive director of Forefront Group Limited (formerly known as Forefront International Holdings Limited) a company listed in Hong Kong and FPP Golden Asia Fund, Inc. (formerly known as Jade Asia Pacific Fund, Inc.), a company listed in Ireland. Mr. Cheong has over 30 years of experience in securities industry. He is also a member of the Securities and Futures Appeals Tribunal and a member of the Disciplinary Panel A of Hong Kong Institute of Certified Public Accountants. Mr. Cheong holds a Bachelor of Science (mathematics) degree from Chelsea College, University of London and a Master of Science (Operational Research and Management) degree from Imperial College, University of London.

Mr. Cui Ligu, aged 39, is currently a partner of Guantao Law Firm, a law firm in Beijing, PRC. He has been practising law since 1993. Mr. Cui is also an independent director of UBS SDIC Fund Management Co., Ltd. (國投瑞銀基金管理有限公司), an independent non-executive director of APT Satellite Holdings Limited (stock code: 01045), a company listed on the Main Board of the Stock Exchange, independent director of 國投新集能源股份有限公司 (stock code: 6019189), a company listed on the Shanghai Stock Exchange and an independent director of SUFA Technology Industry Co., Ltd. CNNC (中核蘇閩科技實業股份有限公司) (stock code: 000777), a company listed on the Shenzhen Stock Exchange. Mr. Cui graduated from the China University of Political Science and Law with a bachelor degree in laws in 1991. He also holds a master degree in laws from the same university.

Mr. Zhang Lei, aged 39, currently serves as an assistant to the general manager of Beijing Fuchengmen sales department of Great Wall Securities Co., Ltd. (長城證券有限責任公司), a company Mr. Zhang joined since 1994. Mr. Zhang has over 14 years of experience in the securities industry. Mr. Zhang graduated from Renmin University of China in 1996, major in commercial and economic management. Mr. Zhang holds the qualification of settlement practitioner granted by Beijing Stock Exchange.

董事局成員 (續)

獨立非執行董事

張英潮先生，61歲，現任倫敦證券交易所上市公司Worldsec Limited執行董事及副主席。張先生亦擔任長江實業(集團)有限公司(股份代號：0001)、新世界百貨中國有限公司(股份代號：825)、盛高置地(控股)有限公司(股份代號：337)、長江基建集團有限公司(股份代號：1038)、TOM集團有限公司(股份代號：2383)(以上公司均為聯交所主板上市公司)之獨立非執行董事，以及聯交所創業板上市公司志鴻科技國際控股有限公司(股份代號：8048)之獨立非執行董事。他曾出任香港上市公司福方集團有限公司(前稱福方國際控股有限公司)及愛爾蘭上市公司FPP Golden Asia Fund, Inc.(前稱Jade Asia Pacific Fund, Inc.)之獨立非執行董事。張先生於證券行業累積逾30年經驗。現為證券及期貨事務上訴審裁處委員及香港會計師公會紀律小組A成員。張先生持有倫敦大學Chelsea College的數學理學士學位及倫敦大學Imperial College的操作研究管理科學碩士學位。

崔利國先生，39歲，現任中國北京觀韜律師事務所合夥人，一九九三年起成為執業律師。崔先生同時兼任國投瑞銀基金管理有限公司獨立董事、聯交所主板上市公司亞太衛星控股有限公司(股份代號：01045)獨立非執行董事、上海證券交易所上市公司國投新集能源股份有限公司(證券代碼：6019189)獨立董事及深圳證券交易所上市公司中核蘇閩科技實業股份有限公司(證券代碼：000777)獨立董事。崔先生於一九九一年畢業於中國政法大學，獲法律學士學位，後於該學校獲法律碩士學位。

張雷先生，39歲，一九九四年加入長城證券有限責任公司，現任長城證券有限責任公司北京阜成門營業部總經理助理。張先生在證券業務方面累積逾14年經驗。張先生於一九九六年畢業於中國人民大學商業經濟管理專業。張先生具有北京證券交易中心頒授的清算員資格。

SENIOR MANAGEMENT

Mr. Zhao Xiaoming, aged 35, currently serves as Vice President of the Company. Mr. Zhao joined CNNC in 1997 and was appointed as chief accountant of China Uranium Corporation Limited in 2008. Mr. Zhao graduated from Renmin University of China in 1993.

Mr. Tsang Chiu Wai, aged 58, is the Chief Operating Officer of the Die Casting Division of the Group. Mr. Tsang started to work in the metal working industry in Hong Kong in 1981. Mr. Tsang was a co-founder of the Group and joined the Group in 1993. He was an executive director and chairman of the Group. He resigned as an executive director and chairman of the Group in December 2008, but remains to serve in the Die Casting Division of the Group. He is responsible for the strategic planning and development of the Die Casting Division of the Group. Mr. Tsang graduated from the University of Hong Kong with a Bachelor of Science Degree in 1974. After completion of his Master of Business Administration Degree in the University of Windsor, Canada, in 1977, Mr. Tsang joined an international oil company in Hong Kong and gained valuable experience in corporate planning and finance. Mr. Tsang is a member of the North American Die Casting Association.

Mr. Kong Cheuk Luen, Trevor, aged 53, is the President of the Die Casting Division of the Group. Mr. Kong joined the Group in 2002 and was an executive director and chief executive officer of the Group. He resigned as an executive director and chief executive officer of the Group in December 2008, but remains to serve in the Die Casting Division of the Group. He is responsible for the overall management of the financial operation and business development functions of the Die Casting Division of the Group. Mr. Kong graduated from University of Saskatchewan, Canada in 1980 with a Bachelor of Commerce Degree. Before joining the Group, Mr. Kong was the General Manager of InfoChain Express division, an information technology business unit at Avery Dennison Corporation, a Fortune 500 US based company, and has over twenty years of manufacturing management experience. During his past years of experience, he had successfully deployed several key projects such as computerization of production system, certification of ISO 9001 quality system, construction of new 150,000 square feet plant facility and restructuring of a world class manufacturing team. Mr. Kong is a member of the North American Die Casting Association.

Mr. Li Philip Sau Yan, aged 50, is the Company Secretary and Qualified Accountant of the Company. Prior to joining the Company in November 2008, he had over 26 years of experience in auditing, accounting and financial management. Mr. Li is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Li is a graduate of Imperial College of the University of London and holds a Bachelor of Science degree.

高級管理層

趙曉明先生，35歲，現任本公司副總裁。趙先生於一九九七年加入CNNC，於二零零八年獲委任為中國國核海外鈾業有限公司總會計師。趙先生於一九九三年畢業於中國人民大學。

曾昭偉先生，58歲，為本集團壓鑄業務部之營運總監。曾先生於一九八一年投身於香港金屬工程業，後於一九九三年加盟本集團，為本集團創辦人之一，曾任本集團執行董事兼主席。曾先生於二零零八年十二月辭任本集團執行董事兼主席，但繼續在本集團壓鑄業務部服務。彼負責本集團壓鑄業務部策略規劃及發展。彼於一九七四年畢業於香港大學，持有理學士學位。曾先生於一九七七年，在加拿大的University of Windsor 完成其工商管理碩士學位課程後，便加入香港一家國際石油公司工作，於企業策劃及財務方面取得寶貴的經驗。彼亦為North American Die Casting Association的會員。

江爵媛先生，53歲，為本集團壓鑄業務部之總裁。江先生於二零零二年加入本集團，曾任本集團執行董事兼行政總裁。江先生於二零零八年十二月辭任本集團執行董事兼行政總裁，但繼續在本集團壓鑄業務部服務。彼負責本集團壓鑄業務部之財務營運及業務發展的整體管理。江先生於一九八零年在加拿大的University of Saskatchewan畢業，持有商業學士學位。加入本集團前，彼為InfoChain Express部門總經理，於製造管理方面累積逾二十年的經驗，該部門乃Avery Dennison Corporation(一家名列於財富雜誌首500位的美國公司)的資訊科技業務單位。彼於以往多年的經驗中，曾成功展開多個主要項目，例如生產系統電腦化、ISO9001品質系統認證、興建150,000平方呎的新廠房設施及重組世界級的製造隊伍。彼亦為North American Die Casting Association的會員。

李守仁先生，50歲，為本公司秘書及合資格會計師。李先生於二零零八年十一月加入本公司前，已擁有逾26年有關核數、會計及財務管理經驗。李先生為英格蘭及威爾斯特許會計師公會會員及香港會計師公會資深會員。李先生畢業於英國倫敦大學Imperial College，取得科學學士學位。

Directors' Report 董事局報告書

The directors present their annual report and the audited consolidated financial statements for the year ended 31st December, 2008.

董事局提呈其截至二零零八年十二月三十一日止年度之年報及經審核綜合財務報表。

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CHANGE OF NAME

Pursuant to a special resolution passed on 7th August, 2008, the name of the Company was changed from United Metals Holdings Limited 科鑄技術集團有限公司 to CNNC International Limited 中核國際有限公司.

更改公司名稱

根據股東於二零零八年八月七日批准之特別決議案，本公司名稱已由United Metals Holdings Limited科鑄技術集團有限公司更改為CNNC International Limited中核國際有限公司。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries are set out in note 35 to the consolidated financial statements.

主要業務

本公司為一間投資控股公司，其附屬公司之主要業務載於綜合財務報表附註35。

RESULTS

The results of the Group for the year ended 31st December, 2008 are set out in the consolidated income statement on page 32.

業績

本集團截至二零零八年十二月三十一日止年度之業績載於第32頁的綜合收益表。

The directors do not recommend the payment of a dividend for the year ended 31st December, 2008.

董事局不建議派付截至二零零八年十二月三十一日止年度之股息。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$10.2 million and HK\$3.0 million on plant and machinery and construction in progress, respectively, to expand and upgrade its manufacturing facilities.

物業、廠房及設備

本集團年內用於廠房及機器與在建工程的金額分別約達港幣10,200,000元及港幣3,000,000元，以擴充及提升其生產設施。

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

本集團年內在有關物業、廠房及設備之上述及其他變動詳情載於綜合財務報表附註12。

SHARE CAPITAL

During the year, the Company issued 159,168,308 ordinary shares of HK\$0.01 each for cash at a price of HK\$1.77 per share.

股本

本公司年內發行159,168,308股每股面值港幣0.01元的普通股，現金代價為每股港幣1.77元。

The new shares rank pari passu with the existing shares in all respect.

新發行股票之權益和舊股票一致。

Details of the share capital of the Company is set out in note 24 to the consolidated financial statements.

本公司股本之詳情載於綜合財務報表附註24。

CONVERTIBLE NOTE

During the year, the Company issued convertible note with an aggregate principal amount of HK\$106,200,000. The convertible note was used to finance the investment of the Group.

Details of the convertible note of the Company are set out in note 22 to the consolidated financial statements.

可換股票據

本公司年內發行本金額共港幣106,200,000元之可換股票據。發行可換股票據之款項為本集團用作投資用途。

本公司可換股票據之詳情載於綜合財務報表附註22。

DISTRIBUTABLE RESERVE OF THE COMPANY

As at 31st December, 2008, the Company's reserves available for distribution amounted to HK\$394.8 million (2007: HK\$123.1 million).

本公司之可供分派儲備

本公司於二零零八年十二月三十一日，可供分派予股東之儲備金額約港幣394,800,000元（二零零七年：港幣123,100,000元）。

DIRECTORS

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

Non-executive director

Mr. Qiu Jiangang (appointed on 5th November, 2008)
Mr. Huang Mingang (appointed on 5th November, 2008)
Mr. Wong Wing Sing (resigned on 3rd December, 2008)

Executive directors

Mr. Han Ruiping (appointed on 5th November, 2008)
Mr. Xu Hongchao (appointed on 5th November, 2008)
Mr. Tsang Chiu Wai (resigned on 3rd December, 2008)
Mr. Kong Cheuk Luen Trevor (resigned on 3rd December, 2008)

Independent non-executive directors

Mr. Cheong Ying Chew Henry (appointed on 5th November, 2008)
Mr. Cui Ligu (appointed on 5th November, 2008)
Mr. Zhang Lei (appointed on 5th November, 2008)
Mr. Lee Tho Siem (resigned on 3rd December, 2008)
Mr. Wang Jianguo (resigned on 3rd December, 2008)
Dr. Loke Yu, alias Loke Hoi Lam (resigned on 3rd December, 2008)

In accordance with Article 112 of the Company's Article of Association, all directors who were appointed on 5th November, 2008 will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

董事

以下為本公司本年度及截至本報告日期之董事：

非執行董事

邱建剛先生（二零零八年十一月五日獲委任）
黃敏剛先生（二零零八年十一月五日獲委任）
黃永勝先生（二零零八年十二月三日辭任）

執行董事

韓瑞平先生（二零零八年十一月五日獲委任）
許紅超先生（二零零八年十一月五日獲委任）
曾昭偉先生（二零零八年十二月三日辭任）
江爵媛先生（二零零八年十二月三日辭任）

獨立非執行董事

張英潮先生（二零零八年十一月五日獲委任）
崔利國先生（二零零八年十一月五日獲委任）
張雷先生（二零零八年十一月五日獲委任）
李多森先生（二零零八年十二月三日辭任）
王建國先生（二零零八年十二月三日辭任）
陸海林博士（二零零八年十二月三日辭任）

根據本公司之公司組織章程細則第112條，所有於二零零八年十一月五日獲委任之董事將於即將舉行之股東周年大會輪值退任，惟彼等符合資格並願重選連任。

Directors' Report 董事局報告書 (continued 續)

DIRECTORS (continued)

Mr. Tsang Chiu Wai and Mr. Kong Cheuk Luen Trevor had entered into service contracts with the Company for an initial term of three years commencing 1st December, 2002. Their service contracts were terminated upon their resignation. On the same date, Mr. Tsang and Mr. Kong, former directors and existing shareholders of the Company, had entered into new service agreements with the Company for two years until 3rd December, 2010. Pursuant to the agreed terms of the service agreements, each of Mr. Tsang and Mr. Kong shall be entitled to a fixed salary of HK\$3,500,000 per annum plus potential 15% profit bonus and 5% discretionary profit bonus. It is also a term of the service agreements that both Mr. Tsang and Mr. Kong shall guarantee on United Non-Ferrous (Overseas) Limited and its subsidiaries' consolidated net asset value of not less than the sum of HK\$189,674,000 as at 3rd December, 2010. Otherwise, each of Mr. Tsang and Mr. Kong should be liable to pay half of such shortfall to the Group.

Each of the current executive directors and independent non-executive directors has entered into a service contract with the Company for an initial term of three years commencing 5th November, 2008 which shall continue thereafter until terminated by either party giving to the other party not less than three months prior written notice.

The term of office of each of the current non-executive director is the period from his appointment to the time of retirement by rotation in accordance with the Company's Articles of Association.

SERVICE CONTRACTS OF DIRECTORS

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st December, 2008, none of the directors nor their associates had any shares or underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SHARE OPTIONS

Particulars of the Company's share option scheme (the "Scheme") are set out in note 26 to the consolidated financial statements. No option has been granted under the Scheme since its adoption.

董事 (續)

曾昭偉先生及江爵煖先生曾與本公司訂有服務合約，年期由二零零二年十二月一日起計初步為期三年。服務合約隨著他們辭任而終止。同日，本公司前任董事及現時股東曾先生及江先生與本公司訂下新服務協議，為期兩年二零一零年十二月三日。根據服務協議的條款，曾先生及江先生將可獲得港幣3,500,000元之固定年薪加潛在15%溢利花紅及5%酌情溢利花紅。其中一項服務協議條款規定曾先生及江先生均須保證，於二零一零年十二月三日，United Non-Ferrous (Overseas) Limited及其附屬公司之綜合資產淨值不少於港幣189,674,000元。否則，曾先生及江先生各自須向本集團支付半數差額。

各在任執行董事及獨立非執行董事與本公司訂有服務合約，年期由二零零八年十一月五日起計初步為期三年，其後將會繼續有效，直至其中一方向另一方發出不少於三個月的事先書面通知為止。

各在任非執行董事的任期為由其委任日期起直至本公司之公司組織章程細則訂明的輪值退任時間為止。

董事服務合約

概無董事與本公司或其任何附屬公司訂立任何本集團若不給予補償(法定補償除外)則於一年內不可終止之服務合約。

董事於股份及相關股份之權益

於二零零八年十二月三十一日，未有董事及彼等之聯繫人士於本公司及其相聯法團之股份或相關股份中，擁有本公司根據證券及期貨條例(「證券及期貨條例」)第352條規定存置之登記冊所記錄之權益，或根據上市公司董事進行證券交易的標準守則已知會本公司及香港聯合交易所有限公司(「聯交所」)的權益。

購股權

本公司購股權計劃(「計劃」)的詳情載於綜合財務報表附註26。自採納計劃以來，並無根據計劃授出購股權。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the section headed "SHARE OPTIONS" above, at no time during the year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2008, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.01 each of the Company

購入股份或債券之安排

除上文「購股權」一節已披露者外，本公司或其任何控股公司、附屬公司或同系附屬公司於本年度任何時間概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而取得利益。

董事擁有重大合約之權益

本公司或其任何控股公司、附屬公司或同系附屬公司概無訂立本公司董事直接或間接擁有重大權益而於年結時或年內任何時間仍然有效之重大合約。

主要股東

於二零零八年十二月三十一日，按照本公司根據證券及期貨條例第336條規定存置之主要股東登記冊所披露，以下股東已知會本公司彼等擁有本公司已發行股本之相關權益及淡倉。

好倉

本公司每股面值港幣0.01元之普通股

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
CNNC Overseas Uranium Holding Limited ("CNNC Overseas")	Corporate interest	284,372,273	75.00%
中核海外鈾業控股有限公司 (「中核海外」)	公司權益		
China Nuclear International Uranium Corporation 中國國核海外鈾資源開發公司	Corporate interest 公司權益	284,372,273	75.00%
China National Nuclear Corporation 中國核工業集團公司	Corporate interest 公司權益	284,372,273	75.00%

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2008.

除上文已披露者外，於二零零八年十二月三十一日，本公司並不知悉本公司已發行股本有任何其他相關權益或淡倉。

PURCHASE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

COMPETING BUSINESS INTERESTS OF DIRECTORS

None of the directors of the Company or their respective associates have any interests in a business which competes or may compete with the business of the Company.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of which are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

購買或贖回本公司上市股份

年內，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股份。

獨立非執行董事之委任

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條就確認彼等之獨立性發出之年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

董事之競爭業務權益

本公司董事或彼等之聯繫人概無擁有任何業務的權益足以或可能與本公司業務競爭。

薪酬政策

薪酬委員會按僱員之長處、資格及能力釐定本集團僱員之薪酬政策。

薪酬委員會按本公司經營業績、個人表現及可比較市場數據釐定本公司董事之酬金。

本公司已採納購股權計劃，作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註26。

優先購買權

本公司之公司組織章程細則或開曼群島法律均無任何關於優先購買權之規定，致使本公司有責任向現有股東按比例發售新股。

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2008 except during the period from 3rd December, 2008 to 12th December, 2008. On 3rd December, 2008, following the close of the general offer by CNNC Overseas, CNNC Overseas and the persons acting in concert with it were interested in approximately 75.0029% of the issued share capital of the Company. On 12th December, 2008, following the settlement of the disposal of the shares of the Company by CNNC Overseas, CNNC Overseas and the persons acting in concert with it were interested in approximately 74.999% of the issued share capital of the Company.

POST BALANCE SHEET EVENT

Details of a significant event occurring after the balance sheet date are set out in note 34 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Qiu Jiangan
Chairman

Hong Kong, 9th April, 2009

充足公眾持股量

本公司於截至二零零八年十二月三十一日止年度一直維持充足公眾持股量，惟二零零八年十二月三日至二零零八年十二月十二日期間除外。於二零零八年十二月三日，緊隨中核海外提出的全面收購建議截止時，中核海外與其一致行動人士佔本公司已發行股本約75.0029%，於二零零八年十二月十二日，緊隨中核海外出售本公司股份後，中核海外及其一致行動人士擁有本公司已發行股本約74.999%。


結算日後事項

關於一項結算日後發生的重大事項的詳情載於綜合財務報表附註34。

核數師

本公司將於股東周年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事局



邱建剛
主席

香港，二零零九年四月九日

Deloitte.

德勤

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TO THE MEMBERS OF CNNC INTERNATIONAL LIMITED (FORMERLY KNOWN AS UNITED METALS HOLDINGS LIMITED)

(incorporated in the Cayman Islands with limited liability)

致中核國際有限公司
(前稱為UNITED METALS HOLDINGS LIMITED
科鑄技術集團有限公司*)

(於開曼群島註冊成立之有限公司)

各股東

We have audited the consolidated financial statements of CNNC International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 79 which comprise the consolidated balance sheet as at 31st December, 2008 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師行已審核載於第32至79頁內中核國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零零八年十二月三十一日之綜合資產負債表，以及截至該日止年度之綜合收益表、綜合資本變動表及綜合現金流量表，連同主要會計政策概要及其他解釋附註。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

董事就綜合財務報表須承擔的 責任

貴公司董事須負責按照香港會計師公會頒佈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公平地呈列此等綜合財務報表。有關責任包括制訂、實施及維持有關編製及真實公平地呈列綜合財務報表之內部監控制度，確保此等綜合財務報表並不存在由於欺詐或錯誤而導致的重大錯誤陳述；選定及採用適當會計政策；以及作出在相關情況下屬合理之會計估計。

AUDITOR'S RESPONSIBILITY

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

核數師的責任

本核數師行之責任乃根據協定之委聘條款按審核工作之結果，對此等綜合財務報表發表意見，並僅向全體股東報告，不作其他用途。本核數師行概不就本報告書的內容向任何其他人士承擔或負上任何責任。本核數師行乃按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則規定本核數師行須遵從道德操守，並計劃及進行審核工作，以合理保證此綜合財務報表是否不存有重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告書 (continued 續)

AUDITOR'S RESPONSIBILITY (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st 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.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
9th April, 2009

核數師的責任 (續)

審核範圍包括執执行程序以取得有關綜合財務報表所載數額及披露事項之審核憑證。所選定程序倚賴核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。於作出該等風險評估時，核數師考慮與實體編製及真實公平地呈列綜合財務報表有關之內部監控制度，以制訂適合相關情況之審核程序，但並非旨在就實體內部監控制度是否有效發表意見。審核範圍亦包括評估所採用會計政策是否恰當及董事所作出會計估計是否合理，以及評估綜合財務報表整體上之呈列方式。

本核數師行相信，本核數師行已取得充分及恰當的審核憑證，以為審核意見提供基準。

意見

本核數師行認為有關綜合財務報表按照香港財務報告準則真實公平地反映 貴集團於二零零八年十二月三十一日的狀況及 貴集團截至該日止年度的虧損和現金流量，並已按照香港公司條例之披露規定適當編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零九年四月九日

Consolidated Income Statement 綜合收益表

For the year ended 31st 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 港幣千元	2007 二零零七年 HK\$'000 港幣千元
	NOTES 附註			
Revenue	收益	5	209,082	234,919
Cost of sales	銷售成本		(200,166)	(209,638)
Gross profit	毛利		8,916	25,281
Other income	其他收入	6	2,303	1,544
Selling and distribution expenses	銷售及分銷開支		(8,927)	(7,975)
Administrative and other expenses	行政及其他開支		(20,584)	(14,534)
Impairment loss on property, plant and equipment	物業、廠房及設備減值 虧損	12	—	(7,337)
Finance costs	融資成本	7	(2,138)	(1,373)
Loss before taxation	除稅前虧損		(20,430)	(4,394)
Income tax credit	所得稅抵免	8	713	38
Loss for the year	年內虧損	9	(19,717)	(4,356)
Basic loss per share	每股基本虧損	11	(HK8.1 cents港仙)	(HK2.0 cents港仙)

Consolidated Balance Sheet 綜合資產負債表

As at 31st 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 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	116,004	113,454
Prepaid lease payments	預付租賃款項	13	6,020	6,153
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付之訂金	14	1,070	3,249
			123,094	122,856
Current assets	流動資產			
Inventories	存貨	15	38,848	40,983
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	16	51,081	55,745
Prepaid lease payments	預付租賃款項	13	133	133
Available-for-sale investment	可供出售投資	17	—	1,483
Investments held for trading	持作買賣投資	18	207	543
Taxation recoverable	可收回稅項		—	340
Bank balances and cash	銀行結餘及現金	19	400,150	18,807
			490,419	118,034
Current liabilities	流動負債			
Trade and other payables and accruals	應付貿易賬款及其他應付款項以及應計欠款	20	40,549	30,840
Taxation payable	應付稅項		15	84
Unsecured bank loans wholly repayable within one year	須於一年內悉數償還之無抵押銀行貸款	21	16,000	19,334
			56,564	50,258
Net current assets	流動資產淨值		433,855	67,776
Total assets less current liabilities	總資產減流動負債		556,949	190,632
Non-current liabilities	非流動負債			
Convertible note	可換股票據	22	83,284	—
Deferred tax liabilities	遞延稅項負債	23	4,025	958
			87,309	958
Net assets	資產淨值		469,640	189,674
Capital and reserves	股本及儲備			
Share capital	股本	24	3,792	2,200
Reserves	儲備		465,848	187,474
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		469,640	189,674

The consolidated financial statements on pages 32 to 79 were approved and authorised for issue by the Board of Directors on 9th April, 2009 and are signed on its behalf by:



Han Ruiping
韓瑞平

DIRECTOR
董事

第32至79頁之綜合財務報表已於二零零九年四月九日經由董事局批准及授權發出，並由下列董事代表董事局簽署：



Xu Hongchao
許紅超

DIRECTOR
董事

Consolidated Statement of Changes in Equity 綜合資本變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔									
		Share capital	Share premium	Investments revaluation reserve	Non-distributable reserve	Merger reserve	General reserve fund	Convertible note equity reserves	Translation reserve	Accumulated profits	Total
		股本	股份溢價	投資重估儲備	不可分派儲備	合併儲備	一般儲備基金	可換股票據股本儲備	匯兌儲備	累計溢利	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(Note 24)			(Note 25)	(Note 25)	(Note 25)				
		(附註24)			(附註25)	(附註25)	(附註25)				
At 1st January, 2007	於二零零七年一月一日	2,200	39,352	(62)	16,584	127	6,594	—	4,265	124,027	193,087
Exchange differences arising on translation	換算產生之匯兌差額	—	—	—	—	—	—	—	898	—	898
Gain on fair value changes of an available-for-sale investment	可供出售投資公平值變動之收益	—	—	45	—	—	—	—	—	—	45
Income recognised directly in equity	直接於股本確認之收入	—	—	45	—	—	—	—	898	—	943
Loss for the year	年內虧損	—	—	—	—	—	—	—	—	(4,356)	(4,356)
Total recognised income for the year	年內已確認收入總額	—	—	45	—	—	—	—	898	(4,356)	(3,413)
Transfer	轉讓	—	—	—	—	—	408	—	—	(408)	—
At 31st December, 2007	於二零零七年十二月三十一日	2,200	39,352	(17)	16,584	127	7,002	—	5,163	119,263	189,674
Exchange differences arising on translation	換算產生之匯兌差額	—	—	—	—	—	—	—	829	—	829
Gain on fair value changes of an available-for-sale investment	可供出售投資公平值變動之收益	—	—	44	—	—	—	—	—	—	44
Income recognised directly in equity	直接於股本確認之收入	—	—	44	—	—	—	—	829	—	873
Investment revaluation reserve released on disposal	出售時解除投資重估儲備	—	—	(27)	—	—	—	—	—	—	(27)
Loss for the year	年內虧損	—	—	—	—	—	—	—	—	(19,717)	(19,717)
Total recognised income (expense) for the year	年內已確認收入(開支)總額	—	—	17	—	—	—	—	829	(19,717)	(18,871)
Issue of new shares	發行新股	1,592	280,136	—	—	—	—	—	—	—	281,728
Share issue expenses	發行股份開支	—	(3,261)	—	—	—	—	—	—	—	(3,261)
Recognition of equity component of the convertible note	確認可換股票據股本部分	—	—	—	—	—	—	24,395	—	—	24,395
Deferred tax liability on recognition of equity component of convertible note (note 23)	確認可換股票據股本部分所產生的遞延稅項負債(附註23)	—	—	—	—	—	—	(4,025)	—	—	(4,025)
Transfer	轉讓	—	—	—	—	—	204	—	—	(204)	—
At 31st December, 2008	於二零零八年十二月三十一日	3,792	316,227	—	16,584	127	7,206	20,370	5,992	99,342	469,640

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31st 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 港幣千元	2007 二零零七年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營業務		
Loss before taxation	除稅前虧損	(20,430)	(4,394)
Adjustments for:	經調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,173	17,294
Dividend income	股息收入	(30)	(30)
Finance costs	融資成本	2,138	1,373
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	—	7,337
Interest income	利息收入	(718)	(236)
Loss on written-off of property, plant and equipment	撇銷物業、廠房及設備之虧損	109	—
Gain on disposal of available-for-sale investment	出售可供出售投資之收益	(27)	—
Operating cash flows before movements in working capital	營運資金變動前之 經營現金流量	(1,785)	21,344
Decrease in inventories	存貨減少	2,135	345
Decrease in trade and other receivables and prepayments	應收貿易賬款及其他應收款項 以及預付款項減少	6,191	1,659
Decrease (increase) in investments held for trading	持作買賣投資減少(增加)	336	(543)
Increase (decrease) in trade and other payables and accruals	應付貿易賬款及其他應付款項 以及應計欠款增加(減少)	7,872	(1,718)
Cash generated from operations	經營業務產生之現金	14,749	21,087
Hong Kong Profits Tax refund (paid)	退回(繳付)香港利得稅	340	(563)
Taxation in other jurisdictions paid	繳付其他司法權區稅項	(314)	(70)
NET CASH FROM OPERATING ACTIVITIES	來自經營業務之現金淨額	14,775	20,454
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(13,836)	(16,812)
Deposits paid on acquisition of property, plant and equipment	收購物業、廠房及設備 已付之訂金	(1,070)	(3,249)
Interest received	已收利息	718	236
Dividends received	已收股息	30	30
NET CASH USED IN INVESTING ACTIVITIES	用作投資活動之現金淨額	(14,158)	(19,795)
FINANCING ACTIVITIES	融資活動		
Proceed from issue of new shares	發行新股所得款項	281,728	—
Proceed from issue of convertible note	發行可換股票據所得款項	106,200	—
New bank loans raised	新籌集銀行貸款	11,000	10,000
Repayment of bank loans	償還銀行貸款	(14,334)	(22,132)
Share issue expenses	發行股份開支	(3,261)	—
Interest paid	已付利息	(659)	(1,373)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	來自(用作)融資活動之現金淨額	380,674	(13,505)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加(減少)淨額	381,291	(12,846)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	承前現金及現金等價物	18,807	31,348
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動之影響	52	305
CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	現金及現金等價物結轉 由銀行結餘及現金組成	400,150	18,807

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

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

1. GENERAL

CNNC International Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 25th June, 2002 and its shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 6th January, 2003.

In the opinion of the directors, the Company’s ultimate holding company is China Nuclear International Uranium Corporation, which is, in turn, a wholly-owned subsidiary of China National Nuclear Corporation (中國核工業集團公司) (“CNNC”), an entity owned by the People’s Republic of China (the “PRC”) government (“state-controlled entities”). The Company’s parent is CNNC Overseas Uranium Holding Limited (“CNNC Overseas”), a company incorporated in Hong Kong with limited liability.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The functional currency of the Company is United States dollars (“US\$”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders, as the Company is listed in Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are die casting and sale of metal products.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“NEW HKFRSs”)

In the current year, the Group has applied the following amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are or have become effective.

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

1. 一般資料

中核國際有限公司(「本公司」)於二零零二年六月二十五日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，其股份自二零零三年一月六日起在香港聯合交易所有限公司(「聯交所」)上市。

董事認為，本公司之最終控股公司為中國國核海外鈾資源開發公司，該公司為中華人民共和國(「中國」)政府擁有的實體(「國有實體」)中國核工業集團公司(「中核」)的全資附屬公司。本公司的母公司為於香港註冊成立的有限公司中核海外鈾業控股有限公司(「中核海外」)。

本公司之註冊辦事處及主要營業地點於年報「公司資料」一節披露。

本公司之功能貨幣為美元(「美元」)。由於本公司於香港上市，所以為方便股東，綜合財務報表以港幣(「港幣」)列值。

本公司及其附屬公司(下文統稱「本集團」)之主要業務為壓鑄及銷售金屬產品。

2. 應用新訂及經修訂香港財務報告準則(「新訂香港財務報告準則」)

於本年度，本集團已應用下列由香港會計師公會(「香港會計師公會」)頒佈並已生效之多項修訂及詮釋(「新訂香港財務報告準則」)。

香港會計準則第39號及香港財務報告準則第7號(修訂本)	重新分類金融資產
香港(國際財務報告詮釋委員會) — 詮釋第11號	香港財務報告準則第2號：集團及庫存股份交易
香港(國際財務報告詮釋委員會) — 詮釋第12號	服務經營權安排
香港(國際財務報告詮釋委員會) — 詮釋第14號	香港會計準則第19號 — 界定福利資產的限額、最低資本規定及其相互關係

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“NEW HKFRSs”) (continued)

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

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

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC) — Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC) — Int 17	Distribution of Non-cash Assets to Owners ³
HK(IFRIC) — Int 18	Transfers of Assets from Customers ⁷

¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009

² Effective for annual periods beginning on or after 1st January, 2009

³ Effective for annual periods beginning on or after 1st July, 2009

⁴ Effective for annual periods ending on or after 30th June, 2009

⁵ Effective for annual periods beginning on or after 1st July, 2008

2. 應用新訂及經修訂香港財務報告準則 (「新訂香港財務報告準則」) (續)

採納該等新訂香港財務報告準則對本年度及過往年度業績及財務狀況編製及呈列方式並無重大影響。因此，毋需對過往年度作出調整。

本集團並無提早應用以下已頒佈惟尚未生效之新訂及經修訂準則、修訂或詮釋。

香港財務報告準則(修訂本)	香港財務報告準則的改進 ¹
香港會計準則第1號(經修訂)	呈列財務報表 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂本)	可沽售金融工具及清盤時產生的責任 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	投資附屬公司、共同控制實體或聯營公司的成本 ²
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第7號(修訂本)	改良有關金融工具的披露 ²
香港財務報告準則第8號	營運分部 ²
香港(國際財務報告詮釋委員會) — 詮釋第9號及香港會計準則第39號(修訂本)	嵌入衍生工具 ⁴
香港(國際財務報告詮釋委員會) — 詮釋第13號	客戶忠誠度計劃 ⁵
香港(國際財務報告詮釋委員會) — 詮釋第15號	興建房地產的協議 ²
香港(國際財務報告詮釋委員會) — 詮釋第16號	海外業務投資淨額對沖 ⁶
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 ³
香港(國際財務報告詮釋委員會) — 詮釋第18號	轉讓客戶的資產 ⁷

¹ 自二零零九年一月一日或之後起始的年度期間生效，惟香港財務報告準則第5號的修訂，則自二零零九年七月一日或之後起始的年度期間生效

² 自二零零九年一月一日或之後起始的年度期間生效

³ 自二零零九年七月一日或之後起始的年度期間生效

⁴ 截至二零零九年六月三十日或之後日期止的年度期間生效

⁵ 自二零零八年七月一日或之後起始的年度期間生效

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("NEW HKFRSs") (continued)

⁶ Effective for annual periods beginning on or after 1st October, 2008

⁷ Effective for transfers on or after 1st July, 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

2. 應用新訂及經修訂香港財務報告準則 (「新訂香港財務報告準則」) (續)

⁶ 自二零零八年十月一日或之後起始的年度期間生效

⁷ 應用於自二零零九年七月一日或之後的轉讓

應用香港財務報告準則第3號(經修訂)可能會影響本集團收購日期為二零一零年一月一日或之後之業務合併之會計處理。香港會計準則第27號(經修訂)將會影響有關於本集團於附屬公司所擁有權益之變動之會計處理。本公司董事預期應用其他新訂及經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況產生重大影響。

3. 主要會計政策

除若干金融工具乃根據下文所闡釋會計政策按公平值計量外，綜合財務報表乃按歷史成本基準編製。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露資料。

綜合賬目基準

綜合財務報表包括本公司及本公司控制之實體(其附屬公司)之財務報表。倘本公司擁有權力管治一家實體之財務及營運政策而從其業務中獲益，則構成控制。

年內收購或出售之附屬公司之業績，乃由收購生效日期起或計至出售生效日期(視適用情況而定)計入綜合收益表。

附屬公司財務報表於需要情況下作出調整，致使其會計政策與本集團其他成員公司所採用者貫徹一致。

所有集團內公司間之交易、結餘、收入及開支已於綜合賬目時對銷。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of returns and sales related taxes.

Revenue from sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset excluding financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress, over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

3. 主要會計政策 (續)

收益確認

收益按已收或應收代價之公平值計量，並指於一般業務過程中售出貨品之應收款項，經扣除折扣及銷售相關稅項。

來自貨品銷售之收益於貨品付運及擁有權轉讓後確認。

不包括按公平值計入損益之金融資產之利息收入按未提取本金及適用實際利率以時間基準累計，有關利率乃於金融資產預期年期將估計日後現金收入貼現至該資產賬面淨值之利率。

來自投資之股息收入於本集團收取款項之權利確立時確認。

物業、廠房及設備

物業、廠房及設備(在建工程除外)乃按成本值減其後累積折舊及累積減值虧損列賬。

折舊按估計可使用年期及經計及其估計剩餘價值，以直線法撇銷物業、廠房及設備(在建工程除外)項目之成本值而計提撥備。

在建工程包括興建中用作生產或自用之物業、廠房及設備。在建工程按成本值減任何已確認減值虧損列賬。在建工程於竣工及可作擬定用途時被分類為物業、廠房及設備之適當類別。此等資產於資產可作擬定用途時按與其他物業資產相同之基準開始折舊。

物業、廠房及設備項目於出售或預期不會自持續使用資產產生日後經濟利益時剔除確認。剔除確認資產所產生任何損益(按出售所得款項淨額與項目賬面值間之差額計算)，於剔除確認項目之年度計入綜合收益表。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Leasing

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 profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

日後業主自用之發展中租賃土地及樓宇

倘發展中租賃土地及樓宇乃作生產或行政用途，有關租賃土地部分分類為預付租賃款項，並以直線法按租期攤銷。於興建期間，就租賃土地撥備之攤銷開支列作在建樓宇成本部分。在建樓宇按成本值減任何已識別減值虧損列賬。樓宇於可供使用時開始折舊（即於樓宇達致按管理層擬定方式運作所需地點及環境時）。

租賃

倘租賃條款將資產擁有權之絕大部分風險及回報轉讓予承租人，則分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃之應付租金按有關租賃年期以直線法在損益內扣除。作為訂立經營租賃優惠而已收及應收的利益亦按租賃年期以直線法確認為租金開支減少。

租賃土地及樓宇

就租賃分類而言，租賃土地及樓宇中之土地及樓宇部分將分別考慮，除非未能於土地及樓宇部分可靠地分配租賃付款則作別論，於此情況下，整項租賃一般會視為融資租賃並按物業、廠房及設備入賬。倘能可靠地分配租賃付款，則土地中之租賃權益將按經營租賃入賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

3. 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易，均按交易日期之現行匯率以功能貨幣(即該實體經營業務主要經濟地區之貨幣)列賬。於各結算日，以外幣計值之貨幣項目均按結算日之現行匯率重新換算。按公平值列賬及以外幣計值之非貨幣項目，按釐定公平值當日之現行匯率重新換算。按歷史成本以外幣計算之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額，均於產生期間內於損益確認，惟組成本集團海外業務之投資淨額部分之貨幣項目所產生匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表確認為股本。以公平值計賬之非貨幣項目經重新換算後產生之匯兌差額，於該期間計入損益表內，惟重新換算直接於股本確認盈虧之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦直接於股本確認。

就呈列綜合財務報表而言，本集團業務之資產及負債按結算日之現行匯率換算為本集團之呈列貨幣(即港幣)，而其收支按年內平均匯率換算，惟期內匯率大幅波動除外，在此情況下則採用交易日期之現行匯率。如產生匯兌差額，則確認為股本之獨立部分(換算儲備)。有關匯兌差額於出售海外業務之期間於損益確認。

借貸成本

所有借貸成本於其產生期間在綜合收益表確認及計入融資成本。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as a deduction from the carrying amount of the relevant asset and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are deducted in reporting the related expense.

Retirement benefit costs

Payments to retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

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

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

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

3. 主要會計政策 (續)

政府補助金

政府補助金按與有關成本相應之所需期間確認為收入。有關可折舊資產之補助金按有關資產賬面值扣減呈列，並按資產之可使用年期撥往收入。與開支項目有關之補助金於該等開支於綜合收益表扣除之相同期間確認，並於呈報有關開支時扣除。

退休福利成本

向退休福利計劃之付款於僱員提供服務而有權享有供款時列作開支扣除。

稅項

所得稅開支指即期應繳稅項與遞延稅項總和。

即期應繳稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括在其他年度應課稅或可扣稅收支項目，亦不包括收益表中毋須課稅或不可扣稅項目，因此與綜合收益表所呈報之溢利不同。本集團之即期稅項負債乃按於結算日頒佈或實質頒佈之稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之差額確認，並採用資產負債表負債法入賬。遞延稅項負債一般按所有應課稅暫時差額確認，而遞延稅項資產則限於日後可能取得應課稅溢利以抵銷可扣減暫時差額時確認。倘暫時差額產生自商譽或初步確認一項交易（業務合併除外）之其他資產及負債，而有關交易既不影響應課稅溢利亦不影響會計溢利，則不予確認有關資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回，以及暫時差額可能不會於可見將來撥回則除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Financial instruments

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

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各結算日審閱並進行扣減，直至不再可能有足夠應課稅溢利以收回全部或部分資產。

遞延稅項按預計於償還負債或變現資產期間適用之稅率計算。遞延稅項自損益扣除或計入損益，惟與於股本直接扣除或計入之項目有關者除外。在此情況下，遞延稅項亦會於股本處理。

存貨

存貨按成本值及可變現淨值之較低者入賬。成本值以加權平均法計算。

金融工具

金融資產及金融負債於集團實體成為工具合約條文之訂約方時在資產負債表確認。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）產生之直接應佔交易成本於初步確認時計入金融資產或金融負債之公平值或自當中扣除（按適用情況而定）。收購按公平值計入損益之金融資產或金融負債產生之直接應佔交易成本則即時於損益確認。

金融資產

本集團之金融資產分為三類，包括按公平值計入損益之金融資產、貸款及應收款項以及可供出售金融資產。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常方式購買或出售是按規則規定或市場慣例設定的時限交付資產之金融資產的購買或出售。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis, other than financial assets at fair value through profit or loss, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit and loss represent financial assets held for trading. A financial asset is classified as held for trading if:

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

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

Loans and receivables

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

3. 主要會計政策 (續) 金融工具 (續)

金融資產 (續)

實際利率法

實際利率法乃計算金融資產之攤銷成本以及將利息收入分攤至相關期間之方法。實際利率乃按金融資產之預計年期或適用的較短期間內準確折現估計未來現金收入(包括構成整體實際利率的已付或已收之一切費用、交易成本及其他溢價及折讓)之利率。

除按公平值計入損益之金融資產(其利息收入乃計入收益或虧損淨額)外,收入乃按實際利率基準確認。

按公平值計入損益之金融資產

本集團按公平值計入損益之金融資產為持作買賣金融資產。當屬於下列任何一項時,金融資產分類為持作買賣:

- 所收購之金融資產主要用於在不久將來銷售;或
- 屬於本集團整體管理之可識別金融工具組合之一部分,且近期有賺取短期溢利的實際模式;或
- 屬於衍生工具(指定及具有有效對沖作用之工具除外)。

初步確認後的每個結算日,持作買賣之金融資產會按公平值計量,公平值變動於產生期間直接於損益確認。於損益中確認之收益或虧損淨額包括金融資產所賺取之任何股息或利息。

貸款及應收款項

貸款及應收款項是沒有於活躍市場掛牌之固定或可釐定付款之非衍生金融資產。初步確認後的每個結算日,貸款及應收款項(包括應收貿易賬款及其他應收款項以及銀行結餘)均按採用實際利率法計算之攤銷成本減任何已識別減值虧損列賬(見下文金融資產減值虧損之會計政策)。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial assets** (continued)*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are neither classified as financial assets at fair value through profit or loss nor loans and receivables. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment loss on financial assets below)

Impairment of financial assets

Financial assets, other than those financial assets at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策 (續)**金融工具** (續)**金融資產** (續)*可供出售金融資產*

可供出售金融資產為並無分類為按公平值計入損益之金融資產或貸款及應收款項之非衍生工具。初步確認後的各結算日，可供出售金融資產按公平值計量。公平值變動於股本確認，直至金融資產出售或釐定出現減值為止，屆時過往於股本中確認之累計損益會自股本中剔除並於損益確認(見下文金融資產減值虧損之會計政策)。

金融資產減值

除了以按公平值計入損益之金融資產以外，金融資產會在每個結算日評定有否減值跡象。倘有客觀證據顯示，初步確認金融資產後發生的一項或以上事件導致對金融資產的估計未來現金流量造成影響，金融資產即屬減值。

就一項可供出售之股本權益投資而言，其投資公平值出現重大或長期下跌並低於其成本，是視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可能包括：

- 發行者或者對方出現重大財政困難；或
- 未能繳付或拖欠支付利息或本金；或
- 借款人有可能面臨破產或財務重組。

就若干類別的金融資產(如應收貿易賬款)而言，個別評為並無減值之資產會於其後匯集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款紀錄、以及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策 (續) 金融工具 (續)

金融資產減值 (續)

就按攤銷成本列賬之金融資產而言，倘有客觀跡象表明該項資產已減值，則按照資產賬面值與估算之未來現金流量以原本實際利率折現之現值之間差額計算，並於損益中確認其減值虧損。

與所有金融資產有關之減值虧損會直接於金融資產賬面值中作出扣減，惟應收貿易賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收貿易賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回先前撇減之金額則於損益中計入。

就按攤銷成本計量之金融資產而言，若於其後期間，減值虧損之金額減少，且該減少在客觀上與確認減值虧損後發生之事項相關連，則先前確認之減值虧損可從損益賬中撥回，惟該資產於減值撥回日期之賬面值不應超過其未確認減值時之攤銷成本值。

可出售股本權益投資之減值虧損不會在往後期間於損益賬撥回。任何在減值虧損後所增加的公平值直接於股本確認。

金融負債及股本

集團實體發行之金融負債及股本工具根據所訂立合約安排之內容與金融負債及股本工具之定義分類。

股本工具乃證明集團於扣減其所有負債後於資產擁有剩餘權益之合約。就金融負債及股本工具採納之會計政策載列如下。

實際利率法

實際利率法乃計算金融負債之攤銷成本以及將利息收入分攤至相關期間之方法。實際利率乃按金融負債之預計年期或適用的較短期間內準確折現估計未來現金付款之利率。

利息開支乃按實際利率基準確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**Financial liabilities and equity** (continued)*Financial liabilities*

Financial liabilities including trade and other payables and unsecured bank loans are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derecognition

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

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

Convertible note

Convertible note issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceed of the issue of the convertible note and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in equity (convertible note equity reserve).

3. 主要會計政策 (續)**金融工具** (續)**金融負債及股本** (續)*金融負債*

金融負債包括應付貿易賬款及其他應付款項及無抵押銀行貸款，其後採用實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本列賬。

剔除確認

金融資產於自資產獲取現金流量之權利屆滿或金融資產轉讓及本集團將金融資產擁有權之絕大部分風險及回報轉讓時剔除確認。剔除確認金融資產時，資產賬面值與已收及可收取代價及已於股本直接確認之累計溢利或虧損總和之差額會於損益確認。

金融負債於有關合約訂明之責任已履行、取消或到期時剔除確認，剔除確認金融負債賬面值與已付及應付代價之差額於損益確認。

可換股票據

本集團發行附有負債及換股權之可換股票據，於初步確認時獨立分類為個別項目。將以固定金額現金或另一項金融資產交換固定數量之本公司股本工具之模式結付之換股權，分類為股本工具。

初步確認時，負債部分之公平值乃以類似非可換股債務之當前市場利率釐定。發行可換股票據之所得款項總額與負債部分所獲公平值之間差額，即持有人將票據轉換為股權之換股權，計入股本內(可換股票據股本儲備)。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Derecognition (continued)

Convertible note (continued)

In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible note equity reserve until the embedded option is exercised in which case the balance stated in convertible note equity reserve will be transferred to share premium. Where the option remains unexercised at the expiry date, the balance stated in convertible note equity reserve will be released to accumulated profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible note are allocated to the liability and conversion option components in proportion to their relative fair values. Transaction costs relating to the conversion option derivative is charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible note using the effective interest method.

Impairment losses on tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策 (續) 金融工具 (續)

剔除確認 (續)

可換股票據 (續)

於往後期間，可換股票據之負債部分以實際利率法按攤銷成本列賬。股本部分（即將負債部分轉換為本公司普通股之換股權）仍將保留於可換股票據股本儲備，直至內含換股權獲行使為止，在此情況下，可換股票據股本儲備所列結餘將轉撥至股份溢價。倘換股權於屆滿日期尚未行使，則可換股票據股本儲備所列結餘將轉撥至累計溢利。於換股權獲轉換或屆滿時，將不會於損益表確認損益。

與發行可換股票據相關之交易成本乃按負債及換股權相關公平值之比例分配至負債及換股權部分。與換股權衍生工具相關之交易成本即時自損益扣除。與負債部分相關之交易成本計入負債部分之賬面值，並於可換股票據之年期採用實際利率法攤銷。

有形資產之減值虧損

於各結算日，本集團審閱其有形資產之賬面值，以釐定該等資產是否存在任何減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值將調低至其可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值會增至經調整之估計可收回金額，惟據此增加之賬面值不得超過倘於以往年度並無確認資產減值虧損而原應釐定之賬面值。減值虧損於撥回時即時確認為收入。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below:

Estimated impairment on property, plant and equipment

Management reviews the recoverability of the Group's property, plant and equipment with reference to its intended use and profit generating power whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. Appropriate impairment for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

In determining whether impairment on property, plant and equipment, the Group takes into consideration the present value of future cash flow expected to receive. Impairment is recognised as the difference between the carrying amount and the fair value less costs to sell (2007: value in use) for the year ended 31st December, 2008. As at 31st December, 2008, the carrying amount of the property, plant and equipment is HK\$116,004,000 (2007: HK\$113,454,000).

5. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the amounts received and receivable for goods sold, net of returns and sales related taxes, to outsiders during the year.

Business segments

For management purposes, the Group's business is currently organised into four operating divisions which are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Aluminium parts	—	sale of aluminium die casting parts manufactured and processed by the Group.
Zinc parts	—	sale of zinc die casting parts manufactured and processed by the Group and zinc die casting parts purchased from suppliers but processed by the Group.
Magnesium parts	—	sale of magnesium die casting parts manufactured and processed by the Group.
Others	—	sale of screw machined brass parts and other casting purchased from suppliers but processed by the Group.

4. 估計不明朗因素之主要來源

本集團對未來作出估計及假設。該等估計及假設對下一個財政年度內之資產之賬面金額造成重大調整之重大風險，討論如下：

物業、廠房及設備之估計減值

每當有任何事件或情況轉變而顯示本集團之物業、廠房及設備之賬面值高於可收回款項時，管理層根據其擬定用途及其產生盈利能力檢討此等物業、廠房及設備之款項的可收回性。當有客觀證據顯示資產已減值，則對估計不可收回之款項作出適當之減值並於損益確認。

在釐定物業、廠房及設備是否需要作出減值時，本集團考慮到未來預期收取現金流量之現值。截至二零零八年十二月三十一日止年度，減值以賬面值及公平值減銷售成本（二零零七年：使用價值）之間的差額予以確認。於二零零八年十二月三十一日，物業、廠房及設備之賬面值為港幣116,004,000元（二零零七年：港幣113,454,000元）。

5. 收益及分部資料

收益指年內向外界客戶已收及應收銷售貨品金額，並經扣除退貨及與銷售有關之稅項。

業務分部

就管理而言，本集團的業務目前分為四個營運單位，乃本集團呈報其主要分部資料的基準。

主要業務如下：

鋁部件	—	銷售本集團製造及加工的鋁壓鑄部件。
鋅部件	—	銷售本集團製造及加工的鋅壓鑄部件，以及銷售向供應商採購但由本集團加工的鋅壓鑄部件。
鎂部件	—	銷售本集團製造及加工的鎂壓鑄部件。
其他	—	銷售向供應商採購但由本集團加工的螺絲機械黃銅部件及其他鑄件。

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

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

5. REVENUE AND SEGMENTAL INFORMATION 5. 收益及分部資料 (續)

(continued)

For the year ended 31st December, 2008

截至二零零八年十二月三十一日止年度

		Aluminium parts 鋁部件 HK\$'000 港幣千元	Zinc parts 鋅部件 HK\$'000 港幣千元	Magnesium parts 鎂部件 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
REVENUE	收益	195,110	12,647	1,181	144	209,082
RESULTS	業績					
Segment results	分部業績	(15,250)	11	(261)	(69)	(15,569)
Dividend income from available-for-sale investments	可供出售投資之股息收入					30
Interest income	利息收入					718
Unallocated corporate income	未分配公司收入					1,555
Unallocated corporate expenses	未分配公司開支					(5,026)
Finance costs	融資成本					(2,138)
Loss before taxation	除稅前虧損					(20,430)
Income tax credit	所得稅抵免					713
Loss for the year	年內虧損					(19,717)
BALANCE SHEET ASSETS	資產負債表資產					
Segment assets	分部資產	160,639	13,259	3,236	115	177,249
Investment held for trading	持作買賣投資					207
Unallocated corporate assets	未分配公司資產					436,057
Consolidated total assets	綜合資產總值					613,513
LIABILITIES	負債					
Segment liabilities	分部負債	33,766	263	92	—	34,121
Unsecured bank loan wholly repayable within one year	須於一年內悉數償還之無抵押銀行貸款					16,000
Unallocated corporate liabilities	未分配公司負債					93,752
Consolidated total liabilities	綜合負債總額					143,873
OTHER INFORMATION	其他資料					
Capital additions	增加資本	16,500	150	—	568	17,218
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	16,185	648	340	—	17,173
Loss on written off of property, plant and equipment	撤銷物業、廠房及設備之虧損	109	—	—	—	109

5. REVENUE AND SEGMENTAL INFORMATION 5. 收益及分部資料 (續)

(continued)

For the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

		Aluminium parts 鋁部件 HK\$'000 港幣千元	Zinc parts 鋅部件 HK\$'000 港幣千元	Magnesium parts 鎂部件 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
REVENUE	收益	214,129	18,230	2,529	31	234,919
RESULTS	業績					
Segment results	分部業績	4,253	484	80	1	4,818
Dividend income from available-for-sale investments	可供出售投資之 股息收入					30
Interest income	利息收入					236
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損					(7,337)
Unallocated corporate income	未分配公司收入					1,278
Unallocated corporate expenses	未分配公司開支					(2,046)
Finance costs	融資成本					(1,373)
Loss before taxation	除稅前虧損					(4,394)
Income tax credit	所得稅抵免					38
Loss for the year	年內虧損					(4,356)
BALANCE SHEET	資產負債表					
ASSETS	資產					
Segment assets	分部資產	170,315	13,904	3,582	90	187,891
Available-for-sale investments	可供出售投資					1,483
Investment held for trading	持作買賣投資					543
Unallocated corporate assets	未分配公司資產					50,973
Consolidated total assets	綜合資產總值					240,890
LIABILITIES	負債					
Segment liabilities	分部負債	27,685	205	71	—	27,961
Unsecured bank loans	無抵押銀行貸款					19,334
Unallocated corporate liabilities	未分配公司負債					3,921
Consolidated total liabilities	綜合負債總額					51,216
OTHER INFORMATION	其他資料					
Capital additions	增加資本	20,029	2,027	3,706	—	25,762
Depreciation of property, plant and equipment	物業、廠房及設備 之折舊	16,430	499	365	—	17,294

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

5. REVENUE AND SEGMENTAL INFORMATION 5. 收益及分部資料 (續)

(continued)

Geographical segments

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods:

地區分部

本集團按地區市場劃分(不論貨品之來源地)之收益分析如下:

		Sales revenue by geographical market 按地區市場劃分的銷售收益	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
The PRC	中國	44,400	45,793
Hong Kong	香港	16,275	35,457
North America	北美洲	68,260	79,574
Europe	歐洲	65,925	62,777
Others	其他	14,222	11,318
		209,082	234,919

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

按資產所在地區劃分之分部資產賬面值以及物業、廠房及設備添置分析如下:

		Carrying amount of segment assets 分部資產賬面值		Additions to property, plant and equipment 物業、廠房及設備添置	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Geographical region	地區				
The PRC	中國	133,625	143,454	16,166	23,929
Hong Kong	香港	43,624	44,437	1,052	1,833
		177,249	187,891	17,218	25,762

6. OTHER INCOME 6. 其他收入

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Included in other income are the followings:	其他收入當中包括以下各項:		
Dividend income from available-for-sale investments	可供出售投資之股息收入	30	30
Gain on disposal of available-for-sale investment	出售可供出售投資之收益	27	—
Interest income	利息收入	718	236

7. FINANCE COSTS

7. 融資成本

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Interest on unsecured bank loans	無抵押銀行貸款利息	659	1,373
Effective interest expenses on convertible note (note 22)	可換股票據之實際 利息開支(附註22)	1,479	—
		2,138	1,373

8. INCOME TAX CREDIT

8. 所得稅抵免

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current tax:	本期稅項：		
Hong Kong Profits Tax	香港利得稅		
Overprovision in previous years	過往年度超額撥備	—	(85)
Taxation in other jurisdictions	其他司法權區稅項		
Current year	本年度	245	257
Overprovision in previous years	過往年度超額撥備	—	(185)
		245	72
		245	(13)
Deferred tax (note 23):	遞延稅項(附註23)：		
Current year	本年度	(903)	(25)
Effect of change in tax rate	稅率變動的影響	(55)	—
		(958)	(25)
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司 應佔稅項	(713)	(38)

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

於二零零八年六月二十六日，香港立法會通過二零零八年收入條例，在二零零八／二零零九課稅年度起，將公司利得稅稅率由17.5%減低至16.5%。因此，香港利得稅按稅率16.5%（二零零七年：17.5%）計算。

其他司法權區之稅項乃根據有關司法權區現行稅率計算。

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

8. INCOME TAX CREDIT (continued)

Pursuant to the relevant laws and regulations in the PRC prior to the year of 2008, Dongguan United Metal Products Co., Ltd. 東莞鏗利五金制品有限公司 (“Dongguan United”), was regarded as a “High and New Technology enterprise with Foreign Investment” and as an export oriented production company, while United Castings (Dongguan) Co., Ltd. 東莞科鑄金屬制品有限公司 (“United Castings”) and United Metal Products (Shanghai) Co., Ltd. 科鑄金屬制品(上海)有限公司 (“United Shanghai”) were regarded as “Production Enterprise with Foreign Investment established on coastal economic open zones”. Accordingly, they were subject to a reduced PRC Enterprise Income Tax rate of 24% for the year ended 31st December, 2007.

On 16th March, 2007, the PRC promulgated the Law of the PRC on the PRC on Enterprise Income Tax (the “New Law”) by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation regulations, the new PRC Enterprise Income Tax standard rate was increased to 25% from 1st January, 2008 onwards.

Pursuant to the relevant law and regulations in the PRC prior to the year of 2008, Dongguan United was entitled to a 50% reduction in tax rate in the year of 2007 as over 70% of Dongguan United’s turnover was for export purpose. Accordingly, its tax rate for the year of 2007 was 12%. Under the New Law, such incentive was abolished and therefore the tax rate for the year 2008 is 25%.

United Castings is entitled to exemption from the PRC Enterprise Income Tax for two years commencing from their first profit-making year of operation and thereafter, it is entitled to 50% relief from the PRC Enterprise Income tax for the following three years. Its first profit making year was 2006. Accordingly, tax relief will expire in the year of 2010. The tax rate for the year of 2008 is 12.5% (2007: 12%).

No provision for taxation has been made for United Shanghai for both years 2007 and 2008 as the company had no assessable profit for both years.

8. 所得稅抵免 (續)

根據二零零八年以前中國有關法律及法規，東莞鏗利五金制品有限公司(「東莞鏗利」)被視為「高新技術型外商投資企業」和出口生產公司，而東莞科鑄金屬制品有限公司(「東莞科鑄」)及科鑄金屬制品(上海)有限公司(「科鑄上海」)均被視為「設在沿海經濟開放區的外商投資生產企業」，因此，於截至二零零七年十二月三十一日止年度，按減免稅率24%向該等公司徵收中國企業所得稅。

於二零零七年三月十六日，中國透過中華人民共和國主席令第63號，頒佈中華人民共和國企業所得稅法(「新稅法」)。於二零零七年十二月六日，中國國務院頒佈新稅法的實施條例。自二零零八年一月一日起，按照新稅法與實施條例，新中國企業所得稅標準稅率上調至25%。

根據二零零八年以前中國有關法律及法規，由於東莞鏗利超過70%之營業額源自出口，故可於二零零七年度獲減免50%稅率。因此，該公司於二零零七年的稅率為12%。根據新稅法，有關優惠已經廢除，故二零零八年的稅率為25%。

東莞科鑄自其首個獲利年度起，可獲中國企業所得稅兩免三減半優惠。其首個獲利年度為二零零六年。因此，稅項寬免期將於二零一零年屆滿。二零零八年，稅率為12.5%(二零零七年：12%)。

由於科鑄上海於二零零七年及二零零八年內並無應課稅溢利，故該兩年並無就該公司作出稅項撥備。

8. INCOME TAX CREDIT (continued)

The income tax credit for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

8. 所得稅抵免 (續)

本年度所得稅抵免可與綜合收益表所示除稅前虧損對賬如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Loss before taxation	除稅前虧損	(20,430)	(4,394)
Tax at the PRC enterprise income tax rate of 25% (2007: 24%)	按中國企業所得稅率25% (二零零七年：24%) 計算之稅項	(5,108)	(1,055)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(507)	(557)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	2,895	2,455
Tax effect of tax losses not recognised	未確認稅損之稅務影響	1,368	429
Effect of tax relief granted to the Company's certain subsidiaries	本公司若干附屬公司獲稅項寬免之影響	(122)	(1,033)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	740	9
Overprovision in previous years	過往年度超額撥備	—	(270)
Effect of change in tax rate	稅率變動的影響	(55)	—
Others	其他	76	(16)
Taxation for the year	本年度稅項	(713)	(38)

9. LOSS FOR THE YEAR**9. 年內虧損**

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Loss for the year has been arrived at after charging:	年內虧損經扣除：		
Directors' remuneration (note 10)	董事酬金 (附註10)	5,095	5,648
Other staff costs	其他員工成本	51,800	51,421
Retirement benefit schemes contributions (note 31)	退休福利計劃供款 (附註31)	3,083	1,164
Total staff costs	員工成本總額	59,978	58,233
Amortisation of prepaid lease payments	預付租賃款項攤銷	133	133
Less: Amount capitalised in construction in progress	減：於在建工程撥充資本之款項	(133)	(133)
		—	—
Auditors' remuneration	核數師酬金	1,016	1,018
Cost of inventories recognised as expense	已確認為開支之存貨成本	200,166	209,638
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	17,173	17,294
Net exchange loss	匯兌虧損淨額	466	685
Loss on written-off of property, plant and equipment	撤銷物業、廠房及設備之虧損	109	—
Operating lease charges on land and buildings	土地及樓宇之經營租賃費用	4,414	3,611
Penalty paid to a construction contractor in respect of a lawsuit, included in administrative and other expenses	就一項法律訴訟支付予建築承包商的罰款，包括在行政及其他開支內	1,704	—

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

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the thirteen (2007: six) directors are as follows:

10. 董事及僱員酬金

本公司向十三名(二零零七年: 六名)董事各自已付或應付之酬金如下:

2008

二零零八年

	Han Ruiping*	Xu Hongchao*	Tsang Chiu Wai**	Kong Cheuk Luen Trevor**	Cui Ligu*	Zhang Lei*	Cheong Ying Henry*	Lee Tho Siem**	Wang Jianguo**	Loke Yu, alias Loke Hoi Lam**	Qiu Jiangang*	Huang Mingang*	Wong Wing Sing**	Total
	韓瑞平*	許紅超*	曾昭偉**	江爵媛**	崔利國*	張雷*	張英潮*	李多森**	王健國**	陸海林**	邱建剛*	黃敏剛*	黃永勝**	合共
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Director's fee 董事袍金	10	10	—	—	10	10	10	55	55	55	10	10	55	290
Other emoluments 其他酬金	—	—	2,065	2,579	—	—	—	—	—	—	—	—	—	4,644
Salaries and other benefits 薪酬及其他福利	—	—	2,065	2,579	—	—	—	—	—	—	—	—	—	4,644
Retirement benefit scheme contributions 退休福利計劃供款	—	—	11	11	—	—	—	—	—	—	—	—	—	22
Total emoluments 酬金總額	10	10	2,076	2,590	10	10	10	55	55	55	10	10	55	4,956

2007

二零零七年

	Tsang Chiu Wai	Kong Cheuk Luen Trevor	Lee Tho Siem	Wang Jianguo	Loke Yu, alias Loke Hoi Lam	Wong Wing Sing	Total
	曾昭偉	江爵媛	李多森	王健國	陸海林	黃永勝	合共
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Director's fee 董事袍金	—	—	55	55	55	55	220
Other emoluments 其他酬金	—	—	—	—	—	—	—
Salaries and other benefits 薪酬及其他福利	2,453	2,951	—	—	—	—	5,404
Retirement benefit scheme contributions 退休福利計劃供款	12	12	—	—	—	—	24
Total emoluments 酬金總額	2,465	2,963	55	55	55	55	5,648

* Mr. Han Ruiping, Mr. Xu Hongchao, Mr. Cui Ligu, Mr. Zhang Lei, Mr. Cheong Ying Chew Henry, Mr. Qiu Jiangang and Mr. Huang Mingang were appointed on 5th November, 2008.

* 韓瑞平先生、許紅超先生、崔利國先生、張雷先生、張英潮先生、邱建剛先生及黃敏剛先生於二零零八年十一月五日獲委任。

** Mr. Tsang Chiu Wai, Mr. Kong Cheuk Luen Trevor, Mr. Lee Tho Siem, Mr. Wang Jianguo, Mr. Loke Yu and Mr. Wong Wing Sing resigned as directors on 3rd December, 2008.

** 曾昭偉先生、江爵媛先生、李多森先生、王健國先生、陸海林先生及黃永勝先生已於二零零八年十二月三日辭任董事職務。

Of the five individuals with the highest emoluments in the Group, two individuals (2007: two individuals) were directors of the Company whose emoluments are included in the disclosure set out above. The emoluments of the remaining three (2007: three) individuals were as follows:

本集團的五名最高薪酬人士中，其中兩名(二零零七年: 兩名)為本公司董事，彼等之酬金已於上文披露，其餘三名人士(二零零七年: 三名)的酬金如下:

	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Salaries and other benefits 薪酬及其他福利	2,367	2,068
Retirement benefit schemes contributions 退休福利計劃供款	12	24
	2,379	2,092

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

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)**10. 董事及僱員酬金** (續)

		2008 二零零八年 No. of individuals 僱員人數	2007 二零零七年 No. of individuals 僱員人數
Emoluments of the employees were within the following band:	僱員酬金介乎下列組別：		
Nil to HK\$1,000,000	零至港幣1,000,000元	3	3

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

年內，本集團並無向任何董事或五名最高薪酬人士(包括董事及僱員)支付任何酬金，作為加入本集團或加入時的獎金或離職賠償。任何董事概無於年內放棄任何酬金。

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

11. 每股虧損

本公司普通股權益持有人應佔每股基本虧損乃根據下列數據計算：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Loss for the purposes of basic loss per share	計算每股基本虧損的虧損	(19,717)	(4,356)

		2008 二零零八年 '000 千股	2007 二零零七年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic loss per share	計算每股基本虧損的普通股加權平均數	244,856	220,000

No diluted loss per share for the year ended 31st December, 2008 is presented as the conversion of convertible note would result in a decrease in loss per share.

由於兌換可換股票據可導致每股虧損減少，故並無呈列截至二零零八年十二月三十一日止年度的每股攤薄虧損。

No diluted loss per share for the year ended 31st December, 2007 is presented as there were no potential dilutive ordinary shares outstanding during the year.

由於截至二零零七年十二月三十一日止年度並無發行具潛在攤薄效應的普通股，故並無呈列該年度每股攤薄虧損。

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

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

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及設備	傢俬、裝置及設備	汽車	在建工程	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
COST	成本							
At 1st January, 2007	於二零零七年一月一日	3,620	11,650	134,942	11,811	1,356	23,251	186,630
Exchange realignment	匯兌調整	95	125	1,492	357	38	—	2,107
Transfer	轉讓	—	—	942	—	—	(942)	—
Additions	添置	—	2,263	12,088	2,589	—	8,822	25,762
Written-offs	撇銷	—	(875)	—	—	—	—	(875)
At 31st December, 2007	於二零零七年十二月三十一日	3,715	13,163	149,464	14,757	1,394	31,131	213,624
Exchange realignment	匯兌調整	156	343	3,451	587	63	—	4,600
Additions	添置	—	2,596	10,169	1,438	—	3,015	17,218
Written-offs	撇銷	—	—	(141)	—	—	—	(141)
At 31st December, 2008	於二零零八年十二月三十一日	3,871	16,102	162,943	16,782	1,457	34,146	235,301
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1st January, 2007	於二零零七年一月一日	2,334	7,205	56,960	7,070	1,129	—	74,698
Exchange realignment	匯兌調整	80	116	1,195	291	34	—	1,716
Provided for the year	年度折舊	430	2,885	12,026	1,887	66	—	17,294
Impairment loss recognised in the income statement	於收益表確認的減值虧損	—	—	—	—	—	7,337	7,337
Eliminated on written-offs	撇銷時對銷	—	(875)	—	—	—	—	(875)
At 31st December, 2007	於二零零七年十二月三十一日	2,844	9,331	70,181	9,248	1,229	7,337	100,170
Exchange realignment	匯兌調整	114	242	1,162	424	44	—	1,986
Provided for the year	年度折舊	307	2,067	12,669	2,075	55	—	17,173
Eliminated on written-offs	撇銷時對銷	—	—	(32)	—	—	—	(32)
At 31st December, 2008	於二零零八年十二月三十一日	3,265	11,640	83,980	11,747	1,328	7,337	119,297
CARRYING VALUES	賬面值							
At 31st December, 2008	於二零零八年十二月三十一日	606	4,462	78,963	5,035	129	26,809	116,004
At 31st December, 2007	於二零零七年十二月三十一日	871	3,832	79,283	5,509	165	23,794	113,454

The above items of property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives and after taking into account of their estimated residual value on a straight-line basis at the following rates per annum:

Buildings	Over the term of the leases, or 20 years, whichever is the shorter
Leasehold improvements	Over the term of the leases, or 5 years, whichever is the shorter
Plant and machinery	9%
Furniture, fixtures and equipment	18% — 25%
Motor vehicles	18% — 25%

除在建工程外，上述物業、廠房及設備項目乃按估計可使用年期及經計及其估計剩餘價值，以直線法按以下年率計算折舊：

樓宇	租賃年期或20年 (以較短者為準)
租賃物業裝修	租賃年期或5年 (以較短者為準)
廠房及機器	9%
傢俬、裝置及設備	18% — 25%
汽車	18% — 25%

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

12. PROPERTY, PLANT AND EQUIPMENT (continued)

In respect of the alleged breach of contractual undertakings of several construction contracts, a subsidiary has been named as a defendant in a District Court action in the PRC during the year ended 31st December, 2007. Accordingly, all construction costs in dispute of approximately HK\$2,080,000 were accrued in the consolidated balance sheet while relevant legal expenses approximately HK\$150,000 were charged to the consolidated income statement during the year ended 31st December, 2007.

This also resulted in a significant delay in the completion date of the new factory premises. The directors of the Company conducted an impairment review in respect of the Group's construction in progress as at 31st December, 2007. A number of the relevant assets were determined to be impaired. Accordingly, an impairment loss of approximately HK\$7,337,000 was recognised during the year ended 31st December, 2007 based on value-in-use calculation.

In 2008, the District Court in the PRC ruled in favour of the plaintiff. The subsidiary and its legal counsel appealed to the Intermediate Court in the PRC but the Intermediate Court in the PRC still ruled in favour of the plaintiff. Accordingly, additional construction costs of approximately HK\$2,661,000 in dispute were accrued in the consolidated balance sheet; while additional penalties of approximately HK\$1,704,000 and additional legal expenses of approximately HK\$198,000 were charged to the consolidated income statement during the year. The judgement from the Intermediate Court is considered final.

The directors of the Company conducted another impairment review in respect of the Group's construction in progress as at 31st December, 2008. The fair value of the Group's construction in progress at 31st December, 2008 have been arrived at on the basis of a valuation carried out on that date by Greater China Appraisal Limited ("Greater China"), independent qualified professional valuers not connected with the Group. Greater China are members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. With reference to the valuation arrived at by Greater China, the recoverable amount based on the fair value less costs to sell basis is higher than the relevant carrying amount as at 31st December, 2008. As such, no further impairment has been recognised.

12. 物業、廠房及設備 (續)

由於被指違反若干工程合約之合約承擔，一家附屬公司於截至二零零七年十二月三十一日止年度在中國地方法院一項訴訟中成為被告人。因此，爭議中之全部工程成本約港幣2,080,000元於綜合資產負債表內累計，而相關法律費用約港幣150,000元於截至二零零七年十二月三十一日止年度綜合收益表內扣除。

該事件亦導致新工廠廠房之竣工日期出現重大延期。本公司董事於二零零七年十二月三十一日就本集團之在建工程進行減值檢討。若干相關資產已經減值。因此，根據使用價值計算，截至二零零七年十二月三十一日止年度已確認之減值虧損約港幣7,337,000元。

於二零零八年，中國地方法院判決原告人勝訴。該附屬公司及其法律顧問向中國中級人民法院提出上訴，惟中國中級人民法院仍判決原告人勝訴。因此，爭議中之額外工程成本約港幣2,661,000元於綜合資產負債表中累計，而額外罰金約港幣1,704,000元及額外法律費用約港幣198,000元於年內在綜合收益表內扣除。中級人民法院作出的裁決為最終判決。

本公司董事於二零零八年十二月三十一日就本集團之在建工程進行另一次減值檢討。本集團之在建工程於二零零八年十二月三十一日之公平值乃按照由與本集團並無關連之獨立合資格專業估值師漢華評估有限公司（「漢華」）於當日進行的估值而釐訂。漢華為估價師協會之會員，並擁有合適的專業資格，及在有關地點對類似物業有近期估值的經驗。經參照漢華所達致之估值，於二零零八年十二月三十一日按照公平值減出售成本計算之可收回數額高於相關的賬面值。因此，並無進一步確認減值。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

13. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent payments for medium-term land use right in the PRC.

Analysed for reporting purposes as:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current asset	流動資產	133	133
Non-current asset	非流動資產	6,020	6,153
		6,153	6,286

Note: The amount had been reduced by a government grant of approximately HK\$8,335,000 in the form of deduction of consideration paid in respect of the land use right acquired by the Group in a prior year, details of which are set out in note 32.

Prepaid lease payments are amortised over the term of the land use right of 50 years on a straight-line basis.

The amount represents the rights to use the land (the "Land Use Right") in the PRC acquired by the Group. While the Group has paid the full purchase consideration, the relevant government authorities have not granted formal title to the Land Use Right to the Group. In the opinion of the directors, the absence of formal title to the Land Use Right does not impair the value of the relevant properties to the Group. The directors also believe that formal title to the Land use right will be granted to the Group in due course.

14. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment for production facilities in the PRC. Additional amounts committed are shown as capital commitments in note 29.

15. INVENTORIES

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Raw materials	原材料	7,712	13,156
Work-in-progress	在製品	17,175	14,258
Finished goods	製成品	13,961	13,569
		38,848	40,983

13. 預付租賃款項

本集團之預付租賃款項指就中國中期土地使用權所付款項。

作報告用途之分析：

附註：該筆金額因約港幣8,335,000元之政府補助金而減少，方式為於本集團於去年就收購土地使用權所付代價中扣減。詳情載於附註32。

預付租賃款項乃以直線法按土地使用權之年期50年攤銷。

該筆金額指本集團所收購的中國土地使用權（「土地使用權」）。儘管本集團已悉數支付收購代價，惟有關政府部門尚未向本集團授出土地使用權之正式業權。董事認為，尚未取得土地使用權之正式業權不會導致本集團有關物業出現減值。董事亦相信，本集團將於適當時候獲授土地使用權之正式業權。

14. 收購物業、廠房及設備已付之訂金

本集團支付之訂金乃有關收購位於中國之物業、廠房及設備以用作生產設施。額外承擔金額載於附註29資本承擔內。

15. 存貨

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

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS**16. 應收貿易賬款及其他應收款項以及預付款項**

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	44,049	50,993
Less: allowance for doubtful debts	減：呆賬撥備	—	—
		44,049	50,993
Other receivables	其他應收款項		
Deposits paid	已付訂金	3,973	2,540
Others	其他	2,184	1,259
		6,157	3,799
Prepayments	預付款項	875	953
		51,081	55,745

The Group allows a credit period of 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

本集團給予其貿易客戶30日至90日的信貸期。於結算日之應收貿易賬款賬齡分析如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
0 to 30 days	0日至30日	15,821	30,133
31 to 60 days	31日至60日	15,999	11,979
61 to 90 days	61日至90日	6,070	5,383
91 to 120 days	91日至120日	4,036	2,757
Over 120 days	超過120日	2,123	741
		44,049	50,993

Before accepting any new customer, the Group will understand the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with an appropriate credit history. Credit limits attributed to customers are reviewed regularly.

在接納新客戶之前，本集團將了解潛在客戶之信貸質素並確定其信用限度。本集團向具有良好信用記錄的客戶作出信用銷售。授予客戶的信用限度定期覆核。

At both balance sheet dates, the directors considered that trade receivables which are neither past due nor impaired are of good credit quality.

於兩個年度的結算日，董事認為，未逾期及並無減值之應收貿易賬款具有良好之信貸質素。

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$12,874,000 (2007: HK\$8,881,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

於報告日期，本集團的應收貿易賬款餘額之內共有賬面值為港幣12,874,000元（二零零七年：港幣8,881,000元）的應收款項已逾期，但集團並未計提減值虧損。本集團對該等餘額不持有任何抵押物。

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

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

Ageing of trade receivables which are past due but not impaired

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
31 to 60 days	31日至60日	3,157	6,022
61 to 90 days	61日至90日	3,558	2,892
91 to 120 days	91日至120日	4,036	2,546
Over 120 days	超過120日	2,123	1,058
Total	總計	12,874	12,518

The directors consider trade receivables which are past due but not impaired are of good credit quality. Satisfactory settlements were received subsequent to the balance sheet date.

Trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		RMB 人民幣 HK\$'000 港幣千元	US\$ 美元 HK\$'000 港幣千元	Euro 歐元 HK\$'000 港幣千元
As at 31st December, 2008	於二零零八年十二月三十一日	302	2,444	411
As at 31st December, 2007	於二零零七年十二月三十一日	47	3,996	1,471

17. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprises:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Unlisted investment fund	非上市投資基金	—	1,483

As at 31st December, 2007, the available-for-sale investment is stated at fair value. Fair value of this investment has been determined by reference to prices quoted by the counterparty financial institution.

The available-for-sale investment matured on 28th December, 2008 and reclassified to other receivables upon maturity. The consideration on redemption of the investment of approximately HK\$1,527,000 was received subsequent to the balance sheet date.

16. 應收貿易賬款及其他應收款項以及預付款項 (續)

已逾期但未予以減值之應收貿易賬款之賬齡

董事認為，已逾期但未予以減值之應收貿易賬款具有良好之信貸質素。於結算日後所收取的賬款令人滿意。

下文載列以有關集團實體之功能貨幣以外之貨幣列值之應收貿易賬款及其他應收款項：

17. 可供出售投資

可供出售投資包括：

於二零零七年十二月三十一日，可供出售投資乃按公平值列賬。該項投資之公平值乃經參考對手方金融機構所報價格後釐定。

可供出售投資於二零零八年十二月二十八日到期，並於到期時重新分類為其他應收款項。於結算日後，已收取贖回投資的代價約港幣1,527,000元。

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

18. INVESTMENTS HELD FOR TRADING**18. 持作買賣投資**

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Investments held for trading comprise:	持作買賣投資包括：		
Equity securities listed in Hong Kong	於香港上市的股本證券	207	543

The fair values of the above investments held for trading are determined based on the quoted market bid prices available on the Stock Exchange.

上述持作買賣投資之公平值乃按聯交所所報市場出價釐定。

19. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.05% to 1.22% (2007: 0.01% to 4.86%) per annum.

Bank balances that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

19. 銀行結餘及現金

銀行結餘按介乎0.05厘至1.22厘(二零零七年: 0.01厘至4.86厘)之市場年利率計息。

下文載列以有關集團實體之功能貨幣以外之貨幣列值之銀行結餘：

		RMB 人民幣 HK\$'000 港幣千元	US\$ 美元 HK\$'000 港幣千元	Yen 日圓 HK\$'000 港幣千元	Euro 歐元 HK\$'000 港幣千元
As at 31st December, 2008	於二零零八年十二月三十一日	98	1,754	13	615
As at 31st December, 2007	於二零零七年十二月三十一日	340	7,103	1,551	1,217

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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20. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables at the balance sheet date:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade payables	應付貿易賬款		
0 to 30 days	0日至30日	10,456	6,514
31 to 60 days	31日至60日	872	2,005
61 to 90 days	61日至90日	352	437
91 to 120 days	91日至120日	17	222
Over 120 days	超過120日	289	688
		11,986	9,866
Other payables	其他應付款項		
Accruals	應計欠款	12,354	11,930
Other payables	其他應付款項	12,094	5,555
Deposits received	已收訂金	4,115	3,489
		28,563	20,974
		40,549	30,840

The average credit period on purchase of goods is 60 days. The Group has financial risk management policies in place to monitor the credit quality of these trade payable.

Trade and other payables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		RMB 人民幣 HK\$'000 港幣千元	US\$ 美元 HK\$'000 港幣千元	Euro 歐元 HK\$'000 港幣千元
As at 31st December, 2008	於二零零八年十二月三十一日	—	807	771
As at 31st December, 2007	於二零零七年十二月三十一日	2,234	1,176	951

20. 應付貿易賬款及其他應付款項以及應計欠款

於結算日之應付貿易賬款賬齡分析如下：

購買貨品的平均信貸期為60日。本集團已制定財務風險管理政策，藉以監察該等應付貿易款項之信貸質素。

下文載列以有關集團實體之功能貨幣以外之貨幣列值之應付貿易賬款及其他應付款項：

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21. UNSECURED BANK LOANS WHOLLY REPAYABLE WITHIN ONE YEAR

The unsecured bank loans comprise:

		Carrying amount 賬面值	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Floating-rate borrowings:	浮息借貸：		
HIBOR + 0.45% ⁽¹⁾	香港銀行同業拆息 + 0.45厘 ⁽¹⁾	16,000	10,000
LIBOR + 0.8% ⁽²⁾	倫敦銀行同業拆息 + 0.8厘 ⁽²⁾	—	9,334
		16,000	19,334

⁽¹⁾ Repayable at the end of each interest period. Amount repaid may be redrawn immediately. The intervals of each interest period vary from one to three months.

⁽²⁾ This unsecured bank loan was fully repaid during the year.

The average effective interest rate of the Group's unsecured bank loans is 3.2% (2007: 5.5%) per annum.

Included in the unsecured bank loans is a bank loan of HK\$16,000,000 (2007: HK\$10,000,000) which is denominated in currency other than functional currency of the relevant group entity.

22. CONVERTIBLE NOTE

The Company issued a 2% unsecured convertible note to a substantial shareholder of the Company, with principal amount of HK\$106,200,000 on 5th November, 2008. On the same date, a supplementary agreement was entered into between the Company and the noteholder that the amount to be paid on the maturity day will be fixed at US\$13,702,000 and the note interest will be settled quarterly in fixed amounts of US\$68,512. The convertible note entitles the holder to convert it, in whole or in part of the principal amount, into ordinary shares of the Company at any time prior to seven business days preceding the maturity date on 4th November, 2011, at the conversion price of HK\$1.77 per share (equivalent to US\$0.23 per share), subject to anti-dilutive adjustments. If the convertible note has not been converted, it will be redeemed at par on 4th November, 2011.

At 31st December, 2008, the effective interest rate of the liability components of the convertible note is 11.58%.

21. 須於一年內悉數償還之無抵押銀行貸款

無抵押銀行貸款包括：

		Carrying amount 賬面值	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Floating-rate borrowings:	浮息借貸：		
HIBOR + 0.45% ⁽¹⁾	香港銀行同業拆息 + 0.45厘 ⁽¹⁾	16,000	10,000
LIBOR + 0.8% ⁽²⁾	倫敦銀行同業拆息 + 0.8厘 ⁽²⁾	—	9,334
		16,000	19,334

⁽¹⁾ 須於各利息期末清償。已清償款項可立即重新提取。各利息期限之間隔期介乎一個月至三個月。

⁽²⁾ 無抵押銀行貸款均於年內悉數清償。

本集團之無抵押銀行貸款之實際平均年利率為3.2厘(二零零七年：5.5厘)。

無抵押銀行貸款包括港幣16,000,000元(二零零七年：港幣10,000,000元)之銀行貸款。該筆款項乃以相關集團實體功能貨幣以外之其他貨幣計值。

22. 可換股票據

於二零零八年十一月五日，本公司向其主要股東發行本金額港幣106,200,000元的2%無抵押可換股票據。同日，本公司與票據持有人訂立補充協議，將於到期日支付的數額定為13,702,000美元。每季票息定為68,512美元。在反攤薄調整規限下，可換股票據持有人可於二零一一年十一月四日到期日前七個營業日以前任何時間按換股價每股港幣1.77元(相等於每股0.23美元)將本金額全數或部份轉換為本公司之普通股。倘可換股票據未予以兌換，則將於二零一一年十一月四日按面值予以贖回。

於二零零八年十二月三十一日，可換股票據負債部份之實際利率為11.58厘。

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22. CONVERTIBLE NOTE (continued)

The movement of the liability component of the convertible note for the year is set out as below:

		Liability component 負債部份 HK\$'000 港幣千元
As at 1st January, 2008	於二零零八年一月一日	—
Issued during the year	於年內發行	81,805
Interest charge	利息支出	1,479
As at 31st December, 2008	於二零零八年十二月三十一日	83,284

22. 可換股票據 (續)

可換股票據負債部份於本年度之變動如下：

23. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Convertible note 可換股票據 HK\$'000 港幣千元	Total 合共 HK\$'000 港幣千元
At 1st January, 2007	於二零零七年一月一日	2,881	(1,898)	—	983
(Credited) charged to the consolidated income statement for the year	於年內綜合收益表 (計入)扣除	(219)	194	—	(25)
At 31st December, 2007	於二零零七年 十二月三十一日	2,662	(1,704)	—	958
(Credited) charged to the consolidated income statement for the year	於年內綜合收益表 (計入)扣除	(2,510)	1,607	—	(903)
Charged to equity	於權益內扣除	—	—	4,025	4,025
Effect of change in tax rate	稅率變動之影響	(152)	97	—	(55)
At 31st December, 2008	於二零零八年 十二月三十一日	—	—	4,025	4,025

23. 遞延稅項

已確認之主要遞延稅項負債與資產以及於現行及以往年度之變動如下：

At the balance sheet date, the Group had unused tax losses of approximately HK\$8,054,000 (2007: HK\$12,316,000) available for offset against future profits. A deferred tax asset has been recognised as at 31st December, 2007 in respect of approximately HK\$9,734,000 (2008: Nil) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$8,054,000 (2007: HK\$2,582,000) due to the unpredictability of future profits streams. Unrecognised tax losses of HK\$3,948,000 (2007: HK\$1,678,000) will gradually expire from 2009 to 2013 (2007: from 2009 to 2012). The remainings may be carried forward indefinitely.

於結算日，本集團的未動用稅務虧損約港幣8,054,000元（二零零七年：港幣12,316,000元），可用於抵銷日後溢利。於二零零七年十二月三十一日，就該等虧損約港幣9,734,000元（二零零八年：無）確認遞延稅項資產。由於不能預測日後溢利來源，故並無就餘下稅務虧損港幣8,054,000元（二零零七年：港幣2,582,000元）確認遞延稅項資產。未確認稅務虧損港幣3,948,000元（二零零七年：港幣1,678,000元）將於二零零九年至二零一三年（二零零七年：由二零零九年至二零一二年）依次到期。餘下的稅務虧損可無限期結轉。

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

23. DEFERRED TAX (continued)

At the balance sheet date, the Group had deductible temporary differences of approximately HK\$7,337,000 (2007: HK\$7,337,000). No deferred tax asset had been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

23. 遞延稅項 (續)

於結算日，本集團之可扣減暫時差額約港幣7,337,000元(二零零七年：港幣7,337,000元)。由於日後取得應課稅溢利以抵銷可扣減暫時差額的可能性不大，故並無就該等可扣減暫時差額確認遞延稅項資產。

24. SHARE CAPITAL**24. 股本**

		Number of ordinary shares 普通股數目		Amount 金額	
		2008 二零零八年 '000 千股	2007 二零零七年 '000 千股	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each Authorised: At 1st January and 31st December	每股面值港幣0.01元的 普通股 法定： 於一月一日及 十二月三十一日	1,000,000	1,000,000	10,000	10,000
Issued and fully paid: At 1st January	已發行及繳足： 於一月一日	220,000	220,000	2,200	2,200
Issue of new shares (note)	發行新股(附註)	159,168	—	1,592	—
At 31st December	於十二月三十一日	379,168	220,000	3,792	2,200

Note: On 4th June, 2008, a conditional subscription agreement was entered into between the Company and CNNC Overseas Uranium Holding Limited, the substantial shareholder of the Company, to subscribe 159,168,308 new shares of HK\$0.01 each in the Company at a price of HK\$1.77 per share. The transaction was completed on 5th November, 2008.

附註：於二零零八年六月四日，本公司與其主要股東中核海外鈾業控股有限公司訂立有條件認購協議，以每股港幣1.77元的價格認購本公司159,168,308股每股面值港幣0.01元的新股份。該項交易已於二零零八年十一月五日完成。

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25. RESERVES

The non-distributable reserve represents the aggregate amount of the share premium of the subsidiaries as at the time of a group reorganisation effected on 13th December, 2002 (the "Group Reorganisation").

The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries and the nominal amount of the Company's shares issued in exchange thereof pursuant to the Group Reorganisation.

As stipulated by the relevant laws and regulations in the PRC, subsidiaries established in the PRC (the "PRC subsidiaries") are required to maintain a general reserve fund which is non-distributable. Appropriations to this reserve fund are made out of profit for the year of the PRC subsidiaries' PRC statutory financial statements which are prepared in accordance with the accounting principles generally accepted in the PRC. The amount and allocation basis are decided by the board of directors of the PRC subsidiaries annually and is not less than 10% of the profit for the year of the PRC subsidiaries for that year. The general reserve fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

26. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted for a period of ten years commencing from 11th December, 2002 pursuant to a written resolution of all shareholders passed on 11th December, 2002 for the primary purpose of providing incentives or rewards to directors and eligible employees. Under the Scheme, the Company may grant options to eligible employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside eligible advisors and consultants to the Company and its subsidiaries at the discretion of its board of directors.

The number of shares which may be issued under the Scheme is subject to the following limits:

- (i) the maximum number of shares in respect of which options may be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of issued shares of the Company from time to time;

25. 儲備

不可分派儲備指於二零零二年十二月十三日進行集團重組(「集團重組」)時附屬公司的股份溢價總額。

合併儲備為根據集團重組收購附屬公司股本面值總額與本公司就換取有關股本所發行股份面值間之差額。

根據中國有關法律及規例規定，在中國成立的附屬公司(「中國附屬公司」)須設立一般儲備基金，而該等儲備基金乃不可分派。該儲備基金乃撥付自中國附屬公司遵照中國公認會計原則所編製中國法定財務報表之年內溢利。分配數額及分配基準由中國附屬公司之董事局每年釐定，惟該數額不可少於中國附屬公司於該年度之年內溢利10%。一般儲備基金可用於透過資本化發行擴大中國附屬公司之資本基礎。

26. 購股權計劃

根據全體股東於二零零二年十二月十一日通過的書面決議案，本公司採納購股權計劃(「該計劃」)，由二零零二年十二月十一日起為期十年，主要目的是作為對董事及合資格僱員的鼓勵或獎勵。根據該計劃，本公司可授出購股權予本公司及其附屬公司合資格僱員及董事，以認購本公司股份。此外，按董事局之酌情決定，本公司可不時授出購股權予本公司及其附屬公司的外界合資格顧問及諮詢顧問。

根據該計劃可予發行之股份數目受下列規限：

- (i) 根據該計劃及本公司任何其他購股權計劃可能授出購股權所涉及股份數目上限，合共不得超過本公司不時已發行股份總數之30%；

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26. SHARE OPTION SCHEME (continued)

- (ii) without prior approval from the Company's shareholders, the total number of shares in respect of which options may be granted under the Scheme and any other share option scheme is not permitted to exceed 22,000,000 shares, representing 10% of the issued share capital of the Company at 6th January, 2003; and
- (iii) the number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the issued share capital of the Company as at the date of such grant.

A nominal consideration of HK\$1 is payable upon acceptance of the grant of the option. The exercise price is determined by the directors of the Company and will be at least the higher of (i) the average of the closing prices of the ordinary shares of the Company for the five trading days immediately preceding the date of the grant; (ii) the closing price of the ordinary shares of the Company on the date of the grant; and (iii) the nominal value of the ordinary shares of the Company.

Any options granted under the Scheme must be exercised during such option period as may be determined and notified by the directors of the Company, which shall not exceed 10 years from the date of acceptance of the option.

No options have been granted under the Scheme since its adoption.

27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure its subsidiaries will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes unsecured bank loan wholly repayable within one year and convertible note, and equity attributable to equity holders of the Company, comprising share capital, share premium, investments revaluation reserve, non-distributable reserve, merger reserve, general reserve fund, convertible note equity reserve, translation reserve and accumulated profits as disclosed in the consolidated financial statements.

26. 購股權計劃 (續)

- (ii) 在未獲得本公司股東事先批准前，根據該計劃及任何其他購股權計劃可能授出購股權涉及之股份總數，合共不得超過22,000,000股，相當於二零零三年一月六日本公司已發行股本之10%；及
- (iii) 於任何一年內可能向任何人士授出購股權涉及之股份數目，不得超過本公司於授出日期已發行股本之1%。

於接納授出購股權時須支付港幣1元象徵式代價。行使價由本公司董事釐定，價格不得低於下列最高者：(i)本公司普通股於緊接授出日期前五個交易日之平均收市價；(ii)本公司普通股於授出日期之收市價；及(iii)本公司普通股面值。

根據該計劃授出之任何購股權須於本公司董事釐定及公佈之購股權期間內行使，有關期間不得超過購股權獲接納當日起10年。

自該計劃獲採納以來，並無根據該計劃授出任何購股權。

27. 資本風險管理

本集團管理其資本以確保其附屬公司能夠持續經營，同時透過優化債務及權益結餘將股東回報提至最高。

本集團之資本架構包括債務，包括須於一年內悉數償還之無抵押銀行貸款、可換股票據及本公司權益持有人應佔權益（包括綜合財務報表所披露之股本、股份溢價、投資重估儲備、不可分派儲備、合併儲備、一般儲備基金、可換股票據股本儲備、匯兌儲備及累計溢利）。

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27. CAPITAL RISK MANAGEMENT (continued)

The directors of the Company review the capital structure annually. As part of this review, the directors of the Company assess the annual budget prepared by management of the Company. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The directors of the Company also balance its overall capital structure through the payment of dividends, new share issues of the proposed floatation of the Company as well as the issue of new debt or the redemption of existing debt.

27. 資本風險管理 (續)

本公司董事每年審閱資本架構。作為此審閱之一部分，本公司董事對本公司管理層編製之年度預算進行評估。根據建議年度預算，本公司董事考慮資本成本及與各類資本有關的風險。本公司董事亦透過派付股息、建議本公司上市發行新股及發行新債券或贖回現有債券以平衡其整體資本架構。

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Financial assets	金融資產		
Fair value through profit or loss	按公平值計入損益	207	543
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	450,356	73,599
Available-for-sale financial assets	可供出售金融資產	—	1,483
Financial liabilities	金融負債		
Amortised cost	攤銷成本	122,648	34,751

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and other receivables, investments held for trading, bank balances, trade and other payables, unsecured bank loans wholly repayable within one year and convertible note. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

28. 金融工具

(a) 金融工具之類別

(b) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、應收貿易賬款及其他應收款項、持作買賣投資、銀行結餘、應付貿易賬款及其他應付款項、須於一年內悉數償還之無抵押銀行貸款及可換股票據。該等金融工具之詳情於有關附註披露。下文載列該等金融工具相關之風險及舒緩風險之政策。管理層管理及監控有關風險，以確保能及時及有效採取適當措施。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

28. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and****policies** (continued)**Credit risk**

The Group's principal financial assets include trade and other receivables and cash and cash equivalents. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2008 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based upon careful evaluation of the customers' financial conditions and credit history.

In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are recognised for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's exposure to bad debts and concentration risk is minimal.

The Group has concentration of credit risk as 50% of the total trade receivables as at 31st December, 2008 (2007: 49%) was due from the Group's five largest customers, respectively. Those five largest customers are reputable electrical appliance company, automotive traders and agents with long business history with the Group. Management perform periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant. The historical experience in the collection of trade receivables from the five largest customers falls within the expectation of the directors.

Credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

28. 金融工具 (續)**(b) 財務風險管理目標及政策**

(續)

信貸風險

本集團之主要金融資產包括應收貿易賬款及其他應收款項以及現金及現金等價物。於二零零八年十二月三十一日，倘交易對方未能履行其責任，則本集團就各類別已確認金融資產而須承受之最高信貸風險為於綜合資產負債表列賬之該等資產賬面值。為減低信貸風險，本集團管理層已成立隊伍負責釐定信貸限額、信貸批核及其他監控程序，以確保採取跟進行動收回逾期債務。本集團僅於審慎評估客戶財務狀況及過往信貸狀況後，方向客戶提供信貸。

此外，本集團於各結算日審閱各項個別應收款項可收回金額，確保已就不可收回金額確認足夠減值虧損。就此而言，本集團董事認為，本集團承受之壞賬及信貸集中風險乃屬輕微。

本集團面對信貸集中風險，原因為二零零八年十二月三十一日之應收貿易賬款總額中有50% (二零零七年：49%) 來自本集團五大客戶。該五大客戶為具有良好聲譽之電器公司、汽車交易商及代理人，與本集團已建立長久業務關係。管理層定期進行評估及拜訪客戶，以確保本集團承受之壞賬風險並不重大。在向五大客戶收回應收貿易賬款方面所取得之以往經驗乃符合董事之預期。

由於交易對手為獲國際信貸評級機構評級為高信貸評級之銀行，故銀行結餘之信貸風險有限。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

28. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

(i) *Foreign currency risk management*

While most of the Group's operations are transacted in the functional currencies on the respective group entities, the Group undertakes certain transactions denominated in foreign currencies. The Group currently has not formulated any hedging policies against its exposure to currency risk. Yet, the Group still manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

The carrying amount of the Group's monetary assets and monetary liabilities denominated in foreign currencies at the balance sheet dates are as follow:

		RMB 人民幣 HK\$'000 港幣千元	US\$ 美元 HK\$'000 港幣千元	Yen 日圓 HK\$'000 港幣千元	Euro 歐元 HK\$'000 港幣千元
As at 31st December, 2008	於二零零八年 十二月三十一日				
Assets	資產	400	4,198	13	1,026
Liabilities	負債	—	807	—	771
As at 31st December, 2007	於二零零七年 十二月三十一日				
Assets	資產	387	11,099	1,551	2,688
Liabilities	負債	2,234	10,510	—	951

Management monitors foreign exchange exposure as stated above and will consider hedging significant foreign currency exposure should the need arises.

28. 金融工具 (續)

(b) 財務風險管理目標及政策

(續)

市場風險

(i) *外幣風險管理*

儘管就各集團實體而言，本集團大部分業務乃以功能貨幣進行，惟本集團進行若干以外幣計值交易。本集團現時並無就其貨幣風險制定任何對沖政策。然而，本集團仍透過密切監控外匯匯率變動管理其外幣風險。

本集團以外幣計值之貨幣資產及貨幣負債於結算日之賬面值如下：

管理層會監察上述外匯風險，並於需要時考慮對沖重大外幣風險。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

28. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies** (continued)**Market risk** (continued)*(i) Foreign currency risk management* (continued)

Sensitivity analysis

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. Management considers the Group does not expose to significant foreign currency risk as majority of its transactions are denominated in functional currency of the Group's subsidiaries. US\$ financial assets and financial liabilities are mainly held by a subsidiary of the Company using HK\$ as its functional currency. Since HK\$ is pegged to US\$, relevant foreign currency risk is minimal. Except US\$, there were only insignificant balances of financial assets and liabilities denominated in foreign currency at the balance sheet dates as disclosed above. A reasonably possible increase or decrease in foreign exchange rate of functional currencies against relevant foreign currencies would not have a significant effect on the consolidated income statement of the Group.

(ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its bank balances, unsecured bank loans and convertible note. Bank balances and unsecured bank loans at variable rates expose the Group to cash flow interest-rate risk, while the convertible note expose the Group to fair value interest rate risk. Details of the Group's bank balances, unsecured bank loans and convertible note are disclosed in notes 19, 21 and 22, respectively.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

28. 金融工具 (續)**(b) 財務風險管理目標及政策**

(續)

市場風險 (續)*(i) 外幣風險管理* (續)

敏感度分析

外幣風險指將會影響本集團之財務業績及其現金流量的外幣匯率變動風險。由於大部分交易以本集團之附屬公司之功能貨幣列值，故管理層認為本集團並無重大外幣風險。以美元計值之金融資產及金融負債主要由本公司採用港幣為其功能貨幣之一家附屬公司持有。由於港幣與美元掛鈎，有關之外幣風險甚微。除美元外，如上文所披露，於結算日，僅有極少金融資產與負債結餘以外幣列值。功能貨幣兌有關外幣之外匯匯率的可能合理升值或貶值，將不會對本集團之綜合收益表產生重大影響。

(ii) 利率風險

本集團之利率變動風險主要與其銀行結餘、無抵押銀行貸款及可換股票據有關。按浮動息率計息之銀行結餘及無抵押銀行貸款導致本集團須面對現金流量利率風險，而可換股票據導致本集團須面對公平值利率風險。本集團銀行結餘、無抵押銀行貸款及可換股票據詳情分別於附註19、21及22披露。

本集團現時並無任何利率對沖政策。然而，管理層會監察利率風險及於需要時考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

28. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) *Interest rate risk* (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank balances and bank loans at the balance sheet date. For variable-rate bank balances, the analysis is prepared assuming the amount outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31st December, 2008 would decrease/increase by HK\$1,902,000 (2007: increase/decrease by HK\$43,000).

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings.

28. 金融工具 (續)

(b) 財務風險管理目標及政策

(續)

市場風險 (續)

(ii) *利率風險* (續)

敏感度分析

下列敏感度分析乃根據於結算日就銀行結餘及銀行貸款承受之利率風險釐定。就按浮動息率計息之銀行結餘而言，編製分析時，假設於結算日尚未結算之金額於整個年度尚未結算。50個點子增減為內部向主要管理人員匯報利率風險時所採用者，亦是管理層對利率合理可能變動之評估。

倘利率升／跌50個點子，而所有其他變數不變，本集團截至二零零八年十二月三十一日止年度之虧損將減少／增加港幣1,902,000元（二零零七年：增加／減少港幣43,000元）。

流動資金風險

於管理流動資金風險時，本集團會監督及維持現金及現金等價物處於管理層認為充足之水平，以撥付本集團之營運所需資金及減低現金流量波動之影響。管理層會監督動用借貸之情況。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

28. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies** (continued)**Liquidity risk** (continued)

The following tables detail Group's contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

		Weighted average interest rate 加權 平均利率 %	0 to	31 to	61 to	1-5 years	Total	Total
			30 days	60 days	365 days		undiscounted cash flows 未貼現 總現金流量 HK\$'000	carrying amount 賬面總值 HK\$'000
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
As at 31st December, 2008	於二零零八年 十二月三十一日							
Trade and other payables	應付貿易賬款及 其他應付款項	—	14,881	8,388	95	—	23,364	23,364
Unsecured bank loans wholly repayable within one year	須於一年內悉數償還之 無抵押銀行貸款	3.2	16,325	—	—	—	16,325	16,000
Convertible note	可換股票據	2.0	—	531	1,593	110,448	112,572	83,284
			31,206	8,919	1,688	110,448	152,261	122,648
As at 31st December, 2007	於二零零七年 十二月三十一日							
Trade and other payables	應付貿易賬款及 其他應付款項	—	12,391	3,026	—	—	15,417	15,417
Unsecured bank loans wholly repayable within one year	須於一年內悉數償還之 無抵押銀行貸款	5.5	—	19,492	—	—	19,492	19,334
			12,391	22,518	—	—	34,909	34,751

(c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

28. 金融工具 (續)**(b) 財務風險管理目標及政策**

(續)

流動資金風險 (續)

下表詳列本集團非衍生金融負債之合約期限情況。該等表格乃根據本集團於可被要求償還金融負債之最早日期之金融負債未貼現現金流量編製。該等表格包括利息及本金現金流量。

(c) 公平值

金融資產及金融負債之公平值釐定如下：

- 具有標準條款及條件及於活躍流動市場買賣之金融資產，乃參考所報市場買盤價釐定公平值；及
- 其他金融資產及金融負債之公平值乃利用現時可觀察市場交易價格或利率，以貼現現金流量分析為基準之普遍公認之定價模式釐定。

董事認為，於綜合財務報表內按攤銷成本列賬之金融資產及金融負債賬面值與其公平值相若。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

29. CAPITAL COMMITMENTS

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Capital expenditure in respect of acquisition of property, plant and equipment:	就收購物業、廠房及設備的資本開支：		
Authorised but not contract for in the consolidated financial statements	已授權但未訂約及未於綜合財務報表撥備	1,167	—
Contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表撥備	16,833	29,701
		18,000	29,701

29. 資本承擔

30. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases for rented premises which fall due as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Within one year	一年內	6,241	3,632
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	11,353	9,028
		17,594	12,660

Operating lease payments represent rentals payable by the Group for certain of its office premises and factory land and buildings. The average lease term is 3 years. Rentals are fixed and no arrangements have been entered into for contingent rental payments.

30. 經營租賃承擔

於結算日，本集團根據就已租物業訂立的不可撤銷經營租賃，於下列年期到期支付之未償還日後最低租賃款項承擔如下：

經營租賃款項指本集團就其若干辦公室物業以及廠房土地及樓宇應付租金。平均租賃年期為3年。租金乃固定，且無就或然租金付款訂立任何安排。

31. RETIREMENT BENEFIT SCHEMES

Effective from 1st December, 2000, the Group has participated in a Mandatory Provident Fund Scheme (the "MPF Scheme") for all its eligible employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contribution payable in the future years.

31. 退休福利計劃

本集團由二零零零年十二月一日起為其香港所有合資格僱員參與一項強制性公積金計劃(「強積金計劃」)。強積金計劃根據強制性公積金計劃條例在強制性公積金計劃管理局註冊。強積金計劃的資產由獨立信託人控制，與本集團的資金分開持有。根據強積金計劃的規則，僱主及其僱員各自須按規則指定的比率就計劃作出供款。本集團就強積金計劃應負的唯一責任為根據計劃作出所需供款，並無沒收供款以減低於未來年度應付的供款。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

31. RETIREMENT BENEFIT SCHEMES (continued)

The Group is also required to make contributions to state-management retirement benefit schemes operated by the PRC government based on a certain percentage of the monthly payroll costs of the employees of Dongguan United, Everhope Industrial Limited ("Everhope") and United Castings. The Group has no other obligations under the state-management retirement benefit schemes in the PRC other than the contribution payable.

During the year, the total amount contributed by the Group to the relevant retirement benefit schemes are as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
MPF Scheme	強積金計劃	215	183
State-management retirement benefit schemes	國有退休金計劃	2,890	1,005
		3,105	1,188

32. GOVERNMENT GRANT

During the year ended 31st December, 2005, the Group received a government grant of approximately HK\$8,335,000 in relation to a piece of land use right situated in the PRC acquired by the Group during that year. The amount has been deducted from the carrying amount of the prepaid lease payments as set out in note 13. The amount is transferred to income in the form of reduced amortisation charge over the term of the prepaid lease payments. This policy has resulted in a credit to income in the current period of HK\$167,000 (2007: HK\$167,000). As at 31st December, 2008, an amount of HK\$7,737,000 (2007: HK\$7,904,000) remains to be amortised.

33. RELATED PARTY DISCLOSURES**(I) Remuneration of directors and other members of key management**

The remuneration of directors and other members of key management during the year was as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Short-term benefits	短期福利	6,842	7,661
Post-employment benefits	退休後福利	24	36
		6,866	7,697

31. 退休福利計劃 (續)

本集團亦須就中國政府營辦的國有退休金計劃，按東莞鏗利、厚鴻實業有限公司（「厚鴻」）及東莞科鑄僱員月薪成本的若干百分比，作出供款。本集團除需要根據中國的國有退休金計劃作出供款外，並無任何其他供款責任。

年內，本集團就有關退休福利計劃的供款總額如下：

32. 政府補助金

截至二零零五年十二月三十一日止年度，本集團就其於年內購入位於中國一幅土地之使用權獲取政府補助金約港幣8,335,000元。如附註13所載，該筆款項已自預付租賃款項賬面值扣除。該筆款項於預付租賃款項之租賃期內以扣減攤銷支出之方式轉撥至收入。此政策導致港幣167,000元（二零零七年：港幣167,000元）計入本期間收入。於二零零八年十二月三十一日，港幣7,737,000元（二零零七年：港幣7,904,000元）尚未攤銷。

33. 有關連人士披露**(I) 董事及其他主要管理層成員之酬金**

年內董事及其他主要管理層成員之酬金如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

33. RELATED PARTY DISCLOSURES (continued)

(I) Remuneration of directors and other members of key management (continued)

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

On 3rd December, 2008, Mr. Tsang Chiu Wai and Mr. Kong Cheuk Luen Trevor, former directors and existing shareholders of the Company, had entered into new service agreements with the Company for two years until 3rd December, 2010. Pursuant to the agreed terms of the service agreements, each of Mr. Tsang and Mr. Kong shall be entitled to a fixed salary of HK\$3,500,000 per annum plus potential 15% profit bonus and 5% discretionary profit bonus. It is also a term of the service agreements that both Mr. Tsang and Mr. Kong shall guarantee on United Non-Ferrous (Overseas) Limited and its subsidiaries' consolidated net asset value of not less than the sum of HK\$189,674,000 as at 3rd December, 2010. Otherwise, each of Mr. Tsang and Mr. Kong should be liable to pay half of such shortfall to the Group.

(II) Transactions and balances with other state-controlled entities in the PRC

The Group itself is part of a larger group of companies under CNNC which is controlled by the PRC government. Apart from the issue of a convertible note as set out in note 22 and the related interest expenses of approximately HK\$1,479,000 to its immediate holding company, CNNC Overseas, during the year, the Group doesn't conduct business with other state-controlled entities.

In addition, the Group has entered into various transactions, including deposits placements with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful.

34. POST BALANCE SHEET EVENT

On 25th March, 2009, an indirectly wholly-owned subsidiary of the Company entered into a definitive agreement with Western Prospector Group Ltd. ("Western Prospector"), a company incorporated in Canada with its shares listed on the Toronto Stock Exchange Venture Exchange, to acquire all of the issued and outstanding common shares of Western Prospector from the holders of common share at a price of CAD\$0.56 per common share and to subscribe for 5,371,350 subscription shares of Western Prospector, representing approximately 10% of the issued and outstanding common shares of Western Prospector, at CAD\$0.56 per subscription share. The consideration will be satisfied in cash. Western Prospector is principally engaged in the acquisition, exploration and development of mineral properties located in Mongolia. A press release published by Western Prospector in Canada in relation to the entering into of the definitive agreement has been published by the Company by way of an announcement on 1st April, 2009.

33. 有關連人士披露 (續)

(I) 董事及其他主要管理層成員之酬金 (續)

薪酬委員會考慮董事及主要行政人員個別表現及市場趨勢後釐定彼等的薪酬。

於二零零八年十二月三日，本公司前任董事及現有股東曾昭偉先生及江爵煖先生與本公司訂立新服務協議，為期兩年，至二零一零年十二月三日止。根據服務協議的協定條款，曾先生及江先生將可獲得港幣3,500,000元之固定年薪加潛在15%溢利花紅及5%酌情溢利花紅。其中一項服務協議條款規定曾先生及江先生均須保證，於二零一零年十二月三日，United Non-Ferrous (Overseas) Limited及其附屬公司之綜合資產淨值將不少於港幣189,674,000元，否則，曾先生及江先生各自須向本集團支付半數差額。

(II) 與中國其他國家控制實體之交易及結餘

本集團本身是中國政府控制的中核旗下較大集團公司之部分。年內，除附註22所載發行可換股票據，以及向其直接控股公司中核海外支付約港幣1,479,000元之相關利息開支外，本集團並無與其他國家控制實體進行業務。

此外，本集團於一般業務過程中與若干屬國家控制實體之銀行及金融機構訂立多項交易，包括存置存款。鑑於該等銀行交易性質，本公司董事認為，另行披露意義不大。

34. 結算日後事項

於二零零九年三月二十五日，本公司一間間接全資附屬公司與Western Prospector Group Ltd. (「Western Prospector」) (一間於加拿大註冊成立的公司，其股份於多倫多證券交易所創業交易所上市) 訂立具體協議，以每股普通股0.56加元的價格，向普通股持有人收購Western Prospector全部已發行普通股；以及按每股認購股份0.56加元的價格，認購5,371,350股Western Prospector認購股份，佔Western Prospector已發行普通股約10%。代價將以現金支付。Western Prospector主要從事收購、勘探及開發蒙古礦產物業。於二零零九年四月一日，本公司以公告方式刊發Western Prospector就訂立具體協議而於加拿大發表之新聞稿。

Notes to the Consolidated Financial Statements 綜合財務報表附註 (continued 續)

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

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries are as follows:

35. 本公司附屬公司詳情

本公司附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operations 註冊成立/成立及 營運地點	Issued and fully paid share/registered capital 已發行及繳足股份/ 註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有已發行/ 註冊股本面值的比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2008 二零零八年 %	2007 二零零七年 %	2008 二零零八年 %	2007 二零零七年 %	
China Nuclear International Corporation 中核國際集團有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$50,000 普通股50,000美元	100	—	—	—	Inactive 暫無業務
CNNC International (HK) Limited 中核國際(香港)有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股港幣10,000元	—	—	100	—	Inactive 暫無業務
Dongguan United (note i) 東莞豐利(附註i)	PRC 中國	Registered capital HK\$40,000,000 註冊股本港幣40,000,000元	—	—	100	100	Die casting and trading of metal products 壓鑄及銷售金屬產品
Everhope 厚鴻	Hong Kong 香港	Ordinary HK\$2 普通股港幣2元	—	—	100	100	Die casting and trading of metal products 壓鑄及銷售金屬產品
United Metals Company Limited 豐利實業有限公司	Hong Kong 香港	Ordinary HK\$1,602 普通股港幣1,602元	—	—	100	100	Trading of metal products 銷售金屬產品
United Metals Asset Management Co., Ltd. 豐利實業資產管理有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$1 普通股1美元	—	—	100	100	Investment holding 投資控股
United Non-Ferrous (H.K.) Limited 豐利實業(香港)有限公司	Hong Kong 香港	Ordinary HK\$1,602 普通股港幣1,602元	—	—	100	100	Provision of administrative services 提供行政服務
United Metals Asset Management (H.K.) Co., Ltd. 豐利實業資產管理(香港)有限公司	Hong Kong 香港	Ordinary HK\$2 普通股港幣2元	—	—	100	—	Investment holding 投資控股
United Non-Ferrous (Overseas) Limited 豐利實業(海外)有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$17,622 普通股17,622美元	100	100	—	—	Investment holding 投資控股
United Non-Ferrous Sdn. Bhd. 豐利實業(馬來西亞)有限公司	Malaysia 馬來西亞	Ordinary RM2 普通股2馬元	—	—	100	100	Investment holding and trading of metal products 投資控股及銷售 金屬產品
United Shanghai (note i) 科鑄上海(附註i)	PRC 中國	Registered capital US\$12,000,000 (note ii) 註冊股本12,000,000美元 (附註ii)	—	—	100	—	Inactive 暫無業務
United Castings (note i) 東莞科鑄(附註i)	PRC 中國	Registered capital HK\$18,000,000 (note ii) 註冊股本港幣18,000,000元 (附註ii)	—	—	100	100	Die casting and trading of metal products 壓鑄及銷售金屬產品

Notes:

- (i) Dongguan United, United Shanghai and United Castings are established in the PRC as wholly foreign owned enterprises.
- (ii) As at 31st December, 2008, the capital of United Shanghai and United Castings were paid up as to US\$3,870,000 and HK\$17,750,000, respectively.
- (iii) None of the subsidiaries had issued any debt securities at the end of the year.

附註：

- (i) 東莞豐利、科鑄上海及東莞科鑄為在中國成立的全外資企業。
- (ii) 於二零零八年十二月三十一日，科鑄上海及東莞科鑄之繳入股本分別為3,870,000美元及港幣17,750,000元。
- (iii) 在本年度年底，並無任何附屬公司發行任何債務證券。

Financial Summary 財務概要

Set out below is a financial summary of the Group for five years ended 31st December, 2008:

以下為本集團截至二零零八年十二月三十一日止五個年度之財務概要：

RESULTS

業績

		For the year ended 31st December, 截至十二月三十一日止年度				
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Revenue	收益	154,584	186,621	242,831	234,919	209,082
Profit (loss) before taxation	除稅前溢利(虧損)	9,371	10,550	14,170	(4,394)	(20,430)
Income tax (expense) credit	所得稅(開支)抵免	(957)	(221)	(754)	38	713
Profit (loss) for the year	年內溢利(虧損)	8,414	10,329	13,416	(4,356)	(19,717)
Earnings (loss) per share	每股盈利(虧損)					
— basic (HK cents)	— 基本(港仙)	3.8	4.7	6.1	(2.0)	(8.1)

ASSETS AND LIABILITIES

資產及負債

		As at 31st December, 於十二月三十一日				
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Total assets	資產總值	200,377	211,664	256,606	240,890	613,513
Total liabilities	負債總額	(35,289)	(36,310)	(63,519)	(51,216)	(143,873)
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	165,088	175,354	193,087	189,674	469,640

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