

INTCERA High Tech Group Limited

(Stock Code 股份代號: 8041)



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CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Intcera High Tech Group Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to Intcera High Tech Group Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市之市場，有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他老練投資者。

由於創業板上市公司之新興的性質所然，在創業板買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照《創業板證券上市規則》（「創業板上市規則」）的規定提供有關大陶精密科技集團有限公司（「本公司」）的資料，本公司各董事（「董事」）願就本報告共同及個別承擔責任。各董事經作出一切合理查詢後，確認就彼等所深知及確信：(1)本報告所載資料在各重大方面均屬準確完整，且無誤導成分；(2)本報告並無遺漏其他事項，致使本報告所載任何聲明產生誤導；及(3)本報告內所表達的一切意見均經審慎周詳考慮後始行發表，並以公平合理的基準及假設為依據。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

LAU Chi Yuen, Joseph (*Chairman*)
CHUNG Man Wai (*Chief Executive Officer*)
CHENG Qing Bo

Independent Non-executive Directors

LEE Chung Mong, John
TAM Wing Kin
FUNG Chan Man, Alex

COMPLIANCE OFFICER

CHENG Qing Bo

COMPANY SECRETARY

WONG Hon Kit

AUDIT COMMITTEE

LEE Chung Mong, John
TAM Wing Kin
FUNG Chan Man, Alex

AUTHORISED REPRESENTATIVES

LAU Chi Yuen, Joseph
CHUNG Man Wai

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1203,
The Chinese Bank Building,
61-65 Des Voeux Road Central,
Hong Kong

董事會

執行董事

劉智遠 (主席)
鍾文偉 (行政總裁)
成清波

獨立非執行董事

李春茂
譚榮健
馮燦文

監察主任

成清波

公司秘書

黃漢傑

審核委員會

李春茂
譚榮健
馮燦文

法定代表

劉智遠
鍾文偉

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地點

香港
中環德輔道中61-65號
華人銀行大廈
1203室

CORPORATE INFORMATION

公司資料

LEGAL ADVISERS

As to Hong Kong Law

Vincent T.K. Cheung, Yap & Co.

As to Cayman Islands Law

Conyers Dill & Pearman, Cayman

AUDITORS

W. H. Tang & Partners CPA Limited
Certificate Public Accountants (Practising)
Level 7, Parkview Centre,
7 Lau Li Street,
Causeway Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield International (Cayman) Ltd.
Butterfield House, 68 Fort Street
P.O. Box 705
Grand Cayman, KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Bank of China (Hong Kong) Limited
UBS AG

COMPANY WEBSITE

www.intcera.com.hk

STOCK CODE

8041

法律顧問

香港法律

張葉司徒陳律師事務所

開曼群島法律

Conyers Dill & Pearman, Cayman

核數師

鄧偉雄會計師事務所有限公司
執業會計師
香港銅鑼灣
琉璃街7號
栢景中心7樓

主要股份過戶登記處

Butterfield International (Cayman) Ltd.
Butterfield House, 68 Fort Street
P.O. Box 705
Grand Cayman, KY1-1107
Cayman Islands

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司
中國銀行(香港)有限公司
瑞士銀行

公司網站

www.intcera.com.hk

股票代號

8041

CHAIRMAN'S STATEMENT

主席報告

RESUMPTION OF TRADING

Trading in the shares of the Company has been resumed since 3 April 2008.

BUSINESS REVIEW

The principal business of the Group, which requires substantial technology updates, will continue and may expand subject to the funding requirement of the potential expansion. The Group has achieved a significant improvement in business since 2006. The Directors believe that this is the result of proactive business and operation expansion plan implemented by the Group by way of acquiring the equipment and businesses from Shenzhen Weiyi Optical Communication Technology Company Limited.

The 2008 annual results showed a turnover of approximately HK\$78.6 million for the financial year ended 31 December 2008, which represented approximately 49% growth of the turnover of 2007. Gross profit for the financial year ended 31 December 2008 of approximately HK\$19.0 million. The increase in turnover was the result of new customer development and the future sales plan will continue to diversify our products.

恢復買賣

本公司股份已自二零零八年四月三日起恢復買賣。

業務回顧

本集團之主要業務需要應用大量先進科技。本集團將會繼續經營有關業務，並會視乎可能進行拓展之資金需求而擴充業務。本集團業務自二零零六年以來取得明顯改善。董事認為，這是主導業務及本集團透過收購深圳威誼光通技術有限公司之設備及業務所實行的經營擴充計劃帶來之結果。

二零零八年年度業績超卓，其中截至二零零八年十二月三十一日止財政年度之營業額約為港幣78,600,000元，較二零零七年營業額增加約49%。截至二零零八年十二月三十一日止財政年度之毛利約為港幣19,000,000元。營業額上升乃開拓新客戶之結果，而未來銷售計劃將使集團產品持續多元化。

CHAIRMAN'S STATEMENT

主席報告

FUND RAISING

The Company entered into of a share subscription agreement with a subscriber in September 2007 and a placing agreement with a placing agent simultaneously. In October 2007, the Company entered into a second placing agreement with the placing agent. In December 2007, the Company announced the rights issue to existing shareholders. Details please refer to the announcement of the Company dated 24 September 2007, 26 October 2007, 18 December 2007, 27 February 2008 and a circular dated 29 February 2008 respectively. All ordinary resolutions approving subscription shares, placings shares, rights shares, bonus shares and issue of remuneration shares were duly passed by the shareholders, all by way of poll at the extra-ordinary general meeting held on 18 March 2008. Details please refer to the announcement of the Company dated 18 March 2008.

OUTLOOK

On 9 January 2009, the Company entered into the Sale and Purchase Agreement to acquire 10% of the issued share capital of Info-Source Media Limited ("Info-Source"), which is beneficially owned by Guangdong Postal.

The consideration for the sale and purchase of the Sale Shares of HK\$28.8 million shall be satisfied in full by the allotment and issue of 360,000,000 the Consideration Shares at the Issue Price of HK\$0.08 per Share.

The acquisition was completed on 3 February 2009.

籌集資金

本公司已於二零零七年九月與認購人訂立股份認購協議，並同時與配售代理訂立配售協議。於二零零七年十月，本公司與配售代理訂立第二項配售協議。於二零零七年十二月，本公司向現有股東公佈供股事項。詳情請參閱本公司日期分別為二零零七年九月二十四日、二零零七年十月二十六日、二零零七年十二月十八日及二零零八年二月二十七日之公佈以及日期為二零零八年二月二十九日之通函。所有批准認購股份、配售股份、供股股份、紅股以及發行代酬股份之普通決議案已獲股東於二零零八年三月十八日舉行之股東特別大會上以投票表決方式正式通過。詳情請參閱本公司日期為二零零八年三月十八日之公佈。

前景

於二零零九年一月九日，本公司訂立買賣協議，收購由廣東郵政實益擁有之信源傳媒有限公司（「信源」）已發行股本10%。

買賣待售股份之代價港幣28,800,000元將以配發及發行360,000,000股代價股份悉數支付，每股發行價為港幣0.08元。

收購事項於二零零九年二月三日完成。

CHAIRMAN'S STATEMENT 主席報告

Info-Source is principally engaged in the provision of state-of-the-art E-commerce platform through Guangdong Postal's powerful physical network, sophisticated information network and strong post bank capital support with a broad portfolio of media advertising platforms including bank location network, in-store network, post outlets network, commercial location network, direct mail network, magazine distribution network, wireless and outdoor light-emitting diode (LED) monitor network.

On 4 March 2009, the Company entered into a memorandum of understanding ("MOU") with Info-Source. The MOU assigned the responsibilities of the Company and Info-Source. Info-Source will develop and support the Company with an effective e-commerce platform whereas the Company will identify potential clients interested in using e-commerce platform.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to our shareholders of their tremendous support and to our management and staff to their dedication and contribution in the past year. One of the Group's key objectives is to create and increase shareholders' wealth. To this end, the Group's focus is, endeavoring its very best, to seek long term growth in our core business while maintaining stable organic growth in the industry.

Lau Chi Yuen, Joseph
Chairman

24 March 2009

信源之主要業務為通過廣東郵政之實體郵遞服務網絡、先進之信息網絡及郵政銀行之強大資本實力，提供尖端技術電子商貿平台，其具備多種組合之媒體廣告平台，包括銀行營業點網絡、賣場終端網絡、郵政營業網點網絡、商業樓宇網絡、直銷郵件網絡、報刊發行網絡、無線及戶外發光二極管(LED)彩屏網絡。

於二零零九年三月四日，本公司已與信源簽訂諒解備忘錄（「諒解備忘錄」）。諒解備忘錄分派本公司與信源之責任。信源將開發有效之電子商貿平台，並以之支持本公司，而本公司將物色有興趣使用電子商貿平台之潛在客戶。

致謝

本人謹代表董事會藉此機會對股東的大力支持，以及本集團管理層及職員過往一年之付出及貢獻表示感謝。本集團其中一個主要目標是為股東創富及增值。為此，本集團集中力求核心業務達到長期增長，亦同時維持業內的穩定自然增長。

劉智遠
主席

二零零九年三月二十四日

DIRECTORS AND SENIORS MANAGEMENT'S BIOGRAPHIES

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. LAU Chi Yuen, Joseph, aged 38, was appointed an executive director of the Company in April 2008 and a chairman of the Company in June 2008. Mr. Lau has about 10 years' experience in corporate finance transactions and investments, and managerial position involving listed and non listed companies in Hong Kong. He obtained a Master's Degree in Business Administration (Finance) from the Chinese University of Hong Kong in 1995 and Bachelor of Electronic Engineering in Computer (Hons) from the City University of Hong Kong in 1993. He is an executive director and chief executive officer of China Outdoor Media Group Limited, which is a company listed on The Stock Exchange of Hong Kong Limited.

Mr. CHUNG Man Wai, aged 38, was appointed a chief executive officer of the Company in April 2008 and an executive director of the Company in October 2008. He holds a Bachelor of Business Administration degree from the University of Hong Kong and a Master of Science Degree in Financial Management from the University of London. Mr. Chung is also a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Prior to joining the Group in August 2007, Mr. Chung held senior corporate finance and accounting positions in a listed company and in the New World Group and was an internal auditor in a financial institution.

Mr. CHENG Qing Bo, aged 46, is an Executive Director of the Group. He joined the Group in June 2002. Mr. Cheng holds a master degree in economics from Zhongnan University of Finance and Economics, and has passed the China United Examination for Certified Public Accountants. He also obtained the Securities Practitioner Certificate. Mr. Cheng has over 10 years of experience in finance, accounting and investment management.

執行董事

劉智遠先生，38歲，於二零零八年四月獲委任為本公司之執行董事，並於二零零八年六月獲委任為本公司主席。劉先生對於企業融資交易及投資方面累積約十年經驗，曾於香港之上市及非上市公司擔當管理職務。劉先生先後於一九九五年及一九九三年，分別獲香港中文大學及香港城市大學頒授商業管理（金融）碩士學位及電腦電子工程（榮譽）學士學位。彼為中國戶外媒體集團有限公司執行董事及行政總裁，該公司為一間於香港聯合交易所有限公司上市之公司。

鍾文偉先生，38歲，於二零零八年四月獲委任為本公司行政總裁，並於二零零八年十月獲委任為本公司執行董事。彼持有香港大學工商管理學士學位，及倫敦大學財務管理科學碩士學位。鍾先生為香港會計師公會之執業會計師及英國特許公認會計師公會資深會員。於二零零七年八月加入本集團前，鍾先生於一間上市公司及新世界集團任職高級企業財務及會計職位，及於一間財務機構任職內部核數師。

成清波先生，46歲，為本集團之執行董事。彼於二零零二年六月加入本集團。成先生持有中國中南財經大學經濟碩士學位，亦已通過中國註冊會計師全國統一考試及已獲得證券從業員資格證書。成先生於金融、會計及投資管理方面積逾10年之工作經驗。

DIRECTORS AND SENIORS MANAGEMENT'S BIOGRAPHIES

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LEE Chung Mong, John, aged 50, is an independent Non-executive Director of the Group. He joined the Group in April 2008, obtained Ph.D. Degree in Computer Science from the University of Minnesota, USA in 1989. In the same year, he was appointed as Associate, Research Staff in the Institute of Systems Science at National University of Singapore. In 1999, he was awarded a Teaching Excellence Appreciation Award by the Dean of the School of Engineering of The Hong Kong University of Science and Technology and was elevated as a Senior Member of the Institute of Electrical and Electronics Engineers. He is now the chairman and chief executive officer of Asia Vision Technology Ltd. He is currently the independent non-executive director of ThinSoft (Holdings) Inc., company listed on the Growth Enterprise Market of the Stock Exchange.

Mr. TAM Wing Kin, aged 43, is an independent Non-executive Director of the Group. He joined the Group in April 2008. He is an independent non-executive director of Fittec International Group Limited. He is also a member of the Chartered Institute of Management Accountants, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Certificate Public Accountant (Practising). Previously, Mr. Tam had worked at one of the leading international accountancy firms and several listed companies in Hong Kong. He has over 20 years of experience in accounting field.

Mr. FUNG Chan Man, Alex, aged 46, is an independent Non-executive Director of the Group. He joined the Group in April 2008, obtained a BSc (Hons) degree in Electrical Engineering from University of Bath (UK) in 1986 and subsequently and MBA degree from Heriot Watt University (UK). Mr., Fung has about 15 years working experience in financial market and corporate finance activities in both Hong Kong and China. Mr. Fung is currently registered with the Securities and Futures Commission under Type 6 licence through Innoform Ashfield Capital Limited.

SENIOR MANAGEMENT

Mr. WONG Hon Kit, aged 42, is the Financial Controller as well as Company Secretary of the Group. He joined the Group in January 2005. Mr. Wong is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 10 years of experience in the accounting field and also possesses accounting experience in the PRC.

獨立非執行董事

李春茂博士，50歲，為本集團之獨立非執行董事。彼於二零零八年四月加入本集團。一九八九年獲得美國明尼蘇達大學電腦科學博士學位，同年獲委任為新加坡國立大學系統科學學院副研究員。李博士於一九九九年獲香港科技大學工程學院院長頒發傑出教學嘉許獎，並獲擢升成為國際電機及電子工程學院資深會員。李博士現任亞洲視覺科技有限公司的主席兼行政總裁，亦擔任聯交所創業板上市公司博軟（控股）有限公司的獨立非執行董事。

譚榮健先生，43歲，為本集團之獨立非執行董事。彼於二零零八年四月加入本集團。彼為奕達國際集團有限公司之獨立非執行董事。彼亦為英國特許管理會計師公會、英國特許公認會計師公會及香港會計師公會會員，為執業會計師。譚先生曾在香港的國際知名會計師行及若干上市公司任職，有超過20年會計經驗。

馮燦文先生，46歲，為本集團之獨立非執行董事。彼於二零零八年四月加入本集團。一九八六年獲得英國University of Bath電子工程理學士（榮譽）學位，其後獲得英國Heriot Watt University工商管理碩士學位，有大約15年香港及中國金融市場及企業融資工作經驗。馮先生現時通過Innoform Ashfield Capital Limited在證券及期貨事務監察委員會登記持有第6類執照。

高級管理人員

黃漢傑先生，42歲，為本集團之財務總監及公司秘書。彼於二零零五年一月加入本集團。黃先生為香港會計師公會之執業會計師。黃先生在會計界積逾10年經驗，在中國亦擁有會計經驗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

For the year ended 31 December 2008, the Group recorded a total turnover of approximately HK\$78,644,000 representing an increase of approximately 49% from approximately HK\$52,612,000 for the year ended 31 December 2007. A gross profit of approximately HK\$19,020,000 was recorded by the Group for the year ended 31 December 2008. The loss attributable to shareholders was approximately HK\$24,038,000.

OPERATIONS

During the year under review, the Group has taken effective measures to control its operating costs. This is the objective of the Group to adopt stringent cost control and maintain a thin but effective overhead structure. The Group is optimistic in enjoying a fruitful harvest and satisfying an anticipated growth of production capacity in the foreseeable future.

The Board announced that on 30 April 2008, the Company entered into various CB Redemption Agreements with the respective Bondholders which are supplemental to the Convertible Bonds and the Bonds Supplemental Agreements respectively. Under the CB Redemption Agreements, the Company and the respective Bondholders agreed that the Company shall early redeem at the Redemption Consideration the Convertible Bonds on the date of Completion, by way of (i) cash as to HK\$15,000,000 in aggregate and (ii) issuing in favour of two Bondholders, the Promissory Notes as to HK\$12,400,000 in aggregate, on the date of Completion.

Particulars of the Convertible Bonds had been set out in the Company's announcement dated 26 June 2002, the circular dated 16 July 2002, the circular dated 29 February 2008 and the circular dated 26 May 2008 respectively.

財務回顧

於截至二零零八年十二月三十一日止年度，本集團錄得總營業額約港幣78,644,000元，較截至二零零七年十二月三十一日止年度約港幣52,612,000元增加約49%。本集團於截至二零零八年十二月三十一日止年度錄得毛利約達港幣19,020,000元。股東應佔虧損約為港幣24,038,000元。

業務

於回顧年度內，本集團採取有效措施控制經營成本。本集團的目標為嚴謹控制成本及維持規模較小但具效益的人手架構。本集團有信心能取得豐碩業績並於可見未來令產能達至預期增長。

董事會宣佈，於二零零八年四月三十日，本公司與各債券持有人分別訂立多份可換股債券贖回協議，分別補充可換股債券及債券補充協議。根據可換股債券贖回協議，本公司與各債券持有人同意，本公司將於完成日期按贖回代價提早贖回可換股債券，並於完成日期以(i)現金總額港幣15,000,000元及(ii)向兩名債券持有人發行合共港幣12,400,000元的承兌票據方式支付。

可換股債券詳情載於本公司分別日期為二零零二年六月二十六日之公佈、日期為二零零二年七月十六日之通函、日期為二零零八年二月二十九日之通函以及日期為二零零八年五月二十六日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, the Group had total assets of approximately HK\$166,730,000. At the balance sheet date, the Group had a sound financial position with cash and bank balances of approximately HK\$26,298,000 and had promissory notes of approximately HK\$12,400,000. The Group has a current ratio of approximately 2.13 comparing to that of 1.40 as at 31 December 2007. As at 31 December 2008, the Group's gearing ratio of 32% was calculated at by dividing total debt by the total assets (31 December 2007: 46%).

FOREIGN EXCHANGE EXPOSURE

The business activities of the Group are not exposed to material fluctuations in exchange rates except the operation through its subsidiary in Shenzhen, PRC which is subject to fluctuation in exchange rates between Renminbi and Hong Kong dollars.

CAPITAL STRUCTURE

As at 31 December 2007, the Company's outstanding issued shares were 723,087,310 ordinary shares of HK\$0.01 each. During the year under review, 5,983,087,310 ordinary shares of HK\$0.01 each were issued. As at 31 December 2008, the Company's outstanding issued shares were 6,706,174,620.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments as at 31 December 2008.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group did not have any material acquisitions or disposals of subsidiaries or affiliated companies for the year ended 31 December 2008.

流動資金及財務資源

於二零零八年十二月三十一日，本集團之資產總值約為港幣166,730,000元。於結算日，本集團有穩固財政狀況及現金及銀行結存約港幣26,298,000元，以及約港幣12,400,000元之承兌票據。本集團的流動比率約為2.13，而二零零七年十二月三十一日的流動比率則為1.40。於二零零八年十二月三十一日，按負債總額除以資產總值計算，本集團的資產負債比率為32%（二零零七年十二月三十一日：46%）。

外匯風險

除透過位於中國深圳的附屬公司所經營的業務須受人民幣兌港元的匯率波動影響外，本集團業務並無面對重大的匯率波動風險。

資本架構

於二零零七年十二月三十一日，本公司已發行723,087,310股普通股，每股面值港幣0.01元。於回顧年度內，已發行5,983,087,310股每股面值港幣0.01元的普通股。於二零零八年十二月三十一日，本公司的已發行股份為6,706,174,620股。

重大投資

於二零零八年十二月三十一日，本集團並無任何重大投資。

附屬公司的重大收購及出售

截至二零零八年十二月三十一日止年度，本集團並無進行任何附屬公司或聯屬公司的重大收購或出售。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2008, the Group had 501 full time employees compared with that of 315 in 2007. The staff costs, including directors' remuneration, were approximately HK\$16,739,000 (2007: HK\$8,446,000). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong and the PRC respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

CONTINGENT LIABILITIES

As at 31 December 2008, the Group did not have any material contingent liabilities or charges laid against its assets.

PROSPECTS

The Company will continue to focus and deepen its main business in manufacturing and trading of ceramic ferrule, fiber optic connector, fiber optic adapter and patch code respectively. With Fibra to the home "FTTH" become popular, broadband users demand faster speed, increasing demand for broadband services, and the healthy growth of global market, we are optimistic for the future of this industry.

In the meantime, with the lead of our management team, the Company is actively searching for business opportunities in asset and fund management and e-commerce. Whenever, there are attractive investment opportunities existed, the Company will expand its arm through strategic acquisition and cooperation. We strongly believe both our manufacturing, asset and fund management business and e-commerce will bring fruitful returns and create additional values to our shareholders in the coming years.

僱員及薪酬政策

於二零零八年十二月三十一日，本集團共有501名全職僱員，而二零零七年則有315名。僱員成本（包括董事酬金）約為港幣16,739,000元（二零零七年：港幣8,446,000元）。本集團分別按香港及中國之規例為全職僱員提供全面之薪酬組合及福利，其中包括醫療計劃、公積金或退休金。此外，本集團為合資格僱員（包括董事）採納一項購股權計劃，向參與者提供獎勵以酬謝其為集團爭取利益之貢獻及作出的努力。

或然負債

於二零零八年十二月三十一日，本集團的資產並無任何重大或然負債或抵押。

展望

本公司將繼續專注及深化其於生產及買賣陶瓷套圈、光纖連接器、光纖適配器及光纖跳線之主要業務。隨著光纖到戶「FTTH」的普及、用戶對寬頻速度增快的需求、寬頻服務需求增加及全球市場的健康成長，我們對此行業抱著樂觀的期望。

與此同時，在公司管理團隊之帶領下，本公司正積極尋求資產及基金管理與電子商貿方面之商機。如出現具吸引力之投資機會，本公司將透過策略性收購及合作擴展其部門。本公司深信，製造、資產及基金管理與電子商貿業務將可於未來數年帶來豐碩回報，並可為股東創造額外價值。

DIRECTORS' REPORT

董事會報告

The Directors are pleased to submit their report together with the audited financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 39 to the consolidated financial statements.

As over 99.8% consolidated turnover and trading results of the Group are derived from the manufacture and sale of ceramic blanks and ferrules, an analysis of the consolidated trading results of the Group by business segments is not presented.

An analysis of the Group's performance for the year by business segments is set out in note 6 to the consolidated financial statements.

CHANGE OF NAME

At an annual general meeting of shareholders of the Company will be held on 27 April 2009, a special resolution to change the name of the Company from Intcera High Tech Group Limited to China Post E-Commerce (Holdings) Limited and adopt the new Chinese name "中郵電貿(控股)有限公司" to replace "大陶精密科技集團有限公司".

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2008 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 38 to 40 of this annual report.

No interim dividend was paid during the year (2007: Nil). The directors do not recommend the payment of any final dividend for the year ended 31 December 2008 (2007: Nil).

董事會謹此提呈彼等之報告，連同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之經審核財務報表。

主要業務及業務地區分析

本公司之主要業務為投資控股。附屬公司之主要業務及其他詳情載於綜合財務報表附註39。

由於本集團超過99.8%之綜合營業額及經營業績均來自製造及銷售陶瓷素材及套圈，故並無呈報本集團按業務分類之綜合經營業績分析。

本集團年內按業務分類之業績分析載於綜合財務報表附註6。

更改名稱

於二零零九年四月二十七日舉行之本公司股東週年大會上，將通過一項特別決議案將本公司名稱由Intcera High Tech Group Limited改為China Post E-Commerce (Holdings) Limited，並採納新中文名稱「中郵電貿(控股)有限公司」以取代「大陶精密科技集團有限公司」。

業績及分派

本集團截至二零零八年十二月三十一日止年度之業績及本公司及本集團於該日之財務狀況載於本年報第38頁至第40頁之財務報表內。

本年度並無派付中期股息（二零零七年：無）。董事不建議就截至二零零八年十二月三十一日止年度派付任何末期股息（二零零七年：無）。

DIRECTORS' REPORT

董事會報告

SHARE CAPITAL

Details of share capital and share options of the Company are set out in notes 27 and 29 to the consolidated financial statements respectively.

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in note 28 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

Pursuant to the Companies Law (Revised) of the Cayman Islands and the Articles of Association of the Company, share premium of the Company is distributable to the shareholders, subject to a solvency test. At 31 December 2008, in the opinion of the Directors, the Company's reserves available for distribution to shareholders amount to approximately HK\$Nil (2007: HK\$2,290,000), representing the aggregate of share premium of approximately HK\$61,235,000 (2007: HK\$61,597,000) and accumulated losses of approximately HK\$84,291,000 (2007: HK\$59,307,000).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

股本

本公司股本及購股權詳情分別載於綜合財務報表附註27及29。

儲備

本公司及本集團於本年度之儲備變動分別載於綜合財務報表附註28及股東權益變動綜合報表。

根據開曼群島公司法（經修訂）及本公司組織章程細則，本公司之股份溢價可分派予股東，惟須符合償債能力測試。於二零零八年十二月三十一日，董事認為本公司可供分派予股東之儲備約達港幣0元（二零零七年：港幣2,290,000元），其中股份溢價總額約為港幣61,235,000元（二零零七年：港幣61,597,000元），累計虧損約為港幣84,291,000元（二零零七年：港幣59,307,000元）。

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT

董事會報告

PRE-EMPTIVE RIGHTS

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

DONATIONS

There are no charitable and other donations made by the Group during the year (2007: nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

STAFF RETIREMENT BENEFITS

Details of staff retirement benefits are set out in note 35 to the consolidated financial statements.

BORROWINGS AND PLEDGE OF ASSETS

As at Balance Sheet Date, the Group had neither bank borrowings nor assets pledged to fund/loan providers.

SHARE OPTION SCHEME

Details of the share option scheme are set out in note 29 to the consolidated financial statements.

優先認股權

本公司組織章程細則及開曼群島法例並無有關優先認股權之規定，本公司毋須按比例向現有股東提呈新股份。

捐款

本集團於本年度並無作出任何慈善或其他捐款（二零零七年：無）。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註13。

員工退休福利

員工退休福利詳情載於綜合財務報表附註35。

借貸及抵押資產

於結算日，本集團並無銀行借貸或抵押予資金／借貸提供者之資產。

購股權計劃

購股權計劃詳情載於綜合財務報表附註29。

DIRECTORS' REPORT

董事會報告

DIRECTORS

The Directors during the financial year and subsequently were:

Executive Directors

Mr. Lau Chi Yuen, Joseph	(appointed on 30 April 2008)
Mr. Chung Man Wai	(appointed on 22 October 2008)
Mr. Cheng Qing Bo	
Mr. Tung Tai Yung	(resigned on 29 October 2008)
Ms. Li Fang	(resigned on 7 May 2008)

Non-executive Director

Mr. Lin Nan	(resigned on 7 May 2008)
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Independent Non-executive Directors

Mr. Liu Zheng Hao	(resigned on 7 May 2008)
Mr. Lam Williamson	(resigned on 7 May 2008)
Ms. Mak Wai Fong	(resigned on 7 May 2008)
Dr. Lee Chung Mong, John	(appointed on 30 April 2008)
Mr. Tam Wing Kin	(appointed on 30 April 2008)
Mr. Fung Chan Man, Alex	(appointed on 30 April 2008)

In accordance with article 83(3) of the Articles, Mr. Lau Chi Yuen Joseph, Mr. Chung Man Wai, Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex, all being Directors appointed as an addition to the existing Board since the last annual general meeting of the Company, shall hold office only until the Annual General Meeting. In accordance with article 84(1) of the Articles, Mr. Cheng Qing Bo shall retire by rotation at the Annual General Meeting. All the retiring Directors, being eligible, offer themselves for re-election at the Annual General Meeting.

董事

於本財政年度內及隨後日期，董事名單如下：

執行董事

劉智遠先生	(於二零零八年四月三十日獲委任)
鍾文偉先生	(於二零零八年十月二十二日獲委任)
成清波先生	
董大勇先生	(於二零零八年十月二十九日辭任)
李芳女士	(於二零零八年五月七日辭任)

非執行董事

林楠先生	(於二零零八年五月七日辭任)
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獨立非執行董事

劉正浩先生	(於二零零八年五月七日辭任)
林全智先生	(於二零零八年五月七日辭任)
麥惠芳女士	(於二零零八年五月七日辭任)
李春茂博士	(於二零零八年四月三十日獲委任)
譚榮健先生	(於二零零八年四月三十日獲委任)
馮燦文先生	(於二零零八年四月三十日獲委任)

根據細則第83(3)條，劉智遠先生、鍾文偉先生、李春茂博士、譚榮健先生及馮燦文先生均為自本公司上次股東週年大會起獲委任加入現有董事會之董事，彼等僅可留任至下屆股東週年大會。根據細則第84(1)條，成清波先生須於股東週年大會上輪席退任。所有退任董事均合符資格於股東週年大會上膺選連任。

DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other statutory compensation.

The Board confirmed that the Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on Growth Enterprise Market (the "GEM Listing Rules"). The Company considers that they are independent under Rule 5.09 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transactions as disclosed in note 31 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事服務合約

擬於應屆股東週年大會上膺選連任之董事均無與本公司訂立本公司或其任何附屬公司不可於一年內免付補償（一般法定補償除外）予以終止之尚未屆滿服務合約。

董事概無與本公司訂立不可於一年內不作賠償（法定賠償除外）而終止之服務合約。

董事會確認本公司已根據創業板證券上市規則（「創業板上市規則」）第5.09條，收到各獨立非執行董事之年度獨立確認。本公司認為彼等根據創業板上市規則第5.09條為獨立。

董事之合約權益

除綜合財務報表附註31所披露之交易外，本公司或其任何附屬公司均無訂立對本集團之業務而言屬重大，而本公司任何董事於其中直接或間接擁有重大權益且於年終或年內任何時間仍有效之合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2008, the interests and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by Directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long positions in Shares

Name of Directors	Number of Shares	Capacity	Type of Interest	Approximate percentage of issued share capital (%) 佔已發行股本 概約百分比(%) (Note 3) (附註3)
董事姓名	股份數目	身份	權益性質	
Mr. Lau Chi Yuen, Joseph ("Mr. Lau") 劉智遠先生 (「劉先生」)	3,542,000,000 (Note 1) (附註1)	Interest of a controlled corporation 受控制公司權益	Corporate 公司	52.82
Mr. Cheng Qing Bo ("Mr. Cheng") 成清波先生 (「成先生」)	369,600,000 (Note 2) (附註2)	Interest of a controlled corporation 受控制公司權益	Corporate 公司	5.51

董事及主要行政人員於股份、相關股份及債權證之權益

於二零零八年十二月三十一日，董事及本公司主要行政人員在本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有已記入本公司根據證券及期貨條例第352條須存置之登記冊之權益及淡倉，或根據創業板上市規則第5.46至5.67條所述本公司董事進行買賣之規定標準已知會本公司及聯交所之權益及淡倉如下：

(i) 於股份之好倉

DIRECTORS' REPORT

董事會報告

Notes:

1. These shares are held by JL Investment Capital Limited, which is wholly owned by Mr. Lau. Mr. Lau is therefore deemed to be interested in the shares held by JL Investment Capital Limited.
2. These shares are held by Bright Castle Investments Limited, which is wholly owned by Mr. Cheng. Mr. Cheng is therefore deemed to be interested in the shares held by Bright Castle Investments Limited.
3. The percentage of issued share capital had been arrived at on the basis of a total of 6,706,174,620 Shares in issue as at 31 December 2008.

Save as disclosed above, as at 31 December 2008, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

附註：

1. 該等股份由劉先生全資擁有之JL Investment Capital Limited持有，因此劉先生被視為擁有JL Investment Capital Limited所持股份之權益。
2. 該等股份由成先生全資擁有之Bright Castle Investments Limited持有，因此成先生被視為擁有Bright Castle Investments Limited所持股份之權益。
3. 已發行股本之百分比乃按於二零零八年十二月三十一日共6,706,174,620股已發行股份之基準計算。

除上文披露者外，於二零零八年十二月三十一日，各董事或本公司主要行政人員概無在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）任何股份、相關股份或債權證中，擁有已記入本公司須根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或根據創業板上市規則第5.46至5.67條已知會本公司及聯交所之權益或淡倉。

DIRECTORS' REPORT

董事會報告

(ii) Long positions in underlying Shares of equity derivatives of the Company (ii) 於本公司股本衍生工具之相關股份之好倉

Name of Director/ Ex-director	Types of interests	Description of securities	Number of underlying shares	Approximate percentage of interests 佔權益 概約百分比
董事／前董事姓名	權益性質	證券詳情	相關股份數目	
Mr. Chung Man Wai ("Mr. Chung") 鍾文偉先生 (「鍾先生」)	Beneficial 實益	Share Option (Note) 購股權 (附註)	67,060,000	1.00%
Mr. Tung Tai Yung ("Mr. Tung") 董大勇先生 (「董先生」)	Beneficial 實益	Share Option (Note) 購股權 (附註)	67,060,000	1.00%

Note:

On 30 May 2008, Mr. Tung and Mr. Chung have been granted 67,060,000 share option under the existing share option scheme adopted in compliance with Chapter 23 of the GEM Listing Rules which carry rights to subscribe for 67,060,000 new Shares at current exercise price of HK0.092 per Share. Mr. Chung was appointed as executive director of the Company on 22 October 2008. Mr. Tung resigned as executive director of the Company on 29 October 2008.

Save as disclosed above, as at 31 December 2008, none of the Directors or chief executives of the Company or their respective spouses or children under 18 years of age had any right to subscribe for the Shares or any share of its associated corporations.

(iii) Short positions in the Shares and underlying Shares of equity derivatives of the Company

Saved as disclosed herein, as at 31 December 2008, none of the Directors had short positions in Shares or underlying Shares of equity derivatives of the Company.

附註:

於二零零八年五月三十日，董先生及鍾先生各根據遵照創業板上市規則第23章採納之現有購股權計劃獲授67,060,000份購股權，據此，彼等有權按現時行使價每股港幣0.092元認購67,060,000股新股份。鍾先生於二零零八年十月二十二日獲委任為本公司執行董事。董先生於二零零八年十月二十九日辭任本公司之執行董事。

除上文所披露者外，於二零零八年十二月三十一日，各董事或本公司主要行政人員或彼等各自之配偶或18歲以下之子女並無擁有任何可認購股份或其相聯法團之任何股份之權利。

(iii) 於本公司股本衍生工具之股份及相關股份之淡倉

除本文所披露者外，於二零零八年十二月三十一日，各董事概無於本公司之股本衍生工具擁有股份或相關股份之淡倉。

DIRECTORS' REPORT

董事會報告

Substantial shareholders interests and short positions in shares and underlying shares

As at 31 December 2008, other than the interests of a Director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shares and debentures" above, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

(i) Long positions in Shares

主要股東於股份及相關股份之權益及淡倉

於二零零八年十二月三十一日，除上文「董事及主要行政人員於股份、相關股份及債權證之權益」一節披露之董事或本公司行政總裁權益外，以下人士於本公司股份及相關股份中擁有已記入本公司根據證券及期貨條例第336條須存置之登記冊之權益及淡倉：

(i) 於股份之好倉

Name of Shareholder 股東名稱	Number of Shares 股份數目	Capacity 身份	Approximate percentage of issued share capital (%) 佔已發行股本概約百分比(%) (Note 3) (附註3)
JL Investment Capital Limited	3,542,000,000 (Note 1) (附註1)	Corporate 公司	52.82%
Bright Castle Investments Limited	369,600,000 (Note 2) (附註2)	Corporate 公司	5.51%
Somerley Group Limited	369,519,912	Corporate 公司	5.51%

DIRECTORS' REPORT

董事會報告

Notes:

1. see Note 1 on page 19
2. see Note 2 on page 19
3. see Note 3 on page 19

Save as disclosed above, as at 31 December 2008, the Directors of the Company were not aware of any other person (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES

Share options are granted to the Directors under the 2008 Share Option Scheme. Please refer to details under the paragraph headed "Share option scheme" above.

Save as disclosed above, at no time during the year ended 31 December 2008 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of equity or debt securities of the Company or any other body corporate.

MANAGEMENT CONTRACTS

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

附註:

1. 見第19頁附註1
2. 見第19頁附註2
3. 見第19頁附註3

除上文所披露者外，於二零零八年十二月三十一日，本公司董事並不知悉任何其他人士（董事及本公司主要行政人員除外）於本公司股份或相關股份中，擁有已記入本公司根據證券及期貨條例第336條須存置之登記冊之權益或淡倉。

董事及主要行政人員認購股本或債務證券之權利

購股權已按二零零八年購股權計劃授予董事。有關詳情請參閱上文「購股權計劃」一段。

除上文所披露者外，於截至二零零八年十二月三十一日止年度內任何時間，本公司或其任何附屬公司並無訂立任何協議安排，據此，董事可透過購買本公司或任何其他法團之股本或債務證券而獲得利益。

管理合約

本公司於年內並無且未有簽訂或存有與其整體業務或任何重要業務之行政管理工作有關之任何合約。

DIRECTORS' REPORT

董事會報告

CONNECTED TRANSACTIONS

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

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE BALANCE SHEET DATE

Details of the events after the balance sheet date are set out in note 38 to the financial statements.

關連交易

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

足夠公眾持股量

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

結算日後事項

結算日後事項詳情載於財務報表附註38。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's turnover and purchases attributable to the major customers and suppliers during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合計

At no time during the year have the Directors, their respective associates and any Shareholder (who to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) had any interest in any of the five largest customers and suppliers of the Group.

COMPETING INTERESTS

The Directors are not aware of, as at 31 December 2008, any business or interest of each Director, substantial shareholder and management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

主要客戶及供應商

本財政年度本集團之主要客戶及供應商應佔之營業額及採購額資料如下：

Percentage of the Group's total 佔本集團總額之百分比	
Turnover 營業額	Purchases 採購額

7%	—
30%	—
—	12%
—	37%

於年內任何時間，本公司董事、彼等各自之聯繫人士及任何據董事所知擁有超過5%本公司已發行股本之股東概無於本集團任何五大客戶及供應商中擁有任何權益。

競爭性利益

於二零零八年十二月三十一日，董事並不知悉各董事、主要股東及管理層股東（定義見創業板上市規則）及彼等各自之聯繫人之任何業務或權益與本集團業務存在競爭或可能存在競爭，亦不知悉任何該等人士與本集團存在或可能存在于任何其他利益衝突。

DIRECTORS' REPORT

董事會報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the year, the Company is in compliance with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except provisions A.4.1 of the CG Code as detailed below:

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive Directors are not appointed for specific terms, but are subject to retirement and re-election.

The current practices of the corporate governance of the Company will be reviewed and updated in a timely manner in order to comply with the requirements of the CG Code.

AUDITORS

The Company's financial statements for the two years ended 31 December 2007 were audited by Patrick Ng & Company.

The Company financial statements for the year ended 31 December 2008 were audited by W.H. Tang & Partners CPA Limited who retire and offer themselves for re-appointment. A resolution for the re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lau Chi Yuen, Joseph
Chairman

Hong Kong, 24 March 2009

企業管治常規守則

董事會致力為本公司維持高水平之企業管治。年內，本公司已遵守創業板上市規則附錄15所載之企業管治常規守則（「企業管治守則」），惟企業管治守則第A.4.1條除外，詳情見下文：

守則條文第A.4.1條

根據企業管治守則第A.4.1條，非執行董事應以特定限期委任，並須接受重選。目前，獨立非執行董事並非以特定限期委任，但須退任及接受重選。

本公司現行之企業管治常規將於適當時候審閱及更新，以符合企業管治守則之規定。

核數師

本公司截至二零零七年十二月三十一日止兩個年度之財務報表由吳永鏗會計師行審核。

本公司截至二零零八年十二月三十一日止年度之財務報表由鄧偉雄會計師事務所有限公司審核。其將任滿告退，並願應聘連任。續聘本公司核數師之決議案將提呈應屆股東週年大會通過。

代表董事會

劉智遠
主席

香港，二零零九年三月二十四日

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the year, the Company is in compliance with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except provisions A.4.1 of the CG Code as detailed below:

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive Directors are not appointed for specific terms, but are subject to retirement and re-election.

The current practices of the corporate governance of the Company will be reviewed and updated in a timely manner in order to comply with the requirements of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has complied with the requirements for directors' securities transactions stated in the GEM Listing Rules. All the Directors have confirmed that they have complied with the requirements as set out in the GEM Listing Rules for the year ended 31 December 2008.

企業管治常規守則

董事會致力為本公司維持高水平之企業管治。年內，本公司已遵守創業板上市規則附錄15所載之企業管治常規守則（「企業管治守則」），惟企業管治守則第A.4.1條除外，詳情見下文：

守則條文第A.4.1條

根據企業管治守則第A.4.1條，非執行董事應以特定限期委任，並須接受重選。目前，獨立非執行董事並非以特定限期委任，但須退任及接受重選。

本公司現行之企業管治常規將於適當時候審閱及更新，以符合企業管治守則之規定。

董事之證券交易

本公司已遵守創業板上市規則所述董事之證券交易規定。所有董事確認，彼等於截至二零零八年十二月三十一日止年度已遵守創業板上市規則所載之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS AND BOARD MEETING

The Board comprises six members and their positions, as at the date of this report, are as follows:

Executive Directors

Lau Chi Yuen, Joseph (*Chairman*)
Chung Man Wai (*Chief Executive Officer*)
Cheng Qing Bo

Independent Non-executive Directors

Lee Chung Mong, John
Tam Wing Kin
Fung Chan Man, Alex

Details of the backgrounds and qualifications of the Directors are set out in the section of “Directors and Seniors Management’s Biographies” on pages 8 to 9 of the annual report for year ended 31 December 2008 (the “Annual Report”). All Directors bona fide have exercised due care, fiduciary duties to all the significant issues of the financial, operational, compliance and risk management of the Company and its subsidiaries (collectively the “Group”). Each Executive Director has accumulated sufficient and valuable experience to hold his position in order to ensure that his fiduciary duties have been carried out in an efficient and effective manner. None of the members of the Board have, in any respect, related to each other in any circumstances.

董事會及董事會會議

於本報告日期，董事會由六位董事組成，其成員及職位如下：

執行董事

劉智遠 (主席)
鍾文偉 (行政總裁)
成清波

獨立非執行董事

李春茂
譚榮健
馮燦文

有關董事之背景及履歷詳情載於截至二零零八年十二月三十一日止年度年報（「年報」）第8頁至第9頁「董事及高層管理層履歷」一節。全體董事已真誠地履行本身之受信責任，並以應有的謹慎關注本公司及其附屬公司（統稱「本集團」）在財務、營運、合規及風險管理方面所有重要問題。各執行董事均積累足夠且寶貴之經驗以擔任其職務，並確保其受信責任得以有效履行。在任何方面而言，董事會各成員在任何情況下與其他董事彼此之間概無關連。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board held a full board meeting for 38 times for the financial year of 2008. Details of the attendance of the Board members are as follows:

董事會於二零零八財政年度曾召開38次全體董事會會議。有關董事會成員之出席次數詳情如下：

Executive Directors	執行董事	Attendance 出席次數
Lau Chi Yuen, Joseph (appointed on 30 April 2008)	劉智遠 (於二零零八年四月三十日獲委任)	27/38
Chung Man Wai (appointed on 22 October 2008)	鍾文偉 (於二零零八年十月二十二日獲委任)	6/38
Cheng Qing Bo	成清波	8/38
Li Fang (resigned on 7 May 2008)	李芳 (於二零零八年五月七日辭任)	3/38
Tung Tai Yung (resigned on 29 October 2008)	董大勇 (於二零零八年十月二十九日辭任)	32/38
Independent Non-executive Directors	獨立非執行董事	
Liu Zheng Hao (resigned on 7 May 2008)	劉正浩 (於二零零八年五月七日辭任)	2/38
Lam Williamson (resigned on 7 May 2008)	林全智 (於二零零八年五月七日辭任)	2/38
Mak Wai Fong (resigned on 7 May 2008)	麥惠芳 (於二零零八年五月七日辭任)	2/38
Lee Chung Mong, John (appointed on 30 April 2008)	李春茂 (於二零零八年四月三十日獲委任)	3/38
Tam Wing Kin (appointed on 30 April 2008)	譚榮健 (於二零零八年四月三十日獲委任)	3/38
Fung Chan Man, Alex (appointed on 30 April 2008)	馮燦文 (於二零零八年四月三十日獲委任)	3/38

Save for the above regular board meetings held for the financial year of 2008, the Board will commit to hold special meetings to discuss on any matters which would require a decision from them. Directors will be given opportunity, if necessary, to include matters in the agenda for regular board meetings. In respect of regular board meeting, an agenda would be sent in full to all Directors in a timely manner. Notices of board meeting and details of its agenda would be delivered in advance to the Board. Minutes of each board meeting would be sent to the Directors within reasonable time interval after the meeting.

除了上述於二零零八財政年度定期舉行董事會會議外，董事會將承諾舉行特別會議以就董事會成員須予決定之任何事宜進行討論。本公司將給予董事機會（如必須）於定期舉行之董事會會議內加入議程。就定期舉行之董事會會議而言，本公司將於適當時間向全體董事寄發全部議程。董事會會議通告及議程詳情會事先送呈董事會。各份董事會會議記錄將於舉行會議後於合理時間內寄發予董事。

All Directors are entitled to have full access to the relevant information from management in a timely manner to enable them to make informed decisions.

全體董事均有權於適當時間向管理層人員取得全部有關資料，以讓彼等作出知情之決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Independent Non-executive Directors

In order to protect the interest of the shareholders of the Company (the "Shareholders"), the Company appointed three Independent Non-executive Directors with relevant and sufficient experience and qualification to perform their duties. The three Independent Non-executive Directors declared and confirmed with the Company on an annual basis of their independency with the Group in accordance with Rule 5.09 of the GEM Listing Rules. The Board has assessed and concluded that all the Independent Non-executive Directors are independent in appearance and in substance in view of the definition of the GEM Listing Rules. The Independent Non-executive Directors do not hold any office with any connected parties of the Company or have any financial interests other than those directors' remuneration as disclosed in the Report of the Directors from page 13 to page 25.

APPOINTMENT, RE-ELECTION AND RETIREMENT

Non-executive Director and Independent Non-executive Directors were not appointed for specific terms, subject to re-election. Every Director is subject to retirement by rotation at least once every three years.

The newly appointed Directors – Mr. Lau Chi Yuen, Joseph, Mr. Chung Man Wai, Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex received a comprehensive, formal and tailored induction on the first occasion of his appointment to ensure that he has a proper understanding of the operations and business of the Company and that he/she is fully aware of his responsibilities under statute and common law, the GEM Listing Rules, and other regulations.

On 7 May 2008, Ms. Li Fang resigned as Executive Director. Ms. Li resigned as she needs time to pursue her career and the Board did not aware of any issue which could affect her office continuity.

獨立非執行董事

為了保障本公司股東（「股東」）之利益，本公司已委任三名獨立非執行董事，彼等具有相關足夠經驗及資格以履行彼等之職責。該三名獨立非執行董事已根據創業板上市規則第5.09條之規定就彼等之獨立性宣佈並向本公司發出年度確認書。董事會已評估及得出結論，按照創業板上市規則之定義，全體獨立非執行董事表面上及實質上均屬獨立人士。除第13頁至第25頁之董事會報告所披露之董事酬金外，獨立非執行董事概無於本公司任何關連人士出任任何職位，或擁有任何財務權益。

委任、重選及退任

非執行董事及獨立非執行董事均並非獲委以特定任期，並須予膺選連任。各名董事至少每三年輪席告退一次。

新任董事劉智遠先生、鍾文偉先生、李春茂博士、譚榮健先生及馮文燦先生於其首次獲委任時已獲給予全面、正式及度身而設之就職簡述，以確保其已適當地明白本公司之營運及業務，以及完全得悉其法定及於普通法、創業板上市規則及其他規例下之職責。

於二零零八年五月七日，李芳女士已辭任執行董事一職。李女士基於需要時間發展個人事業而提出請辭，董事會概不知有任何事宜可能會影響其繼續擔任執行董事職務。

CORPORATE GOVERNANCE REPORT

企業管治報告

On 7 May 2008, Mr. Lin Nan resigned as Non-executive Director. Mr. Lin resigned because he needs time to pursue his career and the Board did not aware of any issue which could affect his office continuity.

On 7 May 2008, Ms. Mak Wai Fong, Mr. Lam Williamson and Mr. Liu Zheng Hao resigned as Independent Non-executive Director. Ms. Mak, Mr. Lam and Mr. Liu resigned as she/he needs time to pursue her/his career and the Board did not aware of any issue which could affect her/his office continuity.

On 29 October 2008, Mr. Tung Tai Yung resigned as Executive Director. Mr. Tung resigned as he needs time to pursue his career and the Board did not aware of any issue which could affect his office continuity.

於二零零八年五月七日，林楠先生已辭任非執行董事一職。林先生基於需要時間發展個人事業而提出請辭，董事會概不知有任何事宜可能會影響其繼續擔任非執行董事職務。

於二零零八年五月七日，麥惠芳女士、林全智先生及劉正浩先生已辭任獨立非執行董事一職。麥女士、林先生及劉先生基於需要時間發展個人事業而提出請辭，董事會概不知有任何事宜可能會影響其繼續擔任獨立非執行董事職務。

於二零零八年十月二十九日，董大勇先生已辭任執行董事一職。董先生基於需要時間發展個人事業而提出請辭，董事會概不知有任何事宜可能會影響其繼續擔任執行董事職務。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Prior to 3 June 2008, the chairman of the board was Mr. Cheng Qing Bo. Mr. Lau Chi Yuen, Joseph was appointed as the chairman of the board on 3 June 2008. Mr. Chung Man Wai was appointed as chief executive officer on 7 April 2008. After the appointment of Mr. Chung Man Wai as chief executive officer, the roles of chairman and chief executive officer are separate and not be performed by the same individual.

主席及行政總裁

根據守則的守則條文第A.2.1條，主席及行政總裁的職位應分開，不應由同一人擔任。於二零零八年六月三日前，董事會主席為成清波先生。劉智遠先生於二零零八年六月三日獲委任為董事會主席。鍾文偉先生於二零零八年四月七日獲委任為行政總裁。在委任鍾文偉先生為行政總裁後，主席及行政總裁的職能已分開而並非由同一人執行。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPENSATION COMMITTEE

The Company established Compensation Committee with specific written terms of reference which deal clearly with its authority and duties in accordance with the GEM Listing Rules. As at the date of this report, the Compensation Committee comprises a majority members of Independent Non-executive Directors.

Members of Compensation Committee are on follows:-

Committee members

Executive Director

Lau Chi Yuen, Joseph (appointed on 30 April 2008)
Cheng Qing Bo

Independent Non-executive Directors

Lee Chung Mong, John (appointed on 30 April 2008)
Tam Wing Kin (appointed on 30 April 2008)
Fung Chan Man, Alex (appointed on 30 April 2008)

The Compensation Committee has been held for once during the financial year of 2008. Details of the attendance of the Compensation Committee meeting are as follows:

Committee members

Executive Director

Lau Chi Yuen, Joseph (appointed on 30 April 2008)
Cheng Qing Bo

Independent Non-executive Directors

Lam Williamson (resigned on 7 May 2008)
Mak Wai Fong (resigned on 7 May 2008)
Lee Chung Mong, John (appointed on 30 April 2008)
Tam Wing Kin (appointed on 30 April 2008)
Fung Chan Man, Alex (appointed on 30 April 2008)

薪酬委員會

本公司已成立薪酬委員會，並按創業板上市規則書面訂明其具體職權範圍以清楚制定其職權。於本報告日期，薪酬委員會包括大部分獨立非執行董事之成員。

薪酬委員會之成員如下：—

委員會成員

執行董事

劉智遠（於二零零八年四月三十日獲委任）
成清波

獨立非執行董事

李春茂（於二零零八年四月三十日獲委任）
譚榮健（於二零零八年四月三十日獲委任）
馮燦文（於二零零八年四月三十日獲委任）

薪酬委員會於二零零八財政年度曾舉行一次會議。有關薪酬委員會會議之成員出席次數詳情如下：

委員會成員

Attendance 出席次數

執行董事

劉智遠（於二零零八年四月三十日獲委任） 1/1
成清波 0/1

獨立非執行董事

林全智（於二零零八年五月七日辭任） 0/0
麥惠芳（於二零零八年五月七日辭任） 0/0
李春茂（於二零零八年四月三十日獲委任） 1/1
譚榮健（於二零零八年四月三十日獲委任） 1/1
馮燦文（於二零零八年四月三十日獲委任） 1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

The Compensation Committee proposed to the chairman relating to the remuneration of other executive directors. The Compensation Committee also recommended to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference to review the structure, size and composition of the Board, identifying individuals suitable and qualified to become Board members and selecting or making recommendations to the Board on the election of, individuals nominated for directorship. The nomination committee comprises at least three members, the majority of whom shall be independent non-executive Directors. The current members of the nomination committee are Mr. Lau Chi Yuen, Joseph, Mr. Cheng Qing Bo, Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.

FINANCE COMMITTEE

The Company established a finance committee with written terms of reference to review and approve banking facilities to be granted or issued by the Company, provision of corporate guarantees by the Company for its subsidiaries and opening of bank or securities related accounts. The finance committee comprises at least three members. The current members of the finance committee are Mr. Lau Chi Yuen, Joseph, Mr. Cheng Qing Bo, Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.

薪酬委員會向主席提出有關其他執行董事酬金之建議。薪酬委員會亦會就本公司之政策、董事及高層管理人員全部酬金架構、以及就訂定有關酬金之政策而設立正式及具透明度之程序，向董事會提供意見。

提名委員會

本公司成立提名委員會，並書面訂明具體職權範圍以檢討董事會的架構、規模及組成，辨悉適合並合資格成為董事會成員的人士，以及向董事會提出有關選舉及個別提名董事的建議。提名委員會最少由三位成員組成，而其成員大多數須為本公司獨立非執行董事。提名委員會現時的成員為劉智遠先生、成清波先生、李春茂博士、譚榮健先生及馮文燦先生。

財務委員會

本公司成立財務委員會，並書面訂明具體職權範圍以檢討及批准本公司將予授出及審批的銀行貸款，由本公司就其附屬公司提供公司擔保，以及開立銀行或證券相關賬戶。財務委員會最少包括三位成員。目前財務委員會之成員為劉智遠先生、成清波先生、李春茂博士、譚榮健先生及馮文燦先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”). The primary duties of the Audit Committee is to communicate with the management of the Company from time to time, including but not limited to review the accounting principles and practices adopted by the Company, the effectiveness of its internal control systems, the interim and annual results of the Company. The Audit Committee is also responsible for considering the appointment, re-appointment and removal of the external auditors and reviewing the impairment to its independency with any non-audit services performed by the external auditors.

As at the date of this report, members of Audit Committee, which are all Independent Non-executive Directors, are as follows:

Lee Chung Mong, John (appointed on 30 April 2008)
Tam Wing Kin (appointed on 30 April 2008)
Fung Chan Man, Alex (appointed on 30 April 2008)

The Audit Committee held five meetings during the financial year of 2008. Details of the attendance of the Audit Committee meetings are as follows:

Committee members

Liu Zheng Hao (resigned on 7 May 2008)
Lam Williamson (resigned on 7 May 2008)
Mak Wai Fong (resigned on 7 May 2008)
Lee Chung Mong, John (appointed 30 April 2008)
Tam Wing Kin (appointed 30 April 2008)
Fung Chan Man, Alex (appointed 30 April 2008)

審核委員會

本公司已成立審核委員會（「審核委員會」）。審核委員會之主要職責為不時與本公司之管理層人員溝通，包括但不限於審閱本公司採納之會計原則及慣例、內部監控系統之成效以及本公司中期及年度業績。此外，審核委員會亦負責考慮外聘核數師之委任、續聘及解僱等事宜，以及檢討外聘核數師進行任何非核數服務對其獨立性之影響。

於本報告日期，審核委員會成員全部為獨立非執行董事，其成員包括：

李春茂（於二零零八年四月三十日獲委任）
譚榮健（於二零零八年四月三十日獲委任）
馮燦文（於二零零八年四月三十日獲委任）

審核委員會於二零零八財政年度曾舉行五次會議。有關審核委員會會議之成員出席次數詳情如下：

委員會成員

劉正浩（於二零零八年五月七日辭任）
林全智（於二零零八年五月七日辭任）
麥惠芳（於二零零八年五月七日辭任）
李春茂（於二零零八年四月三十日獲委任）
譚榮健（於二零零八年四月三十日獲委任）
馮燦文（於二零零八年四月三十日獲委任）

Attendance 出席次數

0/0
0/0
0/0
5/5
5/5
5/5

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company's unaudited first quarterly results for the three months ended 31 March 2008, interim results for the six months ended 30 June 2008, third quarterly results for the nine months ended 30 September 2008 and audited annual results for the financial year ended 31 December 2008 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results have been complied with the applicable accounting standards.

AUDITORS' REMUNERATION

During the year ended 31 December 2008, the total fee paid/payable in respect of audit and non-audit services provided by the Company's external auditors is set out below:

本公司截至二零零八年三月三十一日止三個月之未經審核第一季業績、截至二零零八年六月三十日止六個月之中期業績、截至二零零八年九月三十日止九個月之第三季業績及截至二零零八年十二月三十一日止財政年度之經審核年度業績已獲審核委員會審閱，審核委員會認為上述業績已遵照適用會計準則而編製。

核數師酬金

於截至二零零八年十二月三十一日止年度，就本公司外聘核數師提供審核及非審核服務之已付／應付酬金總額載列如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Types of services	服務種類		
Audit services	審核服務	500	550
Non-audit services	非審核服務	—	780
Total	總計	<u>500</u>	<u>1,330</u>

INTERNAL CONTROL REVIEW AND RISK MANAGEMENT

Proper internal controls not only facilitate the effectiveness and efficiency of operations, ensuring compliance with laws and regulations, but most importantly, it helps to manage risk exposure of the Company. The Company is committed to the risk identification, risk assessment, evaluation of internal control system and monitoring of remediation plan to control deficiencies. The Audit Committee has met with the management of the Company on a regular basis to review the existing internal control practice.

審閱內部監控及風險管理

採取妥善之內部監控措施不僅可加快業務運作及成效、確保遵守法律及法規，最重要者，乃有助本公司管理所承擔之風險。本公司致力辨識風險、評估風險以及評估內部監控系統，同時監督用以控制偏離守則之補救計劃。審核委員會已定期與本公司管理層人員會面，以審閱現時之內部監控常規。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

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

The responsibilities of the auditors to the shareholders are set out in the Independent Auditors' Report on pages 36 and 37.

COMMUNICATIONS WITH SHAREHOLDERS

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

董事及核數師之賬目責任

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

核數師對股東的責任載於第36頁及第37頁的獨立核數師報告。

與股東溝通

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

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

鄧偉雄會計師事務所有限公司

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W.H. TANG & PARTNERS CPA LIMITED

TO THE SHAREHOLDERS OF
INTCERA HIGH TECH GROUP LIMITED
(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Intcera High Tech Group Limited and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 131, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致：全體股東
大陶精密科技集團有限公司
(於開曼群島註冊成立之有限公司)

吾等已審核載於第38頁至第131頁大陶精密科技集團有限公司及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日之綜合及公司資產負債表與截至該日止年度之綜合收益表、股東權益變動綜合報表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實與公平地呈列該等財務報表。這責任包括設計、實施及維護與編製及真實與公平地呈列財務報表相關之內部監控，以使財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況作出合理之會計估計。

核數師之責任

吾等之責任是根據吾等之審核，對該等財務報表作出意見，並僅向閣下(作為法人)報告，除此以外別無其他用途。吾等並不就本報告之內容向任何其他人士負責或承擔責任。

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

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

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

OPINION

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

W.H. Tang & Partners CPA Limited
Certified Public Accountants (Practising)
Hong Kong, 24 March 2009

TANG Wai Hung
Practising Certificate Number P03525

審核涉及執程序以獲取有關財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實與公平地呈列財務報表相關之內部監控，以設計適當之審核程序，但並非對公司之內部監控效能發表意見。審核亦包括評價董事所採用會計政策之合適性及所作出會計估計之合理性，以及評價財務報表之整體呈列方式。

吾等相信，吾等所獲得之審核憑證是充足和適當地為吾等之審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實與公平地反映 貴公司及 貴集團於二零零八年十二月三十一日之財務狀況及 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規定妥為編製。

鄧偉雄會計師事務所有限公司
執業會計師
香港，二零零九年三月二十四日

鄧偉雄
執業證書號碼：P03525

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

		Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Revenue	收益	5	78,644	52,612
Cost of sales	銷售成本		(59,624)	(32,118)
Gross profit	毛利		19,020	20,494
Other revenue	其他收益	5	105,644	616
Administrative expenses	行政費用		(132,353)	(8,813)
Other operating expenses	其他經營費用		(13,453)	(5,263)
(Loss) profit from operations	經營(虧損)溢利	7	(21,142)	7,034
Finance costs	融資成本	8	(853)	(1,814)
(Loss) profit before tax	除稅前(虧損)溢利		(21,995)	5,220
Income tax expense	所得稅費用	10	(2,251)	(5,038)
(Loss) profit for the year	年度(虧損)溢利		(24,246)	182
Dividend	股息	11	—	—
Attributable to:	應佔:			
Equity holders of the Company	本公司權益持有人		(24,038)	182
Minority interests	少數股東權益		(208)	—
			(24,246)	182
			HK cents 港幣仙	HK cents 港幣仙
(Loss) earnings per share	每股(虧損)盈利	12		
Basic	基本		(0.399)	0.025
Diluted	攤薄		(0.406)	N/A 不適用

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	85,282	91,759
Available-for-sale financial assets	可供出售財務資產	15	2,937	146
			88,219	91,905
CURRENT ASSETS	流動資產			
Inventories	存貨	16	22,850	19,060
Trade and other receivables	應收貿易及其他賬款	18	28,801	23,584
Due from a related company	應收關連公司款項	19	562	4,521
Cash and bank balances	現金及銀行結存	20	26,298	37
			78,511	47,202
TOTAL CURRENT ASSETS	流動資產總值			
CURRENT LIABILITIES	流動負債			
Borrowing – current portion	借貸 – 流動部份	21	–	(1,700)
Trade and other payables	應付貿易及其他賬款	22	(18,492)	(21,324)
Due to a director	欠付一名董事款項	23	(3,936)	(3,295)
Due to a related company	欠付一間關連公司款項	24	(4,457)	–
Tax payable	應付稅項		(9,978)	(7,326)
			(36,863)	(33,645)
TOTAL CURRENT LIABILITIES	流動負債總額			
NET CURRENT ASSETS	流動資產淨值		41,648	13,557
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		129,867	105,462
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	25	–	(24,859)
Borrowing	借貸	21	(12,400)	–
Deferred tax liabilities	遞延稅項負債	26	(3,561)	(5,936)
			(15,961)	(30,795)
TOTAL NON-CURRENT LIABILITIES	非流動負債總額			
NET ASSETS	資產淨值		113,906	74,667
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	27	67,062	7,231
Reserves	儲備	28	46,802	67,436
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		113,864	74,667
Minority interests	少數股東權益		42	–
TOTAL EQUITY	權益總額		113,906	74,667

Lau Chi Yuen, Joseph
劉智遠
Chairman
主席

Chung Man Wai
鍾文偉
Executive Director
執行董事

COMPANY BALANCE SHEET

公司資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	–	–
Investment in subsidiaries	於附屬公司之投資	14	–	–
Available-for-sale financial assets	可供出售財務資產	15	2,937	–
			2,937	–
CURRENT ASSETS	流動資產			
Due from subsidiaries	應收附屬公司款項	17	1,152	55,846
Trade and other receivables	應收貿易及其他賬款	18	56,199	9,956
Due from a related company	應收關連公司款項	19	562	–
Cash and bank balances	現金及銀行結存	20	26,281	7
			84,194	65,809
TOTAL CURRENT ASSETS	流動資產總值		84,194	65,809
CURRENT LIABILITIES	流動負債			
Borrowing-current portion	借貸—流動部份	21	–	(1,700)
Trade and other payables	應付貿易及其他賬款	22	(4,840)	(10,185)
Due to a director	欠付一名董事款項	23	(6,076)	(6,076)
Due to a shareholder	欠付一名股東款項	23	(7,000)	(7,000)
			(17,916)	(24,961)
TOTAL CURRENT LIABILITIES	流動負債總值		(17,916)	(24,961)
NET CURRENT ASSETS	流動資產淨值		66,278	40,848
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		69,215	40,848
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	25	–	(24,859)
Borrowing	借貸	21	(12,400)	–
Deferred tax liabilities	遞延稅項負債	26	–	(978)
			(12,400)	(25,837)
TOTAL NON-CURRENT LIABILITIES	非流動負債總值		(12,400)	(25,837)
NET ASSETS	資產淨值		56,815	15,011
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	27	67,062	7,231
Reserves	儲備	28	(10,247)	7,780
TOTAL EQUITY	權益總額		56,815	15,011

Lau Chi Yuen, Joseph
劉智遠
Chairman
主席

Chung Man Wai
鍾文偉
Executive Director
執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

股東權益變動綜合報表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔									
		Share capital	Share premium	Translation reserve	Revaluation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Minority interests	Total equity
		股本	股份溢價	匯兌儲備	重估儲備	購股權儲備	債券儲備	累計虧損	總額	股東權益少數	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2007	於二零零七年一月一日	7,231	61,597	117	29,700	-	3,888	(28,892)	73,641	-	73,641
Exchange differences arising on translation of financial statements outside Hong Kong	換算香港以外地區財務報表所產生匯兌差額	-	-	646	-	-	-	-	646	-	646
Deficit on revaluation of property, plant and equipment	重估物業、廠房及設備之虧結	-	-	-	(4,823)	-	-	-	(4,823)	-	(4,823)
Deferred tax liability on revaluation of property, plant and equipment	重估物業、廠房及設備之遞延稅項負債	-	-	-	3,419	-	-	-	3,419	-	3,419
Net expense recognized directly in equity	直接於權益確認之開支淨額	7,231	61,597	763	28,296	-	3,888	(28,892)	72,883	-	72,883
Profit for the year	年度溢利	-	-	-	-	-	-	182	182	-	182
Total recognised income and expense for the year	年內確認之收入及開支總額	7,231	61,597	763	28,296	-	3,888	(28,710)	73,065	-	73,065
Fair value adjustment on convertible bonds	可換股債券之公平值調整	-	-	-	-	-	2,029	-	2,029	-	2,029
Reversal of deferred tax liability on the convertible bonds	撥回可換股債券之遞延稅項負債	-	-	-	-	-	(427)	-	(427)	-	(427)
At 31 December 2007 and at 1 January 2008	於二零零七年十二月三十一日及於二零零八年一月一日	7,231	61,597	763	28,296	-	5,490	(28,710)	74,667	-	74,667
Exchange differences arising on translation of financial statements outside Hong Kong	換算香港以外地區財務報表所產生匯兌差額	-	-	1,104	-	-	-	-	1,104	-	1,104
Deficit on revaluation of property, plant and equipment	重估物業、廠房及設備之虧結	-	-	-	(6,054)	-	-	-	(6,054)	-	(6,054)
Deferred tax liability on revaluation of property, plant and equipment	重估物業、廠房及設備之遞延稅項負債	-	-	-	1,397	-	-	-	1,397	-	1,397
Net expense recognized directly in equity	直接於權益確認之開支淨額	7,231	61,597	1,867	23,639	-	5,490	(28,710)	71,114	-	71,114
Loss for the year	年度虧損	-	-	-	-	-	-	(24,038)	(24,038)	(208)	(24,246)
Total recognised income and expense for the year	年內確認之收入及開支總額	7,231	61,597	1,867	23,639	-	5,490	(52,748)	47,076	(208)	46,868
Bonus issue	發行紅股	362	(362)	-	-	-	-	-	-	-	-
Placing issue	配股	14,580	-	-	-	-	-	-	14,580	-	14,580
Right issue	供股	7,231	-	-	-	-	-	-	7,231	-	7,231
Subscription issue	發行認購股份	35,420	-	-	-	-	-	-	35,420	-	35,420
Remuneration issue	發行代酬股份	2,238	-	-	-	-	-	-	2,238	-	2,238
Redemption on convertible bonds	贖回可換股債券	-	-	-	-	-	(5,490)	-	(5,490)	-	(5,490)
Recognition of equity-settled share based payments	確認按權益結算以股份支付之款項	-	-	-	-	12,809	-	-	12,809	-	12,809
Capital contribution from minority shareholder	少數股東出資	-	-	-	-	-	-	-	-	250	250
At 31 December 2008	於二零零八年十二月三十一日	67,062	61,235	1,867	23,639	12,809	-	(52,748)	113,864	42	113,906

In the opinion of the directors, the revaluation reserve, convertible bonds reserve and share option reserve are not available for distribution to the Company's shareholders.

董事認為，重估儲備、可換股債券儲備及購股權儲備並不可分派予本公司股東。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

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

		2008 HK\$'000 二零零八年 港幣千元	2007 HK\$'000 二零零七年 港幣千元
OPERATING ACTIVITIES	經營業務		
(Loss) profit before tax	除稅前(虧損)溢利	(21,995)	5,220
Adjustments for:	就以下調整:		
Finance costs	融資成本	853	1,814
Interest income	利息收入	(331)	-
Depreciation and amortization of property, plant and equipment	物業、廠房及設備折舊及攤銷	18	26
Impairment loss on other receivables	其他應收賬款減值虧損	113,101	-
Share option expenses	購股權開支	12,809	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	753	-
Gain on disposal of a subsidiary	出售附屬公司收益	(99,258)	-
Gain on redemption on convertible bonds	贖回可換股債券之收益	(4,383)	-
Interest on convertible bonds written back	撥回可換股債券利息	(230)	(548)
Interest on promissory notes written back	撥回承兌票據利息	(144)	-
Operating profit before changes in working capital	營運資金變動前經營溢利	1,193	6,512
Increase in inventories	存貨增加	(3,790)	(15,577)
(Increase) decrease in trade and other receivables	應收貿易及其他賬款 (增加)減少	(207,958)	1,511
Increase in trade and other payables	應付貿易及其他賬款增加	187,947	245
Tax paid	已付稅項	(139)	-
Net cash used in operating activities	經營業務所用現金淨額	(22,747)	(7,309)
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	331	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(314)	-
Purchase of available-for-sale financial assets	購買可供出售財務資產	(2,937)	-
Net proceeds from disposal of a subsidiary	出售一間附屬公司所得款項淨額	(10)	-
Increase in due from a director	應收一名董事款項增加	-	(1,590)
Decrease in due from a related company	應收一間關連公司款項減少	3,959	5,138
Net cash generated from investing activities	投資活動所得現金淨額	1,029	3,548

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

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

		2008 HK\$'000 二零零八年 港幣千元	2007 HK\$'000 二零零七年 港幣千元
FINANCING ACTIVITIES	融資活動		
Issue of shares	發行股份	57,231	—
Contribution by minority interests	少數股東出資	250	—
Increase in due to a director	欠付一名董事款項增加	1,154	—
Increase in due to a related company	欠付一間關連公司款項增加	4,457	—
Loans from non-financial institution	非財務機構之貸款	—	1,700
Repayment of loan	償還貸款	(1,700)	—
Payment on redemption on convertible bonds	贖回可換股債券之款項	(15,000)	—
Interest paid	已付利息	(23)	—
Net cash generated from financing activities	融資活動所得現金淨額	46,369	1,700
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物之增加(減少)	24,651	(2,061)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等價物	37	1,199
Effect of foreign exchange rates changes	外幣匯率變動之影響	1,610	899
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年終之現金及現金等價物	26,298	37
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存	26,298	37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL

The Company is incorporated in Cayman Islands as an exempted company with limited liability and its shares are listed on the The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

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

The consolidated financial statements are presented in Hong Kong dollars. The functional currency of the Group is mainly Renminbi ("RMB"). As the Company's shares are listed on the Stock Exchange, the directors consider that it is appropriate to present the consolidated financial statements in Hong Kong dollars.

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

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

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

1. 一般資料

本公司乃於開曼群島註冊成立之受豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址於本年報「公司資料」一節披露。

本公司為一間投資控股公司。其主要附屬公司之業務載於附註39。

綜合財務報表以港幣呈列。本集團之功能貨幣主要為人民幣（「人民幣」）。由於本公司股份於聯交所上市，故董事認為以港幣呈列綜合財務報表乃屬適當。

2. 應用新訂及經修訂香港財務報告準則

於本年度，本集團已應用以下由香港會計師公會（「香港會計師公會」）頒佈之修訂及詮釋（「新香港財務報告準則」），該等準則及詮釋經已生效。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

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

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

HKFRSs (Amendments)	Improvements to HKFRSs ⁽¹⁾
HKAS 1 (Revised)	Presentation of Financial Statements ⁽²⁾
HKAS 23 (Revised)	Borrowing Costs ⁽²⁾
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁽³⁾
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ⁽²⁾
HKAS 39 (Amendment)	Eligible hedged items ⁽³⁾
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ⁽³⁾

2. 應用新訂及經修訂香港財務報告準則 (續)

採納新香港財務報告準則對本年度或過往會計期間之業績及財務狀況之編製及呈列方式並無重大影響。因此，毋須作出前期調整。

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋。

香港財務報告準則 (修訂)	香港財務報告準則之改進 ⁽¹⁾
香港會計準則第1號 (修訂本)	財務報表呈列方式 ⁽²⁾
香港會計準則第23號 (修訂本)	借貸成本 ⁽²⁾
香港會計準則第27號 (修訂本)	綜合及個別財務報表 ⁽³⁾
香港會計準則第32號及第1號 (修訂)	可沽財務工具及清盤時產生之責任 ⁽²⁾
香港會計準則第39號 (修訂)	合資格對沖項目 ⁽³⁾
香港財務報告準則第1號 (修訂本)	首次採納香港財務報告準則 ⁽³⁾

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

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

HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ⁽²⁾
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ⁽²⁾
HKFRS 3 (Revised)	Business Combinations ⁽³⁾
HKFRS 7 (Amendment)	Improving Disclosure about Financial Instruments ⁽²⁾
HKFRS 8	Operating Segments ⁽²⁾
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁽⁴⁾
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ⁽²⁾
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁽⁵⁾
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners ⁽³⁾
HK(IFRIC)-Int 18	Transfers of Assets from Customers ⁽⁶⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2009 except 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

⁽⁶⁾ Effective for transfer of assets from customers received on or after 1 July 2009

2. 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第1號及香港會計準則第27號(修訂)	於附屬公司、共同控制實體或聯營公司之投資之成本 ⁽²⁾
香港財務報告準則第2號(修訂)	歸屬條件及註銷 ⁽²⁾
香港財務報告準則第3號(修訂本)	業務合併 ⁽³⁾
香港財務報告準則第7號(修訂)	有關財務工具披露之改進 ⁽²⁾
香港財務報告準則第8號	營運分部 ⁽²⁾
香港(國際財務報告詮釋委員會)一詮釋第13號	客戶忠誠計劃 ⁽⁴⁾
香港(國際財務報告詮釋委員會)一詮釋第15號	房地產建築協議 ⁽²⁾
香港(國際財務報告詮釋委員會)一詮釋第16號	對沖海外業務投資淨額 ⁽⁵⁾
香港(國際財務報告詮釋委員會)一詮釋第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)一詮釋第18號	客戶轉移資產 ⁽⁶⁾

⁽¹⁾ 於二零零九年一月一日或其後開始之年度期間生效，惟香港財務報告準則第5號之修訂除外，其於二零零九年七月一日或其後開始之年度期間生效

⁽²⁾ 於二零零九年一月一日或其後開始之年度期間生效

⁽³⁾ 於二零零九年七月一日或其後開始之年度期間生效

⁽⁴⁾ 於二零零八年七月一日或其後開始之年度期間生效

⁽⁵⁾ 於二零零八年十月一日或其後開始之年度期間生效

⁽⁶⁾ 對二零零九年七月一日或其後所獲之客戶轉移資產有效

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

2. 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第3號(修訂本)或會影響收購日期為於二零零九年七月一日或其後開始之首個年度報告期間開始或之後之業務合併之會計處理。香港會計準則第27號(修訂本)將影響母公司於附屬公司權益變動之會計處理。本公司董事預期應用其他新訂及經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

3. 主要會計政策

(a) 遵例聲明

此等綜合財務報表乃根據所有適用之香港財務報告準則(「香港財務報告準則」,此統稱包括香港會計師公會頒佈之所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例之披露規定而編製。此等綜合財務報表亦遵守香港聯合交易所有限公司創業板證券上市規則之適用披露規定。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of financial statements

The consolidated financial statements have been prepared on the historical cost basis, except for property, plant and equipment and financial instruments, which are measured at fair values.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company for the year made up to 31 December 2008. Control is achieved where the Company has the power to govern the financial and operating policies at an entity so as to obtain benefit from its activities.

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

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

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

3. 主要會計政策 (續)

(b) 財務報表之編製基準

綜合財務報表乃按照歷史成本法編製，惟物業、廠房及設備以及財務工具則按公平值計量。

(c) 綜合賬目之基準

綜合財務報表包括本公司以及本公司控制之實體截至二零零八年十二月三十一日止年度之財務報表。倘本公司有能力監管實體之財務及營運政策以從其活動中獲益，即獲得該實體之控制權。

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

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

集團內公司間之所有交易、結餘、收入及開支均於綜合賬目時對銷。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

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

(d) Subsidiary

A subsidiary is an enterprise in which the Group has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another enterprise.

Investments in subsidiaries are included in the Company's balance sheet at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策 (續)

(c) 綜合賬目之基準 (續)

綜合附屬公司資產淨值內之少數股東權益與本集團所佔之權益分開呈列。資產淨值內之少數股東權益包括該等權益於原本業務合併日期之數額(見下文)及少數股東應佔該合併日期以後之權益變動。適用於少數股東之虧損超出於附屬公司股權之少數股東權益之數額將與本集團之權益作出分配，惟少數股東具約束力責任及可以額外投資彌補虧損者除外。

(d) 附屬公司

附屬公司指本集團有權直接或間接監管財務及經營政策，藉此自其活動獲益之企業。於評估本集團是否控制另一企業時，將考慮現時可行使或可轉換之潛在投票權是否存在及其影響。

於附屬公司之投資乃按成本值減任何減值虧損計入本公司之資產負債表。附屬公司業績乃由本公司按已收及應收股息基準入賬。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Business combinations

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

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

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

3. 主要會計政策 (續)

(e) 業務合併

收購業務乃以購買法計算。收購之成本乃按交換日期本集團付出資產、所產生或所承擔之負債及作為交換以控制被收購人而發行之權益工具之公平值，加上業務合併之任何直接應佔成本之總和計量。被收購人之可辨識資產、負債及或然負債，乃以彼等於收購日期之公平值確認，惟被分類為持作出售之非流動資產（或出售組別），乃以公平值減出售成本確認及計量。

因收購所產生之商譽乃確認為資產，並初步按成本值計量，即業務合併之成本超出本集團於已確認之可辨識資產、負債及或然負債之公平淨值中之權益之部份。倘於重新評估後，本集團於被收購人之可辨識資產、負債及或然負債之公平淨值中之權益超出業務合併成本之部份，則即時於損益內確認。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Goodwill

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

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

Gain or loss on the disposal of a subsidiary includes the carrying amount of goodwill relating to the subsidiary.

3. 主要會計政策 (續)

(f) 商譽

商譽乃指收購成本高於本集團於收購日期在附屬公司、聯營公司或共同控制實體可辨識資產、負債及或然負債之公平淨值之權益數額。商譽初步按成本確認為資產，其後按成本減任何累計減值虧損計算。收購附屬公司時產生之商譽將分開呈報。

就檢測減值而言，商譽會分配至本集團各個預期可受惠於合併協同效益之現金產生單位。獲分配商譽之現金產生單位會每年或倘有跡象顯示該單位可能減值，則更頻密檢測減值。倘現金產生單位之可收回金額少於該單位賬面值，減值虧損會先分配至減少任何分配至該單位之商譽賬面值，繼而根據該單位各項資產賬面值按比例分配至該單位其他資產。就商譽確認之減值虧損不會於其後期間撥回。

出售附屬公司時之收益或虧損包括與附屬公司有關之商譽賬面值。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.
- (ii) Rental income under operating leases is recognized on a straight-line basis over the term of the relevant lease.
- (iii) Interest income 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.
- (iv) Dividend income is recognized when the shareholder's right to receive payment is established.

3. 主要會計政策 (續)

(g) 收益確認

收益於經濟利益可能流入本集團及收益能夠可靠計量時按下列基準確認：

- (i) 收益乃按已收或應收代價之公平值計量，即在日常業務過程中所提供之貨品及服務扣減折扣及銷售相關稅項後之應收金額。
- (ii) 經營租賃項下之租金收入乃按有關租約年期以直線法予以確認。
- (iii) 利息收入乃參考尚未清償本金及適用實際利率按時間基準累計，該利率為透過財務資產之預計年期折算估計將來可收取之現金至該資產賬面淨額之利率。
- (iv) 股息收入將於股東收取有關款額之權利獲確立時予以確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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 recognized in the 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 recognized as an expense on a straight-line basis over the lease term.

The Group as lessee

Rental payable under operating leases are charged to profit or loss 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.

(i) Foreign currencies

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

3. 主要會計政策 (續)

(h) 租賃

倘租賃條款將所有權之絕大部份風險及回報轉讓予承租人時，該等租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租賃之租金收入按相關租賃年期以直線法於收益表確認。磋商及安排經營租賃產生之初步直接成本計入租賃資產之賬面值，並按租期以直線法確認為開支。

本集團作為承租人

根據經營租賃應付之租金按相關租賃年期以直線法於損益支銷。作為訂立經營租賃獎勵之已收及應收利益按租期以直線法確認為租金開支扣減。

(i) 外幣

集團內各實體之獨立財務報表均以該實體經營之主要經濟環境之貨幣（其功能貨幣）呈列。為編製綜合財務報表，各實體之業績及財務狀況均以港幣列值，港幣為本公司之功能貨幣，並為綜合財務報表之呈列貨幣。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Foreign currencies (continued)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded 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 retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

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

3. 主要會計政策 (續)

(i) 外幣 (續)

在編製各個別實體之財務報表時，以該實體之功能貨幣以外之貨幣（外幣）計值之交易按交易日期當前匯率記錄。於每個結算日，以外幣為單位之貨幣性項目均按結算日當前匯率重新換算。以公平值列賬並以外幣為單位之非貨幣性項目會按確定公平值日期之匯率重新換算。以歷史成本計量並以外幣計值之非貨幣性項目不會重新換算。

償付貨幣項目及重新換算貨幣項目時所產生之匯兌差額計入期內之損益中。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損益中，惟重新換算直接於權益中確認損益之非貨幣項目所產生之差異除外。就有關非貨幣項目而言，損益之匯兌部分亦會直接於權益中確認。

於呈列綜合財務報表時，本集團境外業務之資產及負債（包括比較數字）均按結算日當前匯率以港幣呈列。收入及開支項目（包括比較數字）均按期內之平均匯率換算，除非匯率於期內大幅波動，在該情況下，則使用交易日期之匯率。所產生之匯兌差額（如有），將分類為權益並轉撥至本集團之匯兌儲備。該等匯兌差額將於出售有關境外業務之期間內於損益確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Foreign currencies (continued)

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

(j) Borrowing costs

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

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

(k) Employee benefits

(i) Employee leave entitlements

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

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

3. 主要會計政策 (續)

(i) 外幣 (續)

因收購境外業務所產生之商譽及公平價值之調整，會作為境外業務之資產及負債處理，並以結算日當時適用之匯率換算。所產生之匯兌差額於匯兌儲備確認。

(j) 借款成本

凡必須經過頗長時間以作擬定用途或銷售之合資格資產之收購、建造或生產直接應佔之借款成本，均加入該等資產之成本，直至該等資產幾乎可作擬定用途或銷售之時間為止。特定借款在用於有關合資格資產支出前作暫時投資，則投資所得收入將在合資格作資本化之借款成本中扣減。

所有其他借款成本於產生期間在損益中確認。

(k) 僱員福利

(i) 僱員應享假期

僱員應享之年假及長期服務假期於僱員應得時確認。本集團就截至結算日止之年假及僱員因提供服務而享有之長期服務假期之估計負債作出撥備。

僱員享有之病假及產假或待產假於僱員享用時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Employee benefits (continued)

(ii) Retirement benefit costs

The Group's contributions to the defined contribution retirement scheme set up pursuant to the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF" Scheme) for all qualifying employees are expensed as incurred. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(iii) Share – based payments

The Group operates equity-settled share-based payments to directors, employees and other parties.

Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in a capital reserve within equity, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market based vesting conditions. The equity amount is recognized in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained earnings).

3. 主要會計政策 (續)

(k) 僱員福利 (續)

(ii) 退休福利費用

本集團就根據香港強制性公積金計劃條例制定之定額供款退休計劃(「強積金」計劃)向所有合資格僱員之供款乃於錄得時支銷。本集團對強積金計劃作出之僱主供款在繳交後即全數歸僱員所有。

(iii) 股權支付

本集團向董事、僱員及其他人士設有以權益結算之股權支付。

以權益結算之股權支付按授出日期之公平值(扣除非市場歸屬條件之影響)計量。以權益結算之股權支付於授出日期釐定之公平值,根據本集團所估計最終就非市場歸屬條件歸屬及調整之股份,以直線法於歸屬期內支銷,並於權益內之資本儲備作相應增加。權益金額於資本儲備內確認,直至購股權獲行使(轉撥至股份溢價賬時)或購股權屆滿(直接撥入保留盈利時)為止。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) 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 recognized for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and 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.

3. 主要會計政策 (續)

(I) 稅項

所得稅費用指現時應付稅項及遞延稅項之總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合收益表中所報溢利不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括收益表內從未課稅或扣稅之項目。本集團即期稅項負債以結算日前已頒佈或實際頒佈之稅率計算。

遞延稅項乃按綜合財務報表資產及負債賬面金額與計算應課稅溢利所用相應稅基之差額確認，並以資產負債表負債法計算。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產乃按可能出現可利用暫時差異扣稅之應課稅溢利時確認。若於一項交易中，因商譽或因業務合併以外原因初步確認其他資產及負債而引致之暫時差異並不影響應課稅溢利及會計溢利，則不會確認該等資產及負債。

就於附屬公司與聯營公司之投資及於合資經營公司之權益所產生之應課稅暫時差異均確認為遞延稅項負債，惟本集團可控制撥回暫時差異及暫時差異將不會於可預見未來撥回則除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxation (continued)

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

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

(m) Property, plant and equipment

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

Depreciation is charged so as to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method. The principal annual rates are as follows:

Leasehold improvements	33 $\frac{1}{3}$ %
Plant and machinery	11%
Furniture, fixtures and office equipment	20% – 33%
Motor vehicles	25%

3. 主要會計政策 (續)

(l) 稅項 (續)

遞延稅項資產之賬面金額於每個結算日作出檢討，並於不再可能會有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算，該等稅率為於結算日前已頒佈或實際頒佈之稅率。遞延稅項在損益中扣除或計入損益，惟倘遞延稅項直接在權益中扣除或計入權益之情況（在此情況下，遞延稅項亦會於權益中處理）除外。

(m) 物業、廠房及設備

物業、廠房及設備以成本值減累計折舊及任何累計減值虧損列賬。

物業、廠房及設備乃於其估計可用年期內以直線法按足以抵銷彼等之成本值折舊。折舊之主要年率如下：

租約物業裝修	33 $\frac{1}{3}$ %
廠房及機器	11%
傢俬、裝置及辦公室設備	20%至33%
汽車	25%

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, plant and equipment (continued)

Any revaluation increase arising on the revaluation of property, plant and equipment is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent derecognition of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

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

3. 主要會計政策 (續)

(m) 物業、廠房及設備 (續)

任何於重估物業、廠房及設備時產生之重估增加乃計入重估儲備，惟倘撥回就相同資產先前確認為開支之重估減值則除外，在此情況下，增加則計入綜合收益表，以先前扣除之減值為限。重估一項資產所產生之賬面淨值之減少乃當作開支處理，以超逾有關先前重估該資產之重估儲備結餘（如有）之差額為限。日後不再確認重估資產時，應計重估盈餘乃轉撥至保留盈利。

物業、廠房及設備項目乃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不再確認。於不再確認該資產時產生之任何收益或虧損（以出售所得款項淨額與該項目之賬面值之差額計算）乃計入該項目不再確認年度之綜合收益表內。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Impairment of tangible and intangible assets excluding goodwill

(i) Impairment of trade and other receivables

At each balance sheet date, the Group reviews the carrying amounts of its trade and other receivables to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganization; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Impairment loss recognised in respect of trade debtors included in trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account. Other changes in the allowance account and subsequent recoveries of amount previously written off directly are recognised in consolidated income statement.

3. 主要會計政策 (續)

(n) 有形資產及無形資產 (商譽除外) 之減值

(i) 應收貿易及其他賬款之減值

於每個結算日，本集團審閱應收貿易及其他賬款之賬面值以釐定是否有客觀證據證明減值出現。減值之客觀證據包括本集團注意到之以下一項或多項虧損事項出現之可觀察證據：

- 債務人出現重大財務困難；
- 債務人有可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境出現重大變動，而該等變動對債務人產生負面影響。

因包含在應收貿易及其他應收款項中之應收貿易賬款之可收回性被視為難以預料而並非微乎其微。在此情況下，呆壞賬之減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款之機會微乎其微，則視為不可收回金額會直接從應收貿易賬款中撇銷，而在撥備賬中就該債務保留之任何金額會被撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於綜合收益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Impairment of tangible and intangible assets excluding goodwill (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired, an impairment loss previously recognized no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amount); and available-for-sale financial assets.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

3. 主要會計政策 (續)

(n) 有形資產及無形資產 (商譽除外) 之減值 (續)

(ii) 其他資產減值

來自內部及外部之資料乃於結算日予以檢討，以識別下列資產可能出現減值或原先已確認之減值虧損不再存在或可能已減少之跡象：

- 物業、廠房及設備 (以重估金額列賬之物業除外) 及可供銷售財務資產。

倘出現任何有關跡象，將估計資產之可收回金額，以釐定減值虧損之金額 (如有)。倘無法估計個別資產之可收回金額，則本集團會估計資產所屬之現金產生單位之可收回金額。

可收回金額指公平值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量會按照可反映當前市場對金錢之時間價值以及該資產之特定風險評估之稅前折現率折算至現值。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Impairment of tangible and intangible assets excluding goodwill (continued)

(ii) Impairment of other assets (continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 主要會計政策 (續)

(n) 有形資產及無形資產 (商譽除外) 之減值 (續)

(ii) 其他資產減值 (續)

倘估計資產 (或現金產生單位) 之可收回金額低於其賬面金額, 則該資產 (現金產生單位) 之賬面金額將減至其可收回金額。減值虧損會即時在損益中確認, 惟有關資產以重估金額入賬則除外, 在該情況下, 減值虧損將以重估減值處理。

倘減值虧損於其後撥回, 資產 (現金產生單位) 之賬面金額將調高至其經修訂之估計可收回金額, 惟經調高之賬面金額不得超出該資產 (現金產生單位) 於過往年度未經確認減值虧損時之賬面金額。減值虧損之撥回會即時在損益中確認, 惟有關資產以重估金額入賬則除外, 在該情況下, 減值虧損之撥回將以重估增值處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

(i) Trade receivables

Trade receivables are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(ii) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

3. 主要會計政策 (續)

(o) 財務工具

當本集團成為工具合約條文之一方時，會在綜合資產負債表上確認財務資產及財務負債。

(i) 應收貿易賬款

應收貿易賬款於其後採用實際利率法以攤銷成本計量。倘有客觀證據顯示資產出現減值，則估計無法收回之金額之適當撥備將在損益中確認。有關已確認之撥備乃以資產之賬面金額與以初步確認時採用之實際利率將估計未來現金流量折算至現值之差額計量。

(ii) 投資

投資乃以交易日為基礎，即購買或出售投資之合約條款所規定及經由所屬市場所設定之時限交付該項投資之日，進行確認及終止確認，並會以公平值加上直接應佔之交易費用進行初步計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments (continued)

(ii) Investments (continued)

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

(o) 財務工具 (續)

(ii) 投資 (續)

於其後之申報日期，本集團有明確意向及能力持有至到期日之債務證券（持至到期日之債務證券）乃採用實際利率法以攤銷成本減任何可反映不可收回金額之已確認減值虧損計量。倘有客觀證據顯示資產出現減值，則在損益中確認減值虧損，而有關減值虧損乃以投資之賬面金額與以初步確認時採用之實際利率將估計未來現金流量折算至現值之差額計量。當該項投資之可收回金額增加可客觀地與該項減值獲確認後出現之事件關連，則減值虧損可於其後期間撥回，惟該項投資於減值撥回日期之賬面金額不得超出未經確認該項減值時之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments (continued)

(ii) Investments (continued)

Investments other than held-to-maturity debt securities are classified as either investments held for trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策 (續)

(o) 財務工具 (續)

(ii) 投資 (續)

持至到期日之債務證券以外之投資乃分類為持作買賣投資或可供出售投資，並於其後之申報日期按公平值計量。倘證券乃持作買賣用途，則因公平值變動所產生之收益及虧損將計入期內之損益。至於可供出售投資，因公平值變動所產生之收益及虧損將直接在權益中確認，直至證券被出售或被釐定將出現減值為止，屆時原先已在權益中確認之累積收益及虧損將計入期內之損益。就分類為可供出售之股權投資在損益中確認之減值虧損不可在其後撥回時計入損益。倘分類為可供出售之債務工具之公平值增加可客觀地與減值虧損獲確認後出現之事件關連，則就有關工具在損益中確認之減值虧損可在其後撥回。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments (continued)

(ii) Investments (continued)

Derecognition

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

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(iv) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

3. 主要會計政策 (續)

(o) 財務工具 (續)

(ii) 投資 (續)

取消確認

當從財務資產收取現金流之權利屆滿或財務資產經已轉讓及本公司已轉讓財務資產絕大部份風險及回部時，會取消確認財務資產。於取消確認財務資產時，資產賬面值與已收及應收代價及於權益直接確認之累計盈虧之總和於損益確認。

(iii) 現金及現金等價物

現金及現金等價物包括手頭現金及活期存款以及其他可隨時轉換為已知數額現金之短期高度流通投資，有關投資所承受價值風險輕微。

(iv) 財務負債及權益

本集團發行之財務負債及權益工具根據所訂立之合約安排內容以及財務負債及權益工具之定義而分類。權益工具指能證明擁有本集團資產在減除其所有負債後之剩餘權益之任何合約。就特定財務負債及權益工具採納之會計政策載於下文。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments (continued)

(v) Convertible bonds

Convertible bonds that consist of a liability and an equity components are regarded as compound instruments. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible bonds and the fair value assigned to the liability component, representing the embedded option for the holder to convert the bonds into equity of the Group, is included in equity (capital reserves).

Issue costs are apportioned between the liability and equity components of the convertible bonds based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible bonds.

3. 主要會計政策 (續)

(o) 財務工具 (續)

(v) 可換股債券

可換股債券包括負債及權益部份，並被視為複合工具。於發行當日，負債部份之公平值乃按當時適用於類似非可換股債項之市場利率估計。發行可換股債券之所得款項與劃定為負債部份之公平值之差額，即讓持有人可轉換債券為本集團股權之內含認股權，乃計入權益（股本儲備）。

發行成本乃根據可換股債券之負債及權益部份於發行當日其相關之賬面金額按比例分攤。與權益部份有關之份額乃直接在權益中扣除。

負債部份之利息支出乃採用適用於與工具之負債部份類似之非可換股債項之市場利率計量。此數額與已付利息之差額乃加入可換股債券之賬面金額。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments (continued)

(vi) Trade payables

Trade payables are subsequently measured at amortised cost, using the effective interest rate method.

(vii) Equity instruments

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

(viii) Derecognition

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

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3. 主要會計政策 (續)

(o) 財務工具 (續)

(vi) 應付貿易賬款

應付貿易賬款於其後採用實際利率法以攤銷成本計量。

(vii) 權益工具

本集團所發行之權益工具乃按已收所得款項扣除直接發行成本後列賬。

(viii) 取消確認

當有關合約之特定責任獲解除、取消或屆滿時會取消確認財務負債。獲取消確認之財務負債之賬面值與已付及應付代價間之差額於損益確認。

(p) 存貨

存貨乃按成本值及可變現淨值兩者之較低者列賬。成本值包括直接材料及，倘適用，直接勞工成本及已用作將存貨帶往其目前地點及狀況之有關間接費用。成本值乃按加權平均法計算。可變現淨值乃指日常業務過程中銷售之估計售價減所有估計完成費用及用作推廣、銷售及分銷之費用。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Related parties

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

- (i) The party, directly or indirectly through one or more intermediaries, (1) controls, is controlled by, or is under common control with, the Group; (2) has an interest in the Group that gives it significant influence over the Group; or (3) has joint control over the Group;

3. 主要會計政策 (續)

(q) 撥備及或然負債

倘因過往事件而令本集團產生法律或推定責任，有可能須要為履行責任及可作出可靠估計之經濟利益流出就未確定時限或金額之負債確認撥備。倘貨幣之時間價值重大，則撥備乃以預期用以償付該等負債之開支之現值列賬。

倘經濟利益未必流出或金額不能可靠地估計，則除非經濟利益流出之機會甚微，否則責任將被披露為或然負債。除非經濟利益流出之機會甚微，否則因僅可在發生或不發生之一項或多項未來事件之情況下確定之可能責任，亦會被披露為或然負債。

(r) 有關連人士

下列人士將視為與本集團有關連：

- (i) 該人士直接或間接透過一個或多個中介機構：(1)控制本集團、受本集團控制或與本集團受共同控制；(2)擁有本集團權益而對本集團有重大影響力；或(3)共同控制本集團；

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties (continued)

- (ii) The party is an associate;
- (iii) The party is a jointly-controlled entity;
- (iv) The party is a member of the key management personnel of the Group or its parent;
- (v) The party is a close member of the family of any individual referred to in (i) or (iv); or
- (vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides, with directly or indirectly, any individual referred to in (iv) or (v).

(s) Segment reporting

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

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

3. 主要會計政策 (續)

(r) 有關連人士 (續)

- (ii) 該人士為聯營公司；
- (iii) 該人士為共同控制實體；
- (iv) 該人士為本集團或其母公司之主要管理人員；
- (v) 該人士為(i)或(iv)項中所述任何個人關係密切之家庭成員；或
- (vi) 該人士為一間直接或間接受(iv)或(v)項中所述之任何個人控制或共同控制，或該等個人直接或間接對該實體行使重大影響或擁有重大投票權之實體。

(s) 分部報告

分部是本集團內一個從事提供產品或服務(業務分部)或在某一個經濟環境內提供產品或服務(地區分部)而可區別之分部，各分部所承受之風險及回報與其他分部所承受者不同。

按照本集團之內部財務申報制度，就此財務報表而言，本集團已選擇以業務分部資料作為主要申報格式，並以地區分部資料作為次要申報格式。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Segment reporting (continued)

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

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

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

(t) Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as "other revenue".

3. 主要會計政策 (續)

(s) 分部報告 (續)

分部收入、支出、業績、資產及負債包括一個分部直接應佔之項目，以及可按合理基準向有關分部分配之項目。例如，分部資產可包括存貨、應收貿易賬款及物業、廠房及設備。分部收益、支出、資產及負債在集團內公司間結餘及集團內公司間交易互相對銷（此乃綜合賬目過程之一部份）前釐定，惟倘此等集團內公司間結餘及交易乃在本集團實體間某單一分部內產生者，則作別論。分部間之定價乃以類似其他外界人士提供之條款為基礎。

分部資本開支乃購入且預期可使用一個期間以上之分部資產（包括有形及無形）所產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借款、稅項結餘、企業及融資費用。

(t) 政府資助

政府資助於其與相關成本配合所需之期間確認為收入。與開支項目有關之資助在該等開支於綜合收益表內扣除之相同期間內確認，並獨立列示為「其他收益」。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management is required to exercise significant judgements in the selection and application of accounting principles, including making estimates and assumptions. The following is a review of the more significant accounting policies that are impacted by judgements and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

Estimated recoverability of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition, and requires the use of judgments and estimates. Management reassesses the provision at each balance sheet date.

Property, plant and equipment

The Group's management determines the estimated useful lives and residual values for the Group's property, plant and equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or non-strategy assets that have been abandoned or sold.

4. 關鍵會計估計及判斷

在編製此等綜合財務報表時，管理層須作出重大判斷以挑選及採用會計原則，包括作出估計及假設。以下概述受此等判斷及不確定因素影響之較主要會計政策。若情況不同或採用不同之假設，則呈報金額可能會有所不同。

估計應收貿易及其他應收賬款之可收回性

本集團管理層根據應收款項之可收回性評估釐定應收貿易及其他應收賬款之減值撥備。此評估乃根據其客戶及其他債務人之信貸記錄以及現行市況作出，並須使用判斷及估計。管理層於每個結算日均會再次評估撥備。

物業、廠房及設備

本集團管理層釐定本集團物業、廠房及設備之估計使用年期及殘值。倘使用年期及殘值有別於過往所估計者，或其將技術性地撇銷或撇減已廢棄或出售之滯銷或非策略性資產，則管理層將修訂折舊開支。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Property, plant and equipment (continued)

The Group's plant and machinery included in the property, plant and equipment of HK\$84,973,000 were stated at fair market value in accordance with the accounting policy stated in note 3. The fair market value of plant and machinery included in the property, plant and equipment are determined by GA Appraisal Limited, a firm of independent property valuers and the fair value of property, plant and equipment as at respective year end were set out in note 13. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet dates and appropriate capitalization rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

Income tax

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

4. 關鍵會計估計及判斷 (續)

物業、廠房及設備 (續)

本集團物業、廠房及設備項下之廠房及機器港幣84,973,000元乃根據附註3所述之會計政策按公平市值列賬。物業、廠房及設備項下之廠房及機器之公平市值由獨立物業估值師行天基資產評估有限公司釐定，而物業、廠房及設備於各年結日之公平值載於附註13。該等估值乃根據若干假設計算，而有關假設為不確定，且可能與實際結果有重大差異。在作出判斷時，已考慮主要根據結算日存在之市況而作出之假設，亦已考慮適當之資本化比率。此等估算定期與實際市場數據及本集團訂立之實際交易作比較。

所得稅

本集團須繳付香港及中國司法權區之所得稅。本集團於各結算日檢討遞延稅項資產之賬面值，並以不再可能有足夠應課稅溢利以容許動用全部或部份遞延稅項資產為限將金額減少。此舉需對未來應課稅溢利作出估計，而估計未來應課稅溢利需要本集團對預期本集團所產生之未來盈利作出估計，並選用適當之貼現率以計算盈利之現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

5. REVENUE

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

Sales of goods	貨品銷售
----------------	------

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

Bank interest income	銀行利息收入
Interest on convertible bonds written back	撥回可換股債券利息
Interest on promissory notes written back	撥回承兌票據利息
Investment income from available-for-sale financial assets	可供出售財務資產之投資收入
Rental income	租金收入
Gain on redemption of convertible bonds	贖回可換股債券收益
Gain on disposal of a subsidiary	出售附屬公司收益
Government grants (note)	政府資助(附註)
Sundry income	雜項收入

Note:

Government grants of approximately HK\$784,000 (2007: HK\$Nil) have been received in the current period towards allowances for technology research.

5. 收益

- (a) 本集團於本年度之收益分析如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
78,644	52,612

- (b) 本集團於本年度之其他收益分析如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
331	—
230	548
144	—
295	—
15	32
4,383	—
99,258	—
784	—
204	36
105,644	616

附註：

約港幣784,000元(二零零七年：無)之政府資助已於本期間收到，作為科技研究之津貼。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(i) Business segments

The following continuing operations are the basis on which the Group reports its primary segment information. There are no sales or other transactions between the business segments.

Income statement

2008

Revenue	收益
Segment results	分部業績
Unallocated corporate income	未分配企業收入
Unallocated corporate expenses	未分配企業支出
Finance costs	融資成本
Income tax expense	所得稅費用
Loss for the year	年度虧損

6. 業務及地區分部

(i) 業務分部

本集團根據下列持續經營業務呈報其主要分部資料。業務分部間並無銷售或其他交易。

收益表

二零零八年

Manufacturing and trading of ceramic blanks and ferrules 製造及買賣陶瓷素材及套圈 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
78,486	158	78,644
8,332	(416)	7,916
		104,844
		(133,902)
		(853)
		(2,251)
		(24,246)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

(i) Business segments (continued)

Income statement (continued)

2007

6. 業務及地區分部 (續)

(i) 業務分部 (續)

收益表 (續)

二零零七年

		Manufacturing and trading of ceramic blanks and ferrules 製造及買賣 陶瓷素材 及套圈 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Revenue	收益	52,612	—	52,612
Segment results	分部業績	15,447	—	15,447
Unallocated corporate income	未分配企業收入			616
Unallocated corporate expense	未分配企業支出			(9,029)
Finance costs	融資成本			(1,814)
Income tax expense	所得稅費用			(5,038)
Profit for the year	年度溢利			182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

(i) Business segments (continued)

Other information

2008

Capital expenses	資本開支	–
Depreciation	折舊	–
Other non-cash expenses	其他非現金開支	–
Impairment loss on other receivables	其他應收款項之減值虧損	–

6. 業務及地區分部 (續)

(i) 業務分部 (續)

其他資料

二零零八年

Manufacturing and trading of ceramic blanks and ferrules 製造及買賣陶瓷素材及套圈 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
–	314	314
–	18	18
–	12,809	12,809
–	113,101	113,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

(i) Business segments (continued)

Other information (continued)

2007

Depreciation

折舊

6. 業務及地區分部 (續)

(i) 業務分部 (續)

其他資料 (續)

二零零七年

Manufacturing and trading of ceramic blanks and ferrules 製造及買賣 陶瓷素材 及套圈	Others	Total
HK\$'000 港幣千元	其他 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
1	25	26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

(i) Business segments (continued)

Balance Sheet

2008

Assets	資產
Segment assets	分部資產
Unallocated assets	未分配資產
Total assets	資產總值
Liabilities	負債
Segment liabilities	分部負債
Unallocated liabilities	未分配負債
Total liabilities	負債總額

6. 業務及地區分部 (續)

(i) 業務分部 (續)

資產負債表

二零零八年

Manufacturing and trading of ceramic blanks and ferrules 製造及買賣陶瓷素材及套圈 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
<u>51,032</u>	<u>574</u>	<u>51,606</u>
		<u>115,124</u>
		<u>166,730</u>
<u>28,654</u>	<u>—</u>	<u>28,654</u>
		<u>24,170</u>
		<u>52,824</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

(i) Business segments (continued)

Balance Sheet (continued)

2007

		Manufacturing and trading of ceramic blanks and ferrules 製造及買賣 陶瓷素材 及套圈 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Assets	資產			
Segment assets	分部資產	61,479	-	61,479
Unallocated assets	未分配資產			77,628
Total assets	資產總值			139,107
Liabilities	負債			
Segment liabilities	分部負債	26,319	-	26,319
Unallocated liabilities	未分配負債			38,121
Total liabilities	負債總額			64,440

(ii) Geographical segments

No geographical segment information of the Group is shown as the Group's operations, turnover by geographical market and assets are wholly located in Hong Kong and the People's Republic of China ("PRC").

6. 業務及地區分部 (續)

(i) 業務分部 (續)

資產負債表 (續)

二零零七年

(ii) 地區分部

由於本集團按地區市場劃分之經營業務、營業額及資產全部位於香港及中華人民共和國(「中國」)，故並無呈列本集團之地區分部資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

7. (LOSS) PROFIT FROM OPERATIONS

(Loss) profit from operations of the Group has been arrived at after charging the followings:

7. 經營(虧損)溢利

本集團之經營(虧損)溢利已扣除下列各項：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Staff costs (including directors' remuneration):	員工成本(包括董事酬金)：		
Salaries and allowances	薪金及津貼	6,524	2,913
Direct labour (included in cost of sales)	直接勞工(包括於銷售成本)	9,631	5,268
Mandatory provident fund contributions	強制性公積金供款	584	265
		16,739	8,446
Depreciation for property, plant and equipment	物業、廠房及設備之折舊	18	26
Auditors' remuneration	核數師酬金	500	550
Cost of inventories recognized as expenses	確認為開支之存貨成本	59,624	32,118
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	753	-
Impairment loss on other receivables	其他應收款項之減值虧損	113,101	-
Operating lease rentals in respect of land and buildings	土地及樓宇經營租賃租金	507	771
Share options expenses	購股權開支	12,809	-
Net foreign exchange losses	匯兌虧損淨額	491	-
and after crediting the followings:	經計入下列項目後列賬：		
Net foreign exchange gains	匯兌收益淨額	-	11
Gain on disposal of a subsidiary	出售附屬公司之收益	99,258	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

8. FINANCE COSTS

8. 融資成本

		2008 二零零八年 <i>HK\$'000</i> 港幣千元	2007 二零零七年 <i>HK\$'000</i> 港幣千元
Interest on convertible bonds	可換股債券利息	686	1,797
Interest on promissory notes	承兌票據利息	144	–
Other interest	其他利息	23	17
		853	1,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

9. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS 9. 董事及五名最高薪僱員之酬金

(i) Directors' emoluments

2008

		Other emoluments 其他酬金			
		Salaries and Fees	Retirement Scheme contributions		Total
		薪金及 袍金	退休計劃 供款		合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors	執行董事				
Cheng Qing Bo	成清波	-	-	-	-
Tung Tai Yung (note i)	董大勇 (附註i)	-	-	-	-
Li Fang (note ii)	李芳 (附註ii)	28	-	-	28
Chung Man Wai (note iii)	鍾文偉 (附註iii)	195	-	2	197
Lau Chi Yuen, Joseph (note iv)	劉智遠 (附註iv)	-	-	-	-
Non-executive Director	非執行董事				
Lin Nan (note v)	林楠 (附註v)	-	-	-	-
Independent Non-executive Directors	獨立非執行董事				
Liu Zheng Hao (note vi)	劉正浩 (附註vi)	-	-	-	-
Lam Williamson (note vii)	林全智 (附註vii)	33	-	-	33
Mak Wai Fong (note viii)	麥惠芳 (附註viii)	33	-	-	33
Fung Chan Man, Alex (note ix)	馮燦文 (附註ix)	40	-	-	40
Lee Chung Mong, John (note x)	李春茂 (附註x)	40	-	-	40
Tam Wing Kin (note xi)	譚榮健 (附註xi)	40	-	-	40
		409	-	2	411

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

9. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued)

(i) Directors' emoluments (continued)

2008 (continued)

Note:

- i) Mr. Tung Tai Yung resigned on 29 October 2008.
- ii) Ms. Li Fang resigned on 7 May 2008.
- iii) Mr. Chung Man Wai was appointed on 22 October 2008.
- iv) Mr. Lau Chi Yuen, Joseph was appointed on 30 April 2008.
- v) Mr. Lin Nan resigned on 7 May 2008.
- vi) Mr. Liu Zheng Hao resigned on 7 May 2008.
- vii) Mr. Lam Williamson resigned on 7 May 2008.
- viii) Ms. Mak Wai Fong resigned on 7 May 2008.
- ix) Mr. Fung Chan Man, Alex was appointed on 30 April 2008.
- x) Dr. Lee Chung Mong, John was appointed on 30 April 2008.
- xi) Mr. Tam Wing Kin was appointed on 30 April 2008.

9. 董事及五名最高薪僱員之酬金 (續)

(i) 董事酬金 (續)

二零零八年 (續)

附註:

- i) 董大勇先生於二零零八年十月二十九日辭任。
- ii) 李芳女士於二零零八年五月七日辭任。
- iii) 鍾文偉先生於二零零八年十月二十二日獲委任。
- iv) 劉智遠先生於二零零八年四月三十日獲委任。
- v) 林楠先生於二零零八年五月七日辭任。
- vi) 劉正浩先生於二零零八年五月七日辭任。
- vii) 林全智先生於二零零八年五月七日辭任。
- viii) 麥惠芳女士於二零零八年五月七日辭任。
- ix) 馮燦文先生於二零零八年四月三十日獲委任。
- x) 李春茂博士於二零零八年四月三十日獲委任。
- xi) 譚榮健先生於二零零八年四月三十日獲委任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

9. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued) 9. 董事及五名最高薪僱員之酬金 (續)

(i) Directors' emoluments (continued)

2007

		Other emoluments 其他酬金			
		Fees	Salaries and other benefits	Retirement Scheme contributions	Total
		袍金	薪金及 其他福利	退休計劃 供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors	執行董事				
Cheng Qing Bo	成清波	-	-	-	-
Tung Tai Yung (note i)	董大勇 (附註i)	-	-	-	-
Li Fang	李芳	84	-	-	84
Non-executive Director	非執行董事				
Lin Nan	林楠	-	-	-	-
Independent Non-executive Directors	獨立非執行董事				
Liu Zheng Hao	劉正浩	-	-	-	-
Woo Man Wah (note ii)	胡曼華 (附註ii)	-	-	-	-
Lo Kin Chung (note iii)	勞健忠 (附註iii)	22	-	-	22
Lam Williamson (note iv)	林全智 (附註iv)	75	-	-	75
Mak Wai Fong (note v)	麥惠芳 (附註v)	75	-	-	75
		<u>256</u>	<u>-</u>	<u>-</u>	<u>256</u>

(i) 董事酬金 (續)

二零零七年

		Other emoluments 其他酬金			
		Fees	Salaries and other benefits	Retirement Scheme contributions	Total
		袍金	薪金及 其他福利	退休計劃 供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元

Executive Directors	執行董事				
Cheng Qing Bo	成清波	-	-	-	-
Tung Tai Yung (note i)	董大勇 (附註i)	-	-	-	-
Li Fang	李芳	84	-	-	84
Non-executive Director	非執行董事				
Lin Nan	林楠	-	-	-	-
Independent Non-executive Directors	獨立非執行董事				
Liu Zheng Hao	劉正浩	-	-	-	-
Woo Man Wah (note ii)	胡曼華 (附註ii)	-	-	-	-
Lo Kin Chung (note iii)	勞健忠 (附註iii)	22	-	-	22
Lam Williamson (note iv)	林全智 (附註iv)	75	-	-	75
Mak Wai Fong (note v)	麥惠芳 (附註v)	75	-	-	75
		<u>256</u>	<u>-</u>	<u>-</u>	<u>256</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

9. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued)

(i) Directors' emoluments (continued)

2007 (continued)

Note:

- i) Mr. Tung Tai Yung was appointed on 9 October 2007.
- ii) Ms. Woo Man Wah resigned on 5 February 2007.
- iii) Mr. Lo Kin Chung resigned on 31 March 2007.
- iv) Mr. Lam Williamson was appointed on 5 February 2007.
- v) Ms. Mak Wai Fong was appointed on 21 March 2007.

During the two years ended 31 December 2008, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no directors waived any emoluments for the two years ended 31 December 2008.

During the year, 134,120,000 share options granted to the directors were set out in note 29.

9. 董事及五名最高薪僱員之酬金 (續)

(i) 董事酬金 (續)

二零零七年 (續)

附註:

- i) 董大勇先生於二零零七年十月九日獲委任。
- ii) 胡曼華女士於二零零七年二月五日辭任。
- iii) 勞健忠先生於二零零七年三月三十一日辭任。
- iv) 林全智先生於二零零七年二月五日獲委任。
- v) 麥惠芳女士於二零零七年三月二十一日獲委任。

於截至二零零八年十二月三十一日止兩個年度本集團並無向任何一名董事支付酬金作為吸引其加入或加入本集團時之獎勵或作為其失去職位之補償。此外，並無董事放棄截至二零零八年十二月三十一日止兩個年度之任何酬金。

年內授予董事134,120,000份購股權之詳情載於附註29。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

9. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued)

(ii) Five highest paid employees

During the year, the five highest paid individuals included one director (2007: three), details of whose emoluments are set out above. The emoluments of the remaining highest paid individual were as follows:

Salaries and allowance	薪金及津貼
Retirement scheme contributions	退休計劃供款

9. 董事及五名最高薪僱員之酬金 (續)

(ii) 五名最高薪僱員

於年內，本集團五名最高薪人士中，一名為本公司董事（二零零七年：三名），其薪酬載於上文。其餘最高薪人士薪酬如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
1,059	871
37	3
1,096	874

Emoluments of the non-director highest paid individuals fell within the following bands:

非董事最高薪人士之薪酬組別如下：

HK\$Nil to HK\$1,000,000	港幣零元至港幣1,000,000元
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Number of individuals 人士數目	
2008 二零零八年	2007 二零零七年
4	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in or derived from Hong Kong during the year (2007: Nil). Taxes on profits assessable elsewhere have calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. 所得稅費用

由於本集團於年內並無源自或來自香港之應課稅溢利，因此並無就香港利得稅作出撥備（二零零七年：無）。其他地方應課稅溢利之稅項，乃按本集團經營業務所在之國家之現行法例、詮釋及慣例，按當時生效之稅率計算。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current year:	本年度：		
Hong Kong Profits Tax	香港利得稅	—	—
PRC Enterprise Income Tax	中國企業所得稅	2,112	5,038
		<u>2,112</u>	<u>5,038</u>
Underprovision in prior years:	往年撥備不足：		
Hong Kong Profits Tax	香港利得稅	139	—
PRC Enterprise Income Tax	中國企業所得稅	—	—
		<u>139</u>	<u>—</u>
		<u>2,251</u>	<u>5,038</u>

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10. INCOME TAX EXPENSE (continued)

The taxation on the Group's (loss) profit for the year differs from the theoretical amount that would arise using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax charge at the effective tax rates are as follows:

10. 所得稅費用 (續)

就本集團之年度(虧損)溢利計算之稅款，與按本公司及其附屬公司註冊國家之法定稅率計算之理論稅項金額與按實際稅率計算之稅項支出之差異如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
(Loss) profit before tax	除稅前(虧損)溢利	(21,995)	5,220
Taxation at notional rate	按名義稅率計算之稅項	(3,629)	914
Tax effect of income not taxable	毋須課稅收入之稅務影響	(16,466)	-
Tax effect of expenses not deductible for taxation purposes	不可扣稅開支之稅務影響	47	5
Tax effect of estimated tax losses not recognized for the year	年內未確認估計稅項虧損之稅務影響	21,442	1,753
Tax effect of income tax underprovided in prior years	往年就所得稅撥備不足之稅務影響	139	-
Effect of different tax rates operating in other jurisdictions	於其他司法權區經營不同稅率之影響	718	2,366
		2,251	5,038

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11. DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed since the balance sheet date (2007: Nil).

12. (LOSS) EARNINGS PER SHARE

The basic (loss) earnings per share is calculated based on the (loss) profit attributable to shareholders of loss of approximately HK\$24,038,000 (2007: profit of approximately HK\$182,000) and the weighted average number of 6,019,084,345 (2007: 723,087,310) ordinary shares in issue during the year.

The diluted loss per share for the year ended 31 December 2008 is calculated based on the loss attributable to shareholders of approximately HK\$24,038,000 and the weighted average number of 5,919,929,930 for the purpose of diluted loss per share.

The diluted earnings per share for the year ended 31 December 2007 has not been disclosed as the exercise price of the Company's convertible bonds were higher than the average market price for shares and there was no outstanding share option.

11. 股息

於年內並無支付或擬派任何股息，而自結算日起亦無擬派任何股息（二零零七年：無）。

12. 每股（虧損）盈利

每股基本（虧損）盈利乃根據年內之股東應佔（虧損）溢利約虧損港幣24,038,000元（二零零七年：溢利約港幣182,000元）及年內已發行普通股之加權平均數6,019,084,345股（二零零七年：723,087,310股）計算。

截至二零零八年十二月三十一日止年度之每股攤薄虧損乃根據股東應佔虧損約港幣24,038,000元及就每股攤薄虧損而言之加權平均數5,919,929,930股計算。

由於本公司之可換股債券之行使價較股份平均市價為高，且並無尚未行使之購股權，故並無披露截至二零零七年十二月三十一日止年度之每股攤薄盈利。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

The Group

本集團

		Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Total
		租賃物業裝修	廠房及機器	傢俬、裝置及 辦公室設備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cost or valuation	成本或估值				
At 1 January 2007	於二零零七年一月一日	1,251	96,500	1,338	99,089
Exchange re-alignment	匯兌調整	-	45	-	45
Adjustment on valuation	估值調整	-	(4,823)	-	(4,823)
At 31 December 2007 and at 1 January 2008	於二零零七年 十二月三十一日及 於二零零八年一月一日	1,251	91,722	1,338	94,311
Additions	添置	265	-	49	314
Disposal	出售	(37)	(729)	(78)	(844)
Exchange re-alignment	匯兌調整	-	34	-	34
Disposal of a subsidiary	出售附屬公司	-	-	(540)	(540)
Adjustment on valuation	估值調整	-	(6,054)	-	(6,054)
At 31 December 2008	於二零零八年十二月 三十一日	1,479	84,973	769	87,221
Comprising	包括：				
At cost	按成本	1,479	-	769	2,248
At valuation – 2008	按估值—二零零八年	-	84,973	-	84,973
		1,479	84,973	769	87,221

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綜合財務報表附註

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

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

		Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Total
		租賃物業裝修	廠房及機器	傢俬、裝置及 辦公室設備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Accumulated depreciation and impairment losses	累計折舊及減值虧損				
At 1 January 2007	於二零零七年一月一日	1,216	–	1,310	2,526
Charge for the year	本年度支出	12	–	14	26
At 31 December 2007 and at 1 January 2008	於二零零七年 十二月三十一日及 於二零零八年一月一日	1,228	–	1,324	2,552
Charge for the year	本年度支出	10	–	8	18
Written back on disposal	出售時撥回	(18)	–	(73)	(91)
Written back on disposal of a subsidiary	出售附屬公司時撥回	–	–	(540)	(540)
At 31 December 2008	於二零零八年 十二月三十一日	1,220	–	719	1,939
Net carrying amount	賬面淨值				
At 31 December 2008	於二零零八年 十二月三十一日	259	84,973	50	85,282
At 31 December 2007	於二零零七年 十二月三十一日	23	91,722	14	91,759

The Group's plant and machinery were revalued at HK\$84,973,000 as at 31 December 2008 (2007: HK\$91,722,000) by GA Appraisal Limited, independent qualified valuers, by using fair market value.

13. 物業、廠房及設備 (續)

本集團 (續)

		Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Total
		租賃物業裝修	廠房及機器	傢俬、裝置及 辦公室設備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Accumulated depreciation and impairment losses	累計折舊及減值虧損				
At 1 January 2007	於二零零七年一月一日	1,216	–	1,310	2,526
Charge for the year	本年度支出	12	–	14	26
At 31 December 2007 and at 1 January 2008	於二零零七年 十二月三十一日及 於二零零八年一月一日	1,228	–	1,324	2,552
Charge for the year	本年度支出	10	–	8	18
Written back on disposal	出售時撥回	(18)	–	(73)	(91)
Written back on disposal of a subsidiary	出售附屬公司時撥回	–	–	(540)	(540)
At 31 December 2008	於二零零八年 十二月三十一日	1,220	–	719	1,939
Net carrying amount	賬面淨值				
At 31 December 2008	於二零零八年 十二月三十一日	259	84,973	50	85,282
At 31 December 2007	於二零零七年 十二月三十一日	23	91,722	14	91,759

於二零零八年十二月三十一日，本集團之廠房及機器由獨立合資格估值師天基資產評估有限公司以公平市值重新估值，金額為港幣84,973,000元（二零零七年：港幣91,722,000元）。

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

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備 (續)

The Company

本公司

		Leasehold improvements	Furniture, fixtures and office equipment	Total
		租賃物業裝修	傢俬、裝置及 辦公室設備	總額
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Cost	成本			
At 1 January 2007,	於二零零七年一月一日、			
31 December 2007 and	二零零七年			
31 December 2008	十二月三十一日及			
	二零零八年			
	十二月三十一日	1,213	708	1,921
Accumulated depreciation and impairment losses	累計折舊及減值虧損			
At 1 January 2007,	於二零零七年一月一日、			
31 December 2007 and	二零零七年十二月			
31 December 2008	三十一日及二零零八年			
	十二月三十一日	1,213	708	1,921
Net carrying amount	賬面淨值			
At 31 December 2008	於二零零八年	-	-	-
	十二月三十一日	-	-	-
At 31 December 2007	於二零零七年	-	-	-
	十二月三十一日	-	-	-

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

14. INVESTMENT IN SUBSIDIARIES

Unlisted shares, at cost
Less: impairment losses

非上市股份，按成本值
減：減值虧損

Details of principal subsidiaries as at 31 December 2008, which materially affected the Group's results or net assets, are set out in note 39.

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets represent club debenture held by a subsidiary and equity linked notes, and are stated at cost less any accumulated impairment losses, and are tested annually for impairment.

14. 於附屬公司之投資

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
16	16
(16)	(16)
<hr/>	<hr/>
-	-
<hr/>	<hr/>

主要附屬公司於二零零八年十二月三十一日之詳情載於附註39，該等附屬公司乃對本集團之業績或資產淨值有重大影響者。

15. 可供出售財務資產

可供出售財務資產指附屬公司持有之會所債券及股本掛鈎票據，以成本減任何累計減值虧損列賬，亦就減值按年進行測試。

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

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued) 15. 可供出售財務資產 (續)

The Group	本集團	HK\$'000 港幣千元
Cost	成本	
At 1 January 2007, 31 December 2007 and at 1 January 2008	於二零零七年一月一日、 二零零七年十二月三十一日及 於二零零八年一月一日	830
Disposal of a subsidiary	出售附屬公司	(830)
Additions	添置	<u>2,937</u>
At 31 December 2008	於二零零八年十二月三十一日	<u>2,937</u>
Amortisation and impairment	攤銷及減值	
At 1 January 2007, 31 December 2007 and 1 January 2008	於二零零七年一月一日、二零零七年 十二月三十一日及二零零八年一月一日	684
Written back on disposal of a subsidiary	出售附屬公司時撥回	<u>(684)</u>
At 31 December 2008	於二零零八年十二月三十一日	<u>-</u>
Net carrying amount	賬面淨值	
At 31 December 2008	於二零零八年十二月三十一日	<u>2,937</u>
At 31 December 2007	於二零零七年十二月三十一日	<u>146</u>
Represented by:	指：	
Club debenture	會所債券	-
Equity linked notes	股本掛鈎票據	<u>2,937</u>
		<u>2,937</u>

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued) 15. 可供出售財務資產 (續)

The Company

本公司

HK\$'000
港幣千元

Cost	成本	
and	及	
Net carrying amount	賬面淨值	
At 1 January 2007, 31 December 2007 and	於二零零七年一月一日、	
at 1 January 2008	二零零七年十二月三十一日及	
	於二零零八年一月一日	-
Additions	添置	2,937
		<hr/>
At 31 December 2008	於二零零八年十二月三十一日	2,937
		<hr/>

16. INVENTORIES

16. 存貨

Inventories comprises of:

存貨包括：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Raw materials	原材料	7,194	6,653
Work in progress	半製成品	7,137	4,911
Finished goods	製成品	8,519	7,496
		<hr/>	<hr/>
		22,850	19,060
		<hr/>	<hr/>

17. DUE FROM SUBSIDIARIES

17. 應收附屬公司款項

The amount due from subsidiaries is unsecured, interest free and has no fixed terms of repayment.

附屬公司欠款金額乃無抵押、免息及無固定還款期。

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18. TRADE AND OTHER RECEIVABLES

18. 應收貿易及其他賬款

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	25,585	16,920	-	-
Other receivables, deposits and prepayment	其他應收款項、 按金及預付款項	3,216	6,664	56,199	9,956
		28,801	23,584	56,199	9,956

The fair value of the Group's trade and other receivables at 31 December 2008 was approximate to the corresponding carrying amount.

本集團應收貿易及其他賬款於二零零八年十二月三十一日之公平值與其相應賬面值相若。

The aging analysis of trade receivables is as follows:

應收貿易賬款之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Within 30 days	少於30天	6,870	6,352	-	-
31 to 90 days	31至90天	6,450	5,292	-	-
91 to 180 days	91至180天	7,505	3,893	-	-
Over 180 days	超過180天	4,760	1,383	-	-
		25,585	16,920	-	-

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18. TRADE AND OTHER RECEIVABLES (continued)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK\$4,760,000 (2007: HK\$1,383,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of the Group's trade receivables which are past due but not impaired:

Over 180 days	超過180天
Total	總額

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

18. 應收貿易及其他賬款 (續)

本集團之應收貿易賬款結餘包括賬面總值約為港幣4,760,000元(二零零七年:港幣1,383,000元)之應收款項,該筆款項於本報告日期已逾期,惟本集團並未就減值虧損作出撥備。本集團並無就該等結餘持有任何抵押品。

本集團已逾期惟尚未減值之應收貿易賬款賬齡:

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
4,760	1,383
4,760	1,383

已逾期惟尚未減值之應收貿易賬款乃與若干本集團擁有良好過往記錄之獨立客戶有關。根據過往經驗,管理層認為鑒於其信貸質素並無重大變化,且結餘應可全數收回,故無須就此等結餘作出減值撥備。

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19. DUE FROM A RELATED COMPANY

Particulars of the amount due from a related company of the Group disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance are as follows:

The Group

Name of related company	At	At	At	Maximum amount outstanding during the year	
	31 December 2008	31 December 2007	1 January 2007	2008	2007
關連公司名稱	於二零零八年十二月三十一日	於二零零七年十二月三十一日	於二零零七年一月一日	年內未償款項上限 二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
iKanTV Limited	562	-	-	562	-
Shenzhen Weiyi Optical Communication Technology Limited ("Weiyi")	-	4,521	175	4,521	4,521
	562	4,521	175		

The Company

Name of related company	At	At	At	Maximum amount outstanding during the year	
	31 December 2008	31 December 2007	1 January 2007	2008	2007
關連公司名稱	於二零零八年十二月三十一日	於二零零七年十二月三十一日	於二零零七年一月一日	年內未償款項上限 二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
iKanTV Limited	562	-	-	562	-
Shenzhen Weiyi Optical Communication Technology Limited ("Weiyi")	-	-	9,483	-	9,483
	562	-	9,483		

19. 應收關連公司款項

根據香港公司條例第161B條披露之本集團之一間關連公司欠款金額詳情如下：

本集團

Name of related company	At	At	At	Maximum amount outstanding during the year	
	31 December 2008	31 December 2007	1 January 2007	2008	2007
關連公司名稱	於二零零八年十二月三十一日	於二零零七年十二月三十一日	於二零零七年一月一日	年內未償款項上限 二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
iKanTV Limited	562	-	-	562	-
Shenzhen Weiyi Optical Communication Technology Limited ("Weiyi")	-	4,521	175	4,521	4,521
	562	4,521	175		

本公司

Name of related company	At	At	At	Maximum amount outstanding during the year	
	31 December 2008	31 December 2007	1 January 2007	2008	2007
關連公司名稱	於二零零八年十二月三十一日	於二零零七年十二月三十一日	於二零零七年一月一日	年內未償款項上限 二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
iKanTV Limited	562	-	-	562	-
Shenzhen Weiyi Optical Communication Technology Limited ("Weiyi")	-	-	9,483	-	9,483
	562	-	9,483		

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19. DUE FROM A RELATED COMPANY (continued)

The amount due from related companies is unsecured, interest free and has no fixed terms of repayment.

Weiyi is controlled by Mr. Cheng Qing Bo, the executive director as well as a shareholder of the Company.

The executive director Mr. Chung Man Wai is a common director of iKanTV Limited.

20. CASH AND BANK BALANCES

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

The deposits carry at prevailing market interest rate of 0.001% to 0.15% (2007: Nil) per annum.

The Group

Cash at bank and on hand	銀行及手頭現金
Short-term deposits at banks	短期銀行存款
Cash and bank balances in the consolidated balance sheet and the consolidated cash flow statement	於綜合資產負債表及綜合現金流量表之現金及銀行結存

The Company

Cash at bank and on hand	銀行及手頭現金
Short-term deposits at banks	短期定期存款
Cash and bank balances in the balance sheet	於資產負債表及現金流量表之現金及銀行結存

19. 應收關連公司款項 (續)

應收關連公司款項為無抵押、免息及無固定還款期。

威誼為本公司執行董事及股東成清波先生控制。

執行董事鍾文偉先生為iKanTV Limited 共有董事。

20. 現金及銀行結存

現金及銀行結存包括本集團持有之現金及原到期日三個月或以下之短期銀行存款。

存款附有之利息乃按當時適用之市場年利率介乎0.001厘至0.15厘(二零零七年:無)計算。

本集團

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
516	37
25,782	—
26,298	37

本公司

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
499	7
25,782	—
26,281	7

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21. BORROWING

21. 借貸

		The Group and the Company 本集團及本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Loan from non-financial institution	來自非財務機構借貸	–	1,700
Other loan	其他借貸	12,400	–
		12,400	1,700
Unsecured	無抵押	12,400	1,700
Carrying amount repayable:	應付賬面值：		
On demand or within one year	按要求或一年內	–	1,700
More than one year, but not exceeding two years	一年以上但不超過兩年	12,400	–
		12,400	1,700
Less: Amounts due within one year shown under current liabilities	減：流動負債項下所示之一年內到期之款項	–	(1,700)
		12,400	–

Loan from non-financial institution is unsecured and bears interest at prime rate minus 2% per annum and is repayable on demand.

During the year, the Group obtained a new loan of promissory notes of HK\$12,400,000. The loan bears fixed interest at 2% per annum and will be repayable on 1 June 2010. The promissory notes were incurred as part of consideration for redemption of convertible bonds.

來自非財務機構之貸款為無抵押、按最優惠利率減年利率2厘計息並須按要償還。

本集團於年內獲得承兌票據新貸款港幣12,400,000元。該借貸按固定年利率2厘計息並須於二零一零年六月一日償還。承兌票據乃為贖回可換股債券之部份代價而作出。

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

22. TRADE AND OTHER PAYABLES

22. 應付貿易及其他賬款

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade payables	應付貿易賬款	8,313	6,380	-	-
Temporary deposits, accruals and other payables	臨時按金、應計費用及其他應付款項	10,179	14,944	4,840	10,185
		18,492	21,324	4,840	10,185

The aging analysis of trade payables is as follows:

應付貿易賬款之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Within 30 days	少於30天	4,768	3,297	-	-
31 to 90 days	31至90天	2,853	2,389	-	-
91 to 180 days	91至180天	48	161	-	-
Over 180 days	超過180天	644	533	-	-
		8,313	6,380	-	-

23. DUE TO A DIRECTOR/A SHAREHOLDER

23. 欠付一名董事／股東款項

The amount due to a director/a shareholder is unsecured, interest free and has no fixed terms of repayment.

欠付一名董事／股東款項為無抵押、免息及無固定還款期。

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24. DUE TO A RELATED COMPANY

Shenzhen Weiyi Optical Communication Technology Limited (“Weiyi”) 深圳威誼光通技術有限公司 (「威誼」)

Weiyi is controlled by Mr. Cheng Qing Bo, the executive director as well as a shareholder of the Company.

The amount due to a related company is unsecured, interest free and has no fixed terms of repayment.

25. CONVERTIBLE BONDS

On 31 October 2002, the Company issued convertible bonds (the “Convertible Bonds”) with principal amount of HK\$27,400,000 which were originally due and mature on 31 October 2003. The Company will repay the principal amount outstanding under the Convertible Bonds to the bondholders together with interest accrued thereon up to and including the date of actual repayment upon maturity. The Convertible Bonds bear interest at a rate of 2% per annum on the aggregate principal amount outstanding from time to time. The interest is payable yearly in arrears on 31 December in each year. The Convertible Bonds carry the rights to convert, at the discretion of the bondholders, either in whole or in part of the principal amount into ordinary shares of the Company at the initial conversion price of HK\$0.17 per share (subject to adjustments), from 1 November 2002 to the maturity date of 31 October 2003.

24. 欠付一間關連公司款項

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
4,457	—

威誼為本公司執行董事及股東成清波先生控制。

欠付一間關連公司款項為無抵押、免息及無固定還款期。

25. 可換股債券

於二零零二年十月三十一日，本公司發行本金額為港幣27,400,000元之可換股債券（「可換股債券」），該等債券原於二零零三年十月三十一日到期。本公司將於到期時向債券持有人償還可換股債券之未清償本金額連同至實際償還日期（包括該日）之應計利息。可換股債券不時未清償之本金總額按年利率2厘計息。利息於每年十二月三十一日支付。可換股債券附有兌換權，債券持有人可於二零零二年十一月一日起至二零零三年十月三十一日到期日止期間，以最初兌換價每股港幣0.17元（可予調整），酌情將全部或部份本金額兌換為本公司之普通股。

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25. CONVERTIBLE BONDS (continued)

On 1 November 2003, the Company entered into agreements with the bondholders to extend the maturity date to 31 October 2005, with the existing terms and conditions remained unchanged.

On 28 December 2004, the Company entered into agreements with the bondholders to extend the maturity date to 30 April 2006, with the existing terms and conditions remained unchanged.

On 26 December 2005, the Company entered into agreements with the bondholders to extend the maturity date to 30 April 2007, with the existing terms and conditions remained unchanged. Accordingly, the amount is classified as non-current at 31 December 2005.

On 31 July 2006, the Company entered into agreements with the bondholders to extend the maturity date to 30 June 2008, with the existing terms and conditions remained unchanged. Accordingly, the amount is classified as non-current at 31 December 2006.

On 28 September 2007, the Company entered into agreements with the bondholders to extend the maturity date to 31 December 2009, with the existing terms and conditions remained unchanged.

25. 可換股債券 (續)

於二零零三年十一月一日，本公司與債券持有人訂立協議延長到期日至二零零五年十月三十一日，而現有條款及條件維持不變。

於二零零四年十二月二十八日，本公司與債券持有人訂立協議延長到期日至二零零六年四月三十日，而現有條款及條件維持不變。

於二零零五年十二月二十六日，本公司與債券持有人訂立協議延長到期日至二零零七年四月三十日，而現有條款及條件維持不變。據此，該筆金額於二零零五年十二月三十一日分類作非流動。

於二零零六年七月三十一日，本公司與債券持有人訂立協議延長到期日至二零零八年六月三十日，而現有條款及條件維持不變。據此，該筆金額於二零零六年十二月三十一日分類作非流動。

於二零零七年九月二十八日，本公司與債券持有人訂立協議延長到期日至二零零九年十二月三十一日，而現有條款及條件維持不變。

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

25. CONVERTIBLE BONDS (continued)

On 1 June 2008, the Company early redeemed all the convertible bonds issued by the Company to the bondholders on 31 October 2002 before maturity pursuant to the Convertible Bonds Redemption Agreements as supplemented by the Supplemental Convertible Bonds Redemption Agreements.

Liability component at the beginning of the year	年初負債部份
Interest expenses	利息開支
Fair value adjustments	公平值調整
Interest waived	豁免利息
Redemption	贖回
Liability component at the end of the year	年終負債部份

The interest charged for the year is calculated by applying an effective interest rate of 6.58% (2007: 6.58%) to the liability component for the year since the convertible bonds were issued. A gain of approximately HK\$4,383,000 from the redemption of the convertible bonds is recognized in the consolidated income statements.

No convertible bonds was outstanding as at 31 December 2008.

25. 可換股債券 (續)

於二零零八年六月一日，本公司於到期前根據可換股債券贖回協議（經補充可換股債券贖回協議補充），提早贖回所有本公司於二零零二年十月三十一日向債券持有人發行之可換股債券。

The Group and the Company 本集團及本公司

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
24,859	25,640
686	1,797
–	(2,029)
(230)	(549)
(25,315)	–
–	24,859

年內應付利息乃以自發行可換股債券該年起負債部份適用之實際利率6.58厘（二零零七年：6.58厘）計算。贖回可換股債券之收益約港幣4,383,000元已於綜合收益表確認。

於二零零八年十二月三十一日，並無未清償之可換股債券。

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25. CONVERTIBLE BONDS (continued)

The directors estimate the fair value of the liability component of the convertible bonds at 31 December 2007 to be approximately HK\$24,859,000. This fair value has been calculated by discounting the future cash flows at the market rate.

26. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities (assets) provided (recognized) by the Group, and the movements thereon, during the current and prior years:

The Group

		Accelerated tax depreciation 加速稅項 折舊 HK\$'000 港幣千元	Convertible bonds-equity component 可換股債券 - 權益部份 HK\$'000 港幣千元	Revaluation of plant and machinery 重估廠房 及機器 HK\$'000 港幣千元	Tax losses 稅務虧損 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	5,488	550	8,377	(5,488)	8,927
Credit to (charged from) equity for the year	計入 (扣除) 本年度之 權益	-	428	(3,419)	-	(2,991)
At 31 December 2007 and at 1 January 2008	於二零零七年 十二月三十一日及 於二零零八年一月一日	5,488	978	4,958	(5,488)	5,936
Disposal of a subsidiary	出售附屬公司	(5,488)	-	-	5,488	-
Effect of change in applicable tax rate	適用稅率變動之影響	-	-	(283)	-	(283)
Charged from equity for the year	扣除本年度之權益	-	(978)	(1,114)	-	(2,092)
At 31 December 2008	於二零零八年 十二月三十一日	-	-	3,561	-	3,561

25. 可換股債券 (續)

董事估計，於二零零七年十二月三十一日，可換股債券負債部份之公平值約為港幣24,859,000元。該公平值乃將未來現金流量以市場利率貼現得出。

26. 遞延稅項負債

本集團於本年度及過往年度撥備 (確認) 之主要遞延稅項負債 (資產) 及變動如下:

本集團

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26. DEFERRED TAX LIABILITIES (continued)

The following is the analysis of the deferred tax balances for balance sheet purposes:

Deferred tax liabilities 遞延稅項負債
Deferred tax assets 遞延稅項資產

26. 遞延稅項負債 (續)

以下為就資產負債表而言遞延稅項結餘之分析：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
3,561	11,424
—	(5,488)
3,561	5,936

At the balance sheet date, the Group has unused tax losses of approximately HK\$416,000 (2007: HK\$72,051,000) available for offset against future profits. No deferred tax asset has been recognized in respect of HK\$416,000 of such losses due to the unpredictability of future profits streams.

於結算日，本集團有未動用稅務虧損約港幣416,000元（二零零七年：港幣72,051,000元）可用作抵銷未來溢利。由於未能預計未來溢利，故並無就該等虧損港幣416,000元確認遞延稅項資產。

The Company

本公司

		Convertible bonds-equity component 可換股債券 — 權益部份 HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	550
Credit to equity for the year	計入本年度之權益	428
At 31 December 2007 and at 1 January 2008	於二零零七年十二月三十一日及 於二零零八年一月一日	978
Charged from equity for the year	於本年度之權益扣除	(978)
At 31 December 2008	於二零零八年十二月三十一日	—

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27. SHARE CAPITAL

The Group and the Company

Authorised:
At 1 January 2007,
31 December 2007 and
at 31 December 2008

Issued and fully paid:
Ordinary shares of HK\$0.01 each
At 1 January 2007 and
31 December 2007
Bonus issue (note i)
Placing of shares (note ii)
Subscription issue (note iii)
Rights issue (note iv)
Remuneration issue (note v)

At 31 December 2008

Note:

- i) On 2 April 2008, the Company issued and allotted a total of 36,154,365 bonus shares of HK\$0.01 each in the Company at par to the existing shareholders on the basis of one bonus share for every twenty existing shares held on 18 March 2008.
- ii) On 2 April 2008, the Company issued and allotted a total of 1,458,000,000 placing shares of HK\$0.01 each.
- iii) On 2 April 2008, the Company issued and allotted a total of 3,542,000,000 subscription shares of HK\$0.01 each.
- iv) On 25 April 2008, the Company issued a total of 723,087,310 rights shares of HK\$0.01 each, for consideration of HK\$0.01 per share at par to the existing shareholders, on the basis of one rights share for every existing share held on 18 March 2008.
- v) On 2 April 2008, the Company issued and allotted a total of 223,845,635 remuneration shares of HK\$0.01 each in settlement of part of the professional fees.

All the new shares rank pari passu with the existing shares in all respects.

27. 股本

本集團及本公司

	Number of shares 股份數目	Amount 總值 HK\$'000 港幣千元
--	-----------------------------	----------------------------------

法定股本： 於二零零七年一月一日、 二零零七年十二月三十一日 及於二零零八年 十二月三十一日	50,000,000,000	500,000
已發行及繳足股本： 每股港幣0.01元之普通股 於二零零七年一月一日及 二零零七年十二月三十一日	723,087,310	7,231
發行紅股(附註i)	36,154,365	362
配股(附註ii)	1,458,000,000	14,580
認購發行(附註iii)	3,542,000,000	35,420
供股(附註iv)	723,087,310	7,231
發行代酬股份(附註v)	223,845,635	2,238
於二零零八年 十二月三十一日	6,706,174,620	67,062

附註：

- i) 於二零零八年四月二日，本公司以於二零零八年三月十八日每持有二十股現有股份獲發一股紅股之基準按面值向現有股東發行及配發每股面值0.01港元合共36,154,365股紅股。
- ii) 於二零零八年四月二日，本公司發行及配發每股面值0.01港元合共1,458,000,000股配售股份。
- iii) 於二零零八年四月二日，本公司發行及配發每股面值0.01港元合共3,542,000,000股認購股份。
- iv) 於二零零八年四月二十五日，本公司以於二零零八年三月十八日每持有一股現有股份獲發一股供股股份之基準按面值向現有股東發行每股面值0.01港元合共723,087,310股供股股份，代價為每股面值0.01港元。
- v) 於二零零八年四月二日，本公司發行及配發每股面值0.01港元合共223,845,635股代酬股份，以支付部份專業費用。

所有新股份在各方面與現有股份享有同等權益。

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28. RESERVES

28. 儲備

The Group

本集團

		Share premium	Translation reserve	Revaluation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total equity
		股份溢價	匯兌儲備	重估儲備	購股權儲備	債券儲備	累計虧損	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2007	於二零零七年一月一日	61,597	117	29,700	-	3,888	(28,892)	66,410
Exchange differences arising on translation of financial statements outside Hong Kong	換算香港以外地區業務財務報表所產生匯兌差額	-	646	-	-	-	-	646
Fair value adjustment on convertible bonds	可換股債券之公平值調整	-	-	-	-	2,029	-	2,029
Deficit on revaluation of property, plant and equipment	重估物業、廠房及設備之虧絀	-	-	(4,823)	-	-	-	(4,823)
Reversal of deferred tax liability on the convertible bonds	撥回可換股債券之遞延稅項負債	-	-	-	-	(427)	-	(427)
Deferred tax liability on revaluation of property, plant and equipment	重估物業、廠房及設備之遞延稅項負債	-	-	3,419	-	-	-	3,419
Profit for the year	年內溢利	-	-	-	-	-	182	182
At 31 December 2007 and at 1 January 2008	於二零零七年十二月三十一日及於二零零八年一月一日	61,597	763	28,296	-	5,490	(28,710)	67,436
Exchange differences arising on translation of financial statements outside Hong Kong	換算香港以外地區業務財務報表所產生匯兌差額	-	1,104	-	-	-	-	1,104
Bonus issue	發行紅股	(362)	-	-	-	-	-	(362)
Deficit on revaluation of property, plant and equipment	重估物業、廠房及設備之虧絀	-	-	(6,054)	-	-	-	(6,054)
Redemption on convertible bonds	贖回可換股債券	-	-	-	-	(5,490)	-	(5,490)
Recognition of equity-settled share based payments	確認按權益結算以股份支付之款項	-	-	-	12,809	-	-	12,809
Deferred tax liability on revaluation of property, plant and equipment	重估物業、廠房及設備之遞延稅項負債	-	-	1,397	-	-	-	1,397
Loss for the year	年內虧損	-	-	-	-	-	(24,038)	(24,038)
At 31 December 2008	於二零零八年十二月三十一日	61,235	1,867	23,639	12,809	-	(52,748)	46,802

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28. RESERVES (continued)

28. 儲備 (續)

The Company

本公司

		Share premium	Share option reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價 HK\$'000 港幣千元	購股權儲備 HK\$'000 港幣千元	可換股 債券儲備 HK\$'000 港幣千元	累計虧損 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	61,597	-	3,888	(50,789)	14,696
Fair value adjustments on convertible bonds	可換股債券之公平值調整	-	-	2,029	-	2,029
Reversal of deferred tax Liability on convertible bonds	撥回可換股債券之 遞延稅項負債	-	-	(427)	-	(427)
Loss for the year	年內虧損	-	-	-	(8,518)	(8,518)
At 31 December 2007 and at 1 January 2008	於二零零七年 十二月三十一日及 於二零零八年一月一日	61,597	-	5,490	(59,307)	7,780
Bonus issue	發行紅股	(362)	-	-	-	(362)
Redemption on convertible bonds	贖回可換股債券	-	-	(5,490)	-	(5,490)
Recognition of equity- settled share based payments	確認按權益結算以 股份支付之款項	-	12,809	-	-	12,809
Loss for the year	年內虧損	-	-	-	(24,984)	(24,984)
At 31 December 2008	於二零零八年 十二月三十一日	61,235	12,809	-	(84,291)	(10,247)

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29. SHARE OPTIONS SCHEME

On 18 March 2008, the Company terminated share option scheme adopted by the Company on 29 April 2002 and the rules of the new share option scheme (the "New Share Option Scheme") be approved and adopted as the new share option scheme. For further details of these, please refer to the circular dated 29 February 2008.

The New Share Option Scheme is valid and effective for the period of ten years commencing on the date on which it was adopted. The purpose of the New Share Option Scheme is to provide incentives or rewards for contribution to eligible participants who have made or may make to the Group or any Invested Entity. Under the terms of the New Share Option Scheme, the Board may, at its discretion, grant options to any of the Participant. Participant means any Employees and any Directors (including executive, non-executive and independent non-executive Directors) of any member of the Group or any Invested Entity. The total number of shares which may fall to be issued upon exercise of all of the outstanding options granted and yet to be exercised under the New Share Option Scheme of the Company must not be exceed 30% of the shares in issue from time to time. The New Share Option Scheme will remain in force for a period of ten years commencing the date on which the scheme becomes unconditional.

29. 購股權計劃

於二零零八年三月十八日，本公司終止本公司於二零零二年四月二十九日採納之購股權計劃，而新購股權計劃（「新購股權計劃」）之規則已獲批准並採納為新購股權計劃。進一步詳情請參閱日期為二零零八年二月二十九日之通函。

新購股權計劃將於獲採納日期起計十年內有效。新購股權計劃旨在讓本公司向合資格參與者提供作為彼等曾經或可能對本集團或任何所投資公司作出貢獻之獎勵或回報。根據新購股權計劃之條款，董事會可酌情向任何參與者授出購股權。參與者指任何僱員及本集團任何成員公司或任何所投資公司之任何董事（包括執行、非執行及獨立非執行董事）。因行使根據本公司之新購股權計劃所有已授出但尚未行使之購股權而可予發行之股份總數不得超過不時已發行股份之30%。新購股權計劃於其成為無條件日期起計十年期間將一直有效。

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29. SHARE OPTIONS SCHEME (continued)

At 31 December 2008, the number of shares in respect of which options had been granted under the New Share Option Scheme was 402.36 million (2007: Nil), representing 6.0% (2007: 0%) of the shares of the Company in issue. The total number of shares in respect of which options may be granted under the New Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue as at the date of approval of the New Share Option Scheme, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any-12 month period is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. Options granted to a connected person (as such term defined in the GEM Listing Rules) of the Company in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

The subscription price will be determined by the Board and will be the highest of (i) the quoted closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets on the five business days immediately preceding the Offer Date; and (iii) the nominal value of the shares of the Company. Any options granted under the New Share Option Scheme shall end in any event not later than ten years from the Grant Date. A nominal value of HK\$10.00 is payable on acceptance of each grant of options.

29. 購股權計劃 (續)

於二零零八年十二月三十一日，根據新購股權計劃授出之購股權所涉及之股份數目為402,360,000股（二零零七年：零），佔本公司已發行股份6.0%（二零零七年：0%）。倘未取得本公司股東事先批准，根據新購股權計劃可能授出之購股權所涉及之股份總數不得超過本公司於批准新購股權計劃當日之已發行股份之10%。倘未取得本公司股東事先批准，於任何十二個月期間可能授予任何人士之購股權所涉及之股數於任何時間均不得超出本公司已發行股份之1%。倘授予本公司關連人士（定義見創業板上市規則）之購股權超過本公司股本之0.1%或價值超過港幣5,000,000元，必須獲本公司股東事先批准。

認購價將由董事會釐定，且為以下各項之最高者：(i)在授出日期聯交所每日報價表所列本公司股份之所報收市價；(ii)緊接於授出日期前五個營業日在聯交所每日報價表所列本公司股份平均收市價；及(iii)本公司股份之面值。根據新購股權計劃所授出之任何購股權無論如何須於授出日期起計十年內終止。接納每份授出之購股權須支付港幣10.00元之象徵式款項。

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29. SHARE OPTIONS SCHEME (continued)

Details of the share options granted by the Company pursuant to the New Share Option Scheme and the options outstanding as at 31 December 2008 were as follows:

Grantees	Date granted	Balance as at 1 January 2008 於二零零八年一月一日之結餘 '000 千份	Granted during the year 於年內授出 '000 千份	Exercised during the year 於年內行使 '000 千份	Lapsed during the year 於年內失效 '000 千份	Balance as at 31 December 2008 於二零零八年十二月三十一日之結餘 '000 千份	Period during with the options are exercisable 購股權可予行使之期間	Exercise price per share 每股行使價
Tung Tai Yung (note i) 董大勇 (附註i)	30 May 2008 二零零八年五月三十日	-	67,060	-	-	67,060	30 May 2008 to 17 March 2017 二零零八年五月三十日至二零一七年三月十七日	HK\$0.092 港幣0.092元
Chung Man Wai (note ii) 鍾文偉 (附註ii)	30 May 2008 二零零八年五月三十日	-	67,060	-	-	67,060	30 May 2008 to 17 March 2017 二零零八年五月三十日至二零一七年三月十七日	HK\$0.092 港幣0.092元
Employee 僱員	30 May 2008 二零零八年五月三十日	-	67,060	-	-	67,060	30 May 2008 to 17 March 2017 二零零八年五月三十日至二零一七年三月十七日	HK\$0.092 港幣0.092元
Consultants 顧問	30 May 2008 二零零八年五月三十日	-	201,180	-	-	201,180	30 May 2008 to 17 March 2017 二零零八年五月三十日至二零一七年三月十七日	HK\$0.092 港幣0.092元
		-	402,360	-	-	402,360		

Note:

- i) Mr. Tung Tai Yung resigned on 29 October 2008.
- ii) Mr. Chung Man Wai was appointed on 22 October 2008.

29. 購股權計劃 (續)

根據新購股權計劃授出之購股權及於二零零八年十二月三十一日尚未行使之購股權詳情如下：

附註：

- i) 董大勇先生於二零零八年十月二十九日辭任。
- ii) 鍾文偉先生於二零零八年十月二十二日獲委任。

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29. SHARE OPTIONS SCHEME (continued)

During the year ended 31 December 2008, 402,360,000 options were granted on 30 May 2008. The estimated fair value of the options granted is approximately HK\$12,809,000.

These fair value were calculated by using the Black-Scholes Option Pricing Model. The assumption of the model were as follows:

Share price on grant date (HK\$)	0.092
Exercise price (HK\$)	0.092
Expected volatility	88.37%
Expected life	1 year
Risk-free rate	1.4%
Expected dividend yield	0%

The Group recognized the total expenses of approximately HK\$12,809,000 for the year ended 31 December 2008 (2007: HK\$Nil) in relation to share options granted by the Company.

29. 購股權計劃 (續)

於截至二零零八年十二月三十一日止年度內，402,360,000份購股權於二零零八年五月三十日授出。授出之購股權之估計公平值約港幣12,809,000元。

該等公平值乃使用柏力克－舒爾斯期權定價模式計算。該模式之假設如下：

於授出日期之股價 (港幣)	0.092
行使價 (港幣)	0.092
預期波幅	88.37%
預計年期	1年
無風險利率	1.4%
預期股息收益率	0%

截至二零零八年十二月三十一日止年度，本集團就本公司授出之購股權確認總開支約港幣12,809,000元（二零零七年：港幣零元）。

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30. DISPOSAL OF A SUBSIDIARY

On 31 August 2008, the Group disposed a subsidiary, Aoptic (BVI) Inc. The net assets of Aoptic (BVI) Inc. and its subsidiary at the date of disposal were as follows:

30. 出售附屬公司

於二零零八年八月三十一日，本公司出售附屬公司大陶光電(BVI)有限公司。大陶光電(BVI)有限公司及其附屬公司於出售日期之資產淨值如下：

		As at
		31-8-2008
		於二零零八年
		八月三十一日
		HK\$'000
		港幣千元
NET ASSETS DISPOSED OF	出售之資產淨值	
Available-for-sale financial assets	可供出售之財務資產	146
Other receivables	其他應收賬款	89,640
Bank balances	銀行結餘	10
Other payables and accruals	其他應付賬款及應計款項	(189,054)
		<u>(99,258)</u>
Gain on disposal	出售之收益	99,258
		<u>—</u>
Total consideration	總代價	—
Satisfied by:	支付方式：	
Cash	現金	—
		<u>—</u>
Net cash outflow arising from disposal:	出售所得之現金流量淨額：	
Cash consideration	現金代價	—
Bank balances disposed	出售之銀行結餘	(10)
		<u>(10)</u>

The subsidiary contributed approximately HK\$158,000 (2007: HK\$845,000) of net loss for the period from 1 January 2008 to the effective date of disposal.

該附屬公司由二零零八年一月一日至出售有效日期止期間帶來淨虧損額約港幣158,000元(二零零七年：港幣845,000元)。

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30. DISPOSAL OF A SUBSIDIARY (continued)

The results of Aoptic (BVI) Inc. and its subsidiary for the period from 1 January 2008 to 31 August 2008, which have been included in the consolidated income statement, were as follows:

Revenue	收益
Cost of sales	銷售成本
Other revenue	其他收益
Administrative expenses	行政費用
Loss before tax	除稅前虧損
Income tax expense	所得稅費用
Loss for the period/year	期／年內虧損

During the period/year, Aoptic (BVI) Inc. and its subsidiary paid approximately HK\$188,000 (2007: HK\$6,098,000) in respect of the Group's net operating cash flows, paid approximately HK\$122,000 (2007: HK\$799,000) in respect of investing activities and contributed approximately HK\$305,000 (2007: HK\$5,766,000) in respect of financing activities.

30. 出售附屬公司 (續)

大陶光電(BVI)有限公司及其附屬公司由二零零八年一月一日至二零零八年八月三十一日期間已載入綜合收益表之業績如下:

1-1-2008 to 31-8-2008 由二零零八 年一月一日至 二零零八年 八月三十一日 HK\$'000 港幣千元	1-1-2007 to 31-12-2007 由二零零七 年一月一日至 二零零七年 十二月三十一日 HK\$'000 港幣千元
144	423
(104)	(378)
15	32
(178)	(922)
(123)	(845)
(35)	-
(158)	(845)

期／年內，大陶光電(BVI)有限公司及其附屬公司就本集團營運現金流量淨額支付約港幣188,000元(二零零七年：港幣6,098,000元)，就投資活動支付約港幣122,000元(二零零七年：港幣799,000元)，並就融資活動貢獻約港幣305,000元(二零零七年：港幣5,766,000元)。

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31. RELATED PARTY TRANSACTIONS

During the year, the Group had transactions and/or balances with the directors and/or related parties, some of which are also deemed to be connected persons pursuant to the GEM Listing Rules. The transactions during the year and balances with them at the balance sheet, are as follows:

- (a) Compensation of key management personnel of the Group.

During the year, there are three key personnel of the Group being executive directors of the Group. Details of remuneration and related benefits are disclosed in note 9.

- (b) Details of the balances with related parties are set out in the notes 19, 23 and 24.

32. LITIGATION

On 19 January 2004, a winding up petition was filed against the Company by certain ex-senior employees of the Group claiming for payment in the sum of HK\$594,315 from the Company in respect of an award/order dated 20 October 2003 granted by the Labour Tribunal in respect of the severance and bonus dispute between the Company and the ex-senior employees. The unsettled amounts of HK\$594,315 not yet paid up to 31 December 2008 were fully accrued in trade and other payables at the year ended 31 December 2005.

31. 有關連人士交易

本集團年內曾與董事及／或有關連人士（根據創業板上市規則，部份被視為關連人士）進行交易及／或有結餘。於結算日，年內與彼等進行之交易及結餘如下：

- (a) 本集團主要管理人員酬金

年內，本集團有三名主要人員，均為本集團之執行董事。有關薪酬及相關福利之詳情已於附註9披露。

- (b) 有關關連方之結餘詳情載於附註19、23及24。

32. 訴訟

二零零四年一月十九日，本集團若干前高級職員提出針對本公司之清盤呈請，就勞資審裁處於二零零三年十月二十日就本公司與該等前高級職員間之遣散費及花紅糾紛作出之裁決／判令，向本公司索償約港幣594,315元。截至二零零八年十二月三十一日，該筆未結清金額港幣594,315元已於截至二零零五年十二月三十一日止年度全數計入貿易及其他應付賬款中。

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33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating lease, which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年 (首尾兩年包括在內)

Operating lease payments represent rentals payable by the Group for certain of its office premises. Lease is negotiated for fixed term of one to two years.

33. 經營租約安排

本集團作為承租人

於結算日，根據不可撤銷經營租約，本集團尚未履行之租約租金承擔如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
341	—
91	—
432	—

經營租約指本集團就若干辦公室物業應付之租金。租約期經磋商後定為一至兩年。

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33. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessor

The Group rents out its club debenture under operating leases. The leases are negotiated for a term of two years. The rental income is HK\$36,000 per year.

At the balance sheet date, the Group had contracted with lessee for the following future minimum lease payments:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年 (首尾兩年包括在內)

33. 經營租約安排 (續)

本集團作為出租人

本集團根據經營租約租出其會所債券。租約期經磋商後定為兩年。租賃收入為每年港幣36,000元。

於結算日，本集團已與承租人訂立之未來最低租約租金如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
-	36
-	5
<u>-</u>	<u>41</u>

34. CAPITAL COMMITMENTS

At the balance sheet date, the Group had no material capital commitment.

34. 資本承擔

於結算日，本集團並無重大資本承擔。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. The Group contributes a certain percentage of relevant payroll costs to the Scheme, which contribution is matched by employees.

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

36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management

The Group is exposed to a variety of financial risks which result from its operating and investing activities.

Management regularly manage the financial risks of the Group. Because of the simplicity of the financial structure and the current operation of the Group, no major hedging activities are undertaken by management.

35. 退休福利計劃

本集團為所有香港僱員設立強積金計劃。強積金計劃之資產存放於獨立受託人控制之基金內，與本集團資產分開持有。本集團需按相關薪酬比例向計劃供款，供款與僱員供款相等。

中國附屬公司之僱員均有參與由中國政府管理之退休福利計劃。中國附屬公司需按僱員薪金之特定比例向退休福利計劃供款，作為福利資金。本集團有關中國政府管理退休福利計劃之唯一責任為按計劃規定供款。

36. 財務風險管理及資本風險管理

(a) 財務風險管理

本集團因其經營及投資活動而面臨多項財務風險。

管理層定期管理本集團之財務風險。由於本集團之財務架構及現行運作並不複雜，故管理層並無進行重大對沖活動。

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

36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(a) Financial Risk Management (continued)

The most significant financial risks to which the Group is exposed to are as follows:

(i) Foreign exchange risk

The Group has adopted Reminbi as its main functional currency and Hong Kong dollar as its presentation currency, and is therefore exposed to foreign exchange risk. However in view of the stable currency policies adopted by the PRC government, the directors consider that the foreign exchange risk is insignificant.

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

Sensitivity analysis

For a 5% weakening of Hong Kong dollars against Renminbi or strengthen 5% against Renminbi, the Group's loss for the year ended 31 December 2008 would decrease/increase by approximately HK\$317,000 (2007: HK\$511,000).

36. 財務風險管理及資本風險管理 (續)

(a) 財務風險管理 (續)

本集團所面臨之最重大財務風險如下：

(i) 外匯風險

本集團已採納人民幣為其主要功能貨幣及港幣為其呈列貨幣，故面臨外匯風險。然而，鑑於中國政府所採納之穩定貨幣政策，董事認為外匯風險並不重大。

本集團現時並無就以外幣為單位之商業交易設有外幣匯率對沖政策。然而，董事對匯率風險進行監察，並將於有需要時考慮對沖重大匯率風險。

敏感性分析

假設港幣兌人民幣下跌或上升5%，本集團截至二零零八年十二月三十一日止年度之虧損將下跌／上升約港幣317,000元（二零零七年：港幣511,000元）。

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

36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (continued) 36. 財務風險管理及資本風險管理 (續)

(a) Financial Risk Management (continued)

(ii) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2008 in relation to each class of recognized financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade receivables and amounts due from subsidiaries. In order to minimize credit risk, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognized for irrecoverable debts. In this regard, management considers that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks of good standing.

Trade receivables are within 180 days from the date of billing. Debtors with balance that are more than 180 days past due are requested to settle all outstanding balances before any further credit is granted.

At the balance sheet date, the Group has no significant concentration of credit risk.

(a) 財務風險管理 (續)

(ii) 信貸風險

於二零零八年十二月三十一日，倘交易對手未能履行其責任，則本集團就其各類別已確認財務資產而面臨之最高信貸風險乃有關資產於綜合資產負債表所列之賬面金額。本集團之信貸風險主要由於其應收貿易賬款及附屬公司結欠之款項所致。為減低信貸風險，管理層定期檢討各個別貿易債項之可收回金額，以確保已就不可收回債項確認足夠減值虧損。就此，管理層認為本集團之信貸風險已大幅減低。

由於交易對手為信譽良好之銀行，故流動資金之信貸風險有限。

應收貿易賬款的天數為自發票日期起計180天內。於獲進一步信貸之前，債務人須清償所有逾期180天以上之結餘。

於結算日，本集團並無重大信貸集中風險。

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綜合財務報表附註

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

36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(a) Financial Risk Management (continued)

(iii) Liquidity risk

The Group will consistently implement a prudent liquidity risk management and ensure that it maintains sufficient cash and cash equivalents to meet its liquidity requirements. Short-term borrowing has been arranged with non-financial institution in order to fund the liquidity requirements. The management monitors the utilization of borrowings and ensures compliance with loan covenants.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2008 and 2007 based on contractual undiscounted payments.

		Less than 1 year 少於一年 HK\$'000 港幣千元	Between 1 to 2 years 一年至兩年 HK\$'000 港幣千元	Between 2 to 5 years 兩年至五年 HK\$'000 港幣千元	Over 5 years 五年以上 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
2008	二零零八年					
Trade and other payables	應收貿易及其他賬款	18,492	-	-	-	18,492
Borrowing	借貸	248	12,503	-	-	12,751
Due to a director	欠付一名董事款項	3,936	-	-	-	3,936
Due to a related company	欠付一間關連公司款項	4,457	-	-	-	4,457
		27,133	12,503	-	-	39,636

36. 財務風險管理及資本風險管理 (續)

(a) 財務風險管理 (續)

(iii) 流動資金風險

本集團將貫徹實行審慎之流動資金風險管理並確保其維持充裕之現金及現金等價物以應付其流動資金需求。亦已獲非財務機構安排短期借款，以滿足流動資金需求。管理層監察借款之動用並確保遵守借貸契約。

下表概述本集團於二零零八年及二零零七年十二月三十一日按合約未貼現付款之財務負債到期情況。

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36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (continued) 36. 財務風險管理及資本風險管理 (續)

(a) Financial Risk Management (continued)

(iii) Liquidity risk (continued)

	Less than 1 year 少於一年 HK\$'000 港幣千元	Between 1 to 2 years 一年至兩年 HK\$'000 港幣千元	Between 2 to 5 years 兩年至五年 HK\$'000 港幣千元	Over 5 years 五年以上 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
2007					
Trade and other payables	21,324	-	-	-	21,324
Borrowing	1,723	-	-	-	1,723
Due to a director	3,295	-	-	-	3,295
	<u>26,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,342</u>

(iv) Fair value and cash flow interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to fair value and cash flow interest risks is minimal as all financial instruments are carried at amounts not materially different from their fair values and the fluctuation of market interest rates is insignificant.

(a) 財務風險管理 (續)

(iii) 流動資金風險 (續)

(iv) 公平值及現金流量利率風險

公平值利率風險為財務工具價值將因應市場利率變動而波動之風險。現金流量利率風險為財務工具之未來現金流量將因應市場利率變動而波動之風險。由於所有財務工具按與其公平值相近之數目列賬，加上市場利率並無重大波動，故本集團承受之公平值及現金流量利率風險並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(b) Capital Risk Management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated balance sheet) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated balance sheet.

36. 財務風險管理及資本風險管理 (續)

(b) 資本風險管理

本集團管理資本之目的為保障本集團持續經營之能力，以為股東提供回報及為其他權益持有人提供利益，並維持最佳資本架構以減低資本成本。

為維持或調整資本架構，本集團可調整已付予股東之股息金額、退還資本予股東、發行新股份或出售資產以減少債務。

與業內其他人士一致，本集團按資產負債比率監察資本。比率以債務淨額除以權益總額計算。債務淨額以負債總額（包括綜合資產負債表所示之流動及非流動負債）減現金及現金等價物計算。權益總額指綜合資產負債表所示之權益。

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

36. FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (continued) 36. 財務風險管理及資本風險管理 (續)

(b) Capital Risk Management (continued)

The gearing ratios at 31 December 2008 and 2007 are as follows:

Total liabilities	負債總額
Less: Cash and cash equivalents (Note 20)	減：現金及現金等價物 (附註20)
Net debt	債務淨額
Total equity	權益總額
Gearing ratio	資產負債比率

The decrease in gearing ratio during 2008 resulted primarily from the share issue and redemption of convertible bonds.

(b) 資本風險管理 (續)

於二零零八年及二零零七年十二月三十一日之資產負債比率如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
52,824	64,440
(26,298)	(37)
26,526	64,403
113,906	74,667
23%	86%

資產負債比率於二零零八年內下降主要由股份發行及贖回可換股債券所致。

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綜合財務報表附註

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

37. FINANCIAL INSTRUMENTS

37. 財務工具

Categories of financial instruments

財務工具之類別

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Financial assets	財務資產		
Fair value through profit and loss (FVTPL)	透過公平值計入損益 (透過公平值計入損益)		
– Held for trading	– 持作買賣	–	–
– Designated as at FVTPL	– 指定為透過公平值計入損益	–	–
Derivate instruments in designated hedge accounting relationships	指定作對沖會計關係之 衍生工具	–	–
Held-to-maturity investments	持至到期投資	–	–
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)	55,661	28,142
Available-for-sale financial assets	可供出售財務資產	2,937	146
Financial liabilities	財務負債		
Fair value through profit or loss (FVTPL)	透過公平值計入損益 (透過公平值計入損益)		
– Held for trading	– 持作買賣	–	–
– Designated as at FVTPL	– 指定為透過公平值計入損益	–	–
Derivate instruments in designated hedge accounting relationships	指定作對沖會計關係之 衍生工具	–	–
Amortized cost	攤銷成本	39,285	51,178
Financial guarantee contracts	財務擔保合約	–	–

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38. EVENTS AFTER THE BALANCE SHEET DATE

On 9 January 2009, the Group entered into a Sale and Purchase Agreement to acquire 10% of issued share capital of Info-Source Media Limited at a consideration of HK\$28,800,000. The acquisition was completed on 3 February 2009 and the consideration was satisfied in full by the allotment and issue of 360,000,000 Consideration Shares at the Issue Price of HK\$0.08 per share.

On 16 February 2009, the Group entered into a loan agreement to advance a facilities of HK\$9,000,000 to a related company.

On 29 February 2009, the Company proposed to change the name of the Company from "Intcera High Tech Group Limited" to "China Post E-Commerce (Holdings) Limited". The Company also proposed to adopt "中郵電貿(控股)有限公司" to replace "大陶精密科技集團有限公司" as the Chinese name of the Company for the purpose of identification only upon the change of name becoming effective.

38. 結算日後事項

於二零零九年一月九日，本集團訂立買賣協議，收購信源傳媒有限公司10%已發行股本，總代價為港幣28,800,000元。收購事項於二零零九年二月三日完成，而代價乃按以發行價每股港幣0.08元配發及發行360,000,000股代價股份之方式悉數支付。

於二零零九年二月十六日，本集團訂立貸款合約，墊付一間關連公司港幣9,000,000元之融資。

於二零零八年二月二十九日，本公司建議將本公司名稱由「Intcera High Tech Group Limited」更改為「China Post E-Commerce (Holdings) Limited」。本公司亦建議於更改名稱生效後採用「中郵電貿(控股)有限公司」以代替「大陶精密科技集團有限公司」為本公司之中文名稱以僅供識別之用。

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

39. 主要附屬公司之詳情

Company 公司	Place of Incorporation/ operation 註冊成立地點/ 營業地區	Issue and paid up capital 已發行及 繳足股本	Attributable percentage of shares held 應佔持股百分比		Class of shares held 持股類別	Principal activity 主要業務
			Directly 直接	Indirectly 間接		
Optical Crystal (BVI) Limited	British Virgin Islands ("BVI") 英屬處女群島 ([英屬處女群島])	US\$1,000 1,000美元	100	–	Ordinary 普通股	Investment holding 投資控股
Opcom Holdings (BVI) Limited	BVI 英屬處女群島	US\$1,000 1,000美元	100	–	Ordinary 普通股	Investment holding 投資控股
Intcera High Tech (BVI) Limited	BVI 英屬處女群島	US\$100 100美元	100	–	Ordinary 普通股	Investment holding 投資控股
Noble Might Limited	BVI 英屬處女群島	US\$1 1美元	100	–	Ordinary 普通股	Investment holding 投資控股

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

Company 公司	Place of Incorporation/ operation 註冊成立地點/ 營業地區	Issue and paid up capital 已發行及 繳足股本	Attributable percentage of shares held 應佔持股份比		Class of shares held 持股類別	Principal activity 主要業務
			Directly 直接	Indirectly 間接		
Great Route Limited (note) 偉程有限公司 (附註)	Hong Kong 香港	HK\$100 港幣100元	–	100	Ordinary 普通股	Investment holding 投資控股
Intcera High Tech (HK) Limited 大陶精密科技(香港)股份 有限公司	Hong Kong 香港	HK\$100 港幣100元	–	100	Ordinary 普通股	Investment holding and provision of management services in Hong Kong 於香港進行投資 控股及提供 管理服務
Rich Palace Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Ordinary 普通股	Investment holding 投資控股
Top Cheer Capital Investment Limited 高展創富有限公司	Hong Kong 香港	HK\$500,000 港幣500,000元	–	50	Ordinary 普通股	Trading 買賣業務

Note:

Great Route Limited was dissolved by deregistration on 27 February 2009.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

39. 主要附屬公司之詳情 (續)

附註：

偉程有限公司已於二零零九年二月二十七日藉取消註冊解散。

概無附屬公司於年末或年內任何時候持有
任何債務證券。

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40. MAJOR NON-CASH TRANSACTIONS

During the year, the Group incurred share option expenses of approximately HK\$12,809,000, and settled accrued professional fees of approximately HK\$2,238,000 by the issue of 223,845,635 Remuneration Shares.

In addition, promissory notes of HK\$12,400,000 was issued for redemption of convertible bonds during the year.

41. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current year's presentation.

42. APPROVAL OF ACCOUNTS

The consolidated financial statements were approved and authorized for issue by the board of directors on 24 March 2009.

40. 主要非現金交易

於年內，本集團產生購股權開支約港幣12,809,000元，而透過發行223,845,635股薪酬股份之方式清償之累計專業費用約港幣2,238,000元。

另外，年內已發行港幣12,400,000元之承兌票據，以贖回可換股債券。

41. 比較數字

若干比較數字經已重列以符合本年度之呈報。

42. 賬目批准

董事會已於二零零九年三月二十四日批准及授權刊發本綜合財務報表。

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

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

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

下文載列本集團於過去五個財政年度之綜合業績、資產及負債概要，乃摘錄自本集團之經審核綜合財務報表：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Turnover	營業額	78,644	52,612	30,685	711	7,076
Operating (loss) profits from operation	業務之經營(虧損)溢利	(21,142)	7,034	9,203	(14,143)	(15,542)
Finance costs	融資成本	(853)	(1,814)	(1,750)	(1,532)	(548)
(Loss) profit before tax	除稅前(虧損)溢利	(21,995)	5,220	7,453	(15,675)	(16,090)
Income tax expense	所得稅費用	(2,251)	(5,038)	(1,972)	—	—
(Loss) profit attributable to shareholders	股東應佔(虧損)溢利	(24,246)	182	5,481	(15,675)	(16,090)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Non-current assets	非流動資產	88,219	91,905	96,709	65,675	61,495
Current assets	流動資產	78,511	47,202	29,952	27,355	34,234
Total assets	資產總值	166,730	139,107	126,661	93,030	95,729
Current liabilities	流動負債	36,863	33,645	18,453	15,087	18,198
Non-current liabilities	非流動負債	15,961	30,795	34,567	28,520	27,400
Total liabilities	負債總額	52,824	64,440	53,020	43,607	45,598
Net assets	資產淨額	113,906	74,667	73,641	49,423	50,131

