



G·PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED
金匡企業有限公司

Stock Code 股份代號 : 286

Annual Report **2008** 年年報

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Corporate Information

DIRECTORS

Executive Directors:

Kong, Chi-ming (*Deputy Chairman*)
Leung, Wing-pong (*Chief Executive Officer*)

Independent Non-executive Directors:

David Chain, Chi-woo
Lam, Yat-fai
Leung, Yun-fai

AUDIT COMMITTEE

Lam, Yat-fai (*Chairman*)
David Chain, Chi-woo
Leung, Yun-fai

REMUNERATION COMMITTEE

Leung, Yun-fai (*Chairman*)
David Chain, Chi-woo
Lam, Yat-fai

COMPANY SECRETARY

Lam, Kwong-wai

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark, 11 Pedder Street
Central, Hong Kong

SOLICITORS

Sit, Fung, Kwong & Shum
Chiu & Partners

PRINCIPAL BANKERS

Chong Hing Bank Limited
Standard Chartered Bank (Hong Kong) Limited

PLACE OF INCORPORATION

Bermuda

公司資料

董事

執行董事：

江志明 (副主席)
梁榮邦 (行政總裁)

獨立非執行董事：

錢其武
林日輝
梁潤輝

審核委員會

林日輝 (主席)
錢其武
梁潤輝

薪酬委員會

梁潤輝 (主席)
錢其武
林日輝

公司秘書

林光蔚

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師
香港中環
畢打街11號置地廣場
告羅士打大廈31樓

律師

薛馮鄭岑律師行
趙不渝馬國強律師事務所

主要往來銀行

創興銀行有限公司
渣打銀行(香港)有限公司

註冊成立地點

百慕達

Corporate Information

公司資料

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

26th Floor, MassMutual Tower
38 Gloucester Road
Wanchai, Hong Kong

主要辦事處

香港灣仔
告士打道38號
美國萬通大廈26樓

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

主要過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

過戶登記分處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

WEBSITE

<http://www.g-prop.com.hk>

網址

<http://www.g-prop.com.hk>

STOCK CODE

286

股份代號

286

BOARD LOT

2,000 Shares

買賣單位

2,000 股

INVESTOR RELATIONS

For enquiries relating to investor relations, please contact:

Investor Relations Manager

Tel: (852) 2866 6999

Fax: (852) 2866 2822

(852) 2866 2833

E-mail: investor.relations@chineseestates.com

投資者關係

有關投資者關係之查詢，請聯絡：

投資者關係經理

電話：(852) 2866 6999

傳真：(852) 2866 2822

(852) 2866 2833

電郵： investor.relations@chineseestates.com

Profiles of Directors and Senior Executive

董事及高級行政人員簡介

EXECUTIVE DIRECTORS

Mr. KONG, Chi-ming, aged 45, has been an Executive Director of the Company since July 2005 and was appointed as Deputy Chairman of the Company in November of the same year. He also holds position as director in a number of subsidiaries of the Company. Mr. Kong holds a Bachelor Degree of Business Administration from The Chinese University of Hong Kong, a Master Degree of Arts in Quantitative Analysis for Business and a Master Degree of Business Administration from the City University of Hong Kong. He has over 18 years of experience in the management and development of property projects in the Mainland China.

Mr. LEUNG, Wing-pong, aged 47, has been an Executive Director of the Company since October 2002 and was appointed as Chief Executive Officer of the Company in July 2005. He also holds position as director and secretary in a number of subsidiaries of the Company. Mr. Leung is a member of the Hong Kong Securities Institute. He was registered as a responsible officer of a securities firm, a futures firm and a finance firm in Hong Kong with Securities and Futures Commission. He has over 21 years of experience in the area of internal audit.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. David CHAIN, Chi-woo, aged 60, has been an Independent Non-executive Director of the Company since September 2004. He is also a member of audit committee and remuneration committee of the Company. Dr. Chain is a registered medical practitioner and started private practice since 1978. He is a graduate of The University of Hong Kong. Dr. Chain was appointed as a vice chairman of Causeway Bay District Scout Council from 1986 to 1992. He was also a member of Kowloon West District Advisory Committee of The Hongkong Bank Foundation District Community Programme from 2000 to 2001.

執行董事

江志明先生，現年45歲，自二零零五年七月起為本公司之執行董事及於同年十一月出任本公司之副主席。彼亦擔任本公司多間附屬公司之董事。江先生持有香港中文大學工商管理學士學位，以及香港城市大學工商數量分析文學碩士學位及工商管理學碩士學位。彼於中國大陸房地產項目管理及發展方面累積逾十八年經驗。

梁榮邦先生，現年47歲，自二零零二年十月起為本公司之執行董事及於二零零五年七月出任本公司之行政總裁。彼亦擔任本公司多間附屬公司之董事及秘書。梁先生為香港證券專業學會會員。彼於證券及期貨事務監察委員會登記為香港一間證券公司、期貨公司及融資公司之負責人員。彼在內部核數方面累積逾二十一年經驗。

獨立非執行董事

錢其武醫生，現年60歲，自二零零四年九月起為本公司之獨立非執行董事。彼亦為本公司之審核委員會及薪酬委員會成員。錢醫生為註冊醫生及自一九七八年起私人執業。彼於香港大學畢業。錢醫生於一九八六年至一九九二年期間獲委任為銅鑼灣分區童軍委員會副主席。彼於二零零零年至二零零一年期間為匯豐銀行慈善基金社區發展計劃西九龍區諮詢委員會委員。

Profiles of Directors and Senior Executive

董事及高級行政人員簡介

Mr. LAM, Yat-fai, aged 43, has been an Independent Non-executive Director of the Company since December 2003. He is also the chairman of audit committee and a member of remuneration committee of the Company. Mr. Lam is a Certified Public Accountant (Practising). He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lam worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years. He has over 19 years of experience in auditing, taxation, corporate finance and accounting. Mr. Lam is also an independent non-executive director of Oriental Press Group Limited, Yunnan Enterprises Holdings Limited and New Smart Energy Group Limited, the shares of all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. LEUNG, Yun-fai, aged 51, has been an Independent Non-executive Director of the Company since November 2003. He is also the chairman of remuneration committee and a member of audit committee of the Company. Mr. Leung is a director of a financial consulting firm in Hong Kong. He holds a Bachelor Degree of Business Administration from Newport University in the United States of America. Mr. Leung is a member of the Hong Kong Securities Institute. He has over 20 years of auditing and accounting experience with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu. Mr. Leung is also an independent non-executive director of China Premium Lifestyle Enterprise, Inc., the shares of which are listed on the Over-The-Counter Bulletin Board of the United States of America.

SENIOR EXECUTIVE

Mr. LAM, Kwong-wai, aged 53, has been the Group Financial Controller of the Company since November 2003 and appointed as the Company Secretary of the Company from January 2007. Mr. Lam is also the Group Financial Controller and the Company Secretary of Chinese Estates Holdings Limited (the holding company of the Company) and Chi Cheung Investment Company, Limited (a fellow subsidiary of the Company). He is a qualified accountant and holds a Master Degree in Business Administration from the University of Warwick, United Kingdom. Mr. Lam has over 31 years of experience in auditing, finance and accounting.

林日輝先生，現年43歲，自二零零三年十二月起為本公司之獨立非執行董事。彼亦為本公司之審核委員會主席及薪酬委員會成員。林先生現職執業會計師。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。林先生曾於關黃陳方會計師行及德勤•關黃陳方會計師行工作逾十年。彼於審計、稅務、企業融資及會計方面累積逾十九年經驗。林先生亦為東方報業集團有限公司、雲南實業控股有限公司及駿新能源集團有限公司之獨立非執行董事，該等公司之股份均在香港聯合交易所有限公司主板上市。

梁潤輝先生，現年51歲，自二零零三年十一月起為本公司之獨立非執行董事。彼亦為本公司之薪酬委員會主席及審核委員會成員。梁先生為一間香港財務顧問公司之董事。彼持有美國Newport University工商管理學士學位。梁先生為香港證券專業學會會員。彼於關黃陳方會計師行及德勤•關黃陳方會計師行擁有審計及會計經驗累積逾二十年。梁先生亦為China Premium Lifestyle Enterprise, Inc.之獨立非執行董事，其股份於美國場外電子櫃檯交易系統上市。

高級行政人員

林光蔚先生，53歲，自二零零三年十一月起為本公司之集團財務總監及由二零零七年一月起獲委任為本公司之公司秘書。林先生亦是Chinese Estates Holdings Limited（本公司之母公司）及至祥置業有限公司（本公司之同系附屬公司）之集團財務總監及公司秘書。彼為合資格會計師，持有英國華威大學之工商管理學碩士學位。林先生在核數、財務及會計方面累積逾三十一年經驗。

Chairman's Statement

I am pleased to present the results of G-Prop (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2008 (the "Year") to the shareholders of the Company.

RESULTS

The Group recorded a loss attributable to equity holders of the Company of HK\$4,854,000 (2007: profit of HK\$15,193,000) for the Year, it was mainly due to decrease in fair value on investment properties, increase in effective interest expense on convertible bonds and exchange loss on floating rate notes. During the year ended 31 December 2007, there was a gain on disposal of an intangible asset of HK\$11,865,000. The basic and diluted loss per share are HK0.24 cents (2007: earnings per share of HK1.49 cents) and HK0.24 cents (2007: earnings per share of HK1.39 cents) respectively.

DIVIDENDS

The Board of Directors of the Company (the "Board") has not recommended the payment of final and interim dividend for the Year (2007: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 25 May 2009 to 27 May 2009, both days inclusive. For the purpose of ascertaining the members' entitlement to the attendance of the forthcoming annual general meeting of the Company, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar and Transfer Office in Hong Kong, namely Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 22 May 2009.

BUSINESS REVIEW

During the Year, the Group has ceased to participate in the methanol and acetic acid projects and was principally engaged in the businesses of property investment, investment and finance.

主席報告書

本人欣然呈報G-Prop (Holdings) Limited (金匡企業有限公司*) (「本公司」)及其附屬公司(統稱「本集團」)截至二零零八年十二月三十一日止年度(「本年度」)之業績予本公司股東。

業績

本集團於本年度錄得本公司股本持有人應佔虧損4,854,000港元(二零零七年:溢利15,193,000港元)·主要源自投資物業之公平值減少、可換股債券之實際利息支出增加及浮息票據之匯兌虧損。於二零零七年十二月三十一日止年度,出售無形資產之收益為11,865,000港元。每股基本及攤薄虧損分別為0.24港仙(二零零七年:每股盈利1.49港仙)及0.24港仙(二零零七年:每股盈利1.39港仙)。

股息

本公司董事會(「董事會」)不建議派發本年度之末期及中期股息(二零零七年:無)。

暫停辦理股東登記手續

本公司將於二零零九年五月二十五日至二零零九年五月二十七日(包括首尾兩天)暫停辦理股東登記手續。為確定股東出席本公司即將舉行之股東週年大會之資格,所有股份過戶文件連同有關股票須於二零零九年五月二十二日下午四時三十分前送達本公司於香港之過戶登記分處卓佳秘書商務有限公司,地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

業務回顧

本集團於本年度已終止甲醇及醋酸項目,並主要從事物業投資、投資及財務之業務。

Chairman's Statement

主席報告書

BUSINESS REVIEW (cont'd)

Property Investment

Rentals from investment properties continued to be one of the major sources of our income. The Group currently owns 31 carparking spaces with 5 adjoining spaces, and a carport basement situated in prime locations. During the Year, the relevant occupancy rate was approximately 92.76% with rental income of approximately HK\$1.9 million. The rental income had decreased 31.15% as compared to last year due to the disposal of Chung Kiu Godown Building in late 2007. If excluded the disposed properties, the rental income has an increase of approximately 1.8 times as compared to last year.

Cessation of the Methanol and Acetic Acid Projects

In 2007, the Group commenced the methanol project by acquisition of a company in the PRC for manufacture of methanol products. In addition, the Group announced to participate in the acetic acid project of construction of acetic acid factory and production and sale of acetic acid in January 2008. However, due to the capital market worsened by the credit crisis which has led to a more difficult environment for the Group to raise additional capital for the development of the methanol and acetic acid projects in the medium to long term, the Group has in February 2008 decided to cease to take part in the said projects. The cessations were completed in 2008.

Investment and Finance

In June 2008, the Group had acquired various floating rate notes in the principal amount of approximately EUR3.8 million and US\$16.5 million with date of maturity between 2011 to 2014 as available-for-sale financial assets for long-term investment purpose which would generate relatively stable income for the Group. Interest income of approximately HK\$4.8 million has been gained during the Year.

Coupled with the shrinking interest returns, in order to secure a more reasonably profitable but secured return other than keeping the idle cash as bank deposits, the Company (as the lender) has entered into a facility agreement on 4 November 2008 with Fancy Mark Limited (as the borrower), a wholly-owned subsidiary of Chinese Estates Holdings Limited ("Chinese Estates"), and Chinese Estates (as the guarantor) for a three-year revolving loan facility of up to HK\$200 million. The loan had been approved by the independent shareholders of the Company at the special general meeting held on 12 December 2008. As at 31 December 2008, the Company has advanced HK\$136 million to Fancy Mark Limited at the interest rate of HIBOR plus 1% per annum. The loan is repayable on demand upon serving not less than one month's prior notice to Fancy Mark Limited.

業務回顧 (續)

物業投資

投資物業之租金仍然是集團的主要收入來源之一。本集團現擁有一位處優越地段的31個停車位連同5個毗鄰空間以及1個地庫停車場。本年度，相關出租率約為92.76%，而租金收入約為1,900,000港元。由於在二零零七年下旬出售中僑貨倉大廈，租金收入較去年下跌31.15%。如撇除該已出售物業，租金收入則較去年增加約1.8倍。

終止甲醇及醋酸項目

於二零零七年，本集團透過於中國收購一間公司製造甲醇產品以開展甲醇項目。此外，本集團於二零零八年一月公布參與一項興建醋酸廠房以及生產與銷售醋酸的醋酸項目。然而由於信貸危機引致資本市場惡化，使本集團面對一個更困難的環境以籌措額外資金作甲醇及醋酸項目之中、長線的發展，本集團於二零零八年二月決定終止參與所述項目，並已於二零零八年完成終止項目之程序。

投資及財務

於二零零八年六月，本集團買入若干到期日介乎二零一一年至二零一四年本金總額約3,800,000歐元及16,500,000美元的浮息票據，作為可供待售之金融資產作長期投資用途，為本集團帶來較為穩定的收入。本年度賺取的利息收入約4,800,000港元。

為應付利息回報大減，並為取得較將閒置現金留作銀行存款更為合理有利而穩健的回報，本公司（作為貸方）與Chinese Estates Holdings Limited（「華置」）之全資擁有附屬公司Fancy Mark Limited（作為借方）及華置（作為擔保人）於二零零八年十一月四日訂立一份提供最多200,000,000港元為期三年之循環貸款的貸款協議。該項貸款已於二零零八年十二月十二日舉行之股東特別大會上取得本公司獨立股東批准。於二零零八年十二月三十一日，本公司以香港銀行同業拆息加一厘之年利率貸款136,000,000港元予Fancy Mark Limited。本公司可給予Fancy Mark Limited不少於一個月之事先通知後要求其即時償還貸款。

Chairman's Statement

主席報告書

OTHER INFORMATION

Redemption of the Zero Coupon Convertible Bonds Due 2010

The Company has on 25 October 2007 issued the zero coupon convertible bonds due 2010 with the principal amount of HK\$180,000,000 (the "Convertible Bonds") for financing the methanol project. After cessation of participating in the methanol project during the Year, all the Convertible Bonds were fully redeemed on 31 October 2008 upon request by bondholders, and cancelled accordingly.

PROSPECTS

After cessation of the methanol and acetic acid projects, the Group will focus on property investment, investment and finance businesses. Albeit the Hong Kong property rental market in the near future would be challenging under the weakened economic prospects and declined property prices, we anticipate rental of carparking spaces would have relatively less influence. In addition, with the loan to Chinese Estates group of companies, the Company has secured a reliable source of income from its holding company.

The Company will continue to identify new potential projects or investment opportunities suitable for the Group in order to increase the shareholder value.

APPRECIATION

I would like to take this opportunity to express our gratitude to the shareholders for their continued support and our fellow directors and staff for their contribution to the Company.

On Behalf of the Board

Kong, Chi-ming

Deputy Chairman

Hong Kong, 11 March 2009

其他資料

贖回於二零一零年到期之零息可換股債券

本公司於二零零七年十月二十五日發行本金總額為180,000,000港元於二零一零年到期之零息可換股債券（「可換股債券」）以為甲醇項目籌措資金。繼於本年度內終止參與甲醇項目，所有可換股債券已於二零零八年十月三十一日按債券持有人要求悉數贖回，並相應註銷。

展望

隨著終止甲醇及醋酸項目，本集團將專注於物業投資、投資及財務之業務。儘管香港近期的物業租務市場在疲弱的經濟前景及下跌的物業價格下將具挑戰性，本集團預期車位租務方面將受到相對較少的影響。此外，隨著向華置集團之公司提供貸款，本公司可從母公司取得可靠的收入來源。

本公司將繼續物色適合本集團及有潛力之新項目或投資機會以增加股東價值。

致謝

本人謹此機會對股東一直以來的鼎力支持以及各位董事及員工對本公司作出之貢獻致以衷心感謝。

承董事會命

副主席

江志明

香港，二零零九年三月十一日

Financial Operation Review

財務經營回顧

RESULTS

Continuing Operations

Turnover for the Year was HK\$6,790,000 (2007: HK\$2,812,000), an increase of HK\$3,978,000 or 1.4 times when compared with last year. Gross profit for the Year amounted to HK\$6,551,000 (2007: HK\$2,498,000), a 1.6 times increase as compared with last year. The increase in turnover and gross profit was the result in the interest income from floating rate notes of HK\$4,835,000 (2007: Nil).

For property leasing, the rental income dropped to HK\$1,916,000 (2007: HK\$2,782,000), it was mainly due to the disposal of Chung Kiu Godown Building in 2007. Included in the current year result was a decrease in fair value on investment properties of HK\$3,700,000 (2007: gain of HK\$1,950,000).

Finance cost recorded an increase of 3.6 times to HK\$9,893,000 (2007: HK\$2,169,000) when compared with last year, which was the effective interest expense on convertible bonds. Upon the redemption of convertible bonds, a gain of HK\$8,281,000 was recognised in the Year.

Exchange loss included in administrative expenses of HK\$5,744,000 (2007: nil) was recorded upon conversion of foreign currency floating rate notes to Hong Kong dollars.

Discontinued Operation

On 1 February 2008, the Company entered into a conditional agreement with Fame Ascent Investments Limited to dispose of the operation in production and sale of methanol (the "Methanol Project") for approximately HK\$183,699,000. The disposal was completed on 25 July 2008. Following the disposal, the results of Methanol Project was reported as a discontinued operation and presented separately in the consolidated income statement in accordance with Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations".

Loss attributable to equity holders of the Company

For the current year, the Group recorded a loss attributable to equity holders of the Company of HK\$4,854,000 (2007: profit of HK\$15,193,000), it was mainly due to decrease in fair value on investment properties, increase in effective interest expense on convertible bonds and exchange loss on floating rate notes. In last year there was a gain on disposal of an intangible asset of HK\$11,865,000. The basic and diluted loss per share are HK0.24 cents (2007: earnings per share of HK1.49 cents) and HK0.24 cents (2007: earnings per share of HK1.39 cents) respectively.

業績

持續經營業務

本年度之營業額為6,790,000港元(二零零七年:2,812,000港元)·較去年增加3,978,000港元或1.4倍。本年度之毛利為6,551,000港元(二零零七年:2,498,000港元)·較去年增加1.6倍。營業額及毛利增加原因是錄得浮息票據之利息收入4,835,000港元(二零零七年:無)。

至於物業租賃·租金收入下跌至1,916,000港元(二零零七年:2,782,000港元)·主要原因是於二零零七年出售中僑貨倉大廈所致。本年度業績包括投資物業之公平值減少3,700,000港元(二零零七年:收益1,950,000港元)。

本年度錄得財務成本9,893,000港元(二零零七年:2,169,000港元)·較去年增加3.6倍·而財務成本為可換股債券之實際利息支出。於贖回可換股債券後·本年度已確認8,281,000港元收益。

計入行政開支之匯兌虧損5,744,000港元(二零零七年:無)已於外幣浮息票據轉換為港元時入賬。

已終止經營業務

於二零零八年二月一日·本公司及名昇投資有限公司訂立一份有條件協議以約183,699,000港元出售生產及銷售甲醇業務(「甲醇項目」)。該出售事項已於二零零八年七月二十五日完成。於出售後·甲醇項目之業績已列為已終止經營業務·並根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」於綜合收益表獨立呈列。

本公司股本持有人應佔虧損

本年度·本集團錄得本公司股本持有人應佔虧損4,854,000港元(二零零七年:溢利15,193,000港元)·主要源自投資物業之公平值減少·可換股債券之實際利息支出增加及浮息票據之匯兌虧損。去年·出售無形資產之收益為11,865,000港元。每股基本及攤薄虧損分別為0.24港仙(二零零七年:每股盈利1.49港仙)及0.24港仙(二零零七年:每股盈利1.39港仙)。

Financial Operation Review

RESULTS (cont'd)

Loss attributable to equity holders of the Company (cont'd)

If the major non-cash items of loss of HK\$5,312,000 (2007: gain of HK\$11,646,000) are excluded, the core profit attributable to equity holders of the Company will become HK\$458,000 (2007: HK\$3,547,000). Both adjusted basic and diluted earnings per share are HK0.02 cents.

The major non-cash items included (a) cost of the effective interest expense on convertible bonds of HK\$9,893,000 (2007: HK\$2,169,000) and loss on fair value change on investment properties of HK\$3,700,000 (2007: gain of HK\$1,950,000); and (b) gain on redemption of convertible bonds of HK\$8,281,000 in the current year and gain on disposal of an intangible asset of HK\$11,865,000 in last year.

NET ASSET VALUE

As at 31 December 2008, the Group's total net asset was HK\$297,378,000 (2007: HK\$365,659,000), a drop of HK\$68,281,000 or 18.7% when compared with last year. Such drop was caused by (a) the decrease in convertible bonds equity reserve of HK\$30,234,000, which was realised upon redemption of convertible bonds; (b) the decrease in fair value of available-for-sale financial assets of HK\$31,038,000; and (c) the loss retained for the Year.

Net asset value per share as at 31 December 2008 was HK\$0.15 (2007: HK\$0.18).

INVESTMENT AND FINANCE

During the Year, the Group acquired various long term floating rate notes (the "FRN") in principal amount of EUR3,800,000 and US\$16,500,000 as available-for-sale financial assets. The denominated currencies of the FRN are European dollars and United States dollars and the maturity dates are between 2011 to 2014. The interest rates are calculated mainly with reference to the respective country's LIBOR. Further the Group made a short term three-year revolving loan to Chinese Estates group of HK\$136,000,000 at HIBOR plus 1% per annum. No hedging for interest rate and foreign currency were subsisted during the Year.

As at 31 December 2008, the carrying amount of the FRN amounted to HK\$127,704,000 and the loan amounted to HK\$136,000,000 representing 42.4% and 45.1% of the total assets of the Group at the year end respectively.

財務經營回顧

業績 (續)

本公司股本持有人應佔虧損 (續)

如撇除主要非現金項目虧損5,312,000港元(二零零七年: 收益11,646,000港元)·本公司股本持有人應佔核心溢利將為458,000港元(二零零七年: 3,547,000港元)。每股基本及攤薄盈利均調整為0.02港仙。

主要非現金項目包括(a)可換股債券之實際利息支出成本9,893,000港元(二零零七年: 2,169,000港元)及投資物業之公平值變動之虧損3,700,000港元(二零零七年: 收益1,950,000港元); 及(b)於本年度贖回可換股債券之收益8,281,000港元及去年出售無形資產之收益11,865,000港元。

資產淨值

二零零八年十二月三十一日·本集團之資產淨值合共為297,378,000港元(二零零七年: 365,659,000港元)·較去年下跌68,281,000港元或18.7%。此減少乃由於(a)贖回可換股債券將其股本權益儲備減少30,234,000港元變現; (b)可供待售之金融資產之公平值減少31,038,000港元; 及(c)本年度之保留虧損。

於二零零八年十二月三十一日·每股資產淨值為0.15港元(二零零七年: 0.18港元)。

投資及融資

於本年度·本集團購入本金額分別為3,800,000歐元及16,500,000美元之若干長期浮息票據(「浮息票據」)·列為可供待售之金融資產。該等浮息票據以歐元及美元計算·到期日介乎二零一一年至二零一四年。利率乃主要參考相關國家之倫敦銀行同業拆息計算。此外·本集團向華置集團提供一筆三年期短期循環貸款136,000,000港元·年利率按香港銀行同業拆息加一厘計算。於本年度內概無作出利率及外匯對沖。

於二零零八年十二月三十一日·浮息票據之賬面金額為127,704,000港元·而貸款金額為136,000,000港元·分別相當於本集團於年結日之資產總值之42.4%及45.1%。

Financial Operation Review

財務經營回顧

EQUITY

The number of issued ordinary shares as at 31 December 2008 and 31 December 2007 were 2,028,255,008.

CONVERTIBLE BONDS

On 31 October 2008, the Company, upon the request of the bondholders, had redeemed the zero coupon convertible bonds due 2010 (the "Bonds") with principal amount of HK\$180,000,000 in full at par value by cash. The Bonds so redeemed had been cancelled simultaneously. As at 31 December 2008, the Company has no outstanding bonds.

DEBT AND EQUITY RATIO

The Group did not have any borrowings as at 31 December 2008 (2007: outstanding convertible bonds with principal amount of HK\$180,000,000).

No debt to equity ratio as at 31 December 2008 (2007: 39.3%, which was expressed as a percentage of carrying amount of the liability component of convertible bonds of HK\$143,678,000 over the net assets of HK\$365,659,000 as at 31 December 2007). Cash and bank balances as at 31 December 2008 was approximately HK\$5,442,000 (2007: HK\$354,015,000). The majority of the Group's income for the Year was denominated in Hong Kong dollars and United States dollars and no hedging for non-Hong Kong dollars assets or investments have been made during the Year.

PLEDGE OF ASSETS

As at 31 December 2008 and 31 December 2007, no assets were pledged by the Group to secure any banking facilities and the Group did not have any obligations under banking facility documentation.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2008 and 31 December 2007.

股權

於二零零八年十二月三十一日及二零零七年十二月三十一日之已發行普通股數目均為2,028,255,008股。

可換股債券

於二零零八年十月三十一日，本公司應債券持有人之要求，以現金按面值全部贖回本金額為180,000,000港元於二零一零年到期之零息可換股債券（「債券」）。贖回之債券已同時註銷。於二零零八年十二月三十一日，本公司並無尚未償還債券。

債項與股權比率

於二零零八年十二月三十一日，本集團並無任何借貸（二零零七年：本金額為180,000,000港元之尚未行使可換股債券）。

於二零零八年十二月三十一日，本集團並無債項與股權比率（二零零七年：39.3%，此比率為143,678,000港元之可換股債券之負債部分之賬面值對於二零零七年十二月三十一日之365,659,000港元資產淨值之百分比）。於二零零八年十二月三十一日之現金及銀行結餘約為5,442,000港元（二零零七年：354,015,000港元）。本集團於本年度之收入主要以港元及美元計算，於本年度內亦無對沖任何非港元資產或投資。

資產抵押

於二零零八年十二月三十一日及二零零七年十二月三十一日，本集團並無將任何資產抵押以取得銀行信貸，而本集團概無任何根據銀行信貸文件須履行之責任。

或然負債

於二零零八年十二月三十一日及二零零七年十二月三十一日，本集團並無任何重大或然負債。

Financial Operation Review

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income was included in turnover, other operating income and loss for the Year from discontinued operation. Interest income was HK\$9,632,000 for the Year, representing an increase of 73.2% from that of 2007 (HK\$5,562,000), it is mainly due to the interest income from FRN (2007: nil). The finance cost mainly included effective interest expense on convertible bonds of HK\$9,893,000 (2007: HK\$2,169,000), which was a non-cash expense during the Year.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31 December 2008, the Group employed a total of 1 staff excluding the Directors (31 December 2007: 7 staff). The reduction of staff was due to the disposal of the PRC Company during the Year. Total staff cost for the Year was approximately HK\$1,625,000 (2007: HK\$825,000). Remuneration package comprised salary and year-end bonus based on individual merits. The Company had adopted share option scheme since 15 February 2002 (the "2002 Scheme"). Details of the 2002 Scheme will be disclosed in the consolidated financial statements for the Year. There were no outstanding options at the beginning and at the end of the year. No options were granted, exercised, cancelled and lapsed during the Year.

PROPERTY VALUATION

A property valuation has been carried out by Norton Appraisals Limited, independent qualified professional surveyors, in respect of the Group's investment properties held as at 31 December 2008 and that valuation was used in preparing this year's financial statements. The Group's investment properties were valued HK\$27,300,000 as at 31 December 2008 (2007: HK\$31,000,000), a decrease in fair value of approximately HK\$3,700,000 was recognised in the consolidated income statement for the Year.

財務經營回顧

財務及利息收入／支出

利息收入已計入營業額、其他經營收入及來自自己終止經營業務之本年度虧損。本年度之利息收入為9,632,000港元，而二零零七年為5,562,000港元，增加73.2%，主要是由於來自浮息票據之利息收入（二零零七年：無）所致。財務費用主要包括本年度可換股債券之實際利息支出（非現金支出）9,893,000港元（二零零七年：2,169,000港元）。

酬金政策及購股權計劃

於二零零八年十二月三十一日，本集團共有僱員1名（不包括董事）（二零零七年十二月三十一日：7名）。僱員人數減少乃由於本年度內出售中國公司。本年度總員工成本約為1,625,000港元（二零零七年：825,000港元）。酬金待遇包括薪金及按個別表現釐定之年終花紅。本公司採納於二零零二年二月十五日之購股權計劃（「二零零二年計劃」）。二零零二年計劃之詳情將於本年度之綜合財務報表內披露。年初及年終並無購股權尚未行使，本年度內亦無授出、行使或註銷購股權，亦無購股權已經失效。

物業估值

獨立合資格專業測計師行普敦國際評估有限公司已就本集團於二零零八年十二月三十一日持有之投資物業進行物業估值，有關估值乃用以編製本年度之財務報表。於二零零八年十二月三十一日，本集團投資物業之估值為27,300,000港元（二零零七年：31,000,000港元），公平值之減少約為3,700,000港元，並已列入本年度之綜合收益表中。

Corporate Governance Report

企業管治報告書

OBJECTIVE

The Board of Directors (the "Directors" or the "Board") of the Company together with its subsidiaries (together, the "Group") is committed to maintaining a high standard of corporate governance so as to ensure better transparency and protection of shareholders' interest in general. The Board endeavours to ensure effective self-regulatory practices, to maintain sound internal control system and to absorb high calibre members to the Board.

The purpose of this Corporate Governance Report is to present to shareholders how the Company has applied the principles in the Code on Corporate Governance Practices (the "Code") under Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2008 (the "Year").

CODE ON CORPORATE GOVERNANCE PRACTICES

Since 2005, the Company has adopted the code provisions set out in the Code to enhance corporate governance in the interests of the Company and its shareholders.

The Company has applied the principles of the Code and complied throughout the Year with all the code provisions and some of the recommended best practices set out in the Code, save for the following deviation:

- Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. The Independent Non-executive Directors of the Company (the "INED(s)") are not appointed for any specific term. However, they are already subject to retirement by rotation and eligible for re-election at the Company's annual general meetings at least once every three years in accordance with the Company's Bye-laws.

The code provisions under A.2 of the Code stipulate the roles of chairman and chief executive officer. The Company's Chairman resigned in 2007 and the vacancy has not been filled up, the Deputy Chairman of the Company has temporarily taken up the role of the Chairman since then. Accordingly, the Board considers that the code provisions under A.2 of the Code have been complied with.

理念

本公司董事會（「董事」或「董事會」）連同其附屬公司（統稱「本集團」）銳意維持高度企業管治，以確保運作更具透明度及全面保障股東利益。董事會致力確保制訂有效之自我監管常規，維持良好之內部監控制度及吸納卓越之成員加入董事會。

本企業管治報告書是向股東呈示本公司於截至二零零八年十二月三十一日止年度（「本年度」）如何應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「守則」）之原則。

企業管治常規守則

自二零零五年起，本公司已採納載於守則之守則條文，以提高企業管治對本公司及其股東之利益。

於本年度內，本公司已應用該守則之原則及遵守該守則訂明之所有守則條文及若干建議最佳常規，惟下述偏離事項除外：

- 根據該守則第A.4.1條守則條文，非執行董事須以指定任期委任及須接受重選連任。本公司獨立非執行董事（「獨立非執行董事」）並非按任何指定任期委任，然而彼等均須根據本公司之公司細則，至少每三年於本公司股東週年大會上輪席告退一次，並合資格重選連任。

該守則第A.2條守則條文訂明主席及行政總裁之角色。本公司主席於二零零七年辭任，而有關空缺尚未填補，本公司副主席由主席辭任日起暫代處理主席之職務。故此，董事會認為本公司已遵守該守則第A.2條守則條文。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS

The Board is responsible for directing the Group, formulating overall strategy, monitoring operating and financial performance of the Group and overseeing the performance of the management. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to the Company's affairs during the Year.

Structure

The Board currently comprises two Executive Directors and three INEDs which represent more than one-third of the Board as follows:

Executive Directors

Mr. Kong, Chi-ming (*Deputy Chairman*)
Mr. Leung, Wing-pong (*Chief Executive Officer*)

Independent Non-executive Directors

Dr. David Chain, Chi-woo
Mr. Lam, Yat-fai
Mr. Leung, Yun-fai

The Directors' biographies are available on the Company's website. There is no relationship among members of the Board and in particular, between the Deputy Chairman and the Chief Executive Officer (the "CEO").

At least one of the INEDs has appropriate professional qualification as required by the Stock Exchange. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

Directors (including the INEDs) are not appointed for any specific term.

According to The G-Prop (Holdings) Limited Company Act, 1991 for incorporating the Company as an exempted company under the laws of Bermuda in 1991, it is stipulated that any chairman and managing director should not be required to retire by rotation. As the Executive Director and CEO, Mr. Leung, Wing-pong is willing to voluntarily retire from his directorship at future annual general meetings of the Company at least once every three years by following the requirements under the Bye-laws, and being eligible, will offer himself for re-election at the relevant annual general meetings.

董事會

董事會負責領導本集團、制訂整體策略、監察本集團之營運及財務表現，以及監督管理層之表現。每位董事均以本公司之最佳利益為前題，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。年內，彼等已付出足夠時間及專注力以處理本公司事務。

架構

董事會目前由兩位執行董事及三位獨立非執行董事組成，獨立非執行董事之人數超過董事會成員總數之三分之一，董事會成員如下：

執行董事

江志明先生 (*副主席*)
梁榮邦先生 (*行政總裁*)

獨立非執行董事

錢其武醫生
林日輝先生
梁潤輝先生

董事簡歷可於本公司網頁瀏覽。董事會成員之間，尤其副主席與行政總裁（「行政總裁」）之間，並無關係。

最少一名獨立非執行董事具備聯交所規定之相關專業資格。本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

董事（包括獨立非執行董事）並非按任何指定任期委任。

根據百慕達法例於一九九一年註冊成立本公司為獲豁免公司的The G-Prop (Holdings) Limited Company Act, 1991規定，任何主席及董事總經理均毋須輪席告退。梁榮邦先生作為執行董事及行政總裁願意根據公司細則所規定最少每三年於本公司往後之股東週年大會上自願輪席告退為董事，並符合資格及願意於相關股東週年大會上膺選連任。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS (cont'd)

Structure (cont'd)

Every Director is therefore subject to retirement by rotation either under the Bye-laws or voluntarily, and eligible for re-election at the annual general meetings of the Company at least once every three years.

Assistance to Directors in Decision Making

Throughout their period in office, the Directors have been informed of the Group's business, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry it operates in as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a listed company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

The Directors are given access to independent professional advice at the Company's expense, when they deem it is necessary in order for them to carry out their responsibilities from time to time.

To enhance the Directors' consciousness on the importance of the directors' duties, a "Non-statutory Guidelines on Directors' Duties" in which the general principles a director should follow in the performance of his functions and exercise of his powers was distributed to the Directors.

Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meeting agenda. The Board is supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them the opportunity to attend. Board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the same and will be adequately prepared for the meeting. Senior management is invited to the meeting to address the Board members' queries. This enables the Board to have pertinent data and insight for a comprehensive and informed evaluation as part of the Board's decision-making purpose.

The Deputy Chairman has delegated the responsibility to the Company Secretary for drawing up and approving the meeting agenda for each Board meeting, taking into account of any matters proposed by the other Directors for inclusion in the agenda.

董事會 (續)

架構 (續)

因此，每名董事須根據公司細則或自願最少每三年於本公司股東週年大會上輪席告退一次，並合資格重選連任。

給予董事決策之協助

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為上市公司董事之法定及其他職能以及職責獲提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

董事可不時視乎履行其職責所需而尋求獨立專業意見，費用概由本公司承擔。

為提高董事對董事職責重要性之意識，一份載有董事於執行職能及行使權力時應遵守之一般原則之「有關董事責任之非法定指引」已分發予董事。

會議之舉行

董事可獲諮詢及恰當地簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，供其選擇是否出席會議。董事會文件於會議舉行前最少三日發送給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，解答董事會成員之提問。此舉令董事會在作出全面而知情之評估時，具有中肯之數據及認知，有助董事會作出決策。

副主席已委派公司秘書負責在考慮其他董事建議在議程內加入之所有事項後，編撰及批核每次董事會會議之議程。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS (cont'd)

Conduct of Meetings (cont'd)

The proceedings of the Board at its meetings are generally monitored by the Deputy Chairman who ensures that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to the Directors to express their views and concerns.

Each Director has to declare his interest and to abstain from voting on any board resolution in which he or any of his associates has a material interest pursuant to the Company's Bye-laws and the laws of Bermuda.

All Directors have full access to the advice and services of the Company Secretary to ensure the Board's procedures, rules and regulations are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within reasonable time after the meeting is held. The minutes of Board meetings and meetings of the Board committees are kept by the Company Secretary, which are open for inspection by the Directors on reasonable notice.

Four regular Board meetings were held on 7 March, 11 July, 5 August and 25 November and two ad hoc Board meetings were held on 16 January and 20 November for the Year. The Company Secretary, Qualified Accountant and the Company's senior management had attended the Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting, finance and business. The individual attendance of each Director at the Board meetings held during the Year is as follows:

Directors	No. of Board meetings attended/held (Percentage of attendance in total)
<u>Executive Directors</u>	
Mr. Kong, Chi-ming (<i>Deputy Chairman</i>)	6/6 (100%)
Mr. Leung, Wing-pong (<i>CEO</i>)	6/6 (100%)
Mr. Chan, Wing-kwan (resigned on 19 May 2008)	1/2 (50%)
Mr. Chang, Wing-yiu (resigned on 19 May 2008)	1/2 (50%)
<u>Independent Non-executive Directors</u>	
Dr. David Chain, Chi-woo	6/6 (100%)
Mr. Lam, Yat-fai	6/6 (100%)
Mr. Leung, Yun-fai	6/6 (100%)

董事會 (續)

會議之舉行 (續)

董事會之議事程序一般由副主席主持，以確保分配充裕之時間作出討論及考慮議程內之各個項目。各董事均獲平等機會表達意見及其關注事宜。

根據本公司之公司細則及百慕達法例，每位董事均須申報其權益，並就其本身或其任何聯繫人士擁有重大權益之任何董事決議案放棄投票。

全體董事有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。詳盡之各董事會會議記錄之草稿及定稿將於舉行會議後之合理時間內，送交董事提供意見及記錄。董事會會議及董事委員會會議之記錄由公司秘書存置，並可由董事發出合理通知下供其查閱。

於本年度，董事會於三月七日、七月十一日、八月五日及十一月二十五日舉行四次例行董事會會議及於一月十六日及十一月二十日舉行兩次臨時董事會會議。公司秘書、合資格會計師及本公司高級管理層均已出席董事會會議，匯報企業管治、風險管理、法規遵守、會計、財務及業務相關之事宜。年內，各董事於董事會會議之出席率如下：

董事	出席／舉行董事會會議數目 (總出席率)
<u>執行董事</u>	
江志明先生 (<i>副主席</i>)	6/6 (100%)
梁榮邦先生 (<i>行政總裁</i>)	6/6 (100%)
陳永銀先生 (於二零零八年五月十九日辭任)	1/2 (50%)
鄭永耀先生 (於二零零八年五月十九日辭任)	1/2 (50%)
<u>獨立非執行董事</u>	
錢其武醫生	6/6 (100%)
林日輝先生	6/6 (100%)
梁潤輝先生	6/6 (100%)

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS (cont'd)

Works Performed

During the Year, besides attending the Board meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgement on Company's strategy, performance and standards of conduct; had taken the lead where potential conflicts of interests arose; had served on Board committees; had ensured that the Board maintained high standards of financial and other mandatory reporting; and had provided adequate checks and balance to safeguard the interests of shareholders in general and the Company as a whole.

During the Year, the INEDs had actively participated in the Board meetings, brought independent judgement and given their comments on the information or reports submitted to the meetings. The INEDs constituting the members of the independent board committees also considered ad hoc important transactions including the general offer, major transaction and connected transactions of the Company during the Year.

Besides attending the Board or committee meetings, in order to make timely decision and have effective implementation of the Company's policy and practice, the Board had also adopted written resolutions signed by all directors to make decision on corporate affairs from time to time.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code") as a code of conduct regarding securities transactions by Directors. In addition, the Company has a separate written code of conduct on terms no less exacting than the Model Code for the relevant employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company (the "Employees' Code").

Having made specific enquiry of all Directors and the relevant employees, all Directors confirmed that they had complied with the required standard set out in the Model Code and the relevant employees had complied with the Employees' Code regarding securities transactions throughout the Year.

董事會 (續)

履行之工作

年內，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜，董事對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事委員會委員；確保董事會維持高水平之財務及其他強制申報準則；以及提供足夠審查及平衡以保障全體股東與本公司整體利益。

年內，獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。獨立非執行董事亦組成獨立董事委員會成員，以考慮本公司年內之臨時重要交易，包括全面性收購、主要交易與關連交易。

除了出席董事會或委員會會議，為了能及時作出決定及有效實施本公司之政策及實務，董事會亦不時採納全體董事書面決議書為公司事務作出決定。

進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市公司董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的行為守則。另外，本公司亦已就可能擁有未公布的股價敏感資料之相關僱員，制訂不遜於標準守則之書面操守守則，作為彼等進行本公司證券交易之指引（「員工守則」）。

本公司在向所有董事及有關僱員作出具體查詢後，所有董事確認彼等於年內一直遵守標準守則載列的所需標準，以及有關僱員於年內就進行證券交易一直遵守員工守則。

Corporate Governance Report

企業管治報告書

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and CEO are separate and not performed by the same individual. Mr. Kong, Chi-ming is the Deputy Chairman with responsibility for overseeing the function of the Board, formulating overall strategies and policies of the Company. Mr. Leung, Wing-pong is the CEO with responsibility for the overall business and operation of the Group. This segregation is clearly established and set out in writing to ensure a clear distinction between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Group's business.

BOARD COMMITTEES

The Board has established Audit Committee and Remuneration Committee with defined roles and terms of reference.

Audit Committee

Structure

The Audit Committee has been established with the role to assist the Board in establishing formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors (the "Independent Auditors"). It acts in an advisory capacity and makes recommendations to the Board.

All the Audit Committee members possess diversified industry experience. The chairman has appropriate professional qualification, accounting or related financial management expertise as required by the Listing Rules. The Audit Committee comprises all the INEDs, namely:

Mr. Lam, Yat-fai (*Chairman*)

Dr. David Chain, Chi-woo

Mr. Leung, Yun-fai

Function

The Audit Committee's terms of reference can be found on the Group's website.

The major duties of the Audit Committee are summarised below:

- i) to make recommendations to the Board on the appointment, re-appointment and removal of the Company's Independent Auditors, review and monitor their independence and objectivity as well as the effectiveness of the audit process;

主席及行政總裁

主席及行政總裁之角色須予分開，且不得由同一個人擔任。江志明先生為副主席，負責監督董事會職能、制訂本公司整體策略及政策；梁榮邦先生為行政總裁，負責監督本集團之整體業務及運作。主席及行政總裁職能分配已清楚以書面訂立，以清楚劃分主席負責管理董事會，而行政總裁負責管理本集團業務。

董事委員會

董事會已成立審核委員會及薪酬委員會，並界定其角色及職權範圍。

審核委員會

架構

審核委員會已成立，其角色為協助董事會建立正式及具透明度之安排，讓董事會考慮如何應用財務匯報及內部監控原則，以及如何與本公司核數師（「獨立核數師」）維持恰當的關係。審核委員會具有顧問職能，並向董事會提供意見。

審核委員會全體成員，具備多元化的業務經驗。主席具備了上市規則規定之相關專業資格、會計或相關財務管理專業知識。審核委員會由全體獨立非執行董事組成，彼等為：

林日輝先生（主席）

錢其武醫生

梁潤輝先生

職能

有關審核委員會之職權範圍，可瀏覽本集團網頁。

審核委員會之主要職責概述如下：

- i) 就委任、重新委任及罷免本公司獨立核數師向董事會提供推薦意見、審核及監控彼等之獨立性及客觀性，以及審核程序之有效性；

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Function (cont'd)

- ii) to monitor the integrity of the interim and annual consolidated financial statements, reports and accounts and quarterly reports of the Company, and to review any significant financial reporting judgements contained in them; and
- iii) to review and ensure the effectiveness of the Company's financial controls, internal control and risk management systems.

Conduct of Meetings

The Audit Committee shall meet at least twice each year. The Company prepares and delivers an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. During the Year, the Audit Committee members reviewed the information memorandum with due care and discussed with the Company's Qualified Accountant, the Company Secretary and other senior management (if necessary) during the meetings.

During the Year, the Audit Committee held 3 meetings on 6 March, 1 August and 25 November 2008 respectively with the presence of the Company's senior management. The Audit Committee members met and discussed with the Independent Auditors without the presence of the Company's senior management in one of the said three meetings. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Audit Committee members for records.

Individual attendance of each committee member at the meetings is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)
Mr. Lam, Yat-fai (<i>Chairman</i>)	3/3 (100%)
Dr. David Chain, Chi-woo	3/3 (100%)
Mr. Leung, Yun-fai	3/3 (100%)

董事委員會 (續)

審核委員會 (續)

職能 (續)

- ii) 監察本公司中期及全年綜合財務報表、報告和賬目及季度報告之真實性，以及審閱上述各項所載之任何重大財務報告之判斷；及
- iii) 審閱及確保本公司財務監控、內部監控及風險管理系統之有效性。

會議之舉行

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於該等會議開會前最少三日提交予審核委員會成員。年內，審核委員會成員謹慎地審閱資料備忘錄，並於會議上與本公司合資格會計師、公司秘書及其他高級管理層成員（如有需要）討論。

年內，審核委員會分別於二零零八年三月六日、八月一日及十一月二十五日舉行共三次會議，而本公司的高級管理層成員均有出席。審核委員會成員在本公司的高級管理層成員避席之情況下曾經在前述之三次會議中一次與獨立核數師會晤進行討論。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員傳閱及給予意見。經簽署之會議記錄由公司秘書存置，有關副本亦已送交審核委員會成員以作記錄。

各委員會成員於該等會議之出席率如下：

Members	出席／舉行 會議數目 (總出席率)
林日輝先生 (主席)	3/3 (100%)
錢其武醫生	3/3 (100%)
梁潤輝先生	3/3 (100%)

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

Works Performed

The works performed by the Audit Committee in the Year are summarized below:

- i) reviewed and considered the Group accounts and financial statements for the year ended 31 December 2007, and interim accounts for 2008.
- ii) reviewed and discussed with the Independent Auditors in respect of the audit fee for the year 2008; the terms of the engagement letters; the nature, scope of audit and reporting obligations for the Year;
- iii) reviewed and assessed the adequacy and effectiveness of the Group's financial controls, internal control and risk management systems;
- iv) reviewed the corporate governance practices and monitored the progress of compliance of the Code;
- v) reviewed and approved engagement of non-audit services of Independent Auditors pursuant to the non-audit services policy of the Company in place.

On 9 March 2009, the Audit Committee reviewed the Group accounts and draft financial statements for the Year.

Amendment of Terms of Reference

As a result of implementation of certain amendments to the Listing Rules effective on 1st January, 2009, the terms of reference of the Audit Committee have been amended by deleting any reference to the qualified accountant as it is no longer necessary to have qualified accountant for a listed company in Hong Kong. Instead, the terms of reference now requires the Audit Committee to discuss on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Audit Committee assists the Board to have effective internal controls for proper financial reporting, adequate accounting systems and appropriate human resources to fulfill its continuing financial reporting obligations.

董事委員會 (續)

審核委員會 (續)

履行之工作

審核委員會於本年度履行之工作概述如下：

- i) 審閱及省覽本集團截至二零零七年十二月三十一日止年度之賬目及財務報表，以及二零零八年之中期賬目；
- ii) 與獨立核數師審閱及討論二零零八年核數費用；本年度委聘書之條款；核數之性質、範圍及申報責任；
- iii) 審閱及評估本集團之財務監控、內部監控及風險管理系統是否足夠及有效；
- iv) 檢討企業管治常規及監控遵循守則之進度；
- v) 根據本公司現有非核數服務政策，審閱及批准委聘獨立核數師提供非核數服務。

於二零零九年三月九日，審核委員會已審閱本集團本年度之賬目及財務報表之草稿。

職權範圍之修改

由於上市規則之若干修訂已於二零零九年一月一日實施，香港上市公司再無必須設立合資格會計師一職，審核委員會之職權範圍已省去合資格會計師之任何相關部份。取而代之，該職權範圍現要求審核委員會，討論資源是否足夠，本公司會計及財務匯報職能之資源、員工之資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。審核委員會協助董事會使具備有效之內部監控系統作合適之財務報告、充足之會計系統及適當之人力資源以履行持續之財務報告責任。

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES (cont'd)

Remuneration Committee

Structure

The Remuneration Committee has been established with the role to assist the Board in reviewing and determining the framework or broad policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other topics as defined by the Board.

The Remuneration Committee comprises all the INEDs, namely:

Mr. Leung, Yun-fai (*Chairman*)
Dr. David Chain, Chi-woo
Mr. Lam, Yat-fai

Function

The principal responsibilities of the Remuneration Committee are as follows:

- i) setting, reviewing and recommending to the Board for approving the Group's overall remuneration policy and strategy;
- ii) setting, reviewing and approving performance-based remuneration and individual remuneration packages for the Executive Directors and senior management including terms and conditions of employment as well as compensation payable due to loss or termination of office, and dismissal or removal for misconduct; and
- iii) recommending to the Board of the remuneration of Non-executive Directors.

The Remuneration Committee's terms of reference can be found on the Group's website.

The Remuneration Committee would consult the Chairman and/or the CEO about its proposals on remuneration of other Executive Directors and seek internal and external professional advices if considered necessary.

Conduct of Meeting and Works Performed

The Remuneration Committee held a meeting on 6 March 2008 to discuss and ratify the year-end discretionary bonus paid to employees of the Company for the year ended 31 December 2007.

董事委員會 (續)

薪酬委員會

架構

薪酬委員會已成立，其角色為協助董事會檢討及釐定董事及高級管理層之薪酬待遇或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

薪酬委員會由全體獨立非執行董事組成，彼等為：

梁潤輝先生 (主席)
錢其武醫生
林日輝先生

職能

薪酬委員會之主要職責如下：

- i) 制訂、檢討及建議董事會批准本集團之整體薪酬政策及策略；
- ii) 制訂、檢討及批准以表現為考慮基礎之薪酬，以及執行董事及高級管理層之個別薪酬待遇，包括僱傭條款及條件，以及因離職或終止受僱及因行為不當而遭解僱或罷免所產生需支付之賠償；及
- iii) 就非執行董事之薪酬向董事會提供意見。

有關薪酬委員會之職權範圍，可瀏覽本集團網頁。

薪酬委員會會就其他執行董事之薪酬建議諮詢主席及／或行政總裁，並在認為有需要時尋求內部及外界專業意見。

會議之舉行及履行之工作

於二零零八年三月六日，薪酬委員會舉行會議，以討論並追認發放予本公司僱員於二零零七年十二月三十一日止年度之年終酌情花紅。

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

Conduct of Meeting and Works Performed (cont'd)

Individual attendance of each committee member at the meeting is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)
Mr. Leung, Yun-fai (<i>Chairman</i>)	1/1 (100%)
Dr. David Chain, Chi-woo	1/1 (100%)
Mr. Lam, Yat-fai	1/1 (100%)

The Company prepares and delivers meeting papers that include all relevant information about the meeting to the Remuneration Committee members at least 3 days prior to such meeting. Minutes drafted by the Company Secretary were circulated to the Remuneration Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Remuneration Committee members for records.

Remuneration Policy

As the existing Executive Directors are employees of the subsidiaries of Chinese Estates Holdings Limited, the Company's holding company, so they are not entitled to any emoluments of the Company but a nominal annual remuneration of HK\$10,000 approved by the Remuneration Committee as a reward for their contribution to the Group.

The INEDs are not entitled to any other emoluments for holding office as the INEDs except for their entitlement of an annual remuneration of HK\$90,000 determined by the Board subject to annual review with reference to their duties and responsibilities as well as the prevailing market condition.

The Company has adopted a share option scheme since 2002 in order to attract, retain and motivate talented and recognized staffs, management and directors of the Group. There were no outstanding options at the beginning and at the end of the Year and no options were granted, exercised, cancelled or lapsed during the Year.

董事委員會 (續)

薪酬委員會 (續)

會議之舉行及履行之工作 (續)

各委員會成員於該會議之出席率如下：

成員	出席／舉行 會議數目 (總出席率)
梁潤輝先生 (主席)	1/1 (100%)
錢其武醫生	1/1 (100%)
林日輝先生	1/1 (100%)

本公司編製及派發會議文件，內容包括會議時所需之所有資料，於該會議開會前最少三日提交予薪酬委員會成員。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予薪酬委員會成員傳閱及給予意見。經簽署之會議記錄由公司秘書存置，有關副本亦已送交薪酬委員會成員以作記錄。

薪酬政策

由於現時之執行董事為本公司之母公司 Chinese Estates Holdings Limited 附屬公司之僱員，故彼等不會獲得本公司任何薪酬，惟經薪酬委員會批准獲發象徵式每年10,000港元之酬金，作為彼等對本集團之貢獻的回報。

獨立非執行董事除每年享有90,000港元之酬金外，並無就擔任獨立非執行董事收取任何其他薪酬。有關薪金須由董事會參考彼等之職務與責任以及當時市況而每年作出檢討。

本公司已於二零零二年始採納一項購股權計劃，以吸引、保留及激勵有才能及獲肯定的本集團員工、管理層及董事。本年初及年終並無購股權尚未行使，以及於本年度內亦無授出、行使或註銷購股權，亦無購股權已經失效。

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

Nomination Committee

No Nomination Committee is established in view of the current business requirement of the Company. Currently, the Board is responsible for reviewing its composition, identifying and selecting suitable Board members, assessing independence of the INEDs, considering appointment or re-appointment of the Directors and succession planning for the Directors. The Board shall exercise its power under Bye-law 86(2) of the Bye-laws of the Company to appoint any person as a director either to fill as casual vacancy or as an addition to the Board whenever the business of the Company requires.

MANAGEMENT FUNCTIONS

The Executive Directors have defined clear directions on powers of management and delegate daily management and administration functions to the management. The functions reserved to the Board and those delegated to the senior management are reviewed from time to time. The Company would formalize the division of responsibility between the Board and the management when the operational requirement of the Group justifies such division.

INDEPENDENT AUDITORS

Messrs. HLB Hodgson Impey Cheng ("HLB") were re-appointed as the Independent Auditors by shareholders at the 2008 annual general meeting of the Company. In order to maintain the independence and objectivity of the Independent Auditors (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they will not be engaged for non-audit work unless it has been pre-approved by the Audit Committee pursuant to the Company's non-audit services policy.

Independent Auditors were engaged on an ad hoc basis to supply non-audit services such as the appointment of reporting accountants for the general offer, major transaction and connected transaction during the Year. The fundamental policy is to ensure that the engagement of the Independent Auditors for non-audit services will not harm their independence or cause any bias on auditing the financial statements of the Company. During the Year, the fee for engaging Independent Auditors to carry out reporting accountants works on the general offer, major transaction and connected transaction amounted to HK\$130,000.

董事委員會 (續)

薪酬委員會 (續)

提名委員會

鑑於本公司之現時業務需要，本公司並無成立提名委員會。目前，董事會負責檢討其組成、物色及甄選合適之董事會成員，評估獨立非執行董事之獨立性，考慮委任或重新委任董事，以及制訂董事之接任安排。董事會將按本公司之業務需要，根據本公司之公司細則第86(2)條行使其權力，委任任何人士填補董事臨時空缺或作為新增董事會成員。

管理層職能

執行董事就管理層的權力，給予清晰的指引，並指派管理層處理日常管理及行政職能。董事會所保留與委派予高級管理層之職能乃不時予以檢討。倘本集團之規模發展至須劃分董事會與管理層之職責時，本公司將制訂該等職責劃分。

獨立核數師

國衛會計師事務所（「國衛」）已獲股東於本公司二零零八年股東週年大會上續聘為獨立核數師。為保持獨立核數師之獨立性及客觀性（就此而言，包括與核數師行共同控制、擁有或管理之任何實體，或合理或知情第三方在接獲一切相關資格後合理認為在國家或國際方面屬核數師行一部份之任何實體），其將不會受聘進行非核數工作，除非已根據本公司之非核數服務政策獲審核委員會事先批准。

獨立核數師於特別情況下提供非核數之服務，如被聘任為申報會計師以處理年內之全面性收購、主要交易及關連交易。本公司之基本政策乃確保獨立核數師對非核數服務之參與不會損害其獨立性或導致審核本公司財務報表時構成偏頗。年內，聘任獨立核數師為申報會計師以處理全面性收購、主要交易及關連交易之費用為130,000港元。

Corporate Governance Report

企業管治報告書

INDEPENDENT AUDITORS (cont'd)

At the annual general meeting held on 15 May 2008, HLB were re-appointed by the shareholders as the Independent Auditors of the Company at a fee to be agreed with the Board. The Audit Committee reviewed the terms of engagement letter of Independent Auditors in November 2008 and agreed with HLB the audit fees for auditing the financial statements of the Group for the Year at HK\$420,000.

It is recommended that HLB shall be re-appointed as the Independent Auditors for the financial year 2009 at a fee to be agreed with the Board.

FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

Throughout the Year, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with generally accepted accounting standards published by the Hong Kong Institute of Certified Public Accountants. A statement by the Independent Auditors about their reporting responsibilities for the Year is set out in this annual report.

The Independent Auditors did not report for the Year that there were any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL

The Directors are responsible for maintaining the system of internal control of the Group and reviewing its effectiveness regularly. The internal control system covers financial, operational and compliance controls and risk management functions. During the Year, with the assistance of the Audit Committee, the Directors had conducted a review on the existing internal control system of the Group and considered the system effective and adequate. The Directors will continue to enhance the system to cope with the changes in business environment with reference to the recommendations of the Audit Committee.

獨立核數師 (續)

於二零零八年五月十五日舉行之股東週年大會上，國衛獲重選為本公司之獨立核數師，費用有待與董事會商討。審核委員會於二零零八年十一月下旬檢討獨立核數師之聘書之條款，並與國衛商定審核本年度本集團財務報表之審核費用為420,000港元。

茲建議續聘國衛為本公司二零零九年財政年度之獨立核數師，費用有待與董事會磋商。

財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以盡早發布為基礎，而中期報告及年報，連同其他股價敏感資料公布及財務披露則根據上市規則之規定而公布。

管理層向董事會提供解釋、資料及最新進度，讓董事會就財務及其他事項於提交董事會審批及考慮前，可作出知情評估。

於年內，董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目，賬目須真實而公平，並根據香港會計師公會公布而普遍被採用之會計準則。獨立核數師就彼等於本年度之報告責任所發出之聲明已載於本年報內。

獨立核數師並無就本年度有關任何重大涉及可能對本公司持續經營能力存疑之事件或狀況之重大不確定因素作出報告。

內部監控

董事負責維持本集團之內部監控系統，並定期檢討其成效。內部監控系統包括財務、運作與合規之監控以及風險管理職能。本年度，董事在審核委員會之協助下，已檢討本集團現行內部監控系統並認為系統有效及足夠。董事將繼續提升系統質素，並參考審核委員會之建議，以應付營商環境之轉變。

Corporate Governance Report

企業管治報告書

SHAREHOLDERS' RIGHTS

The Company is committed to safeguard shareholders' and the Company's interests as a whole and encourages shareholders to attend general meetings of the shareholders to participate in the important decisions of the Company for which the shareholders' approval is required under the Listing Rules and the laws of Bermuda. The Company regards general meetings of the shareholders as an important event as it provides an important opportunity for direct communication between the Board and the shareholders. The Directors, including the INEDs, chairman of the Audit Committee and Remuneration Committee, and the Independent Auditors were available to answer questions at the annual general meeting held in May 2008. Members of the independent board committee were also available at the special general meetings to address shareholders' queries.

Procedures for and the rights of shareholders to demand a poll under the Bye-laws of the Company were disclosed in all the Company's circulars to shareholders during the Year, in compliance with the requirements about voting by poll as specified in the Listing Rules. Separate resolutions for each substantially separate issue were proposed at the annual general meeting held in 2008 by the chairman. The level of proxies lodged on each resolution, and the balance for and against the resolution, after it had been dealt with on a show of hands were indicated by the chairman at the annual general meeting. Also, the chairman, at the commencement of the shareholders' general meetings, explained the procedures for demanding a poll by shareholders before putting a resolution to the vote on a show of hands, and the detailed procedures for conducting a poll and then prepared to answer any questions from shareholders whenever voting by way of a poll were required. The results of the poll at the general meetings were made public by means of public announcements.

With the implementation of certain amendments to the Listing Rules effective on 1 January 2009, the voting at all general meetings of the listed company should be conducted by poll. It is believed that the voting by poll can fully reflect the proprietary rights of the shareholders and is a fairer method of determination for the shareholders than voting on a show of hands.

Statutory announcements, financial and other information of the Group are made available on the Company's website, which is regularly updated.

Shareholders may put their enquires to the Board and also put forward proposals at general meetings by way of a written notice addressed to the Company Secretary at the registered office or principal office of the Company.

股東權利

本公司銳意保障股東及本公司之整體利益，並鼓勵股東出席股東大會，以參與上市規則及百慕達法例要求股東批准之本公司重要決策。鑑於股東大會為董事會與股東直接溝通之主要機會，故本公司視股東大會為一項重要事項。董事（包括獨立非執行董事）、審核委員會和薪酬委員會主席以及獨立核數師均已出席在二零零八年五月舉行之股東週年大會並回答提問。獨立董事委員會會員亦已出席股東特別大會並解答股東提問。

本公司之公司細則內有關以投票方式表決之程序及權利，已根據上市規則訂明投票方式表決之規定，載列於本公司本年內寄發予股東之所有通函內。涉及各項重大個別事項之個別決議案，已由會議主席於二零零八年股東週年大會上提呈。經舉手表決後，提交各決議案之受委代表數目及投票贊成及反對決議案之比例，已由會議主席於股東週年大會上宣布。此外，會議主席於股東大會開始時，已解釋於提呈決議案以舉手方式表決前，股東可要求以投票方式表決之程序，以及進行投票表決時之詳細程序，並在提出要求以投票方式表決時解答股東之任何提問。股東大會上以投票表決結果已以公布形式作出。

在上市規則之若干修訂於二零零九年一月一日實施後，所有股東會議之表決方式必須以投票方式進行。以投票方式表決相信更能全面反映股東之財產權利，且作為股東表決之辦法，將較舉手表決更為公平。

本集團之法定公布、財務及其他資料可於本公司網頁瀏覽，並定期更新。

股東可向董事會作出提問，並以書面通知方式致本公司註冊辦事處或主要辦事處向公司秘書提交於股東大會提呈之建議。

Corporate Governance Report

企業管治報告書

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhance communications with the investors.

The Company maintains a corporate website (www.g-prop.com.hk) to make the Group's information, statutory announcements, and other financial and non-financial information available on the internet to facilitate its communication with shareholders.

The Company welcomes suggestions from investors and shareholders, and invites them to share their views and suggestions by contacting the investor relations team at investor.relations@chineseestates.com.

CONCLUSION

The Company believes that corporate governance principles and practices are essential to the business communities. Ongoing effort will be put to review its corporate governance practices from time to time so as to accommodate the changing circumstances. The Company will try its best to maintain, strengthen and improve the standard and quality of its corporate governance.

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東（包括機構投資者）定時溝通更屬不可或缺之部份。本公司認為良好投資者關係乃其運作之主要部份，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有公司網頁(www.g-prop.com.hk)，使股東可透過互聯網取得本集團之資料、法定公告及其他財務或非財務資料，加強與股東之溝通。

本公司歡迎投資者及股東向我們提出意見，並誠邀彼等聯絡投資者關係部，分享彼等之意見及建議。投資者關係部之電郵為 investor.relations@chineseestates.com。

總結

本公司相信企業管治原則及常規對商業社會而言至關重要，故本公司亦將持續不時檢討其企業管治常規，以符合多變之情況。本公司將致力維持、加強及改善其企業管治標準及質素。

Directors' Report

The directors of the Company (the "Directors" or the "Board") present to the shareholders their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 39 to the consolidated financial statements.

TURNOVER AND OPERATING SEGMENTS INFORMATION

The Group's turnover and contribution to loss for the Year from operations analysed by principal activities are set out in notes 7 and 8 to the consolidated financial statements.

SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Particulars of the Company's principal subsidiaries and jointly controlled entities as at 31 December 2008 are set out in notes 39 and 40 to the consolidated financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 39.

No interim dividend was declared for the Year (2007: Nil) and the Board did not recommend any payment of final dividend for the Year (2007: Nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 119.

董事會報告書

本公司董事（「董事」或「董事會」）謹此向股東提呈董事會報告書連同本公司及其附屬公司（「本集團」）截至二零零八年十二月三十一日止年度（「本年度」）之經審核綜合財務報表。

主要業務

本公司為投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註39。

營業額及經營分類資料

本集團以主要業務劃分之營業額及本年度經營虧損分析載於綜合財務報表附註7及8。

附屬公司及共同控制機構

本公司於二零零八年十二月三十一日之主要附屬公司及共同控制機構之詳情分別載於綜合財務報表附註39及40。

業績及分派

本集團於本年度之業績載於第39頁之綜合收益表。

本年度並無宣派中期股息（二零零七年：無）而董事會亦不建議派發本年度之末期股息（二零零七年：無）。

財務概要

本集團過往五年之業績、資產及負債概要載於第119頁。

Directors' Report

INVESTMENT PROPERTIES

Movements in investment properties during the Year are set out in note 17 to the consolidated financial statements.

A summary of the investment properties held by the Group as at 31 December 2008 is set out in the schedule of properties on page 120.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the Year are set out in note 19 to the consolidated financial statements.

SHARE CAPITAL

There was no movement in the share capital of the Company during the Year.

RESERVES

Movements in the reserves of the Group during the Year are set out on page 41 of the consolidated financial statements.

As at 31 December 2008, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$54,351,000 (2007: HK\$73,121,000).

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda, being the jurisdiction in which the Company is incorporated.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

董事會報告書

投資物業

投資物業於本年度內之變動情況載於綜合財務報表附註17。

本集團於二零零八年十二月三十一日持有之投資物業之概要載於第120頁之物業附表。

物業、廠房及設備

物業、廠房及設備於本年度內之變動情況載於綜合財務報表附註19。

股本

本公司之股本於本年度內並無任何變動。

儲備

本集團之儲備於本年度內之變動載於綜合財務報表第41頁。

於二零零八年十二月三十一日，根據百慕達一九八一年公司法（經修訂）之規定所計算，本公司之可供分派儲備約為54,351,000港元（二零零七年：73,121,000港元）。

優先購買權

本公司於百慕達註冊成立，該司法轄區之法律並無優先購買權存在。

購買、出售或贖回上市證券

於本年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Directors' Report

DIRECTORS

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

Executive Directors

Mr. Kong, Chi-ming (*Deputy Chairman*)
 Mr. Leung, Wing-pong (*Chief Executive Officer*)
 Mr. Chan, Wing-kwan (resigned on 19 May 2008)
 Mr. Chang, Wing-yiu (resigned on 19 May 2008)

Independent Non-executive Directors

Dr. David Chain, Chi-woo
 Mr. Lam, Yat-fai
 Mr. Leung, Yun-fai

Pursuant to Bye-law 87 of the Bye-laws of the Company, Mr. Leung, Wing-pong and Mr. Leung, Yun-fai will retire from office by rotation at the forthcoming annual general meeting of the Company and being eligible, offer themselves for re-election. The retirement by rotation of Mr. Leung, Wing-pong is on voluntary basis. The relevant details of Mr. Leung, Wing-pong's voluntary retirement by rotation are stipulated in "Board of Directors" section under the Corporate Governance Report of this annual report.

SERVICE CONTRACTS OF DIRECTORS

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVE(S)' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2008, none of the Directors, chief executive(s) nor their associates, had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company under section 352 of the Securities and Futures Ordinance (the "SFO"), or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

董事會報告書

董事

本年度及直至本報告日期止，董事為：

執行董事

江志明先生（副主席）
 梁榮邦先生（行政總裁）
 陳永鋸先生（於二零零八年五月十九日辭任）
 鄭永耀先生（於二零零八年五月十九日辭任）

獨立非執行董事

錢其武醫生
 林日輝先生
 梁潤輝先生

根據本公司之公司細則第87條，梁榮邦先生及梁潤輝先生將於本公司應屆股東週年大會上輪值告退，並符合資格及願意膺選連任。梁榮邦先生之輪席告退乃出於自願性質。有關梁榮邦先生自願輪席告退之詳情載於本年報企業管治報告書內「董事會」一節。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無訂立本集團不可於一年內毋須支付賠償（法定賠償除外）而終止之服務合約。

董事及最高行政人員於本公司及相聯法團之證券權益

於二零零八年十二月三十一日，概無董事、最高行政人員或彼等之聯繫人於本公司或其相聯法團之股份、相關股份或債券而須記錄於本公司按證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊內之任何權益或淡倉，或依據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）所載《上市發行人董事進行證券交易的標準守則》須知會本公司及聯交所之任何權益或淡倉。

Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES OF THE COMPANY

As at 31 December 2008, so far as are known to any Director or chief executive of the Company, the following parties (other than a Director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

主要股東於本公司之股份權益

據董事及最高行政人員所知悉，於二零零八年十二月三十一日，本公司根據證券及期貨條例第336條須備存之登記冊所載錄或另行知會本公司，直接或間接擁有或被視為擁有本公司已發行股本5%或以上之權益之人士（董事或最高行政人員除外）如下：

Name of Substantial Shareholders 主要股東名稱	Number of Shares (ordinary share) 股份數目 (普通股)	Capacity 身份	Notes 附註	Percentage of Issued Share Capital 已發行股本 百分比
Mr. Joseph Lau, Luen-hung ("Mr. Lau") 劉鑾雄先生（「劉先生」）	1,512,059,473	Founder of trust, beneficiary of trust and interest of controlled corporations 信託創立人、信託受益人及受控制公司之權益	1 & 3	74.54%
Asian Kingdom Limited	493,678,883	Beneficial owner 實益擁有人	1	24.34%
Crown Jade Limited	493,678,883	Interest of controlled corporation 受控制公司之權益	1	24.34%
Global King (PTC) Ltd. (formerly known as Global King Ltd.)	1,018,380,590	Trustee 信託人	2	50.20%
GZ Trust Corporation	1,018,380,590	Trustee, beneficiary of trust and interest of controlled corporations 信託人、信託受益人及受控制公司之權益	2	50.20%
Chinese Estates Holdings Limited ("Chinese Estates") （「華置」）	1,018,380,590	Interest of controlled corporations 受控制公司之權益	4	50.20%
Mass Rise Limited 巨昇有限公司	740,521,829	Beneficial owner 實益擁有人	4	36.51%
High Victory Limited 高勝有限公司	113,818,911	Beneficial owner 實益擁有人	4	5.61%

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SHARES OF THE COMPANY (cont'd)

Notes:

1. The entire issued share capital of Asian Kingdom Limited was owned by Crown Jade Limited, the entire issued share capital of which was wholly owned by Mr. Lau. Crown Jade Limited and Mr. Lau were deemed to be interested in the same parcel of shares in which Asian Kingdom Limited was interested.
2. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King (PTC) Ltd. was the trustee. Global King (PTC) Ltd. was entitled to exercise more than one-third of the voting power at general meetings of Chinese Estates. Accordingly, Global King (PTC) Ltd. and GZ Trust Corporation were deemed to be interested in the same interests stated against Chinese Estates.
3. Mr. Lau, by virtue of his 68.08% interests in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates.
4. These shares of the Company comprised 740,521,829 shares beneficially owned by Mass Rise Limited, 113,818,911 shares beneficially owned by High Victory Limited, 76,877,685 shares beneficially owned by Luckpoint Investment Limited, 50,000,000 shares beneficially owned by Million Point Limited and 37,162,165 shares beneficially owned by Great Empire International Ltd. Each of Mass Rise Limited, High Victory Limited, Luckpoint Investment Limited, Million Point Limited and Great Empire International Ltd. was an indirect wholly-owned subsidiary of Chinese Estates and therefore, Chinese Estates was deemed to be interested in the same parcel of shares in which each of such companies was interested.

All the interests stated above represent long position which included interests in shares and underlying shares. As at 31 December 2008, no short position was recorded in the register kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2008, none of the Directors were interested in any business which competed or was likely to compete, either directly or indirectly, with the Company's businesses.

董事會報告書

主要股東於本公司之股份權益 (續)

附註：

1. Asian Kingdom Limited之全部已發行股本由Crown Jade Limited擁有，而Crown Jade Limited之全部已發行股本由劉先生全資擁有。Crown Jade Limited及劉先生被視為於Asian Kingdom Limited擁有權益之同一批股份中擁有權益。
2. GZ Trust Corporation (作為一項酌情信託之信託人) 持有一項由Global King (PTC) Ltd. 任信託人之單位信託基金之單位。Global King (PTC) Ltd. 有權於華置之股東大會行使三分之一以上之投票權。因此，Global King (PTC) Ltd. 及GZ Trust Corporation被視為擁有華置所擁有之同等權益。
3. 由於劉先生擁有華置之已發行股本68.08%權益，故被視為擁有華置所擁有之同等權益。
4. 本公司該等股份包括巨昇有限公司實益擁有之740,521,829股股份、高勝有限公司實益擁有之113,818,911股股份、樂邦投資有限公司實益擁有之76,877,685股股份、Million Point Limited實益擁有之50,000,000股股份及Great Empire International Ltd.實益擁有之37,162,165股股份。巨昇有限公司、高勝有限公司、樂邦投資有限公司、Million Point Limited 及Great Empire International Ltd.均為華置之間接全資附屬公司，因此，華置被視為於上述公司各自擁有權益之同一批股份中擁有權益。

上述所有權益均為好倉(包括股份及相關股份之權益)。於二零零八年十二月三十一日，本公司根據證券及期貨條例第336條存置之登記冊中並無任何淡倉記錄。

董事於競爭性業務之權益

於二零零八年十二月三十一日，董事概無於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

Directors' Report

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no arrangements to which the Company, its subsidiaries, its holding company or its holding company's subsidiaries was a party to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate during the Year.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the "Connected Transactions" and "Continuing Connected Transaction" as mentioned below, there were no contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

CONNECTED TRANSACTIONS

In January 2008, the Company and Kingboard Chemical Holdings Limited ("KB") (a former controlling shareholder of the Company and, through its indirect wholly-owned subsidiary, Fame Ascent Investments Limited ("Fame Ascent"), was interested in approximately 36.51% of the entire issued share capital of the Company) entered into a master agreement (the "Master Agreement") in relation to a possible formation of joint venture companies for the purpose of production and sale of acetic acid in the PRC. The formation of the relevant joint venture companies, constituted a major and connected transactions for the Company under the Listing Rules.

The Company considered the medium to long term business plan and decided to cease to take part in the methanol project and acetic acid project. In February 2008, the Company and KB entered into a termination deed (the "Termination Deed") pursuant to which the Company and KB had conditionally agreed to terminate the Master Agreement. The entering into of the Termination Deed constituted a connected transaction for the Company and in view of the fact that (1) the Termination Deed did not involve the acquisition or disposal of any assets/liabilities and (2) neither party is required to pay any compensation to each other, the Termination Deed is exempted from reporting, announcement and shareholders' approval requirements under the Listing Rules.

董事會報告書

購買股份或債券之安排

本公司、其附屬公司、其控股公司或其控股公司之附屬公司概無於本年度內作出安排，以使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獲得利益。

董事及控權股東於合約之權益

除以下「關連交易」及「持續關連交易」所述者外，本公司或本公司之任何附屬公司概無於年結時或本年度內任何時間訂立與本公司業務有關之重大合約而董事於其中直接或間接擁有重大權益，亦概無與控權股東或其任何附屬公司訂立與本公司業務有關之重大合約。

關連交易

於二零零八年一月，本公司與建滔化工集團（「建滔」）（為本公司之前控股股東，建滔透過其間接全資附屬公司名昇投資有限公司（「名昇」）擁有本公司全部已發行股本約36.51%權益）訂立總協議（「總協議」），有關可能成立合營公司於中國生產及銷售醋酸。根據上市規則，成立有關之中國合營公司一事將構成本公司一項主要及一項關連交易。

經考慮中長期業務計劃後，本公司決定終止參與甲醇項目及醋酸項目。於二零零八年二月，本公司與建滔訂立終止契據（「終止契據」），據此，本公司與建滔有條件同意終止總協議。訂立終止契據構成本公司一項關連交易，而由於(1)終止契據並不涉及收購或出售任何資產／負債及(2)訂約各方毋須向另一方支付賠償，故終止契據獲豁免遵守上市規則之申報、公告及股東批准之規定。

Directors' Report

董事會報告書

CONNECTED TRANSACTIONS (cont'd)

In February 2008, the Company as vendor and Fame Ascent as purchaser (as at the date of the disposal agreement, Fame Ascent was interested in approximately 36.51% of the entire issued share capital of the Company and was a controlling shareholder of the Company at that time) entered into a disposal agreement (as varied and supplemented by the supplemental disposal agreements in March and June 2008) pursuant to which the Company had conditionally agreed to sell, and Fame Ascent had conditionally agreed to purchase, (i) the entire issued share capital of Big Winner Investments Limited ("Big Winner"), a wholly-owned subsidiary of the Company, which mainly involved in the methanol project in PRC; and (ii) all the shareholders' loan due from Big Winner and its subsidiaries ("Big Winner Group") to the Company. Such transaction constituted a major and connected transactions of the Company in accordance with the Listing Rules.

The said disposal transaction was approved by the independent shareholders of the Company at the special general meeting held on 22 July 2008. The disposal was completed on 25 July 2008 with an aggregate consideration of HK\$183,698,986.

CONTINUING CONNECTED TRANSACTION

In November 2008, the Company as lender entered into a conditional loan agreement with Fancy Mark Limited ("Fancy Mark"), a wholly-owned subsidiary of Chinese Estates as borrower, granting a three-year revolving facility of up to HK\$200 million, with Chinese Estates acting as guarantor for repayment of the loan (the "Loan Transaction").

According to the Listing Rules, the Loan Transaction constituted a continuing connected transaction of the Company and was approved by the independent shareholders of the Company at the special general meeting held on 12 December 2008.

As at 31 December 2008, the Company has advanced HK\$136 million to Fancy Mark at the interest rate of HIBOR plus 1% per annum. The loan is repayable on demand upon serving not less than one month's prior notice to Fancy Mark.

Having reviewed the Loan Transaction, the Independent Non-executive Directors of the Company, pursuant to Rule 14A.37 of the Listing Rules on the requirement to carry out annual review on the continuing connected transactions, confirmed that the Loan Transaction, notwithstanding that it was not made in the ordinary and usual course of business of the Company, was made on normal commercial terms and in accordance with the relevant loan agreement governing on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

關連交易 (續)

於二零零八年二月，本公司作為賣方與名昇作為買方（於出售協議日期，名昇擁有本公司全部已發行股本約36.51%權益，為本公司當時之控股股東）訂立一份出售協議（於二零零八年三月及六月經補充出售協議修訂及補充），據此，本公司有條件同意出售而名昇有條件同意購買(i)本公司主要於中國從事甲醇項目之全資附屬公司尊尚投資有限公司（「尊尚」）全部已發行股本；及(ii)尊尚及其附屬公司（「尊尚集團」）結欠本公司之全部股東貸款。根據上市規則，該交易構成一項主要及關連交易。

上述出售交易已於二零零八年七月二十二日舉行之股東特別大會取得本公司之獨立股東批准。該出售於二零零八年七月二十五日完成，總代價為183,698,986港元。

持續關連交易

於二零零八年十一月，本公司作為貸方與一間華置之全資附屬公司Fancy Mark Limited（「Fancy Mark」）作為借方簽訂一份有條件貸款協議，提供最高200,000,000港元為期三年之循環貸款，而華置則就償還貸款作為擔保人（「貸款交易」）。

根據上市規則，該貸款交易構成本公司一項持續關連交易，並已於二零零八年十二月十二日舉行之股東特別大會取得本公司之獨立股東批准。

於二零零八年十二月三十一日，本公司以香港銀行同業拆息加一厘之年利率貸款136,000,000港元予Fancy Mark。本公司可給予Fancy Mark不少於一個月之事先通知後要求其即時償還貸款。

在審閱該貸款交易後，本公司之獨立非執行董事，根據上市規則第14A.37條就持續關連交易進行週年審閱之規定，確認儘管該貸款交易並非本公司之日常業務，該交易是按照一般商業條款，並根據相關貸款協議條款進行，而交易條款屬公平及合理，且符合本公司股東之整體利益。

Directors' Report

CONTINUING CONNECTED TRANSACTION (cont'd)

Pursuant to Rule 14A.38 of the Listing Rules, the auditors of the Company confirmed that the Loan Transaction:

- (1) had received the approval of the Board;
- (2) had been entered into in accordance with the relevant agreement governing the Loan Transaction; and
- (3) had not exceeded the cap disclosed in the previous announcement made on 4 November 2008.

Save as mentioned above, there were no other discloseable non-exempted connected transactions or non-exempted continuing connected transactions under the Listing Rules during the Year.

Related party transactions, inclusive of those also constituting the connected transaction or continuing connected transaction, entered into by the Group for the year ended 31 December 2008 are disclosed in note 37 to the consolidated financial statements.

To the extent of the related party transactions as disclosed in note 37 to the financial statements constituted connected transaction or continuing connected transaction, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

Remuneration package comprised salaries and year-end bonuses based on individual merits. The Company had adopted a share option scheme since 15 February 2002 (the "2002 Scheme"). Details of the 2002 Scheme are set out in note 32 to the consolidated financial statements. There were no outstanding options at the beginning and at the end of the Year. No options were granted, exercised, cancelled or lapsed during the Year.

RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (1) the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme"); and
- (2) the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong (the "Top-up Scheme").

Both the MPF Scheme and the Top-up Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

董事會報告書

持續關連交易 (續)

本公司核數師已就上市規則第14A.38條確認該貸款交易：

- (1) 已經由董事會批准；
- (2) 乃根據該貸款交易之有關協議條款進行；及
- (3) 並無超逾先於二零零八年十一月四日公布披露之上限。

除上文所述外，本年度內並無其他根據上市規則不獲豁免關連交易或不獲豁免持續關連交易須作出披露。

截至二零零八年十二月三十一日止，由本集團進行之關連人士交易，內含關連交易及持續關連交易，已於綜合財務報表附註37披露。

就綜合財務報表附註37所披露之關連人士交易，倘構成根據上市規則所界定之關連交易及持續關連交易，本公司已於本年度遵守上市規則第14A章的有關規定。

酬金政策及認購股權計劃

酬金待遇包括薪金及按個別表現釐定之年終花紅。自二零零二年二月十五日本公司採納認購股權計劃（「二零零二年計劃」）。二零零二年計劃之詳情載於財務報表附註32。本年初及年終並無認購股權尚未行使。本年度亦無授出、行使、註銷或已經失效之認購股權。

退休福利計劃

本集團推行兩項退休福利計劃：

- (1) 香港法例第485章《強制性公積金計劃條例》所界定之公積金計劃（「強積金計劃」）；及
- (2) 香港法例第426章《職業退休計劃條例》所界定之公積金計劃（「補足計劃」）。

強積金計劃及補足計劃均為界定供款計劃，該等計劃之資產乃由各自之受託人管理。

Directors' Report

董事會報告書

RETIREMENT BENEFIT SCHEMES (cont'd)

The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members are entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

The Top-up Scheme is available to those employees with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Scheme are made by the Group at 5%, 7.5% or 10% of staff's basic salary (depending on the length of service) less the Group's mandatory contribution under the MPF Scheme. Staff members are entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or are entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Top-up Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Top-up Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The Group's cost for the said schemes charged to consolidated income statement for the Year amounted to HK\$58,000 (2007: HK\$16,000) after reduction of HK\$7,000 (2007: HK\$12,000) from the forfeited contribution of the Top-up Scheme.

During the Year, no contributions to the Top-up Scheme (2007: HK\$12,000) were forfeited and used to reduce existing level of contributions. At 31 December 2008, HK\$7,000 (2007: HK\$14,000) was utilised and no balance (2007: HK\$7,000) was available to reduce future contribution.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's five largest customers amounted to less than 30% of the Group's total turnover for the Year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for approximately 70% and 100% respectively, of the Group's total purchases for the Year.

退休福利計劃 (續)

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關入息上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。

補足計劃可供基本薪金超過20,000港元及／或年資超過五年之僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之補足計劃供款，並減去本集團根據強積金計劃作出之強制性供款。僱員於服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。補足計劃容許本集團將任何已沒收供款（即本集團就任何可獲得全部供款前退出補足計劃之僱員而作出之供款）用以抵銷本集團現有之供款水平。

自補足計劃之已沒收供款中扣除7,000港元（二零零七年：12,000港元）後，本集團本年度就該等計劃於綜合收益表扣除之費用為58,000港元（二零零七年：16,000港元）。

本年度內，沒有補足計劃之供款被沒收（二零零七年：12,000港元）及用作減低現時之供款水平。於二零零八年十二月三十一日已動用7,000港元（二零零七年：14,000港元），沒有餘額（二零零七年：7,000港元）可用作減少未來供款。

主要客戶及供應商

本集團五大客戶之營業總額佔本集團本年度營業總額少於30%。

本集團最大供應商及五大供應商之購貨總額分別約佔本集團本年度購貨總額之70%及100%。

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS (cont'd)

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in any of the five largest customers of the Group.

None of the Directors and their associates but a substantial shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in one of the five largest suppliers of the Group.

ADVANCES TO AN ENTITY

As at 31 December 2008, pursuant Rule 13.20 of the Listing Rules, the Group had made advances of HK\$136 million at HIBOR plus 1% per annum to Fancy Mark, a wholly-owned subsidiary of Chinese Estates, the holding company of the Company. The loan had been granted for the capital expenditure and general working capital of Chinese Estates and its subsidiaries. The loan is a three-year revolving facility, with Chinese Estates acting as the guarantor, but is unsecured, and repayable on demand with maturity date on 3 November 2011.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed amount of public float during the Year and up to the date of this report as required under the Listing Rules.

AUDITORS

The consolidated financial statements for the Year were audited by Messrs. HLB Hodgson Impey Cheng ("HLB") who would retire at the conclusion of the forthcoming annual general meeting, and being eligible, offer themselves for re-appointment. A resolution will be proposed to the shareholders at the forthcoming annual general meeting to re-appoint HLB as the auditors of the Company.

There have been no other changes of auditors in the past three years except for Messrs. Deloitte Touche Tohmatsu resigned on 15 November 2006 and HLB was appointed as the auditors of the Company on 2 January 2007.

On behalf of the Board

Kong, Chi-ming
Deputy Chairman

Hong Kong, 11 March 2009

董事會報告書

主要客戶及供應商（續）

概無董事、其聯繫人或任何股東（就董事所知擁有本公司股本超過5%）於本集團任何五大客戶之中擁有權益。

概無董事及其聯繫人於本集團五大供應商其中之一間擁有權益，惟有一主要股東（就董事所知擁有本公司股本超過5%）於本集團五大供應商其中之一間擁有權益。

墊付實體款項

於二零零八年十二月三十一日，根據上市規則第13.20條，本集團向控股公司華置之全資附屬公司Fancy Mark提供年利率以香港銀行同業拆息加一厘計息之墊款為136,000,000港元。該貸款乃供華置及其附屬公司用作資本開支及作為一般營運資金用途。該貸款乃三年期循環還貸款，並由華置為擔保人，但無抵押而須於通知時償還，其特定到期日為二零一一年十一月三日。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告日期已按上市規則規定維持規定之公眾持股量。

核數師

本年度之綜合財務報表由國衛會計師事務所（「國衛」）審核。該會計師行將於即將舉行之股東週年大會結束時任滿告退，惟合資格並願意膺聘連任。於即將舉行之股東週年大會上，將就續聘國衛為本公司核數師向股東提呈一項決議案。

除於二零零六年十一月十五日德勤•關黃陳方會計師行辭任及於二零零七年一月二日國衛獲委任為本公司之核數師外，本公司在過去三年間並無出現其他核數師更換。

代表董事會

副主席
江志明

香港，二零零九年三月十一日

Independent Auditors' Report

獨立核數師報告書



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF G-PROP (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of G-Prop (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 118, which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITIES 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致G-PROP (HOLDINGS) LIMITED

(金匡企業有限公司*)股東

(於百慕達註冊成立之有限公司)

吾等已審核第39頁至第118頁所載金匡企業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括於二零零八年十二月三十一日之綜合資產負債表、截至該日止年度之綜合收益表、綜合股本權益變動報表及綜合現金流量表,以及主要會計政策概要及其他說明附註。

董事編製綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒布之香港財務報告準則以及香港公司條例之披露規定,負責編製並真實公平地呈報此等綜合財務報表。此責任包括設計、實行及維持與編製並真實公平地呈報綜合財務報表有關之內部監控,以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起);選擇及應用適當會計政策;並在不同情況下作出合理之會計估算。

核數師之責任

吾等負責根據吾等之審核結果對綜合財務報表發表意見。本報告謹按照百慕達公司法第90條而僅向閣下編製,並不作其他用途。吾等不會就本報告內容而向任何其他人士負責或承擔責任。

* 僅供識別

Independent Auditors' Report

獨立核數師報告書

AUDITORS' RESPONSIBILITY (cont'd)

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.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 of the Company, 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 31 December 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 11 March 2009

核數師之責任(續)

吾等按照香港會計師公會頒布之香港核數準則進行審核工作。該等準則要求吾等在策劃和進行審核工作時須符合道德規範，使吾等能就綜合財務報表是否存有重要錯誤陳述作合理之確定。

審核範圍包括進程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實公平地呈報綜合財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性、貴公司董事所作會計估算之合理性，並就綜合財務報表之整體呈報方式作出評估。

吾等相信，就提出審核意見而言，吾等所獲審核憑證屬充分恰當。

意見

吾等認為，根據香港財務報告準則，綜合財務報表真實公平地反映 貴集團於二零零八年十二月三十一日之財務狀況以及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露要求妥為編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零零九年三月十一日

Consolidated Income Statement

For the year ended 31 December 2008

綜合收益表

截至二零零八年十二月三十一日止年度

		Notes	2008 HK\$'000 千港元	2007 HK\$'000 千港元
		附註		
Continuing operations	持續經營業務			
Turnover	營業額	7	6,790	2,812
Direct costs	直接成本		(239)	(314)
Gross profit	毛利		6,551	2,498
Other operating income	其他經營收入	9	6,147	5,343
Administrative expenses	行政開支		(13,117)	(4,770)
Finance cost	財務成本	10	(9,893)	(2,169)
Gain on disposal of investment properties	出售投資物業之收益		-	580
Gain on disposal of an intangible asset	出售一項無形資產之 收益		-	11,865
Gain on redemption of convertible bonds	贖回可換股債券之收益		8,281	-
Fair value changes on investment properties	投資物業公平值變動		(3,700)	1,950
(Loss)/profit before tax	除稅前(虧損)/溢利	11	(5,731)	15,297
Income tax credit	所得稅抵免	13	2,690	1,334
(Loss)/profit for the year from continuing operations	本年度來自持續經營業務之(虧損)/溢利		(3,041)	16,631
Discontinued operation	已終止經營業務	16		
Loss for the year from discontinued operation	本年度來自已終止經營業務之虧損		(1,813)	(1,438)
(Loss)/profit for the year attributable to equity holders of the Company	本年度本公司股本持有人應佔(虧損)/溢利		(4,854)	15,193
(Loss)/earnings per share From continuing and discontinued operations	每股(虧損)/盈利 來自持續及 已終止經營業務	15		
Basic (HK cents per share)	基本(每股港仙)		(0.24)	1.49
Diluted (HK cents per share)	攤薄(每股港仙)		(0.24)	1.39
From continuing operations	來自持續經營業務			
Basic (HK cents per share)	基本(每股港仙)		(0.15)	1.63
Diluted (HK cents per share)	攤薄(每股港仙)		(0.15)	1.50

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部份。

Consolidated Balance Sheet

At 31 December 2008

綜合資產負債表

於二零零八年十二月三十一日

		Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	17	27,300	31,000
Goodwill	商譽	18	2,939	10,459
Property, plant and equipment	物業、廠房及設備	19	-	4,250
Prepaid lease payments	預付租賃款項	20	-	60,397
Interests in jointly controlled entities	共同控制機構權益	21	-	-
Available-for-sale financial assets	可供待售之金融資產	22	127,704	-
			157,943	106,106
Current assets	流動資產			
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	23	1,839	70,862
Short-term loans receivable	應收短期貸款	24	-	-
Loan to a fellow subsidiary	借予同系附屬公司貸款	25	136,000	-
Prepaid lease payments	預付租賃款項	20	-	1,253
Tax recoverable	可收回稅項		106	106
Time deposits, bank balances and cash	定期存款、銀行結存及現金	26	5,442	354,015
			143,387	426,236
Current liabilities	流動負債			
Accruals, deposits received and other payables	應付未付款項、已收按金及其他應付款項	27	1,759	2,853
Tax payable	應繳稅項		24	463
Amounts due to fellow subsidiaries	應付同系附屬公司款項	28	144	-
			1,927	3,316
Net current assets	流動資產淨值		141,460	422,920
Total assets less current liabilities	總資產減流動負債		299,403	529,026
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	29	-	143,678
Deferred tax liabilities	遞延稅項負債	30	2,025	19,689
			2,025	163,367
Total assets and liabilities	總資產及負債		297,378	365,659
Capital and reserves	股本及儲備			
Share capital	股本	31	20,282	20,282
Share premium and reserves	股份溢價及儲備		277,096	345,377
Total equity	股本權益總額		297,378	365,659

Approved and authorised for issue by the Board of Directors on 11 March 2009 and signed on its behalf by:

經由董事會於二零零九年三月十一日批准及授權發布，並由以下代表簽署：

Kong, Chi-ming
Director

江志明
董事

Leung, Wing-pong
Director

梁榮邦
董事

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部份。

Consolidated Statement of Changes in Equity 綜合股本權益變動報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Share capital	Share premium	Convertible bonds equity reserve	Investments revaluation reserve	Translation reserve	Retained profits	Total
		股本	股份溢價	可換股債券 股本權益 儲備	投資 重估儲備	匯兌儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2007	於二零零七年一月一日	7,940	24,764	-	-	234	95,738	128,676
Profit for the year	本年度溢利	-	-	-	-	-	15,193	15,193
Exchange reserve arising on translation of foreign operations	換算海外業務所產生之匯兌儲備	-	-	-	-	2,118	-	2,118
Total income recognised for the year	本年度確認收入總額	-	-	-	-	2,118	15,193	17,311
Issue of shares (Note 31)	發行股份(附註31)	12,342	185,404	-	-	-	-	197,746
Issue of convertible bonds	發行可換股債券	-	-	36,297	-	-	-	36,297
Deferred tax	遞延稅項	-	-	(6,430)	-	-	-	(6,430)
Dividend paid	已付股息	-	-	-	-	-	(7,941)	(7,941)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	20,282	210,168	29,867	-	2,352	102,990	365,659
Loss for the year	本年度虧損	-	-	-	-	-	(4,854)	(4,854)
Exchange reserve arising on translation of foreign operations	換算海外業務所產生之匯兌儲備	-	-	-	-	12,595	-	12,595
Fair value changes of available-for-sales financial assets	可供待售之金融資產之公平值變動	-	-	-	(31,038)	-	-	(31,038)
Realised on disposal of subsidiaries	出售附屬公司時變現	-	-	-	-	(14,713)	-	(14,713)
Total income/(expenses) recognised for the year	本年度確認收入/(支出)總額	-	-	-	(31,038)	(2,118)	(4,854)	(38,010)
Effect on change of tax rate	稅率變動之影響	-	-	367	-	-	-	367
Redemption of convertible bonds	贖回可換股債券	-	-	(30,234)	-	-	(404)	(30,638)
At 31 December 2008	於二零零八年十二月三十一日	20,282	210,168	-	(31,038)	234	97,732	297,378

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部份。

Consolidated Cash Flow Statement

For the year ended 31 December 2008

綜合現金流量表

截至二零零八年十二月三十一日止年度

	Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Operating activities			
(Loss)/profit before tax			
– Continuing operations		(5,731)	15,297
– Discontinued operation		(2,410)	(1,438)
Adjustments for:			
Interest income		(9,632)	(5,532)
Gain on disposal of an intangible asset		–	(11,865)
Fair value changes on investment properties		3,700	(1,950)
Gain on disposal of investment properties		–	(580)
Impairment loss on available-for-sale financial assets		–	220
Gain on disposal of subsidiaries		(1,302)	(33)
Impairment loss of goodwill		–	1,470
Depreciation on property, plant and equipment		6	11
Amortisation of prepaid lease payments		2	4
Interest expenses		9,893	2,169
Gain on redemption of convertible bonds		(8,281)	–
Net exchange loss		5,744	–
Operating cash flows before movements in working capital		(8,011)	(2,227)
Increase in deposits, prepayments and other receivables		(45,574)	(65,003)
Decrease in accruals, deposits received and other payables		(23)	(4,112)
Increase/(decrease) in amounts due to fellow subsidiaries		144	(185)
Cash used in operations		(53,464)	(71,527)
Income tax paid		(524)	(108)
Net cash used in operating activities		(53,988)	(71,635)
Investing activities			
Interest received		7,219	5,532
Acquisition of subsidiaries	33	–	(93,620)
Proceeds from disposal of subsidiaries	34	170,185	8
Proceeds from disposal of an intangible asset		–	11,865
Loan to a fellow subsidiary		(136,000)	–
Purchase of available-for-sale financial assets		(163,022)	–
Purchase of property, plant and equipment		(911)	(238)
Proceeds from disposal of investment properties		–	45,518
Net cash used in investing activities		(122,529)	(30,935)

Consolidated Cash Flow Statement

For the year ended 31 December 2008

綜合現金流量表

截至二零零八年十二月三十一日止年度

		2008	2007
	Notes	HK\$'000	HK\$'000
	附註	千港元	千港元
Financing activities	融資活動		
Net proceeds from issue of convertible bonds	發行可換股債券 所得款項淨額	-	177,806
Redemption of convertible bonds	贖回可換股債券	(180,000)	-
Net proceeds from issue of shares	發行股份所得款項淨額	-	197,746
Dividend paid	已付股息	-	(7,941)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities	融資活動(所用)/ 所得之現金淨額	(180,000)	367,611
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目 (減少)/增加淨額	(356,517)	265,041
Effect of foreign exchange rate changes	外幣匯率變動影響	7,944	912
Cash and cash equivalents at the beginning of the year	年初現金及 現金等值項目	354,015	88,062
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	年末現金及 現金等值項目	5,442	354,015
		<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents	現金及現金等值項目 結存分析		
Time deposits, bank balances and cash	定期存款、銀行結存及 現金	5,442	354,015
		<hr/> <hr/>	<hr/> <hr/>

The accompany notes from an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部份。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

截至二零零八年十二月三十一日止年度

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Chinese Estates Holdings Limited ("Chinese Estates"), a company incorporated in Bermuda with its securities listed on the Stock Exchange. The addresses of the registered office and principal office of the Company are disclosed in the "Corporate Information" section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Group and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The principal activities of the Company and its subsidiaries are engaged in securities investments and finance and property investment. The principal activities of its principal subsidiaries and jointly controlled entities are set out in Notes 39 and 40 to the consolidated financial statements respectively.

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

In the current year, the Group has applied, for the first time, a number of amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1 January 2008.

The new HKFRSs adopted by the Group in the consolidated financial statements are set out as follows:

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

本公司為一間於百慕達註冊成立之受豁免有限公司。本公司之股份在香港聯合交易所有限公司（「聯交所」）上市。其最終控股公司為於百慕達註冊成立，其證券在聯交所上市之Chinese Estates Holdings Limited（「華置」）。本公司之註冊辦事處及主要辦事處之地址已於本年報「公司資料」一節中披露。

港元（「港元」）為本集團之功能貨幣，除另有說明外，本綜合財務報表以港元呈報，所有價值均四捨五入至最接近之千位數（千港元）。

本公司與其附屬公司之主要業務為證券投資及財務及物業投資。其主要附屬公司及共同控制機構之主要業務分別載於綜合財務報表附註39及40。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用香港會計師公會（「香港會計師公會」）頒布，並對本集團於二零零八年一月一日開始之財政年度生效之多項修訂本及詮釋。

本集團於綜合財務報表採納之新香港財務報告準則載列如下：

香港會計準則第39號及 香港財務報告準則 第7號（修訂本）	將金融資產重新分類
香港（國際財務報告 詮釋委員會） — 詮釋第11號	香港財務報告準則第 2號—集團及庫務 股票交易
香港（國際財務報告 詮釋委員會） — 詮釋第12號	服務專營權安排
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—界定利益資產 之限制、最低資金 要求及其相互關係

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

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 (“HKFRSs”) (cont’d)

In addition, the Group has early adopted HKFRS 8 “Operating Segments” where early adoption was permitted. HKFRS 8 supersedes HKAS 14 “Segment Reporting”, and requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-makers in order to allocate resources to the segment and to assess its performance. As the business segments reported by the Group in accordance with the requirements of HKAS 14 are the same as the operating segments provided to chief operating decision-makers as required by HKFRS 8, there are no material changes to the operating segments on the adoption of HKFRS 8.

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

The Group has not early adopted the following revised standards, amendments and interpretations that have been issued but are not yet effective. The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

此外，本集團於允許提早採納之情況下提早採納香港財務報告準則第8號「經營分類」。香港財務報告準則第8號取代香港會計準則第14號「分類報告」。該項新準則規定以本集團主要營運決策者在決定分類資源分配及表現評估時所定期審閱之有關本集團各部分之內類報告作為分辨經營分類之基準。由於本集團根據香港會計準則第14號之規定呈報之經營分類與香港財務報告準則第8號所規定向主要營運決策者提供之經營分類相同，故採納香港財務報告準則第8號不會對經營分類構成重大影響。

應用新香港財務報告準則不會對現行或過往會計期間業績及財務狀況之編製及呈報方式構成重大影響，故無須作出前期調整。

本集團並未提早採納下列已頒布但尚未生效之經修訂準則、修訂本及詮釋。本集團現正評估該等新香港財務報告準則之潛在影響，惟仍未能釐定該等新香港財務報告準則會否對其經營業績及財務狀況之編製及呈列方式構成重大影響。該等新香港財務報告準則可能於未來導致業績及財務狀況之編製及呈列方式有變。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

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 (“HKFRSs”) (cont’d)

The Group has not early adopted the following revised standards, amendments and 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
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³

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

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

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

⁴ Effective for annual periods beginning on or after 1 July 2008

⁵ Effective for annual periods beginning on or after 1 October 2008

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早採納下列已頒布但仍未生效之經修訂準則、修訂本及詮釋。

香港財務報告準則（修訂本）	香港財務報告準則之改進 ¹
香港會計準則第1號（經修訂）	財務報表之呈列 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產生之責任 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）	附屬公司、共同控制實體或聯營公司之投資成本 ²
香港財務報告準則第2號（修訂本）	歸屬條件及註銷 ²
香港財務報告準則第3號（經修訂）	業務合併 ³
香港（國際財務報告詮釋委員會）— 詮釋第13號	客戶忠誠計劃 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第15號	房地產建築協議 ²
香港（國際財務報告詮釋委員會）— 詮釋第16號	對沖海外業務之淨投資 ⁵
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	來自客戶之資產轉讓 ³

¹ 於二零零九年一月一日或之後開始之年度期間生效，惟香港財務報告準則第5號之修訂本則於二零零九年七月一日或之後開始之年度期間生效

² 於二零零九年一月一日或之後開始之年度期間生效

³ 於二零零九年七月一日或之後開始之年度期間生效

⁴ 於二零零八年七月一日或之後開始之年度期間生效

⁵ 於二零零八年十月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

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 (“HKFRSs”) (cont’d)

The application of HKFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

應用香港財務報告準則第3號（經修訂）可能影響收購日期為二零零九年七月一日或之後開始之首個年度呈報期間開始當天或之後之業務合併之會計方法。香港會計準則第27號（經修訂）將會影響母公司於附屬公司之擁有權權益變動之會計處理方法。

3. 主要會計政策概要

綜合財務報表乃按歷史成本法編製，惟若干物業及金融工具如下文所載會計政策所述按其公平值計算。

綜合財務報表乃根據香港財務報告準則（包括所有由香港會計師公會頒布之適用香港財務報告準則、香港會計準則及詮釋）、香港公認會計原則、香港公司條例之披露規定及聯交所證券上市規則（「上市規則」）之適用披露規定編製。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A summary of significant accounting policies followed by the Group and the Company in the preparation of the consolidated financial statements is set out below:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries

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

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

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

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 主要會計政策概要 (續)

本集團及本公司於編製綜合財務報表時依循之主要會計政策之概要載列如下：

(a) 綜合基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

附屬公司

附屬公司指本集團有權監管其財務及經營政策之一切機構（包括為特殊項目的機構），通常附帶擁有其過半數投票權之股權。於評估本集團是否控制另一機構時，會考慮現時可行使之潛在投票權之存在及影響。

附屬公司自其控制權轉移予本集團當日起全面綜合入賬，並於控制權終止當日停止綜合入賬。

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本按所獲資產、所發行之股本工具及所產生或所承擔之負債在交易當日之公平值，加上直接與收購事項有關之成本計量。業務合併中購入之可識別資產以及所承擔之負債及或然負債均按收購當日其之公平值初步計量，而不考慮任何少數股東權益之數額。收購成本超出本集團應佔所購入可識別淨資產之公平值乃記錄為商譽。倘收購成本低於所購入附屬公司淨資產之公平值，則差額將直接於綜合收益表確認。

所有重大之集團內公司間交易、結餘及未變現盈餘於綜合時予以抵銷。除非交易有證據顯示所轉讓資產出現減值，否則未變現虧損亦予以抵銷。附屬公司之會計政策在必要情況下予以改變，以確保與本集團所採納之政策一致。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interests in associates are accounted by the equity method of accounting and are initially recognised at cost. The Group's interest in associates includes goodwill (net of any impairment losses) identified in acquisition.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3. 主要會計政策概要 (續)

(a) 綜合基準 (續)

聯營公司

聯營公司指本集團對其有重大影響力但不擁有控制權之一切機構，並通常附帶擁有百分之二十至五十投票權之股權。聯營公司權益採用權益會計法列賬，並起初按成本確認。本集團之聯營公司權益包括於收購時識別之商譽減除任何減值虧損。

聯營公司之業績、資產及負債乃以權益會計法於該等綜合財務報表內列賬。根據權益法，聯營公司權益乃按成本於綜合資產負債表中列賬，並就本集團於收購後應佔該聯營公司之損益及權益之變動作出調整，以及減去任何已識別減值虧損。當本集團應佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（其包括任何長期權益，而此實質上構成本集團於該聯營公司之投資淨額一部份）時，則本集團取消確認應佔之進一步虧損。作出額外應佔虧損撥備及確認負債時僅限於本集團已產生法律或推定責任或代表該聯營公司作出付款之情況。

倘某集團機構與本集團之聯營公司進行交易，則會以本集團於有關聯營公司之權益為限而抵銷損益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, interests in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

3. 主要會計政策概要 (續)

(a) 綜合基準 (續)

共同控制機構

共同控制機構指以合資安排另行成立之獨立機構，其合資方擁有對該機構之經濟活動共同控制權。

共同控制機構之業績、資產及負債利用權益會計法計入綜合財務報表。根據權益法，共同控制機構權益乃按成本於綜合資產負債表中列賬，並就本集團於收購後應佔該共同控制機構之損益及權益之變動作出調整，以及減去任何已識別減值虧損。當本集團應佔某共同控制機構之虧損相等於或超出其於該共同控制機構之權益（其包括任何長期權益，而此實質上構成本集團於該共同控制機構之投資淨額一部份）時，則本集團取消確認應佔之進一步虧損。作出額外應佔虧損撥備及確認負債時僅限於本集團已產生法律或推定責任或代表該共同控制機構作出付款之情況。

倘某集團機構與本集團之共同控制機構進行交易，則會以本集團於有關共同控制機構之權益為限而抵銷未變現損益，惟倘未變現虧損證實所轉讓資產出現減值，則全數確認虧損。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries, associates and jointly controlled entities at the date of acquisition. Goodwill on acquisitions of subsidiaries is presented separately in the consolidated balance sheet. Goodwill on acquisitions of associates or jointly controlled entities is included in interests in associates or jointly controlled entities and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, jointly controlled entities and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

3. 主要會計政策概要 (續)

(b) 商譽

商譽指收購成本超出收購當日本集團應佔所收購附屬公司、聯營公司及共同控制機構可識別淨資產之公平值之差額。收購附屬公司之商譽乃個別於綜合資產負債表中呈報。收購聯營公司或共同控制機構之商譽乃納入聯營公司或共同控制機構權益，並作為整體結餘之一部分進行減值測試。分別確認之商譽乃每年測試減值，並按成本減累計減值虧損列賬。商譽之減值虧損不會撥回。

就減值測試而言，收購所產生之商譽會分配至預期可受惠於收購之協同效益之各個有關現金產生單位或多組現金產生單位。商譽所屬之現金產生單位會每年及於有跡象顯示可能出現減值時進行減值測試。就某財政年度內收購所產生之商譽而言，商譽所屬之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之減值虧損會直接於綜合收益表中確認。商譽之減值虧損不會於其後期間撥回。

於其後出售附屬公司、共同控制機構及聯營公司時，出售之收益或虧損均參考出售日期之資產淨值計算，包括任何仍未攤銷之應佔商譽及有關儲備（如適用）。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted by the Company on the basis of dividend received or receivables.

(d) Revenue recognition

Rental income, including rental invoiced in advance from properties let under operating leases, is recognised on a straight line basis over the period of the respective leases.

Interest income from a financial asset 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.

(e) Investments properties

Investment property, which is property held to earn rental and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Any gain or loss arising from a change in the fair value of the investment properties is recognised directly in the consolidated income statement for the period in which they arise.

3. 主要會計政策概要 (續)

(c) 在附屬公司之投資

在附屬公司之投資乃按成本減任何已識別之減值虧損列入本公司資產負債表。附屬公司之業績乃由本公司按已收及應收股息之基準列賬。

(d) 收入確認

租金收入 (包括根據經營租約租出之物業預先發出發票之租金) 以直線法按有關租約年期確認。

金融資產之利息收入乃就本金結餘按適用實際利率及時間比例計算，適用實際利率為將金融資產於預期年期內之估計未來現金收款準確貼現至該資產賬面淨值之利率。

(e) 投資物業

投資物業指持作賺取租金及／或作資本增值之物業。於初步確認時，投資物業乃按成本 (包括任何直接應佔之開支) 計量。於初步確認後，投資物業利用公平值模型計量。投資物業公平值變動所產生之損益會於產生期間直接於綜合收益表確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Property, plant and equipment

Property, plant and equipment other than leasehold land and land use right are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment (other than leasehold land and land use right) over their estimated useful lives and after taking into account their estimated residual value, using the straight line method, at the following rates per annum:

Type	Basis
Buildings	Over the remaining unexpired terms of the leases or fifty years, whichever is the shorter
Furniture, fixtures and equipment	5 to 10 years
Motor vehicles	5 years

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 which the item is derecognised.

When the leasehold land and land use right and buildings are in the course of construction for production, supply of goods or services, or for administrative purpose, the leasehold land and land use right 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 and land use right is recognised as part of cost of construction in progress. Construction in progress 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).

3. 主要會計政策概要 (續)

(f) 物業、廠房及設備

物業、廠房及設備(租賃土地及土地使用權除外)按成本減其後之累積折舊及累積減值虧損列賬。

物業、廠房及設備(租賃土地及土地使用權除外)按估計可使用年期,並計及估計剩餘價值以直線法根據以下年率折舊,以撇銷其成本:

種類	基準
樓宇	按租約剩餘未屆滿年期或50年(以較短者為準)
傢俬、裝置及設備	5至10年
汽車	5年

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時取消確認。於取消確認該資產時所產生之任何盈虧(以出售所得款項淨額與該項目之賬面值之差額計算)將計入取消確認該項目年度內之綜合收益表。

倘興建中租賃土地及土地使用權及樓宇乃作生產、提供貨品或服務或行政用途,有關租賃土地及土地使用權部分會分類為預付租賃款項,並於租期內以直線法攤銷。於興建期間,就租賃土地及土地使用權之攤銷開支確認為在建工程部分成本。在建工程按成本減去任何已識別減值虧損列賬。樓宇於可供使用(即於樓宇達致按管理層擬定方式在所需地點及環境運作時)時開始折舊。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Interest in leasehold land and land use right

Interest in leasehold land and land use right represents prepaid lease payments made and are amortised over the lease term on a straight-line basis.

(h) Impairment loss

At each balance sheet date, the Group reviews the carrying amounts of its 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.

(i) 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.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策概要 (續)

(g) 租賃土地及土地使用權之權益

租賃土地及土地使用權之權益指預付租賃款項，並於租期內以直線法攤銷。

(h) 減值虧損

本集團會於每個結算日檢討其資產之賬面值，以確定有否跡象顯示其資產已出現減值虧損。倘資產之可收回數額估計低於其賬面值，則有關資產之賬面值減至其可收回數額。減值虧損隨即確認為支出。

當減值虧損其後撥回時，則有關資產之賬面值會被調高至其經修訂之估計可收回款額，惟增加後之賬面值不可超逾有關資產在假設以往年度並無確認任何減值虧損之情況下原定之賬面值。減值虧損撥回即時確認為收入。

(i) 租約

凡租約條款規定將租賃資產擁有權之絕大部份風險及回報轉移至承租人之租約均列為財務租約。所有其他租約分類為經營租約。

本集團為出租人

經營租約之租金收入會於有關租期內以直線法在綜合收益表中確認。磋商及安排經營租約時產生之初步直接成本會加入租賃資產之賬面值，並於有關租期內以直線法確認為開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Leasing (cont'd)

The Group as lessee

Rental payable under operating leases is charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefit 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.

(j) 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 the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange 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 the consolidated income statement 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 the consolidated income statement 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.

3. 主要會計政策概要 (續)

(i) 租約 (續)

本集團為承租人

根據經營租約應付之租金會於有關租期內以直線法在綜合收益表中扣除。作為訂立經營租約獎勵之已收及應收利益於有關租期內以直線法確認為租金開支扣減。

(j) 外幣

在編製個別集團機構之財務報表時，以該機構功能貨幣以外之貨幣（外幣）進行之交易按交易日通用之匯率以其功能貨幣（即該機構經營之主要經濟環境之貨幣）記錄。於各結算日，以外幣列值之貨幣項目以結算日通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計量之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目時產生之匯兌差額於產生之期間在綜合收益表中確認，惟倘若貨幣項目所產生之匯兌差額組成本集團海外業務投資淨額一部份，則該匯兌差額於綜合財務報表內確認為股本權益。重新換算按公平值列賬之非貨幣項目所產生之匯兌差額計入期內之綜合收益表中，惟倘重新換算非貨幣項目所產生之差額直接於股本權益確認損益，則匯兌差額亦會直接於股本權益中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Foreign currencies (cont'd)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rate 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 the consolidated income statement in the period in which the foreign operation is disposed of.

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

(k) 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 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 base 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 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.

3. 主要會計政策概要 (續)

(j) 外幣 (續)

為呈報綜合財務報表，本集團海外業務之資產及負債均以結算日通用匯率換算為本集團之呈報貨幣（即港元），而其收入及開支則以本年度平均匯率換算。惟倘匯率於期內波動很大，在此情況下則以交易日通用之匯率換算。所產生之匯兌差額（如有）確認為股本權益之一個獨立部分（換算儲備）。該等匯兌差額於該海外業務被出售期間於綜合收益表內確認。

收購海外業務產生之商譽及已收購可識別資產之公平值調整，被視為該海外業務之資產及負債，並按結算日適用之匯率換算。由此產生之匯兌差額於匯兌儲備確認。

(k) 稅務

所得稅支出指當期應付稅項及遞延稅項。

當期應付稅項按年度應課稅溢利計算。應課稅溢利與綜合收益表所報溢利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括永不課稅或扣減之項目。本集團按結算日前制定或實際制定之稅率計算當期稅項之負債。

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，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產則限於較可能於日後取得應課稅溢利，可用以抵銷可扣減暫時差異時確認。若暫時差異因就一項既不影響應課稅溢利亦不影響會計溢利之交易初步確認其他資產及負債而引致（業務合併除外），則不會確認該等資產及負債。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Taxation (cont'd)

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 based on sales that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of those asset. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

3. 主要會計政策概要 (續)

(k) 稅務 (續)

本集團會就於附屬公司及聯營公司之投資以及合營公司權益所產生之應課稅暫時差異確認遞延稅項負債，惟本集團有能力控制暫時差異之撥回及暫時差異不大可能於可見將來撥回則另作別論。

遞延稅項資產之賬面值於每個結算日均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部份資產時減少。

遞延稅項乃根據銷售按預期於負債償還或資產變現期間應用而於結算日前採用或實際採用之稅率計算。遞延稅項會扣自或計入綜合收益表，惟有關直接扣自或計入股本權益之項目，其遞延稅項亦會於股本權益中處理。

(l) 借貸成本

於購買、興建或製造合資格資產之直接應佔借貸成本，將資本化為該等資產之部分成本。當該等資產實質上達至擬定用途或可供銷售時，借貸成本便不再撥充資本。

所有其他借貸成本已於產生期間於綜合收益表確認。

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Retirement benefits costs

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

(n) Financial instruments

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

Financial assets

The Group's financial assets are classified into 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. The accounting policies adopted are set out below.

3. 主要會計政策概要 (續)

(m) 退休福利成本

界定供款退休福利計劃之供款於僱員提供服務以有權取得供款時確認為開支。

(n) 金融工具

當一家集團機構成為金融工具合約條文之一方時，則於綜合資產負債表內確認金融資產及金融負債。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債（以公平值計量且公平值計入損益之金融資產及金融負債除外）直接應佔之交易成本乃於初步確認時加入金融資產或金融負債（如適用）之公平值，或從金融資產或金融負債（如適用）之公平值扣除。收購以公平值計量且公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於綜合收益表內確認。

金融資產

本集團之金融資產分類為貸款及應收款項及可供待售之金融資產。所有正常購買或銷售之金融資產，按交易日之基準確認及取消確認。正常購買或銷售金融資產是指按照市場規定或慣例須在一段期限內交付資產之金融資產買賣。所採納之會計政策載列如下。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

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 and points 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 for debt instruments other than those financial assets designated as at fair value through profit or loss, of which interest income is included in net gains or losses.

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 other receivables, short-term loans receivable, loan to a fellow subsidiary and time deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

3. 主要會計政策概要 (續)

(n) 金融工具 (續)

金融資產 (續)

實際利率法

實際利率法為一種計算金融資產攤銷成本與於有關期間內分配利息收入之方法。實際利率為於金融資產預計年期或(如適用)更短期間內將估計未來現金收入(包括所有已付及已收並構成實際利率一部分之費用及款項、交易成本及其他溢價或折價)準確折現之利率。

債務工具會按實際利率確認收入，惟被劃分為以公平值計量且公平值計入損益之金融資產之利息收入則計入損益淨額。

貸款及應收款項

貸款及應收款項為於交投活躍之市場內並無報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項(包括其他應收款項、應收短期貸款、借予同系附屬公司貸款以及定期存款、銀行結存及現金)使用實際利率法按攤銷成本減任何已識別減值虧損列賬。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). In addition to equity investments, the Group has also designated certain debt investments as available-for-sale financial assets.

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 consolidated income statement. Any impairment losses on available-for-sale financial assets are recognised in consolidated income statement.

For available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in consolidated income statement when there is objective evidence that the asset is impaired.

Impairment of financial assets

Financial assets 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 financial assets, other than available-for-sale equity investment, 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.

3. 主要會計政策概要 (續)

(n) 金融工具 (續)

金融資產 (續)

可供待售金融資產

可供待售金融資產為非衍生項目，無論是被指派或並無分類為任何其他類別（闡述如上）。除股本投資外，本集團亦將若干債務投資指派為可供待售金融資產。

於首次確認後各結算日，可供待售金融資產按公平值計量。公平值之變動於股本權益中確認，直至該項金融資產被出售或釐定為已減值，屆時過往於股本權益中剔除之累計收益或虧損會自股本權益中剔除，並於綜合收益表確認。可供待售金融資產之任何減值虧損於綜合收益表確認。

於交投活躍之市場內並無報價而公平值未能可靠計量之可供待售金融資產，於首次確認後各結算日按成本值減任何已識別減值虧損計算。倘有客觀證據證明資產減值，則於綜合收益表確認減值虧損。

金融資產減值

金融資產於每個結算日進行有關減值現象之評估。當於初步確認金融資產後發生一項或多項事件，導致有客觀證據顯示金融資產之估計未來現金流量已受到影響時，則金融資產已經減值。

就可供待售股本投資以外的金融資產而言，減值客觀證據可包括：

- 發行人或對手方出現嚴重財困；或
- 無力支付或拖欠利息或本金額；或
- 借款人有可能破產或進行財務重組。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

For certain categories of financial assets, 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.

For financial assets carried at amortised cost, an impairment loss is recognised in consolidated income statement 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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 the consolidated income statement. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

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 consolidated income statement 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.

3. 主要會計政策概要 (續)

(n) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就應收貿易賬項等若干類別之金融資產而言，被評為不會個別減值之資產其後會彙集評估減值。一組應收賬項之減值客觀證據可包括本集團過往之收款經驗，以及與無力支付應收賬項有關之國家或地方之經濟環境之明顯轉變。

就按攤銷成本列賬之金融資產而言，當資產有客觀證據顯示出現減值時，則會於綜合收益表確認減值虧損。減值虧損以資產之賬面金額與按原實際利率折現其估計未來現金流量之現值兩者之差額計算。

就按成本列賬之金融資產而言，減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現其估計未來現金流量而計算出之現值之差額。有關減值虧損將不會於往後期間撥回。

除應收貿易賬項外，所有金融資產之賬面金額會直接扣除其減值虧損。應收貿易賬項之賬面金額會利用撥備賬進行扣減。撥備賬之賬面金額的變動於綜合收益表確認。當應收貿易賬項被視為不可收回時，則會撤銷撥備賬。倘之前已撤銷之款項於其後收回，則會計入綜合收益表。

就按攤銷成本計量之金融資產而言，倘減值虧損之金額於確認後之期間有所減少，而有關減少可以客觀地與確認減值虧損後發生之事件有關，之前已確認之減值虧損可透過綜合收益表予以撥回，但於撥回減值日期資產之賬面金額不得超過該項資產原未確認減值時之攤銷成本。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) *Financial instruments (cont'd)*

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 asset of the Group after deducting all of its liabilities.

Equity instruments

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

Other financial liabilities

The Group's financial liabilities are mainly comprised of other financial liabilities which include accruals, other payables and deposits received and amounts due to fellow subsidiaries which fall within the category of other financial liabilities. These financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Convertible bonds

Convertible bonds issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option 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 proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds equity reserve).

3. 主要會計政策概要 (續)

(n) *金融工具 (續)*

金融負債及股本權益

集團機構發行之金融負債及股本工具乃根據所訂立合約安排之內容及金融負債與股本工具之定義予以分類。

股本工具為可證明於本集團資產經扣除其所有負債後之餘額權益之任何合約。

股本工具

本公司發行之股本工具乃按已收所得款項扣除直接發行成本後記錄。

其他金融負債

本集團之金融負債主要包括其他金融負債(包括應付未付款項、其他應付款項及已收按金以及應付同系附屬公司款項(屬其他金融負債類別者))。該等金融負債其後利用實際利率法按攤銷成本計算。

可換股債券

本公司所發行包括負債及可換股期權部份之可換股債券於初步確認時被分別分類為相關之項目。以兌換固定金額現金或以固定數目之本公司本身股本工具之其他金融資產結算之可換股期權列為股本工具。

於初步確認時，負債部份之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與轉往負債部份之公平值之差額，即代表可讓持有人將可換股債券兌換為股本權益之可換股期權計入股本權益內(可換股債券股本權益儲備)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial liabilities and equity (cont'd)

Convertible bonds (cont'd)

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the retained profits. No gain or loss is recognised in the consolidated income statement upon conversion or expiration of the option.

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 consolidated income statement.

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 consolidated income statement.

Determination of fair value

The fair value for financial instruments traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include discounted cash flow analysis, comparison to similar instruments for which market observable prices exist, option pricing models and other relevant valuation models.

3. 主要會計政策概要 (續)

(n) 金融工具 (續)

金融負債及股本權益 (續)

可換股債券 (續)

於往後期間，可換股債券之負債部份乃使用實際利率法按攤銷成本列賬。股本權益部份（即可將負債部份兌換為本公司普通股之期權）將保留於可換股債券股本權益儲備，直至內置期權獲行使為止，在此情況下，可換股債券股本權益儲備之結餘將轉移至股本及股份溢價。倘期權於到期日尚未獲行使，可換股債券股本權益儲備之結餘將撥至保留溢利內。期權兌換或到期時將不會於綜合收益表中確認任何盈虧。

取消確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價及已直接於股本權益確認之累計損益之總和之差額，會於綜合收益表中確認。

倘於有關合約之特定責任獲解除、取消或到期，則金融負債將予取消確認。取消確認之金融負債賬面值與已付及應付代價之差額乃於綜合收益表中確認。

釐定公平值

於活躍市買賣之金融工具於結算日之公平值乃根據其所報市價或交易商報價（好倉之買價及淡倉之賣價）釐定，且無須扣減任何交易成本。

並未於活躍市場上市之所有其他金融工具之公平值乃使用適當之估值方法釐定。估值方法包括折現現金流量分析、與可觀察得到市價之相類工具比較、期權定價模式及其他有關估值模式。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(p) Provision

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision is the present value at the balance sheet date of the expenditures expected to be required to settle the obligation.

(q) Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees of the Group

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

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in equity (share option reserve) will be transferred to retained profits.

(r) Related parties transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

3. 主要會計政策概要 (續)

(o) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行通知存款及原到期日不超過三個月之其他高流動性短期投資。

(p) 撥備

倘本集團因過往事件而導致現時須承擔法律性或推定性責任，而履行該等責任時將可能需要資源外流，並能可靠估計有關責任之金額，則會確認撥備。倘貨幣時間價值影響重大，則撥備金額為預計履行責任所需支出於結算日之現值。

(q) 以股份支付之交易

以股本權益結算並以股份支付之交易

授予本集團僱員之購股權

已接收服務之公平值參考於授出日期所授出購股權之公平值釐定，於歸屬期以直線法支銷，並相應增加股本權益（購股權儲備）。

於購股權獲行使時，以往於購股權儲備確認之款項將撥入股份溢價。當購股權已沒收或於屆滿日期仍未行使時，以往於股本權益（購股權儲備）確認之款項將撥入保留溢利。

(r) 關連人士交易

倘一方有能力直接或間接控制另一方或在財務及營運決策方面對另一方行使重大影響，則雙方被視為關連。倘雙方均受共同控制或受到共同重大影響，則雙方亦被視為關連。關連人士可以是個人（即主要管理人員、主要股東及／或與彼等之直系親屬）或其他機構，並且包括受到本集團之關連人士重大影響之機構（該等人士為個人及以本集團或為本集團關連人士之任何機構之僱員為受益人而設之離職後福利計劃）。

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截至二零零八年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Related parties transactions (cont'd)

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(s) Non-current assets classified as held for sale

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

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

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

4. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

Available-for-sale financial assets

Loans and receivables

(including cash and cash equivalents)

Financial liabilities

At amortised cost

金融資產

可供待售之金融資產

貸款及應收款項(包括現金及

現金等值項目)

金融負債

按攤銷成本

2008

HK\$'000

千港元

2007

HK\$'000

千港元

127,704

142,834

1,903

—

424,423

146,531

3. 主要會計政策概要(續)

(r) 關連人士交易(續)

倘一項交易涉及於關連人士間進行資源或責任轉移，則該項交易被視為關連人士交易。

(s) 列為持作出售之非流動資產

倘非流動資產及出售組別之賬面值主要由出售交易而非透過持續使用取得，將被列為持作出售之資產。資產(或出售組別)僅於極有可能出售及能以現況即時出售時方符合此項條件。

列為持作出售之非流動資產(及出售組別)以資產(出售組別)過往之賬面值及公平值減出售成本(以較低者為準)計算。

(t) 分類報告

經營分類乃一種報告形式，與提供予主要營運決策人士之內部報告的形式一致。主要營運決策人士被視為作出決策之指導委員會，負責將資源分配至各經營分類及評核各經營分類之表現。

4. 金融工具

(a) 金融工具類別

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截至二零零八年十二月三十一日止年度

4. FINANCIAL INSTRUMENTS (cont'd)**(b) Fair value of financial instruments**

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; 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 the estimated future cash flows and the current market rate of return.

Except as details in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate to their fair values.

4. 金融工具 (續)**(b) 金融工具之公平值**

金融資產及金融負債之公平值按以下方
式釐定：

- 具標準條款及條件且於活躍流動市場買賣之金融資產及金融負債之公平值乃分別經參考市場之買賣盤報價釐定；及
- 其他金融資產及金融負債之公平值乃根據普遍採納之定價模式並按使用估計未來現金流量及當時市場回報率之折現現金流量分析釐定。

除如下表詳列之資料外，本公司董事認為，綜合財務報表錄得之金融資產及金融負債之賬面值，與其公平值相若：

		2008		2007	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公平值	賬面值	公平值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial liabilities	金融負債				
Convertible bonds (Note)	可換股債券 (附註)	-	-	143,678	140,845

Note:

The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without conversion option.

附註：

負債部分之公平值指合約所定之未來現金流量按當時市場上適用於具有大致相同之信貸級別、提供大致相同之現金流量且年期相同但並無可換股期權之工具之利率進行折現後之現值。

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4. FINANCIAL INSTRUMENTS (cont'd)

(c) *Financial risk management objectives and policies*

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2008 in relation to each class of recognised financial assets are the carrying amount of those assets as stated in the consolidated balance sheet. The Group's time deposits are deposited with banks of high credit quality in Hong Kong.

The Group made transactions with counterparties with acceptable credit quality in conformance to the Group treasury policies to minimise credit exposure. Acceptable credit ratings from reputable credit rating agencies and scrutiny of financials for non-rated counterparties are two important criteria in the selection of counterparties. The credit quality of counterparties will be closely monitored over the life of the transaction. The Group reviews its financial counterparties periodically in order to reduce credit risk concentrations relative to the underlying size and credit strength of each counterparties.

In an attempt to forestall adverse market movement, the Group also monitors potential exposures to each financial institution counterparties.

The Group's exposure to credit risk arises from default of the counterparties, with a maximum exposure equals to the carrying amount of the each financial asset as reported on the consolidated balance sheet.

4. 金融工具 (續)

(c) *財務風險管理目標及政策*

該等金融工具附帶之風險及有關如何降低該等風險之政策載於下文。管理層管理及監察該等風險，確保能以有效方式及時實施適當之措施。

信貸風險

本集團就倘交易方未能履行其於二零零八年十二月三十一日有關各類已確認金融資產之責任所面對最大信貸風險為綜合資產負債表所述該等金融資產之賬面金額。本集團之定期存款存於香港高信貸質素之銀行。

本集團與符合本集團庫務政策所訂信貸評級良好的交易方進行交易，以盡量降低信貸風險。揀選交易方的兩項重要原則，是由有信譽的信貸評級機構發出可接受的信貸評級，以及對沒有評級的交易方進行財務評審。本集團會在整個交易期內密切監察交易方的信貸質素。此外，本集團會定期為與其交易的財務機構進行評審，以減低因各交易方的信貸規模及金額而過度集中信貸的風險。

為不利的市場變動預先作準備，本集團為每間金融機構交易方檢測潛在的風險。

本集團的信貸風險乃來自交易方違約，最高等於綜合資產負債表所列各相關金融資產的賬面金額。

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截至二零零八年十二月三十一日止年度

4. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management objectives and policies (cont'd)

Interest rate risk

The Group has interest-bearing assets including bank balances, available-for-sale financial assets and short-term loan to a fellow subsidiary, and are exposed to cash flow interest rate risk. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure on a continuous basis and adjusts the portfolio of interest-bearing financial assets and liabilities when necessary. If the floating rates had been 50 basis points higher/lower, with all other variables held constant, the Group's loss before tax for the year ended 31 December 2008 would decrease/increase by approximately HK\$1,501,000 (2007: profit before tax increase/decrease HK\$1,770,000).

The Group's sensitivity to interest rates has decreased during the current year mainly due to the decrease in bank balances.

Foreign exchange risk

Following the disposal of certain subsidiaries in the People's Republic of China (the "PRC") which was denominated in Renminbi ("RMB"), the Group's major monetary assets and monetary liabilities were denominated in HK\$, except of the available-for-sale financial assets were denominated in Euro ("EUR") and United States dollars ("USD"). The Group currently does not have a foreign currency hedging policy in respect of foreign current assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

4. 金融工具 (續)

(c) 財務風險管理目標及政策 (續)

利率風險

本集團擁有付息資產，包括銀行結存、可供待售金融資產及應收同系附屬公司之短期貸款，並承受現金流量利率風險。本集團現時並無利率對沖政策。然而，管理層持續監察利率風險，且倘需要則調整付息金融資產及負債組合。倘浮動利率上調／下調50個基本點，而其他可變因素保持不變，本集團截至二零零八年十二月三十一日止年度除稅後虧損則調低／調高約1,501,000港元（二零零七年：除稅前溢利調高／調低1,770,000港元）。

年內，主要由於所持銀行結餘減少，本集團之利率敏感度有所下降。

外幣風險

出售若干以人民幣（「人民幣」）為單位於中華人民共和國（「中國」）之附屬公司後，本集團之主要貨幣資產及貨幣負債以港元為單位，惟可供待售之金融資產以歐元（「歐元」）及美元（「美元」）為單位。本集團現時並無就外幣流動資產及負債制訂外幣對沖政策。本集團將密切監管其外幣風險，並於需要時考慮對沖重大外幣風險。

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截至二零零八年十二月三十一日止年度

4. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management objectives and policies (cont'd)

Foreign exchange risk (cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Assets	資產	2008	2007
		HK\$'000 千港元	HK\$'000 千港元
EUR	歐元	36,173	-
USD	美元	94,838	-
RMB	人民幣	-	72,991
		<hr/>	
Liabilities	負債	2008	2007
		HK\$'000 千港元	HK\$'000 千港元
RMB	人民幣	-	855

Sensitivity analysis

As HK\$ are pegged to USD, it is assumed that there would be no material currency risk exposure between these two currencies and therefore is excluded from the analysis below.

The following table details the Group's sensitivity to a 5% increase and decrease in the HK\$ against the EUR and RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the HK\$ strengthen 5% against the relevant currency. For a 5% weakening of the HK\$ against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be negative.

4. 金融工具 (續)

(c) 財務風險管理目標及政策 (續)

外幣風險 (續)

本集團以外幣為單位之貨幣資產及貨幣負債於報告日期之賬面金額如下：

Assets	資產	2008	2007
		HK\$'000 千港元	HK\$'000 千港元
EUR	歐元	36,173	-
USD	美元	94,838	-
RMB	人民幣	-	72,991
		<hr/>	
Liabilities	負債	2008	2007
		HK\$'000 千港元	HK\$'000 千港元
RMB	人民幣	-	855

敏感度分析

由於港元與美元掛鈎，故假設兩種貨幣之間並無重大貨幣風險，因而亦不會載於下文之分析。

下表詳列本集團對港元兌歐元及人民幣之匯率上升及下跌5%之敏感度。於內部向主要管理人員報告外幣風險時會用5%作為敏感度比率，而有關比率為管理層對外幣匯率可能合理出現之變動作出之評估。敏感度分析包括現存以外幣為單位之貨幣項目，並於期末就5%之外幣匯率變動調整該項目之換算。下文之正數表示港元兌相關貨幣之匯率轉強5%時利潤會增加。倘港元兌相關貨幣之匯率轉弱5%，對利潤造成之影響可能同等及相反，而下文之結餘將會呈負數。

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截至二零零八年十二月三十一日止年度

4. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management objectives and policies (cont'd)

Foreign exchange risk (cont'd)

Impact of EUR	歐元之影響
Profit or loss	盈虧
Impact of RMB	人民幣之影響
Profit or loss	盈虧

Currency risk

The majority of the Group's monetary assets and monetary liabilities by value and the rental income are denominated in HK\$, except the available-for-sales financial assets are denominated in EUR and USD. The Group currently does not have a foreign currency hedging policy in respect of foreign current assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Assets	資產
EUR	歐元
USD	美元
RMB	人民幣

Liabilities

	負債
RMB	人民幣

4. 金融工具(續)

(c) 財務風險管理目標及政策(續)

外幣風險(續)

2008	2007
HK\$'000	HK\$'000
千港元	千港元

1,809	-
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-	3,607
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貨幣風險

本集團以價值及租金收入劃分之貨幣資產及貨幣負債大部分以港元計值，惟可供待售金融資產以歐元及美元計值。本集團目前並無就海外流動資產及負債採納任何外幣對沖政策。本集團將密切監察其外幣風險，並於有需要時考慮對沖重大外幣風險。

本集團以外幣計值之貨幣資產及貨幣負債於報告日期之賬面值如下：

2008	2007
HK\$'000	HK\$'000
千港元	千港元

36,173	-
--------	---

94,838	-
--------	---

-	72,991
---	--------

2008	2007
HK\$'000	HK\$'000
千港元	千港元

-	855
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Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

4. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management objectives and policies (cont'd)

Price risk

The Group's debt investments classified as available-for-sale financial assets which are measured at fair value at each balance sheet date and expose the Group to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risk at the balance sheet date.

If quoted market prices had been 5% higher/lower, the Group's:

- Investments revaluation reserve for the year ended 31 December 2008 would increase/decrease by approximately HK\$6,385,000 (2007: Nil) as a result of the changes in fair value of available-for-sale financial assets.

Liquidity risk

The Group manages liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash and intended credit lines of funding from major financial institutions to meet the Group's liquidity requirements in the short and long terms. The liquidity risk is under continuous monitoring by management. Management will raise or refinance bank borrowings whenever necessary.

As at the balance sheet date, the Group does not have significant exposure to liquidity risk.

綜合財務報表附註

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4. 金融工具 (續)

(c) 財務風險管理目標及政策 (續)

價格風險

於各結算日按公平值計量且由本集團分類為可供待售金融資產之債務投資令本集團面臨價格風險。管理層以設立不同風險水平之投資組合管理有關風險。此外，本集團已委任特別小組監管價格風險，並於需要時考慮對沖風險。

敏感度分析

以下敏感度分析乃根據結算日之價格風險釐定。

倘市場報價上升/下降5%，則本集團：

- 截至二零零八年十二月三十一日止年度之投資重估儲備將增加/減少約6,385,000港元（二零零七年：無），此乃由於可供待售金融資產之公平值變動所致。

流動資金風險

本集團管理流動資金風險之方法為定期監察現時及預測之流動資金需要，並確保具備足夠流動現金及取得計劃來自主要金融機構之融資，以應付本集團之短期及長期流動資金需要。管理層會持續監察流動資金風險，並將於有需要時籌措銀行借貸或將銀行借貸再融資。

於結算日，本集團並無重大之流動資金風險。

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5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as going concern, so that it continues to provide returns for the shareholders of the Company (the "Shareholders") and benefits for other stakeholders;
- to support the Group's stability and growth; and
- to maintain an optimal capital structure to reduce the costs of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the Shareholders, return capital to the Shareholders, issue new shares or sell assets to reduce debt.

The Group actively and regularly reviews and manages taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy. The management of the Group regards total equity as capital, for capital management purpose.

During the year, the Group's overall strategy remains unchanged.

5. 資本風險管理

本集團管理資本之宗旨如下：

- 確保本集團有能力繼續持續經營，從而繼續為本公司之股東（「股東」）帶來回報及為其他權益人帶來盈利；
- 支持本集團之穩定及發展；及
- 維持最佳之資本架構以減低資本成本。

為維持或調整資本架構，本集團可能調整向股東派付之股息金額，向股東發出之資本回報，發行新股或出售資產減債。

本集團積極定期檢討及管理資本架構，當中考慮之因素計有：本集團日後之資本需求與資本效益、當前及預期之盈利能力、預期之營運現金流量、預期資本開支及預期策略投資機會等。本集團目前並未採納任何正式股息政策。本集團之管理層於管理資本時將股本權益總額計為資本。

本年度內，本集團之整體策略保持不變。

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截至二零零八年十二月三十一日止年度

6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 3, management has made the following judgment that have most significantly effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Income taxes

As at 31 December 2008, a deferred tax asset has been recognised in relation to the unused tax losses of approximately HK\$468,000 (2007: HK\$101,000). The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the consolidated income statement for the period in which such a reversal takes place.

Estimated impairment of goodwill

Determining whether goodwill is impaired according to the recoverable amount which requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Investment properties

As described in Note 17 to the financial statements, investment properties are stated at fair value based on the valuation performed by independent professional surveyors. In determining the fair value, the surveyors have based on method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgment and is satisfied that the method of valuation is reflective of the current market conditions. Should there are changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

6. 關鍵會計判斷及估計不確定性之主要來源

應用附註3所述本集團之會計政策時，管理層已作出下列對綜合財務報表中確認之金額有最重大影響之判斷（於下文處理涉及估計者除外）。

所得稅

於二零零八年十二月三十一日，有關未使用稅項虧損之遞延稅項資產約468,000港元（二零零七年：101,000港元）已經確認。遞延稅項資產能否變現主要視乎日後是否具有足夠之未來溢利或應課稅暫時差異。倘若未來之實際溢利低於預期，則可能產生重大之遞延稅項資產撥回，該項撥回將於撥回發生之期間內在綜合收益表內確認。

商譽之估計減值

釐定商譽是否出現減值時須以可收回金額為據，當中須估計商譽所獲分配之現金產生單位之使用價值。本集團計算使用價值時須就預期源自該現金產生單位之日後現金流量及合適之折現率作出估計，藉以計算現值。

投資物業

誠如財務報表附註17所述，投資物業是以獨立專業測計師評定之公平值入賬。測計師於決定公平值時乃根據包含若干估計之估值方法進行，管理層於信賴估值報告時已作出了判斷及認同該估值方法乃反映市場現況。如市場狀況有變導致假設有變，投資物業之公平值可能於未來變動。

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7. TURNOVER

Turnover represents the net amounts received and receivable from third parties and is summarised as follows:

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務	2007	已終止經營業務	2007	綜合	2007
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Rental income	1,916	2,782	-	-	1,916	2,782
Interest income from investment and finance	4,874	30	-	-	4,874	30
	6,790	2,812	-	-	6,790	2,812

8. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

During the year, the Group disposed of its subsidiaries and assets relating in manufacturing and sales of methanol products, which resulted the discontinuance of the methanol business segment. Details of the discontinued operation are set out in Note 16 to the consolidated financial statements.

Except for the discontinued methanol business segment, for management purposes, the Group currently engaged in two operating divisions – (i) investment and finance; and (ii) properties investment. The segmentations are based on the information about the operation of the Group that management uses to make decisions.

Principal activities are as follows:

Investment and finance	–	Investing and financing activities
Properties investment	–	Property leasing

The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the year of 2007.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different market and requires different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and result are attributed to countries on the basis of the properties located.

7. 營業額

營業額為已收及應收第三方之款項淨額，茲概述如下：

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務	2007	已終止經營業務	2007	綜合	2007
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Rental income	1,916	2,782	-	-	1,916	2,782
Interest income from investment and finance	4,874	30	-	-	4,874	30
	6,790	2,812	-	-	6,790	2,812

8. 經營分類

本集團根據主要營運決策者用於作出策略決定時審閱之報告釐定經營分類。

於本年度，本集團出售其有關製造及銷售甲醇產品之附屬公司及資產，其後已終止經營甲醇業務分類。已終止經營業務之詳情載於綜合財務報表附註16。

除已終止之甲醇業務分類外，因應管理需要，本集團現時經營兩個營運部門—(i)投資及財務；及(ii)物業投資。上述分類方式乃基於管理層用以作出決策之本集團營運資料。

主要業務如下：

投資及財務	–	投資及財務業務
物業投資	–	租賃物業

自二零零七年，本集團用於釐定所呈報分類溢利或虧損之計量方法維持不變。

本集團之可呈報分類為經營不同業務活動之策略業務單元，而由於各項業務之市場不同，需要制訂不同營銷策略，故各個可呈報分類乃分開管理。

此外，各業務單元於不同國家分開經營。收入及業績乃按物業財產所在地編配至各個國家。

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8. OPERATING SEGMENTS (cont'd)

An analysis of the Group's reportable segment (loss)/profit for the year, assets, liabilities, and other selected financial information for the year by operating segment is as follows:

For the year ended 31 December 2008

8. 經營分類 (續)

本集團本年度按經營分類劃分之可呈報分類之(虧損)/溢利、資產、負債及其他個別財務資料之分析如下:

截至二零零八年十二月三十一日止年度

		Continuing operations		Discontinued	Consolidated	
		持續經營業務		已終止 經營業務		綜合
		Investment and finance 投資及財務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Methanol 甲醇 HK\$'000 千港元	HK\$'000 千港元
Consolidated income statement	綜合收益表					
Revenue	收入					
Revenue from external customers	來自外部客戶之收入					
– Hong Kong	– 香港	4,874	1,916	6,790	–	6,790
– PRC	– 中國	–	–	–	–	–
		4,874	1,916	6,790	–	6,790
Result	業績					
Segment results for reportable segments	可呈報分類之分類業績					
– Hong Kong	– 香港	(962)	(2,006)	(2,968)	–	(2,968)
– PRC	– 中國	–	–	–	–	–
		(962)	(2,006)	(2,968)	–	(2,968)
Interest income	利息收入			4,717	41	4,758
Unallocated corporate income	未分配公司收入			9,694	–	9,694
Unallocated corporate expenses	未分配公司開支			(7,281)	(2,451)	(9,732)
Finance cost	財務成本			(9,893)	–	(9,893)
Loss before tax	除稅前虧損			(5,731)	(2,410)	(8,141)
Income tax credit	所得稅抵免			2,690	597	3,287
Loss for the year	本年度虧損			(3,041)	(1,813)	(4,854)

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截至二零零八年十二月三十一日止年度

8. OPERATING SEGMENTS (cont'd)

At 31 December 2008

8. 經營分類(續)

於二零零八年十二月三十一日

	Continuing operations			Discontinued operation	Consolidated
	持續經營業務		已終止經營業務	綜合	
	Investment and finance	Property investment	Total	Methanol	
	投資及財務	物業投資	合計	甲醇	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Consolidated balance sheet	綜合資產負債表				
Assets	資產				
Segment assets for reportable segments	可呈報分類之分類資產				
– Hong Kong	267,049	30,949	297,998	–	297,998
– PRC	–	–	–	–	–
	267,049	30,949	297,998	–	297,998
Unallocated corporate assets					3,332
Consolidated total assets					301,330
Liabilities	負債				
Segment liabilities for reportable segments	可呈報分類之分類負債				
– Hong Kong	(50)	(2,489)	(2,539)	–	(2,539)
– PRC	–	–	–	–	–
	(50)	(2,489)	(2,539)	–	(2,539)
Unallocated corporate liabilities					(1,413)
Consolidated total liabilities					(3,952)
Other segment information	其他分類資料				
Fair value changes on investment properties	–	3,700	3,700	–	3,700
Depreciation and amortisation	–	–	–	8	8
Additions to non-current assets (other than financial instruments and deferred tax assets)	–	–	–	1,047	1,047

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截至二零零八年十二月三十一日止年度

8. OPERATING SEGMENTS (cont'd)

For the year ended 31 December 2007

8. 經營分類 (續)

截至二零零七年十二月三十一日止年度

	Continuing operations		Discontinued operation	Consolidated
	Investment and finance	Property investment	operation	
	投資及財務	物業投資	已終止經營業務	綜合
	HK\$'000	HK\$'000	Methanol	HK\$'000
	千港元	千港元	甲醇	千港元
		Total		
		合計		
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Consolidated income statement	綜合收益表			
Revenue	收入			
Revenue from external customers	來自外部客戶之收入			
– Hong Kong	30	2,782	–	2,812
– PRC	–	–	–	–
	30	2,782	–	2,812
Result	業績			
Segment results for reportable segments	可呈報分類之分類業績			
– Hong Kong	30	4,998	–	5,028
– PRC	–	–	(1,470)	(1,470)
	30	4,998	(1,470)	3,558
Interest income			241	5,532
Unallocated corporate income			–	11,917
Unallocated corporate expenses			(209)	(4,979)
Finance cost			–	(2,169)
Profit/(loss) before tax			(1,438)	13,859
Income tax credit			–	1,334
Profit/(loss) for the year			(1,438)	15,193

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8. OPERATING SEGMENTS (cont'd)

At 31 December 2007

8. 經營分類(續)

於二零零七年十二月三十一日

	Continuing operations		Discontinued	Consolidated
	Investment and finance	Property investment	operation	
	投資及財務	物業投資	已終止經營業務	綜合
	HK\$'000	HK\$'000	Methanol	HK\$'000
	千港元	千港元	甲醇	千港元
			合計	
Consolidated balance sheet	綜合資產負債表			
Assets	資產			
Segment assets for reportable segment	可呈報分類之分類資產			
– Hong Kong	35	34,615	34,650	34,650
– PRC	–	–	–	167,187
	35	34,615	34,650	201,837
Unallocated corporate assets	未分配公司資產			330,505
Consolidated total assets	綜合總資產			532,342
Liabilities	負債			
Segment liabilities for reportable segments	可呈報分類之分類負債			
– Hong Kong	(10)	(4,289)	(4,299)	(4,299)
– PRC	–	–	–	(11,315)
	(10)	(4,289)	(4,299)	(15,614)
Unallocated corporate liabilities	未分配公司負債			(151,069)
Consolidated total liabilities	綜合總負債			(166,683)
Other segment information	其他分類資料			
Fair value changes on investment properties	–	(1,950)	(1,950)	(1,950)
Depreciation and amortisation	–	–	–	15
Additions to non-current assets (other than financial instruments and deferred tax assets)	添置非流動資產 (金融工具及遞延稅項資產除外)			
	–	–	–	341
Impairment loss of goodwill	–	–	–	1,470

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9. OTHER OPERATING INCOME

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務	已終止經營業務	綜合			
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Other operating income included the followings:	其他經營收入包括以下各項：					
Interest income	4,717	5,291	41	241	4,758	5,532
Gain on disposal of subsidiaries	1,302	33	-	-	1,302	33

10. FINANCE COST

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務	已終止經營業務	綜合			
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Effective interest expense on convertible bonds	可換股債券實際利息支出					
	9,893	2,169	-	-	9,893	2,169

9. 其他經營收入

10. 財務成本

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11. (LOSS)/PROFIT BEFORE TAX

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

11. 除稅前(虧損)/溢利

除稅前(虧損)/溢利已扣除:

		Continuing operations		Discontinued operation		Consolidated	
		持續經營業務	2007	已終止經營業務	2007	綜合	2007
		2008		2008		2008	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Staff costs:	員工成本:						
Directors' emoluments (Note 12(a))	董事酬金(附註12(a))	290	234	-	-	290	234
Salaries and other benefits	薪金及其他福利	758	775	809	34	1,567	809
Retirement benefit scheme contributions excluding directors and after forfeited contribution of HK\$7,000 (2007: HK\$12,000)	退休福利計劃供款不包括董事並已扣除已沒收供款7,000港元(二零零七年: 12,000港元)	34	16	24	-	58	16
		1,082	1,025	833	34	1,915	1,059
Auditors' remuneration	核數師酬金	420	420	-	-	420	420
Exchange loss	匯兌虧損	5,914	-	-	-	5,914	-
Impairment loss on available-for-sale financial assets	可供待售金融資產之減值虧損	-	220	-	-	-	220
Depreciation on property, plant and equipment	物業、廠房及設備之折舊	-	-	6	11	6	11
Amortisation on prepaid lease payments	預付租賃款項之攤銷	-	-	2	4	2	4
and after crediting:	並計入:						
Gross rental income from investment properties	投資物業之租金收入總額	1,916	2,782	-	-	1,916	2,782
Less: direct operating expenses from investment properties that generated rental income during the year	減: 年內產生租金收入之投資物業直接經營開支	(170)	(285)	-	-	(170)	(285)
direct operating expenses from investment properties that did not generate rental income during the year	年內並無產生租金收入之投資物業直接經營開支	(69)	(29)	-	-	(69)	(29)
		1,677	2,468	-	-	1,677	2,468
Amortised income derived from effective interest income included in interest income	來自實際利息收入之已攤銷收入(已計入利息收入)	1,464	-	-	-	1,464	-

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12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The aggregate amount of emoluments payable to the directors of the Company during the year was HK\$290,000 (2007: HK\$234,000).

The remuneration of each director for the year ended 31 December 2008 and 2007 is shown as below:

Name of directors	董事姓名	Directors' fees		Salaries and benefits-in-kind		Retirement benefit scheme contributions		Total	
		2008	2007	2008	2007	2008	2007	2008	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事								
Kong, Chi-ming	江志明	10	10	-	-	-	-	10	10
Leung, Wing-pong	梁榮邦	10	10	-	-	-	-	10	10
Halina Hung, Shi-wei*	熊思慧*	-	2	-	-	-	-	-	2
Lau, Ming-wai**	劉鳴煒**	-	2	-	-	-	-	-	2
Chan, Wing-kwan***	陳永鋸***	-	-	-	-	-	-	-	-
Chang, Wing-yiu***	鄭永耀***	-	-	-	-	-	-	-	-
		20	24	-	-	-	-	20	24
Independent non-executive directors	獨立非執行董事								
David Chain, Chi-woo	錢其武	90	70	-	-	-	-	90	70
Lam, Yat-fai	林日輝	90	70	-	-	-	-	90	70
Leung, Yun-fai	梁潤輝	90	70	-	-	-	-	90	70
		270	210	-	-	-	-	270	210
		290	234	-	-	-	-	290	234

* resigned on 1 March 2007

** appointed on 1 March 2007 and resignation with effect from 1 June 2007

*** appointed on 25 October 2007 and resigned on 19 May 2008

(a) 董事酬金

本年度應付本公司董事酬金總額為290,000港元(二零零七年:234,000港元)。

截至二零零八年及二零零七年十二月三十一日止年度各董事之酬金呈列如下:

* 於二零零七年三月一日辭任

** 於二零零七年三月一日委任及辭任生效日期為二零零七年六月一日

*** 於二零零七年十月二十五日委任·二零零八年五月十九日辭任

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截至二零零八年十二月三十一日止年度

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (cont'd)**(b) Employees' emoluments**

Of the five individuals with the highest emoluments in the Group, one (2007: two) was an independent non-executive director of the Company whose emolument was included in (a) above. The emoluments of the remaining four (2007: three) individuals were as follows:

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	1,190	748
Retirement benefit scheme contributions	退休福利計劃供款	55	14
		1,245	762

The emoluments of each individual were within the emolument band of less than HK\$1,000,000.

For the years ended 31 December 2008 and 2007, no emolument was paid by the Group to the five highest paid individuals, including the directors of the Company, as an inducement to join or upon joining the Group. No director of the Company waived any emolument in the years ended 31 December 2008 and 2007.

12. 董事及僱員酬金 (續)**(b) 僱員酬金**

本集團五位最高薪酬僱員其中一位(二零零七年:兩位)為本公司之獨立非執行董事,其酬金資料載列於上文(a)。餘下四位(二零零七年:三位)人士之酬金資料載列如下:

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	1,190	748
Retirement benefit scheme contributions	退休福利計劃供款	55	14
		1,245	762

每位人士之酬金為1,000,000港元以下之酬金級別。

截至二零零八年及二零零七年十二月三十一日止年度,本集團概無支付任何酬金予該五位最高薪酬僱員(包括本公司董事)作為其加入或加入本集團時之報酬。截至二零零八年及二零零七年十二月三十一日止年度,本公司並無董事放棄任何酬金。

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截至二零零八年十二月三十一日止年度

13. INCOME TAX CREDIT

13. 所得稅抵免

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務	2007	已終止經營業務	2007	綜合	2007
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
The tax credit/(charge) comprises: 稅項抵免/(支出)包括:						
Current tax – Hong Kong 當期稅項—香港	(50)	(467)	-	-	(50)	(467)
Underprovision in prior years 過往年度撥備不足	(35)	-	-	-	(35)	-
Deferred tax 遞延稅項						
– Current year – 本年度	2,614	1,801	-	-	2,614	1,801
– Attributable to a change in tax rate – 稅率變動應佔	161	-	597	-	758	-
	2,690	1,334	597	-	3,287	1,334

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the year ended 31 December 2008 (2007: 17.5%).

香港利得稅乃根據截至二零零八年十二月三十一日止年度估計應課稅溢利按稅率16.5% (二零零七年: 17.5%) 計算。

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

13. INCOME TAX CREDIT (cont'd)

The income tax credit for the year can be reconciled to the (loss)/profit before tax per the consolidated income statement as follows:

		2008		2007	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
(Loss)/profit before tax	除稅前(虧損)/溢利				
– Continuing operations	– 持續經營業務	(5,731)		15,297	
– Discontinued operation	– 已終止經營業務	(2,410)		(1,438)	
		(8,141)		13,859	
Tax at the Hong Kong Profits tax rate of 16.5% (2007: 17.5%)	按香港利得稅稅率16.5% (二零零七年: 17.5%) 計算之稅項	1,343	16.5	(2,425)	(17.5)
Tax effect of income not taxable for tax purposes	稅務上毋須課稅收入之稅務影響	2,739	33.6	3,143	22.7
Tax effect of expenses not deductible for tax purposes	稅務上不可扣減支出之稅務影響	(2,155)	(26.5)	(388)	(2.8)
Tax effect of tax losses/deferred tax assets not recognised	不予確認稅項虧損/遞延稅項資產之稅務影響	(418)	(5.1)	(531)	(3.8)
Tax effect resulting from change of applicable tax rate	適用稅率變動之稅務影響	758	9.3	–	–
Utilisation of tax losses previously not recognised	動用先前未確認之稅務虧損	1,055	13.0	1,535	11.1
Tax underprovision in prior years	過往年度稅項撥備不足	(35)	(0.4)	–	–
Income tax credit	所得稅抵免	3,287	40.4	1,334	9.7

Details of deferred taxation are set out in Note 30 to the consolidated financial statements.

13. 所得稅抵免(續)

本年度之稅項抵免與綜合收益表之除稅前(虧損)/溢利對賬如下:

遞延稅項之詳情載於綜合財務報表附註30。

14. DIVIDENDS

The directors of the Company do not recommend the payment of final and interim dividend for the year (2007: Nil).

14. 股息

本公司董事不建議派發本年度之末期及中期股息(二零零七年: 無)。

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截至二零零八年十二月三十一日止年度

15. (LOSS)/EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share from continuing and discontinued operations attributable to equity holders of the Company is based on the following data:

15. 每股(虧損)/盈利

來自持續及已終止經營業務

本公司股本持有人應佔來自持續及已終止經營業務之每股基本及攤薄(虧損)/盈利乃根據以下數據計算:

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
(Loss)/earnings:	(虧損)/盈利:		
(Loss)/profit attributable to equity holders of the Company for the purpose of basic (loss)/earnings per share calculation from:	用作計算每股基本(虧損)/盈利之本公司股本持有人應佔(虧損)/溢利:		
– Continuing operations	– 來自持續經營業務	(3,041)	16,631
– Discontinued operation	– 來自已終止經營業務	(1,813)	(1,438)
		(4,854)	15,193
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響:		
– effective interest expense on convertible bonds	– 可換股債券實際利息支出		2,169
– deferred tax relating to effective interest expense on convertible bonds	– 可換股債券實際利息支出相關之遞延稅項		(380)
			16,982
			Number of shares
			股份數目
		2008	2007
Weighted average number of ordinary shares in issue	已發行普通股之加權平均股數	2,028,255,008	1,020,609,068
Adjustment for assumed exercise of convertible bonds	假設可換股債券獲行使而就此作出調整		203,957,382
			1,224,566,450

Diluted loss per share for the year ended 31 December 2008 did not assume the conversion of the convertible bonds outstanding during the year since their conversion would have an anti-dilutive effect on loss per share.

由於兌換年內未償還之可換股債券會對每股虧損造成反攤薄影響，故截至二零零八年十二月三十一日止年度之每股攤薄虧損並無假設兌換有關可換股債券。

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綜合財務報表附註

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15. (LOSS)/EARNINGS PER SHARE (cont'd)

From continuing operations

The calculation of the basic and diluted (loss)/earnings per share from continuing operations attributable to equity holders of the Company is based on the following data:

15. 每股(虧損)/盈利(續)

來自持續經營業務

本公司股本持有人應佔來自持續經營業務之每股基本及攤薄(虧損)/盈利乃根據以下數據計算:

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
(Loss)/earnings:	(虧損)/盈利:		
(Loss)/profit attributable to equity holders of the Company for the purpose of basic (loss)/earnings per share calculation from:	用作計算每股基本(虧損)/盈利之本公司股本持有人應佔(虧損)/溢利:		
– Continuing operations	– 來自持續經營業務	(3,041)	16,631
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響:		
– effective interest expense on convertible bonds	– 可換股債券實際利息支出		2,169
– deferred tax relating to effective interest expense on convertible bonds	– 可換股債券實際利息支出相關之遞延稅項		(380)
			<u>18,420</u>
		Number of shares	
		股份數目	
		2008	2007
Weighted average number of ordinary shares in issue	已發行普通股之加權平均股數	<u>2,028,255,008</u>	1,020,609,068
Adjustment for assumed exercise of convertible bonds	假設可換股債券獲行使而就此作出調整		<u>203,957,382</u>
			<u>1,224,566,450</u>

Diluted loss per share for the year ended 31 December 2008 did not assume the conversion of the convertible bonds outstanding during the year since their conversion would have an anti-dilutive effect on loss per share.

由於兌換年內未償還之可換股債券會對每股虧損造成反攤薄影響，故截至二零零八年十二月三十一日止年度之每股攤薄虧損並無假設兌換有關可換股債券。

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截至二零零八年十二月三十一日止年度

15. (LOSS)/EARNINGS PER SHARE (cont'd)

From discontinued operation

Basic and diluted loss per share from discontinued operation is HK0.09 cents per share for the year ended 31 December 2008 (2007: HK0.14 cents), based on the loss for the year from discontinued operation of HK\$1,813,000 (2007: HK\$1,438,000) and the denominators detailed as continuing and discontinued operation for the basic (loss)/earnings per share.

Diluted loss per share for the year ended 31 December 2008 and 2007 did not assume the conversion of the convertible bonds outstanding during the year since their conversion would have an anti-dilutive effect on loss per share.

16. DISCONTINUED OPERATION

On 1 February 2008, the Company (as vendor) and Fame Ascent Investments Limited ("Fame Ascent") (as purchaser) entered into a disposal agreement to which the Company had conditionally agreed to sell, and Fame Ascent had conditionally agreed to purchase, (i) the entire issued share capital of Big Winner Investments Limited ("Big Winner") which is a directly wholly-owned subsidiary of the Company; and (ii) all the shareholders' loan due from Big Winner and its subsidiaries (the "Big Winner Group") to the Company at an aggregate consideration of approximately HK\$183,699,000. Details of the disposal were set out in Note 34(a) to the consolidated financial statements and the Company's circular dated 30 June 2008. The disposal was completed on 25 July 2008. Following the disposal of the Big Winner Group, the Group discontinued in operation in methanol business.

15. 每股(虧損)/盈利(續)

來自已終止經營業務

截至二零零八年十二月三十一日止年度，已終止經營業務之每股基本及攤薄虧損為每股0.09港仙(二零零七年：0.14港仙)，乃根據來自已終止經營業務之年內虧損1,813,000港元(二零零七年：1,438,000港元)及上文詳述計算來自持續經營業務及已終止經營業務之每股基本(虧損)/盈利之分母而計算。

由於兌換年內未償還之可換股債券會對每股虧損造成反攤薄影響，故截至二零零八年及二零零七年十二月三十一日止年度之每股攤薄虧損並無假設兌換有關可換股債券。

16. 已終止經營業務

於二零零八年二月一日，本公司(作為賣方)與名昇投資有限公司(「名昇」，作為買方)訂立一份出售協議，據此，本公司有條件同意出售而名昇有條件同意購買(i)本公司之直接全資附屬公司尊尚投資有限公司(「尊尚」)全部已發行股本；及(ii)尊尚及其附屬公司(「尊尚集團」)結欠本公司之全部股東貸款，總代價約為183,699,000港元。出售詳情載於綜合財務報表附註34(a)及本公司日期為二零零八年六月三十日之通函。是項出售已於二零零八年七月二十五日完成。出售尊尚集團後，本集團已終止經營甲醇業務。

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截至二零零八年十二月三十一日止年度

16. DISCONTINUED OPERATION (cont'd)

The results and cash flows of the Big Winner Group for the years are as follows:

16. 已終止經營業務 (續)

尊尚集團於有關年度之業績及現金流量如下：

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Loss from discontinued operation	來自己終止經營業務之 虧損		
Other operating income	其他經營收入	41	241
Administrative expenses	行政開支	(2,451)	(209)
Impairment loss on goodwill	商譽之減值虧損	-	(1,470)
		<hr/>	<hr/>
Loss before tax	除稅前虧損	(2,410)	(1,438)
Income tax credit	所得稅抵免	597	-
		<hr/>	<hr/>
Loss from discontinued operation	來自己終止經營業務之 虧損	(1,813)	(1,438)
		<hr/> <hr/>	<hr/> <hr/>
Cash flows from discontinued operation	來自己終止經營業務之 現金流量		
Net cash flows from operating activities	來自經營活動之現金流量淨額	(2,451)	(209)
Net cash flows from investing activities	來自投資活動之現金流量淨額	41	241
		<hr/>	<hr/>
Net cash flows	現金流量淨額	(2,410)	32
		<hr/> <hr/>	<hr/> <hr/>

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

17. INVESTMENT PROPERTIES**17. 投資物業**

		HK\$'000 千港元
Fair value	公平值	
At 1 January 2007	於二零零七年一月一日	35,600
Disposals	出售	(35,600)
Acquisition of subsidiaries	收購附屬公司	29,050
Increase in fair value recognised in the consolidated income statements	已於綜合收益表確認之公平值增加	<u>1,950</u>
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	31,000
Decrease in fair value recognised in the consolidated income statements	已於綜合收益表確認之公平值減少	<u>(3,700)</u>
At 31 December 2008	於二零零八年十二月三十一日	<u><u>27,300</u></u>

The Group's investment properties are under long term leases in Hong Kong for both years.

本集團於兩個年度之投資物業以長期租約於香港持有。

The fair value of the Group's investment properties at 31 December 2008 has been arrived at on the basis of a valuation carried out on the date by Norton Appraisals Limited, independent qualified professional surveyors not connected with the Group. Norton Appraisals Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conformed to the Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors, was based on market value basis.

本集團投資物業於二零零八年十二月三十一日之公平值按一家與本集團概無關連之獨立合資格專業測計師行普敦國際評估有限公司於該日進行之估值為基準而計算。普敦國際評估有限公司對於相關地點之同類型物業估值具有適合資格及近期之估值經驗。該項估值乃遵守香港測量師學會所頒布之香港測量師學會物業估值準則（二零零五年第一版），並按市值基準進行重估。

All of the Group's investment properties held under operating leases to earn rentals or for capital appreciation purposes, are measured using the fair value model and are classified and accounted for as investment properties.

本集團所有根據經營租約持有以賺取租金或作資本增值用途之投資物業，乃以公平值模式計算，並分類及列作投資物業。

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截至二零零八年十二月三十一日止年度

18. GOODWILL**18. 商譽**

		HK\$'000 千港元
Cost	成本	
At 1 January 2007	於二零零七年一月一日	–
Additions arising on acquisition of subsidiaries (Note 33)	自收購附屬公司之增加(附註33)	11,929
		<hr/>
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	11,929
Eliminated upon disposal of subsidiaries	於出售附屬公司時對銷	(8,990)
		<hr/>
At 31 December 2008	於二零零八年十二月三十一日	2,939
		<hr/>
Amortisation and impairment	攤銷及減值	
At 1 January 2007	於二零零七年一月一日	–
Impairment loss recognised	已確認之減值虧損	1,470
		<hr/>
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	1,470
Eliminated upon disposal of subsidiaries	於出售附屬公司時對銷	(1,470)
		<hr/>
At 31 December 2008	於二零零八年十二月三十一日	–
		<hr/>
Carrying amount	賬面值	
At 31 December 2008	於二零零八年十二月三十一日	2,939
		<hr/> <hr/>
At 31 December 2007	於二零零七年十二月三十一日	10,459
		<hr/> <hr/>

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

18. GOODWILL (cont'd)

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generating units. The carrying amount of goodwill (net of accumulated impairment losses) as at 31 December 2008 and 2007 is allocated as follows:—

Investment properties	投資物業
Methanol	甲醇

The recoverable amount of the goodwill allocated to investment properties business was assessed by reference to value-in-use model which based on a five-year cash flow projection approved by the directors of the Company. A discount rate of 16% per annum was applied in the value-in-use model when assessing the recoverability of the goodwill.

There are a number of assumptions and estimates involved for the preparation of the cash flow projection. Key assumptions included gross margin and discount rate which are determined by the management of the Group based on past performance and its expectation for market development. Gross margin are budgeted gross margin. The discount rate used is pre-tax and reflect specific risks relating to the industry.

18. 商譽 (續)

商譽減值測試

為進行減值測試，商譽已分配至以下現金產生單位。於二零零八年及二零零七年十二月三十一日，商譽之賬面值（減累積減值虧損）分配如下：

	2008	2007
	HK\$'000	HK\$'000
	千港元	千港元
Investment properties	2,939	2,939
Methanol	—	7,520
	2,939	10,459

分配至投資物業業務之商譽可收回金額乃根據本公司董事批准之五年現金流量預測，並參考使用價值模式進行評估。於評估商譽之可收回程度時，使用價值模式採用之年折現率為16%。

編製現金流量預測涉及多項假設及估計。主要假設包括由本集團管理層根據過往表現及其對市場發展預測釐定之毛利率及折現率。毛利率乃預算毛利率，而所採用之折現率則為除稅前折現率，並反映與行業相關之特定風險。

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

		Buildings	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	傢俱、裝置 及設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Cost	成本					
At 1 January 2007	於二零零七年一月一日	-	-	-	-	-
Additions	增加	-	-	-	341	341
Acquisition of a subsidiary	收購一間附屬公司	1,900	3	175	1,768	3,846
Exchange alignment	匯兌調整	36	-	3	35	74
		<hr/>				
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日 及二零零八年一月一日	1,936	3	178	2,144	4,261
Additions	增加	-	28	883	136	1,047
Reclassification to prepaid lease payments (Note 20)	重新分類為預付租賃款項 (附註20)	-	-	-	(236)	(236)
Exchange alignment	匯兌調整	136	-	35	137	308
Disposal of subsidiaries	出售附屬公司	(2,072)	(31)	(1,096)	(2,181)	(5,380)
		<hr/>				
At 31 December 2008	於二零零八年十二月三十一日	-	-	-	-	-
		<hr/>				
Accumulated depreciation and impairment	累積折舊及減值					
At 1 January 2007	於二零零七年一月一日	-	-	-	-	-
Charge for the year	本年度折舊	5	-	6	-	11
		<hr/>				
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日 及二零零八年一月一日	5	-	6	-	11
Charge for the year	本年度折舊	3	-	3	-	6
Eliminated upon disposal of subsidiaries	出售附屬公司時對銷	(8)	-	(9)	-	(17)
		<hr/>				
At 31 December 2008	於二零零八年十二月三十一日	-	-	-	-	-
		<hr/>				
Carrying amounts	賬面值					
At 31 December 2008	於二零零八年十二月三十一日	-	-	-	-	-
		<hr/>				
At 31 December 2007	於二零零七年十二月三十一日	1,931	3	172	2,144	4,250

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

截至二零零八年十二月三十一日止年度

20. PREPAID LEASE PAYMENTS

All of the Group's prepaid lease payments are prepaid for leasehold land outside Hong Kong.

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
At the beginning of the year	於年初	61,650	–
Acquisition of subsidiaries	收購附屬公司	–	60,600
Disposal of subsidiaries	出售附屬公司	(66,091)	–
Reclassification from property, plant and equipment (Note 19)	自物業、廠房及設備重新分類 (附註19)	236	–
Amortisation	攤銷	(138)	(105)
Exchange alignment	匯兌調整	4,343	1,155
		<hr/>	<hr/>
At the end of the year	於年終	–	61,650
		<hr/> <hr/>	<hr/> <hr/>

Analysed for reporting purposes as:

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Current asset	流動資產	–	1,253
Non-current asset	非流動資產	–	60,397
		<hr/>	<hr/>
		–	61,650
		<hr/> <hr/>	<hr/> <hr/>

The Group's prepaid lease payments comprise:

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Long lease	長期租約	–	1,423
Medium-term lease	中期租約	–	60,227
		<hr/>	<hr/>
		–	61,650
		<hr/> <hr/>	<hr/> <hr/>

20. 預付租賃款項

本集團所有預付租賃款項就位於香港境外之租賃土地預付。

按報告分析如下：

本集團預付租賃款項包括：

Notes to the Consolidated Financial Statements

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES**21. 共同控制機構權益**

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets of jointly controlled entities	攤佔共同控制機構資產淨額	-	-

Details of the Group's jointly controlled entities as at 31 December 2008 are set out in Note 40 to the consolidated financial statements.

本集團於二零零八年十二月三十一日之共同控制機構之詳情載於綜合財務報表附註40。

The summarised financial information in respect of the Group's jointly controlled entities is set out below:

本集團共同控制機構之財務資料概述如下：

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	-	-
Loss for the year	本年度虧損	(10)	(13)
Loss attributable to the Group	本集團應佔虧損	-	-
Total assets	總資產	4,237	4,242
Total liabilities	總負債	(160,372)	(160,367)
Total assets and liabilities	總資產及負債	(156,135)	(156,125)
Net assets attributable to the Group	本集團應佔資產淨額	-	-

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綜合財務報表附註

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22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

22. 可供待售之金融資產

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
The Group's available-for-sale financial assets comprise:	本集團可供待售之金融資產 包括：		
Club debentures (Note i)	會籍債券 (附註i)	-	-
Floating rate notes (Note ii)	浮息票據 (附註ii)		
– Listed	– 上市	35,262	-
– Unlisted	– 非上市	92,442	-
		127,704	-

Notes:

- i) The club debentures are stated at cost less impairment loss at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

For the year ended 31 December 2008 and 2007, the directors of the Company reassessed the recoverable amount of the club debentures. In the opinion of the directors of the Company, the full amount of HK\$220,000 was impaired.

- ii) The listed floating rate note carries floating interest at EURIBOR + 0.2% (2007: Nil) per annum and will mature in 2011. At the balance sheet date, the listed floating rate note is denominated in EUR and its fair value is referenced with quoted market bid price available on the industry group.

The unlisted floating rate notes carry floating interests at LIBOR + 0.3% to LIBOR + 0.35% (2007: Nil) per annum and will mature between 2011 and 2014. At the balance sheet date, the unlisted floating rate notes are denominated in USD and their fair values are referenced with quoted market bid price available on the industry group.

附註：

- i) 就會籍債券而言，由於估計合理公平值時所需考慮之假設因素範圍甚廣，本公司董事認為未能可靠地衡量其公平值，故此該等會籍債券按結算日之成本扣除減值虧損入賬。

於截至二零零八年及二零零七年十二月三十一日止年度，本公司董事重估該等會籍債券之可收回金額。本公司董事認為，該220,000港元已全額減值。

- ii) 上市浮息票據按浮動年利率歐洲銀行同業拆息加0.2厘（二零零七年：無）計息，到期日為二零一一年。於結算日，該等上市浮息票據以歐元為單位，而其公平值乃參考行業內可得之市場所報買入價計算。

非上市浮息票據按浮動年利率倫敦銀行同業拆息加0.3厘至倫敦銀行同業拆息加0.35厘（二零零七年：無）計息，到期日為二零一一年至二零一四年。於結算日，該等非上市浮息票據以美元為單位，而其公平值乃參考行業內可得之市場所報買入價計算。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

截至二零零八年十二月三十一日止年度

23. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits	按金
Prepayments	預付款項
Other receivables	其他應收款項

23. 按金、預付款項及其他應收款項

2008	2007
HK\$'000	HK\$'000
千港元	千港元

16	69,970
447	454
1,376	438

1,839	70,862
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The directors of the Company consider that the carrying amounts of the Group's deposits and prepayments and other receivables approximate to their fair values.

本公司董事認為本集團之按金及預付款項及其他應收款項之賬面值與其公平值相若。

24. SHORT-TERM LOANS RECEIVABLE

Loans receivable	應收貸款
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備

24. 應收短期貸款

2008	2007
HK\$'000	HK\$'000
千港元	千港元

3,203	3,203
(3,203)	(3,203)

-	-
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The Group maintained a defined credit policy in accordance with respective loan agreements. Loans receivable of the Group at the balance sheet date amounted to HK\$3,203,000 was overdue and allowance was made.

本集團因應個別之貸款協議而採用既定之信貸政策。本集團於結算日之應收貸款3,203,000港元已到期，亦已作出撥備。

Notes to the Consolidated Financial Statements

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25. LOAN TO A FELLOW SUBSIDIARY

On 4 November 2008, the Company, as lender, has entered into a loan agreement (the "Loan Agreement") with Fancy Mark Limited ("Fancy Mark"), as borrower, and Chinese Estates, as guarantor.

In accordance with the Loan Agreement, the Company would provide a three-year revolving facility of up to HK\$200 million to Fancy Mark. The Company is entitled, by giving not less than one month's (or such shorter period as Fancy Mark may agree) prior notice to Fancy Mark, to demand full or partial repayment of the amount outstanding. Fancy Mark shall also repay the aggregate principal amount outstanding under the facility, all accrued interest thereon and all other amount payable under the Loan Agreement on the date falling three years from the date of the Loan Agreement. The loan to Fancy Mark carries an interest rate of HIBOR plus 1% per annum.

For further details, please refer to the Company's circular dated 25 November 2008.

26. TIME DEPOSITS, BANK BALANCES AND CASH

The deposits carry interest rate at prevailing bank deposit rates and will mature within one month. The directors of the Company consider that the carrying amounts of the time deposits, bank balances and cash at the balance sheet date approximate to their fair values.

27. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

There were no trade payables as at 31st December, 2008 and 2007. The directors of the Company consider that the carrying amounts of the accruals, deposits received and other payables approximate to their fair values.

28. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts are unsecured, interest-free and repayable on demand. The directors of the Company consider that the carrying amounts of the amounts due to fellow subsidiaries at 31 December 2008 approximate to their fair values.

綜合財務報表附註

截至二零零八年十二月三十一日止年度

25. 借予同系附屬公司貸款

於二零零八年十一月四日，本公司（作為貸方）、Fancy Mark Limited（「Fancy Mark」，作為借方）及華置（作為擔保人）訂立一份貸款協議（「貸款協議」）。

根據貸款協議，本公司將向Fancy Mark提供一筆最多200,000,000港元之三年期循環貸款融資。本公司有權向Fancy Mark發出不少於一個月（或Fancy Mark可能同意之較短時間）事先通知，要求償還全部或部分未償還款項。Fancy Mark亦須於貸款協議訂立日期起計滿三年之日償還根據貸款融資尚未償還之本金總額、其所有應計利息及所有其他貸款協議項下之應付款項。借予Fancy Mark之貸款之年利率為香港銀行同業拆息加1厘。

其他詳情，請參閱本公司於二零零八年十一月二十五日發出之通函。

26. 定期存款、銀行結存及現金

存款按當時之銀行存款利率計息，並於一個月內到期。本公司董事認為於結算日之定期存款、銀行結存及現金之賬面值與其公平值相若。

27. 應付未付款項、已收按金及其他應付款項

於二零零八年及二零零七年十二月三十一日，並無應付貿易賬項。本公司董事認為應付未付款項、已收按金及其他應付款項之賬面值與其公平值相若。

28. 應付同系附屬公司款項

有關金額為無抵押、免息及按通知償還。本公司董事認為於二零零八年十二月三十一日之應付同系附屬公司款項之賬面值與其公平值相若。

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29. CONVERTIBLE BONDS

The Company issued an aggregate of HK\$180,000,000 HK\$ denominated zero coupon convertible bonds (the "Convertible Bonds") to Asian Kingdom Limited ("Asian Kingdom") and Fame Ascent (collectively referred to as the "Bondholders") on 25 October 2007.

Each bond entitled the Bondholders to convert to one ordinary share of the Company at a conversion price of HK\$0.162 subject to adjustment. Conversion may occur at any time between 25 October 2007 and 24 October 2010. If the Convertible Bonds have not been converted, it will be redeemed on the date of maturity at the principal amount of the Convertible Bonds then outstanding.

In February 2008, Fame Ascent entered into a sale and purchase agreement with Mass Rise Limited ("Mass Rise"), an indirect wholly owned subsidiary of Chinese Estates, in which Mass Rise agreed to purchase 36.51% equity interests of the Company and part of the Convertible Bonds from Fame Ascent. Following completion of the transaction, HK\$72,000,000 of the Convertible Bonds were held by Asian Kingdom and HK\$108,000,000 of the Convertible Bonds were held by Mass Rise respectively.

The Convertible Bonds contain two components, liability and equity elements. The liability component, included in non-current liabilities, was calculated using a market interest rate for an equivalent non-convertible bond. The remaining balance represented the equity conversion component, is included in equity named as convertible bonds equity reserve.

綜合財務報表附註

截至二零零八年十二月三十一日止年度

29. 可換股債券

於二零零七年十月二十五日，本公司發行了以港元為單位之180,000,000港元零息可換股債券（「可換股債券」）予Asian Kingdom Limited（「Asian Kingdom」）及名昇（合稱「債券持有人」）。

債券持有人可用每股債券以0.162港元（可予調整）之兌換價兌換一股本公司之普通股。於二零零七年十月二十五日至二零一零年十月二十四日期間任何時間可進行兌換。倘可換股債券未被兌換，則該等可換股債券將於到期日以當時尚未償還之本金額贖回。

於二零零八年二月，名昇與華置之間接全資附屬公司巨昇有限公司（「巨昇」）訂立一項買賣協議，據此，巨昇同意向名昇購買本公司36.51%股本權益及部份可換股債券。交易完成後，72,000,000港元之可換股債券由Asian Kingdom持有，而108,000,000港元之可換股債券則由巨昇持有。

可換股債券包括兩部分，負債及權益部分。負債部分（包括非流動負債）乃按等值不可換股債券之市場利率計算。剩餘結存（即權益轉換部分）計入名為可換股債券股本權益儲備之股本權益內。

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截至二零零八年十二月三十一日止年度

29. CONVERTIBLE BONDS (cont'd)

On 31 October 2008, the Company redeemed the Convertible Bonds at principal amount of HK\$180,000,000 in full at 100% outstanding principal amount by cash.

29. 可換股債券 (續)

於二零零八年十月三十一日，本公司以現金悉數贖回本金額180,000,000港元（全部未償還本金額）之可換股債券。

		HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	—
Proceeds of issue	發行所得款項	177,806
Equity component	股本權益部分	<u>(36,297)</u>
Liability component at date of issue	發行日負債部分	141,509
Effective interest charged	實際利息	<u>2,169</u>
Liability component at 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日負債部分	143,678
Effective interest charged	實際利息	9,893
Redemption during the year	年內贖回	<u>(153,571)</u>
Liability component at 31 December 2008	於二零零八年十二月三十一日負債部分	<u><u>—</u></u>

The effective interest rate on the liability component of the Convertible Bonds is approximately 8.35%.

可換股債券負債部分之實際利率約為8.35%。

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截至二零零八年十二月三十一日止年度

30. DEFERRED TAX LIABILITIES/(ASSETS)

The following are the major deferred tax liabilities/(assets) provided/(recognised) by the Group and movements thereon during the current and prior reporting years:

30. 遞延稅項負債／（資產）

以下為本集團於當期及過往報告年度撥備／（確認）之主要遞延稅項負債／（資產）及其變動：

		Convertible bonds	Revaluation of investment properties	Accelerated tax depreciation	Fair value adjustment on acquisition of a subsidiary 收購一間 附屬公司 公平值調整	Tax losses	Total
		可換股 債券	投資物業 重估	加速稅項 折舊	公平值調整	稅項 虧損	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	-	1,260	2,540	-	(2,077)	1,723
Charge to equity for the year	自股本權益扣除（本年度）	6,430	-	-	-	-	6,430
Acquisition of a subsidiary	收購一間附屬公司	-	2,949	-	10,450	(62)	13,337
Released on disposal of investment properties	出售投資物業時變現	-	(1,260)	(2,540)	-	2,077	(1,723)
(Credit)/charge to the consolidated income statement for the year	本年度自綜合收益表 （計入）／扣除	(380)	341	-	-	(39)	(78)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	6,050	3,290	-	10,450	(101)	19,689
Effect on change of tax rate	稅率變動之影響	(346)	(188)	-	(597)	6	(1,125)
Credit to the consolidated income statement for the year	本年度自綜合收益表計入	(1,632)	(609)	-	-	(373)	(2,614)
Redemption of convertible bonds	贖回可換股債券	(4,072)	-	-	-	-	(4,072)
Released on disposal of subsidiaries	出售附屬公司時變現	-	-	-	(9,853)	-	(9,853)
At 31 December 2008	於二零零八年十二月三十一日	-	2,493	-	-	(468)	2,025

At 31 December 2008, the Group has unused tax losses of HK\$670,436,000 (2007: HK\$714,004,000) available for offset against future profits. A deferred tax asset of approximately HK\$468,000 (2007: HK\$101,000) has been recognised by the Company in respect of HK\$2,836,000 (2007: HK\$577,000) tax losses. No deferred tax assets have been recognised by the Group in respect of the remaining tax losses of HK\$667,600,000 (2007: HK\$713,427,000) due to the unpredictability of future profit streams. All unused tax losses may be carried forward indefinitely.

於二零零八年十二月三十一日，本集團可用作對銷未來溢利但尚未動用之稅項虧損為670,436,000港元（二零零七年：714,004,000港元）。本公司已將2,836,000港元（二零零七年：577,000港元）之稅項虧損確認為遞延稅項資產，該遞延稅項資產約為468,000港元（二零零七年：101,000港元）。由於未能預測日後溢利來源，故本集團並無將餘下之667,600,000港元（二零零七年：713,427,000港元）之稅項虧損確認為遞延稅項資產。所有未動用之稅項虧損可無限期結轉。

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31. SHARE CAPITAL**31. 股本**

		Number of ordinary shares	Amount
		普通股數目	款項 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定股本：		
At 31 December 2008 and 2007	於二零零八年及二零零七年 十二月三十一日	80,000,000,000	800,000
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2007	於二零零七年一月一日	794,057,800	7,940
Issue of shares (Note)	發行股份(附註)	1,234,197,208	12,342
At 31 December 2007, 1 January 2008 and 31 December 2008	於二零零七年 十二月三十一日、 二零零八年一月一日及 二零零八年 十二月三十一日	2,028,255,008	20,282

Note:

Pursuant to a subscription agreement dated 1 August 2007, the Company issued 1,234,197,208 ordinary shares at price of HK\$0.162 per share on 25 October 2007. The proceeds were mainly used to finance the methanol project in the PRC. The new shares issued rank pari passu with the then existing shares in all respect.

附註：

根據日期為二零零七年八月一日之認購協議，本公司於二零零七年十月二十五日按每股0.162港元之價格發行1,234,197,208股普通股。所得款項主要用作為於中國之甲醇項目提供資金。發行之新股在各方面均與當時之現有股份享有同等權益。

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32. SHARE OPTION SCHEME

The Company has adopted a share option scheme on 15 February 2002 (the "2002 Scheme") for the primary purpose of providing incentives to directors and eligible employees. Details are as set out below:

Pursuant to the terms of the 2002 Scheme which will expire on 14 February 2012, the Company may grant options to directors and full time employees of the Company or its subsidiaries to subscribe for ordinary shares of the Company (the "Share") at a consideration of HK\$10 per grant. The subscription price for the Shares under the 2002 Scheme shall be a price determined by the directors of the Company being at least the higher of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, or the average closing price of the Shares stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. Options granted are exercisable at any time during a period to be notified by the board of directors of the Company but limited to a maximum period of ten years after the date of the options are granted. Options granted should be accepted within 21 days from date of offer.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other schemes shall not exceed 10% of the Shares in issue at the date on which the 2002 Scheme becomes unconditional (the "Mandate Limit"). Options lapsed will not be counted for the purpose of calculating the Mandate Limit. For the avoidance of doubt, the Share underlying the options which have been cancelled and have not lapsed will be counted as part of the Mandate Limit.

The Mandate Limit may be refreshed at any time by the approval of the shareholders in general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other share option schemes must not exceed 10% of the Shares in issue at the date of such shareholders' approval. For the avoidance of doubt, options previously granted under the 2002 Scheme and the other share option schemes (including those outstanding, cancelled, lapsed in accordance with the 2002 Scheme and the other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the refreshed 10%.

綜合財務報表附註

截至二零零八年十二月三十一日止年度

32. 認購股權計劃

本公司於二零零二年二月十五日採納一項認購股權計劃(「二零零二年計劃」)，主要目的是獎勵董事及合資格僱員，詳情載列如下：

根據將於二零一二年二月十四日屆滿之二零零二年計劃之條款，本公司可按每次10港元之代價向本公司或其附屬公司之董事及全職僱員授出可認購本公司普通股(「股份」)之認購股權。二零零二年計劃之股份認購價由本公司董事決定，惟最低為股份於授出日期在聯交所每日報價表所示之收市價或股份於緊接授出日期前五個營業日在聯交所每日報價表所示之收市價平均值(以較高者為準)。已授出之認購股權於本公司董事會知會之期間內可隨時行使，惟該期間最長以認購股權授出日期起計十年為限。所授出之認購股權於提呈日期起計21天內可供接納。

因行使按二零零二年計劃及其他計劃將予授出之所有認購股權而可予發行之股數上限，不得超過於二零零二年計劃成為無條件當日已發行股份之10%(「授權限額」)。於計算授權限額時，已作廢之認購股權不會計入。為免混淆，已註銷但未有作廢之認購股權涉及之股份，將計入作為授權限額之一部份。

授權限額經股東在股東大會上批准後可隨時更新，惟因行使按二零零二年計劃及其他認購股權計劃授出之所有認購股權而可予發行之股份總數，不得超過取得上述股東批准當日之已發行股份之10%。為免混淆，過往按二零零二年計劃及其他認購股權計劃授出之認購股權(包括未行使、已註銷、按二零零二年計劃及本公司其他認購股權計劃作廢之認購股權或已行使之認購股權)，於計算經更新之10%時不會計入。

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32. SHARE OPTION SCHEME (cont'd)

The Company may, by the approval of the shareholders in general meeting, grant options beyond the 10% limit provided that the options in excess of the 10% limit are granted only to employees specifically identified by the Company before shareholders' approval is sought.

Unless approved by the shareholders as set out herein, the total number of the Shares issued and to be issued upon exercise of the options granted to each employee (including both exercised and outstanding options) in any twelve month period must not exceed 1% of the Shares in issue. Where any further grant of options to an employee would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the shareholders in general meeting with such employee and his associates abstaining from voting.

However, the overall limit on the number of Shares which may be issued upon exercise of all options granted under all share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

No options were outstanding as at 31 December 2008 and 31 December 2007 under the 2002 Scheme. No options were granted, exercised, cancelled or lapsed during the two years.

32. 認購股權計劃 (續)

本公司可在股東於股東大會上批准之情況下，授出超過10%限額之認購股權，惟超過10%限額之認購股權只可授予本公司於尋求股東批准前列明之僱員。

除非按本文所述獲得股東批准，否則，因行使於任何十二個月期間內向各僱員授出之認購股權（包括已行使及未行使認購股權）而已獲及將獲發行之股份總數，不得超過已發行股份之1%。如向任何僱員進一步授出認購股權會導致因其行使於截至進一步授出認購股權之日期（該日期包括在內）止之任何十二個月期間內經已及將會獲授之所有認購股權（包括已行使、已註銷及未行使之認購股權）而已獲及將獲發行之股份，合共超過已發行股份之1%，則進一步授出認購股權之事宜須在股東大會上獲股東另行批准，而有關僱員及其聯繫人士均不得投票。

然而，因行使本公司所有認購股權計劃授出之全部認購股權而可予發行之股份之整體限制，不得超過不時之已發行股份之30%。

於二零零八年十二月三十一日及二零零七年十二月三十一日，概無二零零二年計劃之認購股權尚未行使。該兩個年度內，概無認購股權授出、行使、註銷或失效。

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截至二零零八年十二月三十一日止年度

33. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2007, the Group acquired the following subsidiaries:

33. 收購附屬公司

截至二零零七年十二月三十一日止年度，本集團收購以下附屬公司：

		Date of acquisition 收購日期	Proportion of equity interest acquired 獲得股權比率	Cost of acquisition 收購成本 HK\$000 千港元	Principal activity 主要業務
Minkind Development Limited ("Minkind")	名佳發展有限公司 ([「名佳」])	31 July 2007 二零零七年七月三十一日	100%	6,963	Property investment 物業投資
Remson Investment Limited and its subsidiary (the "Remson Group")	Remson Investment Limited及其附屬公司 ([「Remson集團」])	31 July 2007 二零零七年七月三十一日	100%	(6,921)	Property investment 物業投資
內蒙古伊澤礦業投資有限公司 (Inner-Mongolia Yize Mine Investment Limited) ("Inner-Mongolia Yize")	內蒙古伊澤礦業投資有限公司 ([「內蒙古伊澤」])	14 November 2007 二零零七年十一月十四日	100%	64,729	Manufacturing and sale of methanol products 生產及銷售甲醇產品

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33. ACQUISITION OF SUBSIDIARIES (cont'd)

(a) Acquisition of Minkind

The fair value of the identifiable assets and liabilities of Minkind as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition was as follows:

		Carrying amounts before the acquisition	Fair value adjustments	Fair value
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	7,800	–	7,800
Trade and other receivables	貿易及其他應收款項	3	–	3
Tax prepaid	預付稅款	2	–	2
Cash and cash equivalents	現金及現金等值項目	98	–	98
Trade and other payables	貿易及其他應付款項	(54)	–	(54)
Loan from an intermediate holding company acquired	自仲介控股公司所得貸款	(914)	–	(914)
Deferred tax liabilities	遞延稅項負債	(1,255)	–	(1,255)
Net assets acquired	所得淨資產	5,680	–	5,680
Goodwill	商譽			1,283
Total consideration	總代價			6,963
Consideration satisfied by cash	以現金支付之代價			7,849
Acquisition of loan from an intermediate holding company	收購自仲介控股公司之貸款			(914)
Expenses incurred for the acquisition	收購產生費用			28
				6,963
Net cash outflow in respect of the acquisition of Minkind	收購名佳現金流出淨額			
Cash consideration paid	已付現金代價			(7,849)
Cash and cash equivalents acquired	所得現金及現金等值項目			98
Expenses paid for the acquisition	已付收購費用			(28)
				(7,779)

Minkind contributed approximately HK\$1,072,000 to the Group's profit for the year ended 31 December 2007.

33. 收購附屬公司 (續)

(a) 收購名佳

名佳之可識別資產及負債於收購日之公平值及於緊接收購前之相關賬面值如下：

截至二零零七年十二月三十一日止年度，名佳為本集團帶來溢利約1,072,000港元。

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33. ACQUISITION OF SUBSIDIARIES (cont'd)

(b) Acquisition of the Remson Group

The fair value of the identifiable assets and liabilities of the Remson Group as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition was as follows:

		Carrying amounts before the acquisition	Fair value adjustments	Fair value
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	21,250	–	21,250
Trade and other receivables	貿易及其他應收款項	23	–	23
Cash and cash equivalents	現金及現金等值項目	343	–	343
Trade and other payables	貿易及其他應付款項	(185)	–	(185)
Loan from an intermediate holding company acquired	自仲介控股公司所得貸款	(28,376)	–	(28,376)
Deferred tax liabilities	遞延稅項負債	(1,632)	–	(1,632)
Net liabilities acquired	所得淨負債	(8,577)	–	(8,577)
Goodwill	商譽			1,656
Total consideration	總代價			(6,921)
Consideration satisfied by cash	以現金支付之代價			21,431
Acquisition of loan from an intermediate holding company	收購自仲介控股公司之貸款			(28,376)
Expenses incurred for the acquisition	收購產生費用			24
				(6,921)
Net cash outflow in respect of the acquisition of the Remson Group	收購Remson集團現金流出淨額			
Cash consideration paid	已付現金代價			(21,431)
Cash and cash equivalents acquired	所得現金及現金等值項目			343
Expenses paid for the acquisition	已付收購費用			(24)
				(21,112)

The Remson Group contributed approximately HK\$406,000 to the Group's profit for the year ended 31 December 2007.

33. 收購附屬公司 (續)

(b) 收購Remson集團

Remson集團之可識別資產及負債於收購日之公平值及於緊接收購前之相關賬面值如下：

	Carrying amounts before the acquisition	Fair value adjustments	Fair value
	收購前賬面值	公平值調整	公平值
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Investment properties	21,250	–	21,250
Trade and other receivables	23	–	23
Cash and cash equivalents	343	–	343
Trade and other payables	(185)	–	(185)
Loan from an intermediate holding company acquired	(28,376)	–	(28,376)
Deferred tax liabilities	(1,632)	–	(1,632)
Net liabilities acquired	(8,577)	–	(8,577)
Goodwill			1,656
Total consideration			(6,921)
Consideration satisfied by cash			21,431
Acquisition of loan from an intermediate holding company			(28,376)
Expenses incurred for the acquisition			24
			(6,921)
Net cash outflow in respect of the acquisition of the Remson Group			
Cash consideration paid			(21,431)
Cash and cash equivalents acquired			343
Expenses paid for the acquisition			(24)
			(21,112)

截至二零零七年十二月三十一日止年度，Remson集團為本集團帶來溢利約406,000港元。

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33. ACQUISITION OF SUBSIDIARIES (cont'd)

(c) Acquisition of Inner-Mongolia Yize

The fair value of the identifiable assets and liabilities of Inner-Mongolia Yize as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition was as follows:

		Carrying amounts before the acquisition	Fair value adjustments	Fair value
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Property, plant and equipment	物業、廠房及設備	3,322	524	3,846
Prepaid lease payment	預付租賃款項	19,326	41,274	60,600
Deposits and prepayments	按金及預付款項	5,240	–	5,240
Other payables	其他應付款項	(3,497)	–	(3,497)
Deferred tax liabilities	遞延稅項負債	–	(10,450)	(10,450)
Net assets acquired	所得淨資產	24,391	31,348	55,739
Goodwill	商譽			8,990
Total consideration	總代價			64,729
Consideration satisfied by cash	以現金支付之代價			62,406
Expenses incurred for the acquisition	收購產生費用			2,323
				64,729
Net cash outflow in respect of the acquisition of Inner-Mongolia Yize	收購內蒙古伊澤現金流出淨額			
Cash consideration paid	已付現金代價			(62,406)
Expenses paid for the acquisition	已付收購費用			(2,323)
				(64,729)

Inner-Mongolia Yize contributed loss of approximately HK\$171,000 to the Group for the year ended 31 December 2007.

截至二零零七年十二月三十一日止年度，內蒙古伊澤為本集團帶來虧損約171,000港元。

33. 收購附屬公司 (續)

(c) 收購內蒙古伊澤

內蒙古伊澤之可識別資產及負債於收購日之公平值及於緊接收購前之相關賬面值如下：

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33. ACQUISITION OF SUBSIDIARIES (cont'd)

Goodwill arose in the acquisitions because the cost of the acquisitions included a control premium paid for the acquisition. In addition, the consideration paid for the acquisitions effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

If the above acquisitions had been completed on 1 January 2007, total restated group turnover for the year 2007 would have been HK\$3,575,000 and restated profit for the year 2007 would have been HK\$16,936,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2007, nor is it intended to be a projection of future results.

33. 收購附屬公司 (續)

由於收購成本包括因收購而支付之控制溢價，因此收購產生商譽。此外，所支付之收購代價實際包括有關預期協同效益、收益增長、未來市場發展及配套員工。由於該等實益產生之未來經濟利益不能可靠地計算，因此，該等實益並不會與商譽分開確認。

倘若上述收購已於二零零七年一月一日完成，則於二零零七年度重列集團營業額總額將為3,575,000港元，而且於二零零七年度重列溢利將為16,936,000港元。備考資料僅供說明之用，並不一定可作為假設收購於二零零七年一月一日已完成時本集團實際取得之收入及業績之指標，亦不擬作為日後業績之預測。

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34. DISPOSAL OF SUBSIDIARIES

(a) For the year ended 31 December 2008, the Group entered into a sale and purchase agreement with Fame Ascent to dispose of its subsidiaries the Big Winner Group and the shareholder's loan owed to the Company, at an aggregate consideration of approximately HK\$183,699,000. A summary of the effects of the disposal of the Big Winner Group is as follows:

34. 出售附屬公司

(a) 截至二零零八年十二月三十一日止年度，本集團與名昇訂立一項買賣協議，以總代價約183,699,000港元出售其附屬公司尊尚集團及其結欠本公司之股東貸款。出售尊尚集團之影響概要如下：

		2008
		HK\$'000
		千港元
Net assets disposed of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	5,363
Prepaid lease payment	預付租賃款項	66,091
Deposits and prepayments	按金及預付款項	115,546
Bank balances and cash	銀行結存及現金	11,324
Other payables	其他應付款項	(1,071)
Loan from an intermediate holding company required	自仲介控股公司所得貸款	(183,842)
Deferred tax liabilities	遞延稅項負債	(9,853)
		3,558
Attributable goodwill	應佔商譽	7,520
Release of translation reserve	解除換算儲備	(14,713)
Gain on disposal of subsidiaries	出售附屬公司之收益	1,302
		(2,333)
Satisfied by:	支付：	
Cash	現金	183,699
Loan from an intermediate holding company	自仲介控股公司所得貸款	(183,842)
Expenses incurred	產生之費用	(2,190)
		(2,333)
Net cash inflow arising on disposal:	出售時產生之現金流入淨額：	
Cash consideration	現金代價	183,699
Expenses incurred	產生之費用	(2,190)
Cash and cash equivalents disposed of	已出售之現金及現金等值項目	(11,324)
		170,185

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

綜合財務報表附註

截至二零零八年十二月三十一日止年度

34. DISPOSAL OF SUBSIDIARIES (cont'd)

(b) For the year ended 31 December 2007, the Group entered into a sale and purchase agreement with independent third parties to dispose of its subsidiary for a total consideration of HK\$7,800. Summary of the effects of the disposal of the subsidiary is as follows:

34. 出售附屬公司(續)

(b) 截至二零零七年十二月三十一日止年度，本集團與獨立第三方訂立一項買賣協議，以總代價7,800港元出售其附屬公司。出售該附屬公司之影響概要如下：

		2007 HK\$'000 千港元
Net assets disposed of:	出售淨資產：	
Investment in associates	於聯營公司之投資	-
Amount due to a fellow subsidiary	應付一間同系附屬公司款項	(25)
		(25)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	33
Total consideration	總代價	8
Satisfied by:	支付：	
Cash	現金	8
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	8

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35. CAPITAL COMMITMENT

Authorised and contracted for:

Development expenses of plants and buildings 廠房及樓宇開發開支

36. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution schemes for all eligible employees. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The retirement benefit cost charged to the consolidated income statement represents contributions payable to those schemes by the Group for the year.

The total cost charged to the consolidated income statement of HK\$58,000 (2007: HK\$16,000) after forfeited contribution for HK\$7,000 (2007: HK\$12,000) represents contributions payable to these schemes by the Group for the year.

Particulars of the retirement benefit schemes are disclosed in the "Retirement Benefit Schemes" under "Directors' Report" section to the annual report.

35. 資本承擔

已獲授權及訂立合約：

2008	2007
HK\$'000	HK\$'000
千港元	千港元
-	44,856

36. 退休福利計劃

本集團為所有合資格僱員設立界定供款計劃。該等計劃之資產由受託人控制之基金持有，並獨立於本集團之資產。退休福利費用自綜合收益表扣除，有關款額相當於本集團年內向該等計劃應付之供款。

沒收供款7,000港元（二零零七年：12,000港元）後於綜合收益表扣除之費用總額為58,000港元（二零零七年：16,000港元），乃本集團於年內向該等計劃應付之供款。

退休福利計劃之詳情已於本年報「董事會報告書」一節內「退休福利計劃」中披露。

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綜合財務報表附註

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37. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions:

(a) Transactions

- (i) The Group paid rent of HK\$15,000 (2007: HK\$30,000) for the lease of office premises and management fee of HK\$142,000 (2007: HK\$75,000) respectively to fellow subsidiaries of the Group. The amounts paid were based on terms agreed by both parties.

The Group paid rent of HK\$7,500 (2007: HK\$30,000) for the lease of office premises and management fee of HK\$25,000 (2007: HK\$162,000) respectively to the Group's controlling shareholder. The amounts paid were based on terms agreed by both parties.

The Group acquired two subsidiaries and loans due from the indirect wholly-owned subsidiaries of the Group's controlling shareholder at a total consideration of HK\$29,280,000. The consideration for the acquisition was fully settled in cash on 31 July 2007.

- (ii) The Group disposed certain subsidiaries and loan owed to the Group to the Group's controlling shareholder at a consideration of approximately HK\$183,699,000. The consideration for disposal was fully paid in cash on 25 July 2008.
- (iii) The Group entered into a loan agreement in relation to provision of a three-year revolving facility of up to HK\$200 million to a fellow subsidiary – Fancy Mark, Chinese Estates provides the guarantee which is a continuing guarantee and will extend to the ultimate balance of sums payable by Fancy Mark. As at 31 December 2008, the Group has lent Fancy Mark with the sum of HK\$136,000,000 which bearing interest rate at HIBOR plus 1% per annum. Details as per the circular of the Company dated 25 November 2008.

The interest receivable of approximately HK\$39,000 was credited into the consolidated income statement for the current year.

37. 重大有關連人士交易及結餘

除綜合財務報表其他部分所披露者外，本集團已進行下列重大有關連人士交易：

(a) 交易

- (i) 本集團就本集團同系附屬公司租賃辦公室予本集團分別向其支付租金15,000港元（二零零七年：30,000港元）及管理費用142,000港元（二零零七年：75,000港元）。已付之款額乃按雙方協定之條款計算。

本集團就租賃辦公室支付租金7,500港元（二零零七年：30,000港元）及管理費用25,000港元（二零零七年：162,000港元）予本集團之控股股東。已付之款額乃按雙方協定之條款計算。

本集團以總代價29,280,000港元收購兩家附屬公司及向其控制股東之間接全資附屬公司之應收貸款。於二零零七年七月三十一日收購代價全額以現金結算完畢。

- (ii) 本集團以代價約183,699,000港元向本集團之控股股東出售若干附屬公司及結欠本集團之貸款。該出售代價已於二零零八年七月二十五日以現金悉數支付。
- (iii) 本集團訂立一項貸款協議，向一間同系附屬公司Fancy Mark提供一筆最多200,000,000港元之三年期循環貸款融資，由華置提供持續擔保，該擔保將涵蓋Fancy Mark最終應付之結餘。於二零零八年十二月三十一日，本集團向Fancy Mark借出136,000,000港元，按年利率香港銀行同業拆息加1厘計息。詳情請參閱本公司於二零零八年十一月二十五日刊發之通函。

應收利息約39,000港元已計入本年度之綜合收益表。

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

37. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

(a) Transactions (cont'd)

- (iv) On 31 October 2008, the Company had redeemed the zero coupon convertible bonds due 2010 (the "Bonds") with principal amount of HK\$180,000,000 in full at par value by cash upon the request of the bondholders. The Bonds were held by a fellow subsidiary of the Group and a substantial shareholder of the Company prior to the redemption. The Bonds so redeemed had been cancelled simultaneously.

The effective interest expense on the Bonds of approximately HK\$9,893,000 (2007: HK\$2,169,000) was debited into the consolidated income statement for the current year.

- (v) *Compensation of key management personnel*
Compensation for key management personnel, including amount paid to the Company's directors and the senior executives is as follows:

Salaries and other short-term benefits	薪金及其他短期福利
Retirement benefit scheme contributions	退休福利計劃供款

Further details of directors' and the senior executives' emoluments are included in Note 12 to the consolidated financial statements.

(b) Balances

Details of the balances with related parties at the balance sheet date are set out in the consolidated balance sheet.

37. 重大有關連人士交易及結餘 (續)

(a) 交易 (續)

- (iv) 於二零零八年十月三十一日，本公司應債券持有人之要求，以現金按面值全部贖回本金額為180,000,000港元於二零一零年到期之零息可換股債券（「債券」）。於贖回前，債券由本集團一家同系附屬公司及本公司一名主要股東持有。贖回之債券已同時註銷。

債券之實際利息支出約9,893,000港元（二零零七年：2,169,000港元）於本年度之綜合收益表內扣除。

- (v) *主要管理人員之薪酬*
主要管理人員之薪酬（包括已付本公司董事及高級行政人員之款項）呈列如下：

2008	2007
HK\$'000	HK\$'000
千港元	千港元
1,148	351
39	2
1,187	353

董事及高級行政人員之酬金之其他詳情載於綜合財務報表附註12。

(b) 結餘

於結算日之有關連人士交易結餘詳情載於綜合資產負債表內。

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

38. BALANCE SHEET OF THE COMPANY

The Company's balance sheet at the balance sheet dates are as follows:

		2008	2007
	Note	HK\$'000	HK\$'000
	附註	千港元	千港元
Non-current assets	非流動資產		
Interests in subsidiaries	附屬公司權益	147,056	155,366
Available-for-sale financial assets	可供待售之金融資產	-	-
		147,056	155,366
Current assets	流動資產		
Prepayment and other receivables	預付款項及 其他應收款項	486	868
Loan to a fellow subsidiary	借予一間同系附屬 公司之貸款	136,000	-
Bank balances and cash	銀行結存及現金	2,255	329,576
		138,741	330,444
Current liabilities	流動負債		
Accruals and other payables	應付未付款項及 其他應付款項	451	526
Amounts due to fellow subsidiaries	應付同系附屬公司 款項	144	2,118
		595	2,644
Net current assets	流動資產淨額	138,146	327,800
Total assets less current liabilities	總資產減流動負債	285,202	483,166
Non-current liabilities	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	401	-
Deferred tax liabilities	遞延稅項負債	-	6,050
Convertible bonds	可換股債券	-	143,678
		401	149,728
Total assets and liabilities	資產及負債總額	284,801	333,438
Capital and reserves	股本及儲備		
Share capital	股本	20,282	20,282
Share premium and reserves	股份溢價及儲備	(a) 264,519	313,156
		284,801	333,438

38. 本公司之資產負債表

本公司於結算日之資產負債表如下：

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

38. BALANCE SHEET OF THE COMPANY
(cont'd)

Note:

(a) Share premium and reserves

		Share premium	Convertible bonds equity reserve	Retained profits	Total
		可換股 債券股本 權益儲備	保留溢利	總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
The Company	本公司				
At 1 January 2007	於二零零七年一月一日	24,764	–	77,018	101,782
Shares issued	已發行股份	185,404	–	–	185,404
Issue of convertible bonds	發行可換股債券	–	36,297	–	36,297
Deferred tax	遞延稅項	–	(6,430)	–	(6,430)
Dividend paid	已付股息	–	–	(7,941)	(7,941)
Profit for the year	本年度溢利	–	–	4,044	4,044
At 31 December 2007 and 1 January 2008	於二零零七年 十二月三十一日及 二零零八年一月一日	210,168	29,867	73,121	313,156
Effect on change of tax rate	稅率變動之影響	–	367	–	367
Redemption of convertible bonds	贖回可換股債券	–	(30,234)	(404)	(30,638)
Loss for the year	本年度虧損	–	–	(18,366)	(18,366)
At 31 December 2008	於二零零八年 十二月三十一日	210,168	–	54,351	264,519

38. 本公司之資產負債表
(續)

附註：

(a) 股份溢價及儲備

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綜合財務報表附註

截至二零零八年十二月三十一日止年度

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

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

39. 主要附屬公司詳情

於二零零八年十二月三十一日，本公司主要附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Class of share/ registered capital held 所持股份/ 註冊資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊資本	Proportion of nominal value of paid-up capital/ registered capital held by the Company		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Grow Wealth Company Ltd (Business name: Grow Wealth Property Investment Limited) (業務名稱: Grow Wealth Property Investment Limited)	Republic of Liberia/ Hong Kong 利比里亞共和國/ 香港	Registered 記名股	US\$1 1美元	–	100%	Property investment 物業投資
G-Prop Services Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Investment and finance 投資及財務
Legend Power Ltd. (Note) (附註)	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$2,000 2,000美元	–	100%	Investment holding 投資控股
Minkind Development Limited 名佳發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment 物業投資

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

Note: Pursuant to the debt restructuring in July 2003, Koga Limited (a creditor of the Group previously) was granted a call option to acquire 50% interest in Legend Power Ltd., within the next 5 years from the date of the completion (January, 2004) of the transfer of the equity interest in Legend Power Ltd. from Koga Limited to the Group under the debt restructuring, at a consideration of the higher of HK\$150,000 and 50% of the consolidated net tangible assets of Legend Power Ltd. when the call option is exercised. Such option has not been exercised during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affects the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

40. JOINTLY CONTROLLED ENTITIES

Details of the Group's jointly controlled entities which are held indirectly by the Company at 31 December 2008 are as follows:

Name of jointly controlled entity 共同控制機構名稱	Form of business structure 業務組建形式	Place of incorporation 註冊成立地點	Proportion of nominal value of issued share capital held	Principal activity 主要業務
			所持已發行股本面值比率	
Golden Royce Investment Limited 金萊斯投資有限公司	Incorporated 註冊成立	Hong Kong 香港	40%	Dormant 暫無營業
Top Grade Assets Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Dormant 暫無營業
Upgrade Properties Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Dormant 暫無營業

39. 主要附屬公司詳情 (續)

附註：根據於二零零三年七月進行之債務重組，Koga Limited (本集團之前債權人) 獲授認購期權，於Koga Limited根據債務重組完成向本集團完成轉讓Legend Power Ltd. 股權 (二零零四年一月) 起計五年內，可於行使認購期權時以150,000港元或Legend Power Ltd. 之綜合有形資產淨值50% (以較高者為準) 之代價，購入Legend Power Ltd. 之50%權益。該認購期權於本年度內並未行使。

上表所列為本公司董事認為主要影響本集團業績或資產之本公司附屬公司。本公司董事認為，詳列其他附屬公司之資料將令篇幅冗長。

目前概無附屬公司於年終時或本年度內任何時間擁有任何未償還債務證券。

40. 共同控制機構

於二零零八年十二月三十一日，本公司間接持有之本集團共同控制機構之詳情如下：

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截至二零零八年十二月三十一日止年度

41. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current year's presentation.

41. 比較數字

若干比較金額已重新分類以符合本年度之呈列方式。

42. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 11 March 2009.

42. 授權刊發綜合財務報表

董事會已於二零零九年三月十一日批准及授權刊發綜合財務報表。

Schedule of Properties

物業附表

Particulars of the Group's properties, all of which are wholly-owned, as at 31 December 2008 are as follows:

本集團於二零零八年十二月三十一日全資擁有之物業詳情如下：

PROPERTIES HELD FOR INVESTMENT

持作投資物業

Location 地點	Lot number 地段編號	Category of the lease term 租期類別	Usage 用途
1. 25 car parking spaces on various floors and 5 adjoining spaces at the 2nd and 4th floors of the Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Wanchai, Hong Kong 香港灣仔告士打道56號東亞銀行港灣中心數層之25個車位及2樓與4樓之5個毗鄰空間	Certain parts or shares of and in the Remaining Portion of Inland Lot No. 2818 The Remaining Portion of Section D of Inland Lot No. 2818 The Remaining Portion of Section F of Inland Lot No. 2817 and Section M of Inland Lot No. 2817 內地段第2818號餘段之若干部份或份額 內地段第2818號D段餘段 內地段第2817號F段餘段以及內地段第2817號M段	Long 長期	Parking 車位
2. 6 car parking spaces and carport basement of No. 9 Queen's Road Central, Central, Hong Kong 香港中環皇后大道中9號6個車位及地庫停車場	Certain parts or shares of and in Sections A and B and the Remaining Portion of Section C and the Remaining Portion of Marine Lot No. 101, the Remaining Portion of Section A of Marine Lot No. 102, Section C of Marine Lot No. 103 and the Remaining Portion of Inland Lot No. 514 海傍地段第101號餘段及A段與B段及C段餘段之若干部份或份額， 海傍地段第102號A段餘段， 海傍地段第103號C段以及內地段第514號餘段	Long 長期	Parking 車位



G.PROP
(HOLDINGS) LIMITED