



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED

百田石油國際集團有限公司

(Stock Code 股份代號 : 8011)



2008

ANNUAL REPORT 年報

2008
ANNUAL REPORT 年報

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 higher 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Polyard Petroleum International Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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

創業板之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於在創業板上市公司之新興性質所然，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告之內容概不負責，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份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則(「創業板上市規則」)之規定而提供有關百田石油國際集團有限公司(「本公司」)之資料。本公司各董事(「董事」)對此共同及個別地承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及深信：(1)本報告所載資料在各重大方面均為準確及完整，且並無誤導成份；(2)本報告並無遺漏其他事項致使本報告所載任何內容有所誤導；及(3)所有在本報告內表達之意見乃經過審慎周詳考慮後始行作出，並以公平合理之基準及假設為依據。

Contents

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	4
Management Discussion and Analysis	管理層討論及分析	6
Corporate Governance Report	企業管治報告	14
Biographical Details of Directors and Senior Management	董事及高級管理人員簡介	20
Report of the Directors	董事報告	23
Independent Auditors' Report	獨立核數師報告	34
Consolidated Income Statement	綜合收益表	37
Consolidated Balance Sheet	綜合資產負債表	38
Balance Sheet	資產負債表	39
Consolidated Statement of Changes in Equity	綜合權益變動表	40
Consolidated Cash Flow Statement	綜合現金流量表	41
Notes to the Financial Statements	財務報表附註	43
Five Year Financial Summary	五年財務概要	132

Corporate Information

Executive Directors

Mr. Kuai Wei (*Chairman*)
Mr. Lin Zhang
Mr. Cao Xuejun (*CEO*)

Independent Non-Executive Directors

Mr. Chan Kin Cheong *CPA, ACCA*
Mr. Wang Yanhui
Mr. Zhang Xiaobao

Compliance Officer

Mr. Kuai Wei

Company Secretary

Mr. Cheng Yun Sing *FCPA (Practising)*

Qualified Accountant

Ms. Chung Ming Yin *CPA, ACCA*

Authorised Representatives

Mr. Kuai Wei
Mr. Cheng Yun Sing

Members of the Audit Committee

Mr. Chan Kin Cheong (*Chairman*)
Mr. Wang Yanhui
Mr. Zhang Xiaobao

Registered Office

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

公司資料

執行董事

鄒偉先生(*主席*)
林漳先生
曹學軍先生(*行政總裁*)

獨立非執行董事

陳健昌先生 *CPA, ACCA*
王燕輝先生
張曉寶先生

監察主任

鄒偉先生

公司秘書

鄭潤成先生 *FCPA (執業)*

合資格會計師

鍾明諺女士 *CPA, ACCA*

獲授權代表

鄒偉先生
鄭潤成先生

審核委員會成員

陳健昌先生(*主席*)
王燕輝先生
張曉寶先生

註冊辦事處

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

Corporate Information

Legal Adviser

Stevenson, Wong & Co.
4th-5th Floors, Central Tower
No. 28 Queen's Road Central
Hong Kong

Principal Place of Business in Hong Kong

Room 2602, 26th Floor
China Merchants Tower
Shun Tak Centre
200 Connaught Road Central
Sheung Wan
Hong Kong

Principal Share Registrar and Transfer Office in Cayman Islands

Bank of Butterfield International
(Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 75
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Auditors

NCN CPA LIMITED
Certified Public Accountants
20th Floor, Hong Kong Trade Centre
161-167 Des Voeux Road Central
Hong Kong

Principal Banker

The Hongkong and Shanghai Banking Corporation

公司資料

法律顧問

史蒂文生黃律師事務所
香港
皇后大道中 28 號
中匯大廈 4-5 樓

香港主要營業地點

香港
上環
干諾道中 200 號
信德中心
招商局大廈
26 樓 2602 室

開曼群島主要股份過戶登記處

Bank of Butterfield International
(Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 75
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳標準有限公司
香港
灣仔
皇后大道東 28 號
金鐘滙中心 26 樓

核數師

德誠會計師事務所有限公司
執業會計師
香港
中環德輔道中 161-167 號
香港貿易中心 20 樓

主要往來銀行

香港上海滙豐銀行有限公司

Chairman's Statement

I would like to present to shareholders the annual report of Polyard Petroleum International Group Limited and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2008 (the "Year").

During the Year of 2008, the Group intended to focus its corporate resources on energy resource business, as a result, the Group disposed of its trading business in pulps and paper products, established a subsidiary in mainland China to carry on trading business in petroleum-related products in the PRC, acquired stakes in associates which have obtained directly or indirectly through its subsidiary a right to examine, investigate and/or explore the Coal Contract Area located in the Philippines and entered into a service contract with the Department of Energy of the Philippines Government regarding the provision of their services for the exploration, development and exploitation of petroleum resources in an area situated at Central Luzon Basin, the Philippines.

A corporate restructuring of the Group, by acquiring the rest of the equity interest of Polyard Petroleum International Company Limited ("Polyard Macau") and of China Sino Oil Company Limited ("China Sino Oil"), formerly known as "Chinaoil USA (Macao) Company Limited" from minority holders, was approved without objection by shareholders of the Company on 14 April 2008. Polyard Macau and China Sino Oil then become wholly-owned indirect subsidiaries of the Company whereas the Company still beneficially owns 21% of the participating interest in the Oil Project in Brunei. By so doing, the intensive relationship between the Company and counter-parts is relaxed and thus enabling the new operators of the Oil Project to concentrate their efforts on the exploitation and exploration works so as to speed up the expected revenue stream of the Oil Project. Details of the acquisitions were conveyed in the Company's circular to shareholders dated 28 March 2008.

During the year of 2008, the subprime crisis in the US triggered the worldwide financial crisis. The business volume for the trading business of petroleum-related products was unavoidably affected. Besides, the substantial drop in crude oil price devaluated the Company's investment in the Oil Project in Block M, Brunei Reservoir.

主席報告

本人謹向各股東提呈百田石油國際集團有限公司及其附屬公司(其後統稱「本集團」)截至二零零八年十二月三十一日止年度(「本年度」)之年報。

本集團於二零零八年擬集中投放其企業資源於能源業務，因此，本集團出售其漿板及紙品買賣業務；於中國成立附屬公司，以進行石油相關產品買賣；透過其附屬公司直接或間接收購已取得勘察、勘測及／或勘探菲律賓煤炭合約範圍權利之聯營公司之股份，以及與菲律賓能源部就位於菲律賓呂宋盆地提供勘探、開發及開採石油資源服務訂立服務合約。

本集團之企業重組已獲本公司股東於二零零八年四月十四日一致通過，重組乃透過自少數股東收購百田石油國際有限公司(「百田澳門」)及中國新星石油有限公司(「中國新星石油」，前稱為「中國聯合石油美國(澳門)有限公司」)之餘下股本權益。百田澳門及中國新星石油因此成為本公司之全資間接附屬公司，而本公司於汶萊石油項目中仍實益擁有21%參與權益。透過收購，本公司與對手方之緊張局面得以舒緩，並讓石油項目之新經營者集中於勘探及開採工作，令石油項目加快賺取預期收益。收購之詳情載於本公司二零零八年三月二十八日致股東之通函。

於二零零八年，美國次按危機觸發全球金融海嘯。石油相關產品之買賣業務營業額難免備受影響。此外，原油價格暴跌，亦令本公司於汶萊 Reservoir M 區石油項目之投資出現貶值。

Chairman's Statement

In the long run, there is a continuing demand for energy resources and the demand may even be increasing, especially from the developing countries such as China and India. Therefore, we believe that there is a high growth potential in the energy resource business.

By the setting up of a technical team, which possesses full expertise in energy resource projects, is responsible for the exploration of energy resources, the Group will endeavor and may explore more opportunities in natural energy resources business and venture in energy resources exploration and exploration projects.

On behalf of the Board, I would like to express my sincere gratitude to our fellow directors, staff members and business partners throughout the years. The Company's directors and management will dedicate their best effort to lead the Group to strive for the best interests for its shareholders and business associates.

主席報告

長遠而言，能源資源不單將有持續需求，更可能會有所增加，特別是中國及印度等發展中國家。因此，我們相信，能源資源業務之增長潛力雄厚。

本集團之技術團隊在能源資源項目擁有豐富經驗，負責開採能源資源。透過成立技術團隊，本集團將盡力爭取或可能開發更多天然能源業務機會，以及嘗試涉足能源資源開採及開採項目。

本人謹代表董事會向長期支持本集團之董事、員工及業務夥伴致以衷心感謝。本公司董事及管理層將致力領導本集團，為其股東及業務聯繫人士爭取最佳權益。

Management Discussion and Analysis

Financial Review

For the year ended 31 December 2008, the Group's turnover decreased by 57% to HK\$21,640,000 as compared with HK\$50,378,000 in 2007. Turnover in 2008 represents sales of petroleum-related products whereas turnover in 2007 represents sales of pulps and paper products which was discontinued during the year. The Group recorded a loss attributable to equity holders of the Company of approximately HK\$316,756,000 in 2008 whereas a profit attributable to equity holders of the Company of approximately HK\$437,961,000 was recorded in 2007. Last year's profit included a gain arising on business combination of approximately HK\$487,534,000.

Administrative and other operating expenses for the year ended 31 December 2008 amounted to approximately HK\$24,409,000, representing an increase of approximately HK\$17,587,000, equivalent to an increase of 258% as comparing with last year. The increase was mainly attributable to payment of directors' remuneration, salaries for technical team and office staff as well as overseas travelling expenses incurred for the business of exploration and exploitation of energy resources. Besides, during the year, legal and professional fees amounted to approximately HK\$2,546,000 were incurred for the acquisition of 40% interest in each of Eastern Star Mining & Power Corp ("Eastern Star") and Great Wall Mining & Power Corp ("Great Wall"), both companies were incorporated in the Philippines and have obtained either directly or indirectly a right to explore and extract of coal in San Miguel, the Philippines and the disposal of a wholly-owned subsidiary, Yunnan Kanstar High Tech Products Development Company Limited ("Kanstar High Tech").

Finance costs for the year ended 31 December 2008 amounted to approximately HK\$15,878,000 (2007: HK\$4,774,000). The increase was mainly incurred for the effective interest expenses on convertible bonds which were issued in the last quarter of 2007, amounting to approximately HK\$15,834,000 (2007: \$3,496,000).

The directors of the company do not recommend the payment of a final dividend for the year 2008 (2007: nil).

管理層討論及分析

財務回顧

截至二零零八年十二月三十一日止年度，本集團營業額減少57%至港幣21,640,000元，而二零零七年則為港幣50,378,000元。二零零八年之營業額指銷售石油相關產品，二零零七年之營業額則指銷售漿板及紙品，該業務已於年內終止經營。於二零零八年，本集團錄得本公司股權持有人應佔虧損約港幣316,756,000元，而於二零零七年則錄得本公司股權持有人應佔溢利約港幣437,961,000元。去年之溢利包括業務合併產生之收益約港幣487,534,000元。

截至二零零八年十二月三十一日止年度，行政及其他營運開支約為港幣24,409,000元，較去年增加約港幣17,587,000元，增幅258%。增加乃主要由於支付董事酬金、技術隊伍及辦公室人員之薪金以及勘探及開採能源業務產生之海外交通費所致。此外，年內因收購 Eastern Star Mining & Power Corp (「Eastern Star」) 及 Great Wall Mining & Power Corp (「Great Wall」)(均為於菲律賓註冊成立之公司，並已直接或間接取得於菲律賓 San Miguel 勘探及採掘煤炭之權利)各自之40%權益及出售全資附屬公司雲南建星新技術產品開發有限公司(「建星新技術」)所產生之法律及專業費用約為港幣2,546,000元。

截至二零零八年十二月三十一日止年度，融資成本約為港幣15,878,000元(二零零七年：港幣4,774,000元)。增加乃主要由於二零零七年最後季度所發行可換股債券之實際利息開支約港幣15,834,000元(二零零七年：港幣3,496,000元)而產生。

本公司董事不建議派發二零零八年度之末期股息(二零零七年：無)。

Management Discussion and Analysis

Liquidity, Financial Resources, Capital and Gearing

As at 31 December 2008, the Group had net assets amounted to approximately HK\$579 million (2007: HK\$2,868 million) and net current liabilities amounted to approximately HK\$33.4 million (2007: HK\$19.7 million). The current ratio is 29% (2007: 80%). The gearing ratio of the Group based on the net debt to the shareholders' equity was 63% (2007: 10%).

Operations of the Group are mainly conducted in Renminbi ("RMB"), Hong Kong Dollars ("HK\$") and United States Dollars (US\$) and its revenue, expenses, assets and liabilities and borrowings are principally denominated in RMB, HK\$ and US\$, which do not pose significant foreign currency risk at present.

Employee information

The Group had a total number of staff of approximately 30 (2007: approximately 30). Remuneration packages are reviewed on a periodical basis. Bonus is awarded to employees according to the assessment of individual performance. Besides, a share option scheme was adopted by the Company, pursuant to which the directors may offer to any eligible employees (including executive directors and independent non-executive directors) of the Company and any of its subsidiaries, options to subscribe for shares in the Company in accordance with the terms of the share option scheme. However, save for the share options granted prior to the listing, no other options have been granted up to 31 December 2008. Staff cost was approximately HK\$6 million for the year as compared with that of approximately HK\$4 million in 2007.

管理層討論及分析

流動資金、財務資源、資本及資產負債

於二零零八年十二月三十一日，本集團之淨資產約達港幣579,000,000元(二零零七年：港幣2,868,000,000元)及淨流動負債約港幣33,400,000元(二零零七年：港幣19,700,000元)。流動比率為29%(二零零七年：80%)。本集團之資產負債比率，按淨債務除以股東權益計算為63%(二零零七年：10%)。

本集團之業務主要以人民幣(「人民幣」)、港幣(「港幣」)及美元(「美元」)進行，而其收益、開支、資產、負債及借款均主要以人民幣、港幣及美元作為貨幣單位，該等貨幣現時不會構成重大外匯風險。

僱員資料

本集團員工人數合共約為30人(二零零七年：約為30人)，對薪酬組合會作定期檢討，另會依據僱員個別工作表現給予花紅獎勵。此外，本公司已採納一項購股權計劃，據此，董事可向本公司及其任何附屬公司之任何合資格僱員(包括執行董事及獨立非執行董事)授出購股權，讓彼等按購股權計劃之條款認購本公司股份。然而，截至二零零八年十二月三十一日，除上市前授出之購股權外，並無其他購股權獲授出。本年度之員工成本約港幣6,000,000元，而二零零七年則約為港幣4,000,000元。

Management Discussion and Analysis

Business Overview

Corporate restructuring

In order to streamline the Group's business and redeploy its resources in a more productive manner, a corporate restructuring as detailed in a circular issued by the Company on 28 March 2008 was completed in April 2008.

Trading of petroleum-related products

On 31 January 2008, Polyard Petroleum (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company, signed a co-operative agreement with North Petroleum & Chemical Group Co., Ltd., a limited company incorporated in the People's Republic of China ("PRC"). Pursuant to the co-operative agreement, the Company's 51% owned indirect subsidiary, Xian Polyard Petroleum & Chemical Co., Ltd. ("Xian Polyard") was incorporated in the PRC and has commenced its business in May 2008.

Unfortunately, due the occurrence of the earth quake in Sichuan in May 2008 and the recent world-wide financial crisis as well as the significant fluctuation in crude oil price, Xian Polyard's business was unavoidably affected seriously and unsuccessfully, not only failed to achieve our target in business volume but also to obtain order with reasonable return during the first quarter of 2009 (up to the date of this report).

管理層討論及分析

業務回顧

企業重組

為精簡本集團之業務及以更有效之方式重新調配其資源，本公司於二零零八年三月二十八日刊發之通函所詳述之企業重組已於二零零八年四月完成。

石油相關產品買賣

於二零零八年一月三十一日，百田石油(香港)有限公司(本公司之間接全資附屬公司)與北方石油化工(集團)有限公司(於中華人民共和國(「中國」)註冊成立之有限公司)簽訂合作協議。根據合作協議，西安百田石油化工有限公司(「西安百田」，本公司擁有51%之間接附屬公司)於中國註冊成立，並已於二零零八年五月開始其業務。

可惜由於二零零八年五月四川發生地震，再加上近期全球出現金融危機，以及原油價格大幅波動，西安百田之業務難免深受影響，不單營業額未能達標，更未能於二零零九年第一季(截至本報告日期)取得回報合理之訂單。

Management Discussion and Analysis

Investment in Philippines Coal Mine

On 11 July 2008, Polyard International Mining Co., Ltd. (“Polyard Mining”), an indirect wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (supplemented by an agreement dated 26 September 2008) with China International Mining Holding Company Limited (“CIM”), an investment holding company incorporated in Hong Kong (100% beneficially owned by Mr. Lam Nam (“Mr. Lam”)), and Mr. Lam pursuant to which Polyard Mining acquired from CIM the equity interest in Mexford Holdings Limited (“Mexford”). Upon the completion on 12 December 2008, Polyard Mining acquired the entire issued shares and shareholders’ loans of Mexford. Mexford is holding 40% equity interest in each of Eastern Star and Great Wall whereas Eastern Star owned the rest 60% equity interest of Great Wall which, with the approval of the Philippines Government, has obtained a right to examine, investigate and/or explore an area of approximately 5,000 square hectares located in San Miguel Surigao del Sur, the Philippines, which is supposed to contain coal. If Great Wall and the Philippines Government have measured and agreed on the existence of the coal resource, then with the approval of the Philippines Government, Great Wall shall have the right to reach and extract the coal deposits.

Disposal of pulps and paper products business

On 15 July 2008, Kanstar Hong Kong Limited (“Kanstar HK”), an indirect wholly-owned subsidiary of the Company, and an independent third party, entered into a sale and purchase agreement (“Disposal Agreement”), pursuant to which Kanstar HK had agreed to dispose of the entire registered capital of Yunnan Kanstar High Tech Products Development Company Limited to that independent third party.

管理層討論及分析

於菲律賓煤礦之投資

於二零零八年七月十一日，百田國際礦業有限公司（「百田礦業」，本公司之間接全資附屬公司）、中國國際礦業控股有限公司（「中國國際礦業」，於香港註冊成立之投資控股公司，由林南先生（「林先生」）全資擁有）及林先生訂立有條件買賣協議（經於二零零八年九月二十六日訂立之協議補充），據此，百田礦業自中國國際礦業收購 Mexford Holdings Limited（「Mexford」）之股權。於二零零八年十二月十二日完成後，百田礦業收購 Mexford 之全部已發行股份及股東貸款。Mexford 持有 Eastern Star 及 Great Wall 各自之 40% 股權，而 Eastern Star 則擁有 Great Wall 股權之餘下 60%。Great Wall 在菲律賓政府批准之情況下，已取得勘察、勘測及／或勘探位於菲律賓南蘇里高省 San Miguel 面積約 5,000 平方公頃之範圍（被認為蘊藏煤炭）之權利。倘 Great Wall 及菲律賓政府已測量煤炭資源量，並達成共識，則在獲得菲律賓政府批准後，Great Wall 有權勘探及開採煤藏。

出售漿板及紙品業務

於二零零八年七月十五日，建星香港有限公司（「建星香港」，本公司之間接全資附屬公司）與一名獨立第三方訂立買賣協議（「出售協議」），據此，建星香港同意向獨立第三方出售雲南建星新技術產品開發有限公司之全部註冊股本。

Management Discussion and Analysis

Investment in Central Luzon Gas Field

On 28 August 2008, a wholly-owned subsidiary of the Company, Polyard Petroleum International Company Limited (“Polyard Macau”), and two independent third parties, Eastsun Mining & Power Exploration Corporation (“Eastsun”) and Cenozoil Energy Corporation (“Cenozoil”) had entered into contract jointly as “Contractor” with the Department of Energy of the Philippines Government (“DOE”) regarding the provision of services for exploration, development and exploitation of petroleum resources in the area situated at Central Luzon Basin, the Philippines, with a total size of 684,000 square hectares (the “Service Contract”). Pursuant to the Service Contract, Polyard Macau, Eastsun and Cenozoil will have 80%, 10% and 10% participating interest respectively in the Petroleum operations.

Pursuant to the Service Contract also, the Contractor shall fulfill the minimum exploration work commitment amounted to US\$7.2 million in the Exploration Period of 7 years commencing on the date of the Service Contract. Under the Service Contract, such expenditure will be recovered during the period of Production Operation up to 70% of the gross income derived from the sales of all petroleum, crude oil, natural gas, and/or casinghead petroleum spirit produced.

In addition to the exploration work commitment, capital expenditure may also be incurred in the Production Operations, which mainly relates to expenditure of extraction, injection, stimulation, treatment, storage, subject to be approved by DOE, would also be recovered, up to 70% of the gross income as mentioned in the immediate above paragraph.

The Contractor is entitled to elect its service fee in cash or petroleum in kind as to 40% from the remaining balance of the gross income after deducting the operating expense.

管理層討論及分析

於中呂宋氣田之投資

於二零零八年八月二十八日，百田石油國際有限公司（「百田澳門」，本公司之全資附屬公司）、兩名獨立第三方Eastsun Mining & Power Exploration Corporation（「Eastsun」）及Cenozoil Energy Corporation（「Cenozoil」）已共同以「承包商」身份，與菲律賓政府能源部（「能源部」）就位於菲律賓中呂宋盆地，總面積684,000平方公頃之範圍內提供勘探、開發及開採石油資源服務訂立合約（「服務合約」）。根據服務合約，百田澳門、Eastsun及Cenozoil將分別於石油營運擁有80%、10%及10%參與權益。

根據服務合約，承包商亦須於自服務合約日期起計為期七年之勘探期達到為數7,200,000美元之最低勘探工作承擔。根據服務合約，該開支將於生產營運期內收回，最多達出售所有所生產石油、原油、天然氣及／或套管頭石油溶劑所得之總收入之70%。

除勘探工作承擔外，生產營運亦可能產生資本開支，主要與開採、注入、增產、處理、儲存等開支有關。有關開支須經能源部批准，亦將會收回，最多達上一段所述總收入之70%。

承包商有權選擇服務費以現金或石油實物收取，為扣除營運開支後之總收入餘額之40%。

Management Discussion and Analysis

The Exploration Operation will commence within 6 months from the date of the Service Contract. The Directors intend to sub-contract part or the entire petroleum exploration to other qualified independent third parties to be identified by the Company and will assign part of the participating interest of the Service Contract to other independent third parties.

Progress and Prospects

Crude oil and nature gas projects

Block M: Brunei Project

Being an advisable JV partner in Block M, Brunei Darussalam, China Sino Oil Company Limited, an indirect wholly-owned subsidiary of the Company, is still holding 21% participating interest after the assignment of 39% participating interest to the current Operator, Tap Energy (Borneo) Pty. Ltd., in April 2008. The project is underway of the following exploration and research process:

- (i) 2D Seismic Reprocessing & Interpretation 1474KM² of Seismic data reprocessing and Interpretation has been completed;
- (ii) Airborne Gravity/Magnetic Survey (3745KM²) had already been completed in August 2008 as planned;
- (iii) For 2D&3D Seismic data acquisition Contract awarded in November 2008 to the successful bidder. The proposed seismic acquisition of 118KM² and 2D seismic acquisition of 60KM²; and

管理層討論及分析

勘探營運將於服務合約日期起計六個月內動工。董事會擬將石油勘探部份或全部承包予其他本公司將確定之合資格獨立第三方，並會將服務合約之部份參與權益指讓予其他獨立第三方。

進展及前景

原油及天然氣項目

M區：汶萊項目

作為汶萊M區之明智合營夥伴，本公司之間接全資附屬公司中國新星石油有限公司於二零零八年四月轉讓39%參與權益予現時營運商Tap Energy (Borneo) Pty. Ltd.後，仍持有21%參與權益。項目現正進行以下開採及研究程序：

- (i) 已完成1474平方公里之地震數據再處理及解釋之二維地震再處理及解釋；
- (ii) 航空重力／地磁測量(3745平方公里)已如期於二零零八年八月完成；
- (iii) 就於二零零八年十一月授予中標者之二維及三維地震數據採集合約而言，擬採集118平方公里之地震數據及60平方公里之二維地震數據；及

Management Discussion and Analysis

(iv) In Year 2009, appraisal Wells Drilling Programme, which was originally planned to share rig for the purpose of minimizing costs by minimization of downtime between wells, but the Operator has to quit the idea of sharing rig due to non-availability after a tentative negotiation. However, with slow down of the current industry, it is believed that cost advantages may be achieved at this time. Tendering for rig and related materials and services has commenced. Updated well cost may result in higher cost than previously approved budget.

Hopefully drilling operation may start in August 2009 and later in December we may have breakthrough in Block M as there are two wells being located and drilled in previously proven favorable structures. Probably, as early as in 2010, we will see steady production and even commencement of marketing.

Central Luzon Area 2 Philippines

In 2008 Polyard Macau has also achieved significant progress in Central Luzon Area 2 (CL2) and was awarded a Service Contract (SC 70) with DOE on 28 August 2008.

Immediately after signing the contract, Polyard Macau set up a branch office in the Philippines specifically for CL2 in September 2008, Polyard Macau smoothly pushes the project forward as the Operator and equity holder of 80%.

After collecting the well data, seismic data, reports and maps, a primary study was taken by experts of Polyard Macau for one year research and has achieved the aim of optimizing drilling prospects and performance of its annual exploration commitment.

For the purpose of making full use of available data, optimizing traps and identifying locations for two exploration wells (back to back), programs are specifically designed for Seismic Data Reprocessing and Integrated Geological Study. Drilling Program being included in the annual work program and the budget has been approved by DOE in December 2008 in order to ensure an expediting progress to save cost.

管理層討論及分析

(iv) 評價井鑽探計劃原本計劃共用鑽機，以透過減少鑽井停工時間減低成本，惟於二零零九年，營運商在進行試探性磋商後，因不可行而須放棄共用鑽機之打算。然而，由於目前行業發展放緩，相信現時可取得成本優勢。鑽機及有關材料及服務之投標工作經已展開。更新後之鑽井成本可能較先前批准之預算為高。

鑽探營運可望於二零零九年八月開始，而由於共有兩個鑽井位於已證實有利構造且已進行鑽探，故其後於十二月，本集團可能在M區取得新突破。可能早於二零一零年，便能錄得穩定產量，甚至能開始市場推廣。

菲律賓中呂宋2號區

於二零零八年，百田澳門亦於中呂宋2號區 (CL2) 取得重大進展，並於二零零八年八月二十八日獲授能源部之服務合約 (SC 70)。

緊隨合約簽訂後，百田澳門於二零零八年九月特別為CL2於菲律賓設立分區辦事處。百田澳門作為營運商及80%股權持有人，推動項目平穩發展。

取得鑽井數據、地震數據、報告及地圖後，百田澳門之專家已進行為期一年之初步研究，達到優化鑽探狀況及履行年度勘探承擔之目標。

為充分利用現有數據、優化圈閉及確認兩個相連探井之位置，特別設計用作地震數據再處理及綜合地質研究之計劃。年度工作計劃包括鑽探計劃，而預算已於二零零八年十二月獲能源部批准，確保加快項目進度，節省成本。

Management Discussion and Analysis

Philippines Coal Mining

In early December 2008, the DOE has approved the budgeted work program submitted by Great Wall as the operator of the Coal Mine in San Miguel, and that DOE also notified Great Wall that the Coal Operating Contract be converted as a Coal Development Contract i.e. from exploration phase to development or production phase.

In addition, after the directors of Great Wall had tried their best efforts, the Environmental Compliance Certificate has been granted by the authority concerned in the Philippines. Great Wall is now planning and preparing to start the extraction of coal therein as soon as possible.

管理層討論及分析

菲律賓煤礦開採

於二零零八年十二月初，能源部已批准 Great Wall 作為 San Miguel 煤礦營運商所提交之預算工作計劃，而能源部亦通知 Great Wall，煤炭經營合約轉為煤炭開發合約，即由勘探階段轉為開發或生產階段。

此外，Great Wall 董事盡其所能後，已獲菲律賓有關當局授出環境遵守證書。Great Wall 現計劃並預備盡快開始於當地開採煤礦。

Corporate Governance Report

Introduction

The Company has applied the principles and complied with most of the code provisions set out in Appendix 15 to the GEM Listing Rules throughout the year ended 31 December 2008, by establishing formal and transparent procedures to protect and maximize the interests of shareholders.

Directors' Securities Transactions

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Upon the Company's specific enquiry, each director had confirmed that during the year ended 31 December 2008, he had fully complied with the required standard of dealings and there was no event of non-compliance.

Board of Directors

The Board, which currently comprises 6 directors, is responsible for supervising the management of the Group. Details of the Chairman and the other directors of the Group are set in the section "Biographical Details of Directors and Senior Management" of this report. All directors give sufficient time and attention to the affairs of the Group.

In early January 2008, the Company had fewer than 3 independent non-executive directors and did not comply with the requirements under Rule 5.05(1) of the GEM Listing Rules. Following the appointment of a new independent non-executive director in January 2008 within the prescribed period set forth in Rules 5.06 and 5.33 of the GEM Listing Rules, the Company is in compliance with Rule 5.05(1) and (2) of the GEM Listing Rules, and has three independent non-executive directors and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise.

企業管治報告

序言

於截至二零零八年十二月三十一日止年度，本公司一直採用創業板上市規則附錄15所載原則並遵守其大部分守則條文，制定正統而具透明度程序，以保障及為股東獲取最佳利益。

董事進行證券交易

本公司已就董事進行本公司之證券交易採納一套按創業板上市規則第5.48至5.67條所規定交易準則而製定之操守準則。本公司作出詳細查詢後，每一位董事確認於截至二零零八年十二月三十一日止之年度內，一直遵守有關交易之規定準則及並無違反之事宜。

董事會

本集團之管理層，現時由六名董事組成之董事會負責監察。本集團主席及其他各董事之詳細資料詳載於本報告書中「董事及高級管理人員簡介」一節。所有董事均能付出足夠時間及精神以處理本集團之事務。

於二零零八年一月初時，本公司之獨立非執行董事少於3名，未能遵守創業板上市規則第5.05(1)條之規定。本公司於創業板上市規則第5.06及5.33條所載之指定期間內，於二零零八年一月委任新獨立非執行董事後，本公司已符合創業板上市規則第5.05(1)及(2)條之規定，擁有一名獨立非執行董事，而其中最少一名具備適當專業資格或會計或相關財務管理專業知識。

Corporate Governance Report

The Company has received from each independent non-executive director an annual confirmation of his independence, and the Company considers such directors to be independent in accordance with each and the various guidelines set out in Rule 5.09 of the GEM Listing Rules.

With the various experience of both the executive directors and the non-executive directors and the nature of the Group's business, the Board considered that the directors have a balance of skills and experience for the business of the Group.

Board Meetings

The Board regularly meets in person or through other means of electronic communication at least four times a year. At least 14 days' notice of regular board meetings were given to all directors, who were all given an opportunity to include matters in the agenda for discussion. The Company Secretary assists the directors in preparing the agenda for the meeting, and ensures that all applicable rules and regulations regarding the meetings are observed.

The attendance record of the individual directors at the Board meetings during the year is set out below:

Executive directors:

Mr. KUAI Wei
Mr. LIN Zhang
Mr. CAO Xuejun

Independent non-executive directors:

Mr. CHAN Kin Cheong
Mr. WANG Yanhui
Mr. Zhang Xiaobao

During regular meetings of the Board, the directors discuss and formulate the overall strategies of the Group, monitor financial performances and discuss the annual and interim and quarterly results, as well as discuss and decide on other significant matters. Execution of daily operational matters is delegated to management.

企業管治報告

本公司已從每位獨立非執行董事收到確認其獨立性之年度確認，並根據創業板上市規則第5.09條所列之每項指引認為每位有關董事均為獨立。

有鑑於各執行董事及非執行董事擁有之經驗及本集團之業務性質，董事會認為各董事於本集團之經營技巧及經驗方面取得適當之平衡。

董事會會議

董事會定期開會，每年最少召開董事會會議四次。董事們皆能親身出席或透過其他電子通訊方法參與。召開定期董事會會議前，董事在不少於14天前收到通知，全體董事皆有機會提出商討事項列入會議議程。公司秘書協助董事為會議準備議程，以確保有關會議均能符合所有適當守則及規例而進行。

本年度，於董事會會議上各董事之出席記錄載列如下：

Attendance 出席次數

執行董事：

鄧偉先生	23
林漳先生	25
曹學軍先生	15

獨立非執行董事：

陳健昌先生	18
王燕輝先生	15
張曉寶先生	10

於董事會定期會議中，董事們商討並釐定本集團之整體策略，監察財政表現及商討年終及中期及季度業績，及商討及作出其他重大決定。管理日常運作之責任則交予管理層執行。

Corporate Governance Report

The Company Secretary records the proceedings of each board meeting in detail by keeping detailed minutes, including all decisions by the Board together with concerns raised and dissenting views expressed (if any). Drafts of board minutes are circulated to all directors for comment and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any director.

All directors have access to relevant and timely information at all times as the Chairman ensures that management will supply the Board and its committees with all relevant information in a timely manner. They may make further enquiries if in their opinion it is necessary or appropriate to request for further information. They also have unrestricted access to the advice and services of the Company Secretary, who is responsible to the Board for providing directors with Board papers and related materials, and ensuring that all proper Board procedures are followed and that all applicable laws and regulations are complied with. If considered to be necessary and appropriate by the directors, they may retain independent professional advisors at the Group's expense.

In case where a conflict of interest may arise involving a substantial shareholder or a director, such matter will be discussed through an actual meeting and will not be dealt with by written resolutions. Independent non-executive directors with no conflict of interest will be present at meetings dealing with such conflict issues.

The board committees, including the audit committee and the remuneration committee, have all adopted the applicable practices and procedures used in board meetings for all committee meetings.

Chairman and Chief Executive Officer

The Chairman of the Group is Mr. Kuai Wei and the Chief Executive Officer of the Group is Mr. Cao Xuejun. The roles of Chairman and Chief Executive Officer are separate and not performed by the same individual to avoid power being concentrated on any one individual. The Chairman of the Group is primarily responsible for the leadership and effective running of the Board, and ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner, whereas the Chief Executive Officer is primarily responsible for the running of the Group's business and implementation of the Group's strategy in achieving the overall commercial objectives.

企業管治報告

公司秘書就每次董事會會議作出詳細會議記錄，包括董事會提出之一切決定，以及任何疑慮或表達之反對意見(如有)。董事會會議結束後，在實際可行情況下盡快將會議記錄之初稿發送給全體董事，以供表達意見及審批。任何董事可在任何合理時段查閱有關會議記錄。

主席確保管理層向董事會及其轄下委員會提供充足及適應時之資料，以使全體董事能夠隨時掌握有關情況。董事如認為有需要或適當時可自行進一步查詢。所有董事亦可取得公司秘書之意見和獲得其服務，包括向董事提供有關董事會之文件及相關資料，及確保符合適當之董事會程序及一切適用之法律及規例均能遵守。如董事認為有需要及在適當之情況下，可尋求獨立專業意見，費用則由本集團支付。

若可能涉及主要股東或董事之利益衝突時，有關事項不會以書面決議之方式處理，而董事將會就該事項舉行現場會議。而無利益衝突之獨立非執行董事將會出席處理有關衝突事件之會議。

董事會轄下委員會，包括審核委員會及薪酬委員會，均就所有委員會會議採納董事會沿用之適用原則及程序。

主席及行政總裁

本集團主席乃鄧偉先生，而本集團之行政總裁乃曹學軍先生。主席與行政總裁之角色有區分，並非由一人同時兼任，以確保權力不致過份集中於一位人士。本集團主席主要負責領導及有效控制董事會，及確保於董事會及時及積極地商討重要及適用之事項，而行政總裁則主要負責主持本集團業務及執行本集團策略以達致整體商業目標。

Corporate Governance Report

The Chairman also encourages all directors, including the independent non-executive directors, to actively participate in all board and committee meetings.

Non-Executive Directors

All independent non-executive directors, Mr. Chan Kin Cheong, Mr. Wang Yanhui and Mr. Zhang Xiaobao had not entered into any service contract with any member of the Company and are not appointed for a fixed term. They are not entitled to any remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned.

Remuneration of Directors

The remuneration committee was established in 2005. Since 12 December 2007, Mr. Chan Kin Cheong, an independent non-executive director, was appointed Chairman of the Committee. Other members are Mr. Wang Yanhui and Mr. Zhang Xiaobao, both are independent non-executive directors of the Company.

The role and function of the remuneration committee included the determination of the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the board of the remuneration of non-executive directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

Upon the recommendation of Remuneration Committee, the Board of directors has considered and reviewed the existing terms of employment contracts of the executive directors and considers that the existing terms of employment contracts of the executive directors are fair and reasonable.

企業管治報告

主席亦鼓勵全體董事，包括獨立非執行董事，積極參與所有董事會及委員會會議。

非執行董事

獨立非執行董事陳健昌先生、王燕輝先生及張曉寶先生等並未與本公司任何成員公司訂立任何服務合約及無固定年期。彼等並未能收取任何酬金，惟有權享有各財政年度，及由董事會酌情及參考本公司於有關財政年度之業績及表現釐定之花紅。

董事薪酬

薪酬委員會於二零零五年成立。由二零零七年十二月十二日起，獨立非執行董事陳健昌先生獲委任為委員會主席。其他成員包括王燕輝先生及張曉寶先生，彼等均為本公司之獨立非執行董事。

薪酬委員會之角色及職務包括釐定全體執行董事及高級管理人員之特定薪酬組合，包括實物利益、退休權利及補償(包括任何離職或入職補償)，以及就非執行董事之薪酬向董事會提供建議。薪酬委員會應考慮之各種因素包括：比較其它同類型公司所付薪金、董事所投注時間及職責、本集團內僱傭條件及按表現發放薪酬之可行性。

按薪酬委員會之建議，董事會已考慮及審閱執行董事僱傭合約之現有條款，並認為執行董事僱傭合約之現有條款屬公平合理。

Corporate Governance Report

Nomination of Directors

In accordance with the Company's articles of association, Mr. LIN Zhang are subjected to retirement by rotation and re-election at the forthcoming general meeting of the Company.

Audit Committee

The Company has established an audit committee ("Audit Committee") with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The duties of the Audit Committee include reviewing the Company's annual reports and quarterly financial reports and providing advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures.

The Audit Committee comprises the three independent non-executive directors, namely Mr. Chan Kin Cheong, Mr. Wang Yanhui and Mr. Zhang Xiaobao. Mr. Zhang Xiaobao was appointed on 16 January 2008.

The audit committee held 5 meetings during the year under review. Details of the attendance of the audit committee meetings are as follows:

Members 成員

Mr. Chan Kin Cheong
Mr. Wang Yanhui
Mr. Zhang Xiaobao

Attendance 出席次數

陳健昌先生 5/5
王燕輝先生 5/5
張曉寶先生 1/5

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 December 2008 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

企業管治報告

提名董事

根據本公司之組織章程細則，林漳先生須於本公司應屆股東大會上輪值告退及膺選連任。

審核委員會

本公司已成立審核委員會（「審核委員會」），並按創業板上市規則第5.28及5.33條以書面列明其職責範圍。審核委員會職責包括審閱本公司年報及季度財務報告，並就此向董事會提出建議及意見。審核委員會亦負責檢討並監督本公司財務報告及內部監控程序。

審核委員會由三名獨立非執行董事組成，分別為陳健昌先生、王燕輝先生及張曉寶先生。張曉寶先生於二零零八年一月十六日獲委任。

審核委員會於回顧年度舉行五次會議。審核委員會會議之出席記錄詳情如下：

本集團於截至二零零八年十二月三十一日止年度之未經審核季度及中期業績以及經審核全年業績已由審核委員會審閱。審核委員會認為，該等業績乃按照適用會計準則及規定編製，並已作出充分披露。

Corporate Governance Report

企業管治報告

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:

		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	350	300
Non-audit services	非審核服務	510	610
Total	總計	860	910

核數師之酬金

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：

Directors' and Auditors' Responsibilities for Financial Statements

The directors acknowledge their responsibility for preparing the financial statements of the Group.

The responsibilities of the external auditors are set out in the Independent Auditors' Report to the shareholders of the Company on pages 34 to 36 of this annual report.

董事及核數師就財務報表之責任

董事確認其就編製本集團財務報表之責任。

外聘核數師之責任載於本公司年報第34至36頁致本公司股東之獨立核數師報告。

Internal Control

The Company has conducted a review of its system of internal control periodically to ensure the effectiveness and adequacy of the internal control system. The Company convened meeting periodically to discuss financial, operational and risk management control.

內部監控

本公司定期審查其內部監控制度，確保內部監控制度為有效及充分。本公司定期召開會議，討論財務、營運及風險管理監控。

Biographical Details of Directors and Senior Management

Executive Directors

Mr. KUAI Wei (鄒偉), aged 47, is the Chairman and managing executive director of the Company. Mr. Kuai holds a master degree in business administration from the University of South Australia and has over 20 years of experience in banking, electrical transmission and transformation equipment and satellite broadcasting. Mr. Kuai has been involved as a senior management member for strategic planning, business development, operation and overall management of various companies. He joined the Group in July 2007.

Mr. LIN Zhang (林漳), aged 27, holds a bachelor degree in economics from Tianjin University of Commerce. Prior to joining the Company in November 2007, Mr. Lin worked in the Indonesia branch of Chinaoil USA (Macao) Company Limited for two years and was responsible for the petroleum exploitation, development and related trading business.

Mr. CAO Xuejun (曹學軍), aged 63, is also the Chief Executive Officer who holds a bachelor degree from the China University of Petroleum (formerly known as "The Beijing Petroleum Institute"). Mr. Cao has over 40 years' working experience in oil and gas development projects, and participated in several big offshore oil and gas field development projects. Prior to joining the Company in December 2007, he was the President of the Shanghai Branch of CNOCC (China) Ltd. Mr. Cao was also a visiting scholar in Alabama State University, United States of America and was engaged as a consultant in a subsidiary of the Company since June 2007.

Independent Non-Executive Directors

Mr. WANG Yanhui (王燕輝), aged 46, holds a master degree in Public Administration from Harvard University and a doctor degree in Management from Xi'an Jiaotong University. He was a senior Economist and also an adjunct professor in Xi'an Jiaotong University. Mr. Wang is now the vice president of Shenzhen Ping An Bank (formerly known as Shenzhen Commercial Bank). Mr. Wang was appointed as an independent non-executive director in December 2007.

董事及高級管理人員簡介

執行董事

鄒偉先生，47歲，為本公司主席兼常務董事。鄒先生持有南澳大學工商管理碩士學位，彼於銀行、輸電與變電設備以及衛星廣播方面擁有逾20年經驗。鄒先生曾在多間公司出任高級管理人員，負責策略規劃、業務發展、經營及整體管理。彼於二零零七年七月加入本公司。

林漳先生，27歲，持有天津商業大學經濟學學士學位。於二零零七年十一月加盟本公司前，林先生曾於中國聯合石油美國(澳門)有限公司印尼分公司工作兩年，從事於石油勘探、開發及貿易等相關工作。

曹學軍先生，63歲，亦為行政總裁，持有北京石油大學(前稱「北京石油學院」)學士學位。曹先生擁有逾40年油氣田勘探開發項目之經驗，並曾參與數個大型離岸油氣田之開發建設項目。彼於二零零七年十二月加入本公司前為中國海洋石油(中國)有限公司上海分公司總經理。曹先生亦曾為美國阿拉巴馬州州立大學訪問學者及由二零零七年六月起曾為本公司一間附屬公司之顧問。

獨立非執行董事

王燕輝先生，46歲，持有哈佛大學公共管理碩士學位及西安交通大學管理學博士學位。彼為高級經濟師，亦為西安交通大學兼職教授。王先生現為深圳市平安銀行(前稱深圳商業銀行)副行長。王先生於二零零七年十二月受委為獨立非執行董事。

Biographical Details of Directors and Senior Management

Mr. CHAN Kin Cheong (陳健昌), aged 43, has over 7 years working experience in accounting and auditing. Mr. Chan holds a bachelor degree in Quantitative Analysis for Business and a master degree of Professional Accounting and Information Systems from City University of Hong Kong. Mr. Chan is an associate member of the Association of Chartered Certified Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan was appointed as an independent non-executive director in December 2007.

Mr. ZHANG Xiaobao (張曉寶), aged 51, holds a geological bachelor degree from Changchun Institute of Geology, a master degree in sedimentology and a PhD degree in natural gas geochemistry from Chinese Academy of Sciences. In 2004, he took a position of associate chief geologist in the Research Institute of Petroleum Exploration and Development, Qinghai Oil Field, Chinese National Petroleum Corporation. During his 30 years research experience, he has been responsible for over 20 programs and published over 30 papers. Mr. Zhang was appointed as an independent non-executive director in January 2008.

Senior Management

Mr. CHENG Yun Sing (鄭潤成), aged 75, was appointed as the company secretary of the Company in November 2007. He is a fellow member of the Hong Kong Institute of Chartered Public Accountants, and has been practising as a Certified Public Accountant for more than 36 years.

Ms. CHUNG Ming Yin (鍾明諺), aged 35, joined the Company in December 2007 as the qualified accountant. Prior to joining the Company, she has over 7 years working experience in accounting and auditing. Ms. Chung holds a bachelor degree in Accounting from City University of Hong Kong. She is an associate member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

董事及高級管理人員簡介

陳健昌先生，43歲，擁有逾7年會計及核數工作經驗。陳先生持有香港城市大學工商數量分析學士學位及專業會計及資訊系統碩士學位。陳先生為英國特許公認會計師公會及香港會計師公會會員。陳先生於二零零七年十二月受委任為獨立非執行董事。

張曉寶先生，51歲，持有長春地質學院地質系學士學位、中國科學院沉積學專業碩士學位及天然氣地球化學專業博士學位。張先生於二零零四年任中國石油天然氣總公司青海油田公司勘探開發研究院副總地質師。在其30年之科研工作中，彼先後負責20餘項科研項目及發表30多篇有關論文。張先生於二零零八年一月受委任為獨立非執行董事。

高級管理人員

鄭潤成先生，75歲，於二零零七年十一月獲委任本公司之公司秘書。彼為香港會計師公會資深會員，並持續執業為會計師逾36年。

鍾明諺女士，35歲，於二零零七年十二月加入本公司為合資格會計師。於加入本公司前，彼擁有逾7年會計及核數工作經驗。鍾女士持有香港城市大學會計學士學位。彼為英國特許公認會計師公會會員及香港會計師公會會員。

Biographical Details of Directors and Senior Management

Mr. LAI Chun Liang (來俊良), aged 44, joined Polyard Petroleum International Co., Ltd. as an Executive Vice President in 2003 and was appointed as a chief operating officer in 2008. He holds a bachelor degree in Electronic Engineering. Prior to joining the group, he has over 10 years experience in development of angiography monitoring instrument and research on GPS and navigation system. He has years of experience in operation and management of companies.

Mr. CHAN Chong Yam, Steven (陳昶欽), aged 54, joined Polyard Petroleum International Co., Ltd. as financial controller in June 2007. He is a member of Certified General Accountants Association of Canada and has over 21 years accounting and financial working experience.

Mr. QIN Han Sheng (覃漢生), aged 46, joined Polyard Petroleum International Co., Ltd. as a Senior Geologist of the Technical Team since December 2007. Mr. Qin has over 22 years working experience in exploration for oil and gas in CNPC of China and was responsible for 18 petroleum exploration projects.

Ms. LIU Ying (劉瑩), aged 46, joined as a senior geophysicist of the Technical Team of Polyard Petroleum International Co., Ltd. since December 2007. Ms. Liu has previously acted as the Chief for Block D, Oil Exploration and Development project in Irawaddy Basin, a joint venture between Myanmar and SINOPEC. She was awarded for discovery of Yunnan Luliang Nature Gas Field in 1994 and Qujing Basi Nature Gas Field in 2004.

Mr. ZHOU Jin Tang (周金堂), aged 45, joined as a geoscientist of the Technical Team of Polyard Petroleum International Co., Ltd. since December 2007. Mr. Zhou has 23 years petroleum exploring experience and is well versed in geochemical and geophysical techniques.

Mr. ZHANG Yong Qiang (張永強), aged 41, joined as a Reservoir Engineer of the Technical Team of Polyard Petroleum International Co., Ltd. since December 2007. Prior to joining the Company, Mr. Zhang participated in Reservoir Accurate Description project for Shahejie Formation of Liuzan Oilfield in Jidong Oilfield in 2004 and Deep Gas Exploration Potential project of Niuju Oilfield in 2005.

董事及高級管理人員簡介

來俊良先生，44歲，於二零零三年加入百田石油國際有限公司出任行政副總裁，其後於二零零八年獲委任為營運總監。彼持有電子工程學士學位。加入本集團前，彼於發展心血管監察儀器及研究衛星導航系統方面擁有逾10年經驗。彼擁有多年經營及管理公司經驗。

陳昶欽先生，54歲，於二零零七年六月加入百田石油國際有限公司出任財務總監。彼為加拿大註冊會計師協會會員，擁有逾21年會計及財務工作經驗。

覃漢生先生，46歲，於二零零七年十二月起加入百田石油國際有限公司之技術隊伍出任高級地質學家。覃先生於中國之中國石油集團勘探油氣擁有逾22年經驗，並曾負責18個石油勘探項目。

劉瑩女士，46歲，自二零零七年十二月加入百田石油國際有限公司之技術隊伍出任高級地球物理學家。劉女士曾於緬甸與中石化之合營企業於伊洛瓦底江流域之勘探及開發項目D區出任主管。彼於一九九四年發現雲南陸良天然氣田及於二零零四年發現曲靖盆地天然氣田而獲表揚。

周金堂先生，45歲，自二零零七年十二月加入百田石油國際有限公司之技術隊伍出任地球科學家。周先生擁有逾23年勘探石油經驗，並精通地球化學及地球物理技術。

張永強先生，41歲，自二零零七年十二月加入百田石油國際有限公司之技術隊伍出任油藏工程師。加入該公司前，張先生曾於二零零四年參與位於冀東油田之柳贊油田沙河街組油藏精細描述項目及於二零零五年參與牛居油田深層天然氣勘探潛力項目。

Report of the Directors

The directors would like to submit their report together with the audited financial statements for the year ended 31 December 2008 (“the year”).

Principal Activities

The principal activity of the Company is investment holding. The Group is principally engaged in the exploration of oil and natural gas and trading of petroleum-related products. During the year, the Group disposed of the trading of pulps and paper products business. The principal activities of its subsidiaries are set out in note 39 to the financial statements.

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 14 to the financial statements.

Results and Appropriations

The results of the Group for the year are set forth in the consolidated income statement on page 37.

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

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 32 to the financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group are set out in note 15 to the financial statements.

董事報告

董事謹提呈截至二零零八年十二月三十一日止年度(「本年度」)之報告連同經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事勘探石油及天然氣以及買賣石油相關產品。本集團於年內出售買賣漿板及紙品業務。其附屬公司之主要業務載於財務報表附註39。

本集團本年度之業務及地區分部表現分析載於財務報表附註14。

業績及分配

本集團本年度之業績詳列於第37頁之綜合收益表。

董事不建議派發任何本年度之股息。

儲備

本集團及本公司於年內之儲備變動載於財務報表附註32。

物業、廠房及設備

本集團之物業、廠房及設備變動之詳情載於財務報表附註15。

Report of the Directors

Share Capital

Details of the movements in share capital of the Company are set out in note 31 to the financial statements.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Bye-laws and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 132.

Purchase, Sale or Redemption of Securities

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

董事報告

股本

本公司股本變動之詳情載於財務報表附註31。

優先購買權

本公司之公司附則並無有關優先購買權之條文，而開曼群島法例則無有關權利之限制，致促使本公司須按比例向現有股東提呈發售新股份。

五年財務概要

本集團過往五個財政年度之業績、資產及負債概要載於第132頁。

購買、出售或贖回證券

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

Report of the Directors

董事報告

Share Options

The Company adopted two share option schemes (hereinafter referred to as the “Pre-IPO Share Option Scheme” and the “Share Option Scheme”) on 26 June 2002 for the purpose of providing incentives to the directors and eligible participants, under which the Company may grant options to the directors and employees of the Group and also other eligible participants to subscribe for shares of the Company. Certain directors and participants have been granted options under the Pre-IPO Share Option Scheme to subscribe for shares at an exercise price of HK\$0.002 (Note) per share, details of which are set out as follows:

Name of grantee 承授人名稱	Date of grant 授出日期	Exercisable period 可行使期間	Granted 已授出	Number of share options 購股權數目		
				Outstanding as at 1 January 2008 於二零零八年 一月一日 尚未行使	Lapsed during the year under review 於回顧 年度失效	Outstanding as at 31 December 2008 於二零零八年 十二月三十一日 尚未行使
Employees in aggregate 僱員總額	26 June 2002 二零零二年六月二十六日	12 July 2003 – 11 July 2008 二零零三年七月十二日至 二零零八年七月十一日	48,750,000	500,000	500,000	–

Note: Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 7 October 2003, each of the initial issued and unissued Shares having a par value of HK\$0.01 were subdivided into five Subdivided Shares having a par value of HK\$0.002 each with effect from 8 October 2003. This share subdivision gave rise to adjustments to both the exercise price and the number of underlying shares granted under the pre-IPO share option scheme, and accordingly every option originally granted was increased to five options.

No option under the share option scheme adopted by the Company was granted during the year.

Details of the Pre-IPO Share Option Scheme were set out in the Prospectus issued by the Company on 5 July 2002.

購股權

本公司於二零零二年六月二十六日採納兩項購股權計劃(以下稱為「首次公開招股前購股權計劃」及「購股權計劃」)，以獎勵董事及合資格參與者，本公司可根據該等計劃向本集團董事及僱員以及其他合資格參與者授出購股權，以認購本公司股份。根據首次公開招股前購股權計劃，若干董事及參與者曾獲授購股權，可按每股港幣0.002元(附註)之行使價認購股份，有關詳情載列如下：

附註： 根據本公司於二零零三年十月七日舉行之股東特別大會上所通過之一項普通決議案，由二零零三年十月八日起，每股面值港幣0.01元原已發行及未發行之股份，拆細為五股每股面值港幣0.002元之拆細股份。是項股份分拆導致根據首次公開招股前購股權計劃項下之行使價及授出相關股份數目調整，因而令原先授出之每份購股權，增加為五份購股權。

本公司於年內概無根據所採納之購股權計劃授出購股權。

首次公開發售前購股權計劃之詳情載於本公司於二零零二年七月五日刊發之招股章程。

Report of the Directors

Directors

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

Executive Directors:

Mr. KUAI Wei (*Chairman*)
Mr. LIN Zhang
Mr. CAO Xuejun

Independent Non-Executive Directors:

Mr. CHAN Kin Cheong
Mr. WANG Yanhui
Mr. ZHANG Xiaobao

By virtue of article 108(A) of the Company's Articles of Association, Mr. Kuai Wei who was appointed by the Board of Directors as an executive director and being elected as the Chairman of the Board is not required to retire at the forthcoming annual general meeting.

By virtue of article 108(B) of the Company's articles of association, the office of directorship of Mr. Lin Zhang will end at the forthcoming annual general meeting of the Company. Mr. Lin Zhang, being eligible, offers himself for re-election at the meeting.

Directors' Service Contracts

Mr. Kuai Wei signed a service agreement with the Company on 16 January 2009 for a term of one year which may be terminated by either party thereto giving to the other not less than three calendar months' prior notice in writing. By virtue of 108 of the Company's article of association, Mr. Kuai who is elected as the Chairman of the Board is not required to retire at the forthcoming annual general meeting.

董事報告

董事

本公司於年內及直至本報告日期之董事如下：

執行董事：

鄧偉先生(主席)
林漳先生
曹學軍先生

獨立非執行董事：

陳健昌先生
王燕輝先生
張曉寶先生

根據本公司之組織章程細則第108(A)條，鄧偉先生雖由董事會委任為執行董事，但獲選為董事會主席，故毋須於應屆股東週年大會上退任。

根據本公司之組織章程細則第108(B)條，林漳先生之董事職務將於本公司應屆股東週年大會上結束。林漳先生合資格於會上膺選連任。

董事服務合約

鄧偉先生與本公司於二零零九年一月十六日簽訂服務協議，任期為期一年，並可由任何一方對對方發出不少於三個曆月之事先書面通知而終止。根據本公司之組織章程細則第108條，鄧先生乃獲選為董事會主席，故毋須於應屆股東週年大會上退任。

Report of the Directors

Mr. Lin Zhang is appointed by the Company for a term of one year commencing from 1 November 2008 which may be terminated by either party thereto giving to the other not less than three calendar months' prior notice in writing. He is subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company in accordance with the Company's Articles of Association.

Mr. Cao Xuejun entered into a service agreement with the Company on 1 June 2008 for a term of one year which may be terminated by either party thereto giving to the other party a prior notice in writing of not less than three calendar months or paying to the other party three months' salary.

Saved as disclosed above, none of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Biographical details of directors and senior management

Biographical details of directors of the Company and senior management of the Group are set out on pages 20 to 22 of this annual report.

董事報告

林漳先生獲本公司委任，任期由二零零八年十一月一日起為期一年，並可由任何一方向對方發出不少於三個曆月之事先書面通知而終止。彼須根據本公司之組織章程細則於本公司之應屆股東大會上輪值告退及膺選連任。

曹學軍先生於二零零八年六月一日與本公司訂立服務協議，任期為期一年，並可由任何一方向對方發出不少於三個曆月之事先書面通知或向對方支付三個月之薪酬而終止。

除上文所披露者外，所有擬於應屆股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司有未屆期滿之服務合約而該合約不能於一年內被本集團終止而無需給予法定賠償以外之賠償。

董事及高級管理人員簡介

本公司董事及本集團高級管理人員簡介載於本年報第20頁至22頁。

Report of the Directors

董事報告

Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations

As at 31 December 2008, there were no interests and short positions of Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 and 5.67 of the GEM Listing Rules relating to the securities transactions by Directors.

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券中之權益及／或淡倉

於二零零八年十二月三十一日，並無任何董事及最高行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會聯交所之權益及淡倉，或根據證券及期貨條例第XV部第352條須記載於該條所述之登記冊內之權益及淡倉，或根據創業板上市規則第5.46及第5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益及淡倉。

Substantial Shareholders' Interests and/or Short Positions in the Shares, Underlying Shares of the Company

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2008, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

主要股東於本公司股份及相關股份之權益及／或淡倉

本公司須根據證券及期貨條例第XV部第336條存置之主要股東登記冊顯示，於二零零八年十二月三十一日，本公司已獲知會以下主要股東之權益及淡倉(即本公司已發行股本之5%或以上)。該等權益與上文披露有關董事及最高行政人員之權益一併載列。

Name of person 人士名稱	Number of shares held 所持股份數目 (Note 1) (附註1)	Capacity 身份	Approximate percentage of interest 概約權益百分比
Lam Nam 林南	1,333,000,000 (L) (Note 2) (附註2)	Interest of a controlled corporation 受控制公司之權益	24.65%
	642,679,607 (L) (Note 3) (附註3)	Beneficial owner 實益擁有人	11.88%
	2,250,000,000 (L) (Note 3 and 4) (附註3及4)	Interest of a controlled corporation 受控制公司之權益	41.61%

Report of the Directors

董事報告

Name of person 人士名稱	Number of shares held 所持股份數目 (Note 1) (附註1)	Capacity 身份	Approximate percentage of interest 概約權益百分比
Silver Star Enterprises Holdings Inc. (Note 2) (附註2)	1,333,000,000 (L)	Beneficial owner 實益擁有人	24.65%
China International Mining Holding Company Limited (Note 3) 中國國際礦業控股有限公司 (附註3)	2,250,000,000 (L) (Note 4) (附註4)	Beneficial owner 實益擁有人	41.61%
Inwood Support Limited (Note 5) (附註5)	500,700,000 (L) (Note 6) (附註6)	Beneficial owner 實益擁有人	9.26%
Li Sui Qing (Note 5) 李逐卿 (附註5)	500,700,000 (L)	Interest of a controlled corporation 受控制公司之權益	9.26%

Notes:

- The letter "L" represents the person's interests in shares or underlying shares.
- The entire issued share capital of Silver Star Enterprises Holdings Inc. is beneficially owned by Mr. Lam Nam.
- The entire issued share capital of China International Mining Holding Company Limited is beneficially owned by Mr. Lam Nam.
- These shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds issued by the Company.
- Inwood Support Limited is wholly owned by Li Sui Qing.
- These shares represent the shares to be allotted and issued upon exercise in full of the subscription rights attaching to the warrants held by Inwood Support Limited.

附註：

- 「L」字母指該人士於股份或相關股份之權益。
- Silver Star Enterprises Holdings Inc. 之全部已發行股本由林南先生實益擁有。
- 中國國際礦業控股有限公司之全部已發行股本由林南先生實益擁有。
- 該等股份於行使本公司發行之可換股債券附帶之兌換權而可予配發及發行。
- Inwood Support Limited 由李逐卿全資擁有。
- 該等股份指因全面行使由Inwood Support Limited 持有之認股權證附帶之認購權而將予配發及發行之股份。

Save as disclosed above, as at 31 December 2008, the directors are not aware of any other person or corporation having an interest or short position in the shares and/or underlying shares of the Company representing 5% or more of the Company's issued share capital.

除上文所披露者外，於二零零八年十二月三十一日，就董事所知，概無任何其他人士或公司於本公司之股份及／或相關股份中擁有佔本公司已發行股本5%或以上之權益或淡倉。

Report of the Directors

Management Contracts

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

Major Customers and Suppliers

During the year, 100% of the Group's total purchases of materials were attributable to the one and only supplier.

During the year, approximately 100% and 94% of the Group's total sales were attributable to the five largest customers and the largest customer respectively.

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

董事報告

管理合約

年內並無就本公司全部或任何重大部分業務之管理及行政事務而訂立或存有之合約。

主要客戶及供應商

於年內，本集團之單一供應商佔本集團總採購額之100%。

於年內，本集團之五大客戶及最大客戶分別約佔本集團之總銷售額之100%及94%。

根據董事所知，各董事、彼等各自之聯繫人士及任何擁有本公司已發行股本5%以上之股東概無於本集團之五大供應商或五大客戶中擁有任何權益。

Report of the Directors

Connected Transactions

Certain related party transactions as disclosed in note 35 to the financial statements also constituted connected transactions under the GEM Listing Rules, required to be disclosed in accordance with Chapter 20 of the GEM Listing Rules. The following transactions between certain connected parties (as defined in the GEM Listing Rules) and the Company have been entered into and/or are ongoing for which relevant announcements, if necessary, have been made by the Company in accordance with the requirements of the GEM Listing Rules.

(1) Very Substantial and Connected Transactions

On 6 February 2008, the Group has entered into various agreements in respect of a proposed corporate restructuring that constituted connected transactions and was subsequently approved by shareholders of the Company at an Extraordinary General Meeting duly convened on 14 April 2008 as under:

1. The Group acquired the rest of the 50% of the entire capital of Polyard Petroleum International Company Limited (“Polyard Macau”) from Mr. Lam Nam, a substantial shareholder of the Company. The consideration would be satisfied by the Company to procure Chinaoil USA (Macao) Company Limited (“Chinaoil Macao”), an indirect non-wholly owned subsidiary of the Company, to unconditionally and irrevocably transfer to Mr. Lam 21% of the participating interest in the production sharing agreement relating to the Oil Project in Brunei (the “Oil Project”).
2. The Group acquired the rest of the 30% of the entire capital of Chinaoil Macao from Chinaoil USA Inc. The consideration would be satisfied by the Company to procure Chinaoil Macao to unconditionally and irrevocably transfer to Chinaoil USA Inc. 18% of the participating interest in the Oil Project.

董事報告

關連交易

根據創業板上市規則，於財務報表附註35所披露之若干關連人士交易亦構成須按創業板上市規則第20章披露之關連交易。本公司已根據創業板上市規則之規定就下列若干關連人士（定義見創業板上市規則）與本公司已進行及／或正進行之交易作出相關公佈（如有需要）。

(1) 非常重大及關連交易

於二零零八年二月六日，本集團就建議企業重組訂立多項協議，構成關連交易，並其後於二零零八年四月十四日正式召開之股東特別大會上獲本公司股東批准如下：

1. 本集團向本公司之主要股東林南先生收購百田石油國際有限公司（「百田澳門」）全部股本之其餘50%。代價將以本公司促使其間接非全資附屬公司中國聯合石油美國（澳門）有限公司（「中聯油澳門」），無條件及不可撤回地向林先生轉讓有關於汶萊石油項目（「石油項目」）之生產攤分協議之21%參與權益之方式支付。
2. 本集團向中國聯合石油（美國）有限公司收購中聯油澳門全部股本之其餘30%。代價將以本公司促使中聯油澳門無條件及不可撤回地向中國聯合石油（美國）有限公司轉讓於石油項目之18%參與權益之方式支付。

Report of the Directors

Upon the completion of the above-mentioned transactions on 14 April 2008, Polyard Macau and Chinaoil Macao are now wholly-owned indirect subsidiaries of the Company.

(2) Major and Connected Transaction

A Sale and Purchase Agreement was entered into by the Company on 11 July 2008 and then varied by the Supplemental Agreement dated 26 September 2008 for the acquisition of the shareholder loans and the entire issued share capital of Mexford Holdings Limited from the Vendor which is 100% beneficially owned by Mr. Lam Nam, who is a substantial shareholder of the Company. The acquisition was completed on 12 December 2008 and constituted a connected transaction. An associate of Mexford Holdings Limited has obtained a right to examine, investigate and/or explore the Coal Contract Area located in the Philippines.

The consideration for the above-mentioned acquisition is HK\$120 million which will be satisfied by the Company issuing interest-free convertible bonds with a conversion price of HK\$0.048 per share of the Company.

Discloseable Transaction

A Disposal Agreement was entered into by the Company on 15 July 2008 for the disposal of the entire issued share capital of Yunnan Kanstar High Tech Products Development Company Limited ("Kanstar Yunnan"), a wholly-owned subsidiary of the Company, to an independent purchaser at a consideration of HK\$200,000. Kanstar Yunnan is principally engaged in the trading of pulps and paper products business.

董事報告

上述交易於二零零八年四月十四日完成後，百田澳門及中聯油澳門現為本公司之全資間接附屬公司。

(2) 主要及關連交易

於二零零八年七月十一日，本公司就向賣方(由本公司主要股東林南先生實益擁有100%)收購股東貸款及 Mexford Holdings Limited 之全部已發行股本訂立買賣協議(經日期為二零零八年九月二十六日之補充協議更改)。收購於二零零八年十二月十二日完成並構成關連交易。Mexford Holdings Limited 之一間聯營公司已取得勘察、勘測及/或勘探位於菲律賓之煤礦合約範圍之權利。

上述收購之代價港幣120,000,000元將以本公司發行免息可換股債券之方式支付，兌換價為每股本公司股份港幣0.048元。

須予披露交易

於二零零八年七月十五日，本公司就向獨立買方出售雲南建星新技術產品開發有限公司(「雲南建星」)(本公司之全資附屬公司)之全部已發行股本訂立出售協議，代價為港幣200,000元。雲南建星主要從事買賣漿板及紙品業務。

Report of the Directors

Sufficiency of Public Float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at the latest practicable date prior to the issue of this report.

Competing Business

None of the directors, the management shareholders or substantial shareholders of the Company (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

Auditors

The financial statements for the year have been audited by NCN CPA Limited who retire and, being eligible, offer themselves for re-appointment; while the accounts for the year ended 31 December 2007 were audited by Messrs. Patrick Ng & Company.

On behalf of the Board
Kuai Wei
Chairman

Hong Kong, 18 March 2008

董事報告

足夠公眾持股量

根據公眾所得資料及就董事所知，已確定於本報告刊發前之最後實際可行日期有足夠公眾持股量，其最少佔本公司已發行股份之25%。

競爭業務

本公司各董事、管理層股東或主要股東(定義見創業板上市規則)概無擁有任何業務權益，對本集團業務構成競爭或可能與本集團業務競爭。

核數師

本年度之財務報表已由德誠會計師事務所有限公司審核。德誠會計師事務所有限公司將退任並符合資格膺選連任；截至二零零七年十二月三十一日止年度之賬目乃經吳永鏗會計師行審核。

代表董事會
鄺偉
主席

香港，二零零八年三月十八日

Independent Auditors' Report

TO THE SHAREHOLDERS OF
**POLYARD PETROLEUM INTERNATIONAL
GROUP LIMITED**

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Polyard Petroleum International Group Limited set out on pages 37 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 and to report our opinion 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 this report.

獨立核數師報告

致百田石油國際集團有限公司全體股東
(於開曼群島註冊成立之有限公司)

本核數師行已審核百田石油國際集團有限公司載於第37頁至第131頁之綜合財務報表，當中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、截至該日止年度之綜合收益表、綜合權益變動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

貴公司董事須負責遵照香港會計師公會頒佈之香港財務報告準則及香港《公司條例》披露規定，編製及真實而公平地列報該等財務報表。該責任包括設計、實施及維護與編製及真實而公平地列報財務報表有關之內部監控，以確保並無重大錯誤陳述(不論是否因欺詐或錯誤引起)；選擇並應用適當之會計政策；及在不同情況下作出合理之會計估算。

核數師之責任

本核數師之責任是根據本核數師審核工作之結果，對該等財務報表表達意見。本報告乃僅向全體股東出具，及不作其他用途。本核數師概不就本報告之內容向任何其他人士負上任何責任或承擔法律責任。

Independent Auditors' 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.

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

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

獨立核數師報告

本核數師是按照香港會計師公會所頒佈之香港核數準則進行審核工作。該等準則規定本核數師須遵守道德規定以及計劃及進行審核，以合理確定財務報表是否不存有任何重大錯誤陳述。

審核包括進行程序以取得與財務報表所載金額及披露事項有關之審核憑證。選取之該等程序須視乎核數師之判斷，包括評估財務報表之重大錯誤陳述(不論是否因欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師考慮與公司編製及真實而公平地列報財務報表有關之內部監控，以設計在不同情況下屬適當之審核程序，但並非為對公司之內部監控之有效性表達意見。審核亦包括評價董事所採用之會計政策之合適性及所作之會計估算之合理性，以及評價財務報表之整體呈列方式。

本核數師相信，本核數師已取得充分恰當之審核憑證，為本核數師之審核意見提供基礎。

Independent Auditors' Report

Opinion

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

NCN CPA LIMITED

Certified Public Accountants

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

18 March 2009
Choi Man Chau Michael
Practising Certificate Number: P01188

獨立核數師報告

意見

本核數師認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團及 貴公司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和現金流量，並已按照香港《公司條例》之披露規定而妥善編製。

德誠會計師事務所有限公司

執業會計師

中國香港特別行政區
香港中環
德輔道中 161-167 號
香港貿易中心 20 樓

二零零九年三月十八日
蔡文洲
執業證書編號：P01188

Consolidated Income Statement

For the year ended 31 December 2008

綜合收益表

截至二零零八年十二月三十一日止年度

		Notes 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
CONTINUING OPERATIONS				
持續經營業務				
Turnover	營業額	5(a)	21,640	—
Cost of sales	銷售成本		(21,378)	—
Gross profit	毛利		262	—
Other revenue and net income	其他收益及淨收入	5(b)	1,124	1,862
Selling and distribution expenses	銷售及分銷開支		—	(4)
Administrative and other operating expenses	行政及其他營運開支		(24,409)	(6,822)
Operating loss	經營虧損		(23,023)	(4,964)
Finance costs	融資成本	7	(15,878)	(4,774)
Gain arising on business combination	業務合併產生之收益		—	487,534
Share of results of associates and jointly controlled entities	應佔聯營公司及共同控制實體業績		—	(2,201)
Impairment losses on goodwill	商譽之減值虧損	21	(38,210)	—
Impairment losses on interests in jointly controlled entities	於共同控制實體權益之減值虧損	19	(243,204)	—
Profit/(loss) before tax	除稅前溢利/(虧損)	8	(320,315)	475,595
Income tax	所得稅	9	1,222	281
Profit/(loss) for the year from continuing operations	本年度持續經營業務之溢利/(虧損)		(319,093)	475,876
DISCONTINUED OPERATIONS				
已終止經營業務				
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	6	401	(2,761)
Profit/(loss) for the year	本年度溢利/(虧損)		(318,692)	473,115
Attributable to:				
應佔：				
Equity holders of the Company	本公司股權持有人		(316,756)	473,961
Minority interests	少數股東權益		(1,936)	(846)
			(318,692)	473,115
Earnings/(loss) per share				
每股盈利/(虧損)				
Basic (in HK cents)	基本(港仙)	12		
— from continuing and discontinued operations	— 持續及已終止經營業務		(5.86 cents 仙)	9.56 cents 仙
— from continuing operations	— 持續經營業務		(5.86 cents 仙)	9.61 cents 仙
Diluted (in HK cents)	攤薄(港仙)			
— from continuing and discontinued operations	— 持續及已終止經營業務		N/A 不適用	9.55 cents 仙
— from continuing operations	— 持續經營業務		N/A 不適用	9.61 cents 仙
Dividend	股息	13	—	—

Consolidated Balance Sheet

As at 31 December 2008

綜合資產負債表

於二零零八年十二月三十一日

		Notes 附註	2008 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	15	1,003	202
Interests in associates	於聯營公司權益	18	81,915	—
Interests in jointly controlled entities	於共同控制實體權益	19	856,118	3,143,824
			939,036	3,144,026
CURRENT ASSETS	流動資產			
Amounts due from associates and jointly controlled entities	應收聯營公司及共同控制實體款項	23	6,072	—
Trade and other receivables	應收賬款及其他應收款項	24	1,075	9,448
Cash and bank deposits	現金及銀行存款	25	6,600	71,100
			13,747	80,548
CURRENT LIABILITIES	流動負債			
Bank and other borrowings	銀行及其他借貸	26	—	(133)
Trade and other payables	應付賬款及其他應付款項	27	(47,183)	(100,147)
Amounts due to directors	應付董事款項	28	(2)	—
			(47,185)	(100,280)
NET CURRENT LIABILITIES	流動負債淨值		(33,438)	(19,732)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		905,598	3,124,294
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	29	(315,378)	(253,211)
Deferred tax liabilities	遞延稅項負債	30	(11,007)	(3,479)
			(326,385)	(256,690)
NET ASSETS	淨資產		579,213	2,867,604
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	10,816	10,816
Reserves	儲備	32	567,806	840,116
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益		578,622	850,932
Minority interests	少數股東權益		591	2,016,672
TOTAL EQUITY	總權益		579,213	2,867,604

Approved and authorised for issue by the board of directors on 18 March 2009.

經董事會於二零零九年三月十八日核准及授權刊印。

KUAI Wei
Director

LIN Zhang
Director

鄧偉
董事

林漳
董事

Balance Sheet

As at 31 December 2008

資產負債表

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	15	159	44
Investments in subsidiaries	於附屬公司之投資	17	24,895	24,895
Amounts due from subsidiaries	應收附屬公司款項	22	738,677	638,844
			763,731	663,783
CURRENT ASSETS	流動資產			
Trade and other receivables	應收賬款及其他 應收款項	24	886	767
Cash and bank deposits	現金及銀行存款	25	10	53
			896	820
CURRENT LIABILITIES	流動負債			
Bank and other borrowings	銀行及其他借貸	26	—	(133)
Trade and other payables	應付賬款及其他 應付款項	27	(13,700)	(4,296)
			(13,700)	(4,429)
NET CURRENT LIABILITIES	流動負債淨值		(12,804)	(3,609)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		750,927	660,174
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	29	(315,378)	(253,211)
Deferred tax liabilities	遞延稅項負債	30	(11,007)	(3,479)
			(326,385)	(256,690)
NET ASSETS	淨資產		424,542	403,484
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	10,816	10,816
Reserves	儲備	32	413,726	392,668
TOTAL EQUITY	總權益		424,542	403,484

Approved and authorised for issue by the board of directors on 18 March 2009.

經董事會於二零零九年三月十八日核准及授權刊印。

KUAI Wei
Director

LIN Zhang
Director

劄偉
董事

林漳
董事

Consolidated Statement of Changes in Equity

For the year ended 31 December 2008

綜合權益變動表

截至二零零八年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔										
		Share capital	Share premium	Special reserve	Revaluation reserve	Exchange reserve	Warrant reserve	Convertible bonds reserve	Retained profits/(Accumulated losses)	Total	Minority interests	Total Equity
		股本	股份溢價	特別儲備	重估儲備	匯兌儲備	認股權證儲備	可換股債券儲備	保留溢利/(累計虧損)	總計	少數股東權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2007	於二零零七年一月一日	9,600	259,770	985	14,508	42	—	—	(31,674)	253,231	—	253,231
Issue of ordinary shares on exercise of share options	行使購股權而發行普通股	150	—	—	—	—	—	—	—	150	—	150
Issue of warrants	發行認股權證	—	—	—	—	—	4,423	—	—	4,423	—	4,423
Issue of ordinary shares on acquisition of interests in subsidiary	收購附屬公司權益而發行普通股	1,066	100,204	—	—	—	—	—	—	101,270	—	101,270
Issue of convertible bonds on acquisition of interests in subsidiary	收購附屬公司權益而發行可換股債券	—	—	—	—	—	—	21,491	—	21,491	—	21,491
Deferred tax liability on issue of convertible bonds	發行可換股債券之遞延稅項負債	—	—	—	—	—	—	(3,761)	—	(3,761)	—	(3,761)
Release of exchange reserve on disposal of subsidiary	出售附屬公司時撥回匯兌儲備	—	—	—	—	(144)	—	—	—	(144)	—	(144)
Minority interests arising on acquisition of interests in subsidiary	收購附屬公司權益產生之少數股東權益	—	—	—	—	—	—	—	—	—	2,017,518	2,017,518
Transfer of surplus on revaluation of buildings on disposal	出售重估樓宇時轉撥盈餘	—	—	—	(14,508)	—	—	—	14,508	—	—	—
Exchange difference arising on translation of foreign operations	換算對外營運產生之匯兌差額	—	—	—	—	311	—	—	—	311	—	311
Profit/(loss) for the year	本年度溢利/(虧損)	—	—	—	—	—	—	—	473,961	473,961	(846)	473,115
At 31 December 2007	於二零零七年十二月三十一日	10,816	359,974	985	—	209	4,423	17,730	456,795	850,932	2,016,672	2,867,604
At 1 January 2008	於二零零八年一月一日	10,816	359,974	985	—	209	4,423	17,730	456,795	850,932	2,016,672	2,867,604
Issue of convertible bonds on acquisition of interests in subsidiary	收購附屬公司權益而發行可換股債券	—	—	—	—	—	—	53,420	—	53,420	—	53,420
Deferred tax liability on issue of convertible bonds	發行可換股債券之遞延稅項負債	—	—	—	—	—	—	(8,814)	—	(8,814)	—	(8,814)
Deferred tax effect on change in tax rates	稅率變動之遞延稅務影響	—	—	—	—	—	—	34	—	34	—	34
Exchange differences arising on translation of foreign operations	換算對外營運產生之匯兌差額	—	—	—	—	75	—	—	—	75	14	89
Minority interests arising on acquisition of interests in subsidiary	收購附屬公司權益產生之少數股東權益	—	—	—	—	—	—	—	—	—	545	545
Release of exchange reserve on disposal of subsidiary	出售附屬公司時撥回匯兌儲備	—	—	—	—	(269)	—	—	—	(269)	—	(269)
Minority interests eliminated on acquisition of additional interests in non-wholly owned subsidiaries under corporate restructuring	根據企業重組收購非全資附屬公司額外權益時對銷少數股東權益	—	—	—	—	—	—	—	—	—	(2,014,704)	(2,014,704)
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(316,756)	(316,756)	(1,936)	(318,692)
At 31 December 2008	於二零零八年十二月三十一日	10,816	359,974	985	—	15	4,423	62,370	140,039	578,622	591	579,213

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

		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
OPERATING ACTIVITIES	經營業務			
Profit/(loss) before tax	除稅前溢利/(虧損)	8	(319,914)	472,834
Adjustments for:	調整：			
Interest income	利息收入		(820)	(548)
Interest expenses	利息支出		15,878	4,983
Gain arising on business combination	業務合併產生之收益		—	(487,534)
(Gain)/loss on disposal of subsidiary	出售一間附屬公司之(收益)/虧損		(415)	3,283
Depreciation	折舊		262	1,121
Impairment losses on trade receivables	應收賬款之減值虧損		14	—
Impairment losses on goodwill	商譽之減值虧損		38,210	—
Impairment losses on interests in jointly controlled entities	於共同控制實體權益之減值虧損		243,204	—
Amortization for prepaid lease payment	預付土地租金攤銷		—	37
Share of loss of associates and jointly controlled entities	應佔聯營公司及共同控制實體虧損		—	2,201
Operating loss before movements in working capital	營運資金變動前之經營虧損		(23,581)	(3,623)
Decrease in inventories	存貨減少		—	3,130
(Increase)/decrease in other debtors, prepayments and deposits	其他應收款項、預付款項及按金(增加)/減少		8,336	(3,963)
Increase in amount due from jointly controlled entity/associates	應收共同控制實體/聯營公司款項增加		(1,527)	—
Decrease in trade and other payables	應付賬款及其他應付款項減少		(34,726)	(27,312)
Cash used in operating activities	經營業務所耗現金		(51,498)	(31,768)
Tax paid	已付稅項		(30)	—
NET CASH USED IN OPERATING ACTIVITIES	經營業務所耗現金淨額		(51,528)	(31,768)
INVESTING ACTIVITIES	投資活動			
Interest received from bank deposits	已收銀行存款利息		820	548
Investment in jointly controlled entities	於共同控制實體之投資		(4,537)	—
Purchase of property, plant and equipment	購置物業、廠房及設備		(1,088)	(984)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		25	—
Acquisition of subsidiary	收購附屬公司		—	73,070
Disposal of subsidiary	出售附屬公司	6	155	22,545
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	投資活動(所耗)/所得現金淨額		(4,625)	95,179

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

		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
FINANCING ACTIVITIES	融資活動			
Proceeds from new bank and other borrowings	新增銀行及其他借貸之所得款項		—	3,958
Proceeds from issue of ordinary shares	發行普通股之所得款項		—	150
Proceeds from issue of warrants	發行認股權證之所得款項		—	4,423
Interests paid	已付利息		(8,291)	(3,372)
Advance (to)/from directors	(給予)/來自董事墊款		2	(360)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額		(8,289)	4,799
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物增加淨額		(64,442)	68,210
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值物		70,967	3,809
Effect of foreign exchange rate changes	外幣匯率變動之影響		75	(1,052)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等值物		6,600	70,967
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物之結餘分析			
Cash and bank deposits	現金及銀行存款	25	6,600	71,100
Bank overdraft	銀行透支		—	(133)
			6,600	70,967

Notes to the Financial Statements

For the year ended 31 December 2008

1. General Information

Polyard Petroleum International Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted Company with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

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

The principal activities of the Company and its subsidiaries (the “Group”) are exploration of oil and natural gas and trading of petroleum-related products. The Group had also been engaged in the development, manufacture and sale of pulp and paper products, which was discontinued in the current year (see note 6).

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Group has applied for the first time 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

財務報表附註

截至二零零八年十二月三十一日止年度

1. 一般資料

百田石油國際集團有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司創業板上市。本公司之註冊辦事處及主要營業地點地址乃披露於年報公司資料一節。

財務報表乃以本公司之功能貨幣港幣呈列。

本公司及其附屬公司(「本集團」)之主要業務為勘探石油及天然氣及買賣石油相關產品。本集團過往亦從事開發、製造及銷售漿板及紙品，該業務已於本年度終止(見附註6)。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團已首次應用下列香港會計師公會(「香港會計師公會」)頒佈而現時或已經生效之修訂本及詮釋(「新香港財務報告準則」)。

香港會計準則第39號及香港財務報告準則第7號(修訂本)	財務資產之重新分類
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫存股份交易
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 – 界定福利資產之限制、最低資金要求及兩者之互動關係

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

The application of the new HKFRSs has 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 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ³
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
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 for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 January 2009
- ³ Effective for annual periods beginning on or after 1 July 2009
- ⁴ Effective for annual periods beginning on or after 1 July 2008
- ⁵ Effective for annual periods beginning on or after 1 October 2008
- 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 (「香港財務報告準則」)(續)

應用新香港財務報告準則不會對本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式構成重大影響，故無需作出前期調整。

本集團尚未提早應用下列已頒佈但尚未生效之新訂及經修訂準則、修訂本或詮釋。

香港財務報告準則(修訂本)	香港財務報告準則之改進 ¹
香港會計準則第1號(經修訂)	財務報表之呈列 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及個別財務報表 ³
香港會計準則第32號及第1號(修訂本)	可沽售金融工具及清盤時產生之責任 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	於附屬公司、共同控制實體或聯營公司之投資成本 ²
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則 ³
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第15號	房地產建築協議 ²
香港(國際財務報告詮釋委員會) – 詮釋第16號	對外營運之淨投資對沖 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ³
香港(國際財務報告詮釋委員會) – 詮釋第18號	來自客戶之資產轉讓 ⁶

- ¹ 於二零零九年一月一日或以後開始之年度期間生效，惟香港財務報告準則第5號之修訂本於二零零九年七月一日或以後開始之年度期間生效
- ² 於二零零九年一月一日或以後開始之年度期間生效
- ³ 於二零零九年七月一日或以後開始之年度期間生效
- ⁴ 於二零零八年七月一日或以後開始之年度期間生效
- ⁵ 於二零零八年十月一日或以後開始之年度期間生效
- ⁶ 適用於二零零九年七月一日或以後所獲來自客戶之資產轉讓

Notes to the Financial Statements

For the year ended 31 December 2008

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (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

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, these financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of these financial statements is the historical cost basis except for certain property, plant and equipment, interests in associates and jointly controlled entities and financial instruments, which are measured at revalued amounts or fair values.

A summary of the significant accounting policies adopted by the Group is set out below.

財務報表附註

截至二零零八年十二月三十一日止年度

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

應用香港財務報告準則第3號(經修訂)可能影響收購日期為二零零九年七月一日或以後開始之第一個年度報告期間初或以後之業務合併會計處理。香港會計準則第27號(經修訂)將影響母公司於附屬公司所有權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、修訂本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

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)編製。此外，該等財務報表包括香港聯合交易所有限公司創業板證券上市規則及香港公司條例規定之適用披露事項。

除若干物業、廠房及設備、於聯營公司及共同控制實體權益以及財務工具按重估金額或公平值計量之外，編製該等財務報表所採用之計量基準為歷史成本基準。

下文載列本集團所採納之主要會計政策概要。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(a) Basis of Consolidation

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

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

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

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

Minority interests in the net assets of consolidated subsidiaries are identified 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 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.

3. 主要會計政策(續)

(a) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司(本公司控制之實體)之財務報表。本公司有權監管某實體之財務及營運政策從而受惠於其業務時，存在控制權。

於本年度購入或售出之附屬公司業績自收購生效日期起或截至出售生效日期止(如適用)列入綜合收益表內。

如有需要，附屬公司之財務報表已作適當調整，以令其會計政策與本集團其他成員公司採用之會計政策一致。

所有集團內交易、結存、收入及開支均於綜合賬目時撇銷。

少數股東權益應佔之綜合附屬公司淨資產於賬目內與本集團之權益分開呈列。少數股東權益應佔淨資產包括原有業務合併日期之權益金額，以及自合併日期起少數股東應佔之權益變動。少數股東應佔虧損超出少數股東應佔附屬公司權益之金額與本集團權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損則除外。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(b) Business Combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations 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 in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, 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)

(b) 業務合併

收購附屬公司使用收購會計法列賬。收購成本乃按本集團為換取被收購公司控制權而於交換日期所給予資產、所產生或所承擔之負債及所發行之股本工具之公平總值，加上業務合併之任何直接應佔成本計算。被收購公司之可識別資產、負債及或然負債，若符合香港財務報告準則第3號業務合併之確認條件，則按收購當日之公平值確認，惟根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務被歸類為持作出售之非流動資產(或出售組別)按公平值減銷售成本確認及計量則除外。

收購產生之商譽乃確認為資產並初步按成本(即業務合併之成本超出本集團於已確認可識別資產、負債及或然負債之公平淨值所佔權益之金額)計量。於重新評估後，倘本集團於被收購公司之可識別資產、負債及或然負債之公平淨值所佔權益超出業務合併之成本，則該超出金額立即於損益確認。

被收購公司之少數股東權益初步按少數股東佔已確認資產、負債及或然負債之公平淨值比例計量。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(c) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. Goodwill arising on an acquisition of an associate or a jointly controlled entity represents the excess of the cost of acquisition over the Group's share of the relevant associate's or jointly controlled entity's net assets at the date of acquisition.

Capitalised goodwill is presented separately in the consolidated balance sheet and is carried at cost less any accumulated impairment losses.

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

3. 主要會計政策(續)

(c) 商譽

收購一間附屬公司所產生之商譽指收購成本超出本集團應佔有關附屬公司於收購當日之可識別資產及負債公平值之權益之金額。收購一間聯營公司或共同控制實體所產生之商譽指收購成本超出本集團應佔有關聯營公司或共同控制實體於收購當日之淨資產之金額。

資本化商譽於綜合資產負債表分開呈列，並按成本減去任何累計減值虧損入賬。

就減值測試而言，收購所產生之商譽分配至預期將受惠於收購協同效益之各有關現金產生單位或現金產生單位組別。獲分配商譽之現金產生單位於每年及如有跡象顯示該單位可能已經減值時進行減值測試。就於財政年度因收購而產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值時，減值虧損首先分配作減低該單位獲分配之任何商譽之賬面值，其後根據該單位中各項資產賬面值之比例分配予該單位之其他資產。商譽之任何減值虧損直接於綜合收益表確認。商譽之減值虧損不會於隨後期間撥回。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(c) Goodwill (Continued)

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

(d) Investments in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment losses, unless it is classified as held for sale.

(e) Investments in Associates and Jointly Controlled Entities

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture arrangements that involve the establishment of a separate entity or a separate financial structure in which venturers have joint control over the economic activity of the entity or the financial structure are referred to as jointly controlled entities.

3. 主要會計政策(續)

(c) 商譽(續)

其後出售一間附屬公司、聯營公司或共同控制實體時，釐定出售損益金額時計入應佔資本化商譽之金額。

(d) 於附屬公司之投資

附屬公司乃本公司控制之實體。當本公司有權直接或間接監管某實體之財務及營運政策從而受惠於其業務時，存在控制權。當評估控制權時，計及現時可行使之潛在投票權。

於本公司之資產負債表內，於附屬公司之投資乃按成本減去任何減值虧損列賬，除非有關投資被歸類為持作出售。

(e) 於聯營公司及共同控制實體之投資

聯營公司乃本集團於其中有重大影響力但並非附屬公司或於合營企業之權益。合營安排如涉及成立一個獨立實體或一個獨立財務結構而各合營方對該實體或財務結構之經濟活動擁有共同控制權，則該實體會被視為共同控制實體。

Notes to the Financial Statements

For the year ended 31 December 2008

3. Significant Accounting Policies (Continued)

(e) Investments in Associates and Jointly Controlled Entities (Continued)

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets, unless it is classified as held for sale. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates and jointly controlled entities for the year, including any impairment loss on goodwill relating to the investment in associates and jointly controlled entities recognised for the year.

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

財務報表附註

截至二零零八年十二月三十一日止年度

3. 主要會計政策(續)

(e) 於聯營公司及共同控制實體之投資(續)

於一間聯營公司或共同控制實體之投資於綜合財務報表按權益會計法入賬，初步按成本記賬，隨後則按本集團應佔該聯營公司或共同控制實體之購入後應佔淨資產變動作出調整，除非有關投資歸類為持作出售。綜合收益表包括本年度本集團應佔聯營公司及共同控制實體購入後除稅後之業績，包括任何於本年度就於聯營公司及共同控制實體之投資確認之商譽減值虧損。

除不超出本集團代表聯營公司或共同控制實體作出之法定或推定義務或支付之款項外，當本集團應佔聯營公司或共同控制實體之虧損超出本集團於聯營公司或共同控制實體之權益時，本集團之權益將減至零，而其他虧損之確認將予終止。為此，本集團於聯營公司或共同控制實體之權益即按權益會計法計算之投資賬面值，連同實質上構成本集團於聯營公司或共同控制實體之淨投資之其他長期權益。

本集團與其聯營公司及共同控制實體交易所產生之未變現損益，以本集團於聯營公司或共同控制實體之權益為限對銷，除非有證據顯示未變現虧損屬轉讓資產之減值，則須立即於損益確認。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(e) Investments in Associates and Jointly Controlled Entities (Continued)

In the Company's balance sheet, investments in associates and jointly controlled entities are stated at cost less impairment losses, unless it is classified as held for sale.

(f) Non-current Assets Held for Sale

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

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

(g) Revenue Recognition

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

- (i) Income from sale of goods are recognised when goods are delivered and title has passed.
- (ii) Service income is recognised when services are provided.
- (iii) Interest income is accrued on a time basis, by reference to the principal outstanding using the effective interest method.

3. 主要會計政策(續)

(e) 於聯營公司及共同控制實體之投資(續)

於本公司之資產負債表內，於聯營公司及共同控制實體之投資乃按成本減去減值虧損列賬，除非有關投資歸類為持作出售。

(f) 持作出售之非流動資產

倘賬面值將主要透過銷售交易而非透過持續使用收回，則非流動資產及出售組別歸類為持作出售。該條件視為僅於極有可能進行銷售時達致，及資產(或出售組別)可於其現狀下立即出售。

歸類為持作出售之非流動資產(及出售組別)乃按資產(出售組別)過往賬面值與公平值減銷售成本之較低者計量。

(g) 收益確認

收益按已收或應收代價之公平值計量，指於日常業務過程中出售貨品及提供服務之應收款項扣除折扣及銷售相關稅項後之金額。

- (i) 貨品之銷售收入乃於交付貨品及轉移所有權時確認。
- (ii) 服務收入乃於提供服務時確認。
- (iii) 利息收入乃參考未償還本金並採用實際利率法按時間比例基準累計。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(g) Revenue Recognition (Continued)

- (iv) Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

(h) Property, Plant and Equipment

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

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised 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 sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

3. 主要會計政策(續)

(g) 收益確認(續)

- (iv) 來自投資之股息收入於確立股東收取款項之權利時確認。

(h) 物業、廠房及設備

物業、廠房及設備乃按成本或估值減去累計折舊及減值虧損列賬。

持有可用於生產或提供貨物或服務，或作為行政用途之樓宇乃根據其重估金額於綜合資產負債表入賬，重估金額乃重估當日之公平值減去任何隨後累計折舊及任何隨後累計減值虧損。重估乃充分定期進行，以使賬面值不會與於結算日用公平值釐定者有重大差異。

重估樓宇而產生之任何重估增值會撥入重估儲備內，除非其撥回同一資產於過往確認為支出之重估減值，在此情況下，此增值按以過往列支之減值為限撥入綜合收益表。資產重估產生之賬面淨值減少，若超出與該資產過往重估有關之重估儲備之結存(如有)，則按其超出額列支。對於已重估資產隨後之銷售或報廢，將其應佔重估盈餘轉為保留溢利。

Notes to the Financial Statements

For the year ended 31 December 2008

3. Significant Accounting Policies (Continued)

(h) Property, Plant and Equipment (Continued)

Depreciation is provided to write off the cost or valuation of items of property, plant and equipment, after taking into account of their estimated residual value, if any, using the straight-line method over their estimated useful lives commencing on the date of completion of construction for the intended use, at the following rates:

Property	
— buildings situated on leasehold	Over the shorter of the remaining period of lease term or 30 years
Plant and equipment	3 $\frac{1}{3}$ % to 20% per annum
Motor vehicles	20% per annum

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

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

財務報表附註

截至二零零八年十二月三十一日止年度

3. 主要會計政策(續)

(h) 物業、廠房及設備(續)

物業、廠房及設備項目之折舊，按其於完成擬定建築用途之日起估計可使用年期並計及其估計剩餘價值(如有)，以直線法按下列年率撇銷其成本或估值：

物業	
— 位於租約土地之樓宇	於餘下租期或三十年之較短期限內
廠房及設備	每年3 $\frac{1}{3}$ %至20%
汽車	每年20%

根據融資租約持有之資產乃於其預期可使用年期或相關租期(取較短者)按與自置資產相同之基準折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入綜合收益表。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(i) Intangible Assets (Other than Goodwill)

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and any accumulated impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group with finite useful lives are stated in the balance sheet at cost less accumulated amortisation and any accumulated impairment losses. Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

3. 主要會計政策(續)

(i) 無形資產(除商譽外)

研究活動開支乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，而本集團亦有充裕資源及意向完成發展，有關發展活動之費用則資本化處理。資本化開支包括材料成本、直接工資及按適當比例之間接費用及借貸成本(倘適用)。資本化開發成本按成本減去累計攤銷與任何累計減值虧損列賬。其他開發開支乃於產生期間確認為開支。

本集團所購入確定可使用年期之其他無形資產於資產負債表按成本減去累計攤銷及任何累計減值虧損列賬。內部產生之商譽及品牌開支於產生期間確認為開支。

有確定可使用年期之無形資產攤銷按資產估計可使用年期以直線法自損益扣除。每年須檢討其期限及攤銷方法。

可使用年期評估為不確定之無形資產不予攤銷。每年檢討有關無形資產之可使用年期為不確定之任何結論以釐定事件及情況是否繼續支持該資產之不確定可使用年期評估。倘不繼續支持，則可使用年期評估由不確定變為確定自變化之日起並根據上述有確定年期之無形資產攤銷政策作出前瞻性記賬。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(j) Leases

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

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

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

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

3. 主要會計政策(續)

(j) 租約

凡租約條款將有關擁有權之絕大部份風險及回報轉嫁予承租人之租約，均列為融資租約。所有其他租約均列為經營租約。

根據融資租約持有之資產按租約起初之公平值或最低租金現值之較低者確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租金按比例於融資費用及租約承擔減少之間分配，從而就計算該等負債應付餘額得出固定息率。融資費用直接自損益扣除，惟直接源自合資格資產則除外，在此情況下，根據本集團之一般借貸成本政策資本化。

經營租約之應付租金於有關租期按直線法自損益扣除。作為訂立經營租約優惠已收及應收之利益亦按租期以直線法確認為租金支出減少。

租賃土地權益按直線法於租期內攤銷。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(k) Foreign Currencies

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

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.

3. 主要會計政策(續)

(k) 外幣

各集團實體之個別財務報表均以該實體營運所在主要經濟環境之貨幣(其功能貨幣)列值。就綜合財務報表而言,各實體之業績及財務狀況均以本公司之功能貨幣及綜合財務報表之呈列貨幣港幣列值。

編製個別實體之財務報表時,以該實體功能貨幣之外幣(外幣)進行之交易乃以交易日期之現行匯率記錄。於各結算日,以外幣列值之貨幣項目以結算日之現行匯率重新換算。以外幣結算且按公平值列賬之非貨幣項目以釐定公平值當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目不予重新換算。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(k) Foreign Currencies (Continued)

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

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

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

3. 主要會計政策(續)

(k) 外幣(續)

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間計入損益，惟貨幣項目所產生之匯兌差額構成本公司於對外營運之淨投資則除外，於此情況下，該等匯兌差額確認入綜合財務報表之權益中。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間損益，惟重新換算非貨幣項目產生之差額有關之盈虧直接於權益確認則除外，於此情況下，匯兌差額亦直接確認入權益。

就呈列綜合財務報表而言，本集團對外營運之資產及負債均按結算日之現行匯率以港幣列值。收入及開支項目乃按期間平均匯率換算，除非期內匯率出現重大波動，於此情況下，則採用交易當日之匯率。所產生匯兌差額(如有)以獨立權益部份計入匯兌儲備。有關匯兌差額於該項對外營運出售期間在損益確認。

收購對外營運時產生之商譽及所收購可識別資產公平值調整將視為對外營運之資產與負債處理，並按結算日之現行匯率換算。所產生之匯兌差額記入匯兌儲備。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until 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.

(m) Employee Benefits

(i) Short Term Employee Benefits and Contributions to Defined Contribution Retirement Plans

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

3. 主要會計政策(續)

(l) 借貸成本

與收購、建造或生產需要長時間方能達致計劃用途或推出銷售之合資格資產直接有關之借貸成本，均資本化為該等資產之部份成本，直至該等資產大致可作擬定用途或銷售為止。特定借貸用以支付合資格資產之經費前作出之暫時投資所賺取投資收益，從合資格資本化之借貸成本中扣除。

一切其他借貸成本均於其產生期間在損益確認。

(m) 僱員福利

(i) 短期僱員福利及定額供款退休計劃之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利之成本乃於僱員提供相關服務之年度內計提。倘付款或結算被遞延，而其影響可能屬重大，則該等數額乃按其現值列賬。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(m) Employee Benefits (Continued)

(ii) Share-based Payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share-based payment reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is included in profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based payment reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based payment 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 profits).

3. 主要會計政策(續)

(m) 僱員福利(續)

(ii) 以股份支付之支出

授予僱員之購股權之公平值乃作為僱員成本予以確認，而相應增加於權益內之以股份支付之支出儲備內入賬。公平值乃於授出日期計及購股權授出之條款及條件後計量。倘僱員須符合歸屬條件後方可無條件享有購股權，則購股權之估計公平總值經計及購股權將歸屬之成數後按歸屬期分攤。

於歸屬期內，預期歸屬之購股權數目予以檢討。除非原來僱員費用合資格確認為一項資產，而相應調整計入以股份支付之支出儲備，否則於過往年度內確認之累計公平值之任何調整乃計入檢討年度之損益。於歸屬日期，確認為一項開支之金額予以調整，以反映歸屬購股權之實際數目(於以股份支付之支出儲備內作出相應調整)，惟倘沒收僅由於未能達到與本公司股份市價有關之歸屬條件則除外。權益數額於以股份支付之支出儲備內確認，直至購股權獲行使(當其轉撥至股份溢價賬時)或購股權屆滿(當其直接撥回保留溢利時)為止。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(m) Employee Benefits (Continued)

(iii) Termination Benefits

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

(n) Taxation

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

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

3. 主要會計政策(續)

(m) 僱員福利(續)

(iii) 終止福利

終止福利乃當及僅當本集團明確地承諾自身終止僱用或透過實際上不可能撤回之詳細正式計劃而向自願辭職之僱員提供福利時予以確認。

(n) 稅項

所得稅開支指本期應付稅項及遞延稅項之總和。

本期應付稅項乃按年內應課稅溢利計算。應課稅溢利與收益表中所報溢利不同，乃由於前者不包括其他年度之應課稅或可扣稅收入或開支，亦不包括毋須課稅或不能扣稅之項目。本集團之本期稅項負債乃用截至結算日已制定或大致制定之稅率計算。

遞延稅項乃就財務報表內資產及負債賬面值及計算應課稅溢利所用相應稅基之差額而確認，並以資產負債表負債法列賬。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現可運用可扣稅暫時差額對銷應課稅溢利時確認。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(n) Taxation (Continued)

Deferred tax 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on 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.

3. 主要會計政策(續)

(n) 稅項(續)

若因商譽或因在不影響應課稅溢利或會計溢利之交易(業務合併除外)中初步確認其他資產及負債而引致暫時差額，則不會確認遞延稅項資產及負債。

遞延稅項負債乃按於附屬公司及聯營公司之投資以及於合營企業權益所產生應課稅暫時差額予以確認，惟若本集團可控制撥回暫時差額之時間及暫時差額有可能於可見將來不會撥回之情況除外。

遞延稅項資產之賬面值於每個結算日作檢討，並於不再可能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償還負債或變現資產期間應用而於結算日已制定或大致制定之稅率計算。

遞延稅項扣除於或計入損益，惟當遞延稅項與直接扣除於或計入權益之項目相關時，遞延稅項亦於權益中處理則除外。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(o) Impairment of Tangible and Intangible Assets Other than Goodwill

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

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

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

3. 主要會計政策(續)

(o) 商譽以外之有形及無形資產減值

於每個結算日，本集團檢討其有形及無形資產之賬面值，以確定該等資產有否任何跡象顯示出現減值虧損。倘任何該跡象存在，則估計資產之可收回金額，以確定減值虧損(如有)之程度。倘無法估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減銷售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前貼現率貼現至其現值，貼現率可反映資產獨有之貨幣時間價值及風險於當時之市場評估。

倘資產(或現金產生單位)之可收回金額估計少於其賬面值，則資產(或現金產生單位)之賬面值削減至其可收回金額。除非有關資產乃根據其他準則按重估金額列賬，於此情況下，減值虧損根據該準則作重估減值處理，否則減值虧損即時於損益內確認。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(o) Impairment of Tangible and Intangible Assets Other than Goodwill (Continued)

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

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

(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 the estimated costs to be incurred in marketing, selling and distribution.

3. 主要會計政策(續)

(o) 商譽以外之有形及無形資產減值(續)

倘減值虧損隨後撥回，資產(或現金產生單位)之賬面值將調高至經修訂之估計可收回金額，但增加之賬面值不超過資產(或現金產生單位)假設於以往年度並無已確認減值虧損之賬面值。除非有關資產乃根據其他準則按重估金額入賬，於此情況下，減值虧損撥回根據該準則作重估增值處理，否則減值虧損撥回會即時於損益內確認。

遵照香港會計準則第34號中期財務報告編製之中期財務報告中確認之減值虧損不會於該中期期間之相關財政年度終結時撥回，即使假如減值僅於該財政年度終結時作評估將不會確認虧損或確認較少虧損。

(p) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本包括直接材料及(如合適)直接勞動成本及使存貨運至其現在工作地點及達致其運作狀況所產生之間接費用。成本乃採用加權平均法計算。可變現淨值乃指估計銷售價格減完成之所有估計成本以及市場推廣、銷售及分銷過程中所產生之估計成本。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(q) 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. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Loans and Receivables

At each balance sheet date subsequent to initial recognition, loans and receivables are measured at amortised cost, using the effective interest method, less any identified impairment losses except where the loans and receivables are interest-free made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the loans and receivables are stated at cost less any identified impairment losses.

(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.

3. 主要會計政策(續)

(q) 財務工具

當本集團參與訂立有關工具之合約時，財務資產及財務負債於綜合資產負債表確認入賬。財務資產及財務負債初步以公平值計量。初步確認時，收購或發行財務資產及財務負債(以公平值計入損益之財務資產及財務負債除外)直接產生之交易成本將視乎情況加入或扣除自財務資產或財務負債之公平值。收購以公平值計入損益之財務資產或財務負債直接產生之交易成本即時確認入損益。

(i) 貸款及應收款項

於初步確認後之各結算日，貸款及應收款項採用實際利率法按攤銷成本減去任何已識別減值虧損計量，惟貸款及應收款項為免息、授予關連方且無固定償還期限或貼現影響並不重大之情況除外。在此等情況下，貸款及應收款項以成本減去任何已識別之減值虧損列賬。

(ii) 投資

倘投資買賣根據合約條款須於有關市場規定之限期內交收，則投資於交易日確認及取消確認。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(q) Financial Instruments (Continued)

(ii) Investments (Continued)

Investments which are non-derivatives with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity are classified as held-to-maturity investments and are measured at subsequent reporting dates at amortised cost, using the effective interest method, less any identified impairment losses.

Investments, which are derivatives or held for trading, are classified as investments at fair value through profit and loss and are measured at subsequent reporting dates at fair value with changes in fair value recognised in profit or loss for the period in which they arise.

Investments which are non-derivatives and classified neither as held-to-maturity investments nor investments at fair value through profit and loss are classified as available-for-sale investments and are measured at subsequent reporting dates at fair value. Changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Impairment losses are recognised in profit or loss. For available for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each subsequent reporting date.

3. 主要會計政策(續)

(q) 財務工具(續)

(ii) 投資(續)

付款數額固定或可釐定，訂有固定到期日，及本集團管理層有積極意向及能力持有至到期日之非衍生工具投資歸類為持有至到期日之投資，於隨後報告日期採用實際利率法按攤銷成本減去任何已識別減值虧損計量。

屬衍生工具或持作買賣之投資歸類為以公平值計入損益之投資，並於隨後報告日期按公平值計量，公平值變動於產生期間於損益確認。

屬非衍生工具之投資，若非歸類為持有至到期日之投資或以公平值計入損益之投資，則歸類為可供出售之投資，並於隨後報告日期按公平值計量。公平值變動直接確認入權益，直至投資被售出或決定減值，此時，過往確認入權益之累計盈虧從權益扣除並確認入損益。減值虧損乃確認入損益。就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公平值未能可靠計量以及與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須於各其後結算日按成本減任何已識別減值虧損計量。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(q) Financial Instruments (Continued)

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(iv) Borrowings

Interest-bearing borrowings are stated at amortised cost, using the effective interest method, with any difference between the proceeds (net of transaction costs) and the settlement or redemption value being recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

(v) Convertible Bonds

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

3. 主要會計政策(續)

(q) 財務工具(續)

(iii) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金、銀行及其他金融機構之活期存款及其他短期高流通性投資，該等投資可隨時轉換為已知金額現金且價值變動風險極低。就綜合現金流量表而言，須於要求時償還及構成本集團現金管理組成部分之銀行透支亦加入為現金及現金等值物之一部份。

(iv) 借貸

計息銀行借貸採用實際利率法按攤銷成本列賬，而根據本集團之借貸成本會計政策，所得款項(扣除交易成本)與結算或贖回價值之任何差額於借貸期內確認。

(v) 可換股債券

可換股債券由本公司發行，當中包括負債及轉換選擇權部份，各項目於初步確認時於有關項目獨立分類。倘轉換選擇權將透過以定額現金或其他財務資產，交換固定數目本公司本身股本工具，則歸類為股本工具。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(q) Financial Instruments (Continued)

(v) Convertible Bonds (Continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in the convertible bonds reserve as a separate component of equity.

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

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method.

3. 主要會計政策(續)

(q) 財務工具(續)

(v) 可換股債券(續)

於初步確認時，負債部份公平值按類似非轉換債務現行市場利率釐定。發行可換股債券所得款項與撥至負債部份公平值間差額，即持有人將貸款票據轉換為權益之轉換選擇權，作為獨立權益項目計入可換股債券儲備。

於隨後期間，可換股債券負債部份採用實際利率法按攤銷成本列賬。權益部份為轉換負債部份為本公司普通股之選擇權，將繼續於可換股債券儲備列賬，直至轉換選擇權已獲行使(於該情況下，可換股債券儲備結存將轉撥至股份溢價)。倘購股權於屆滿日期仍然未獲行使，則於可換股債券儲備之結存將撥回保留溢利。選擇權轉換或屆滿前，概無收益或虧損確認入損益。

與發行可換股債券有關之交易成本，按所得款項分配比例分配至負債及權益部份。有關權益部份之交易成本直接計入權益。有關負債部份之交易成本計入負債部份賬面值，採用實際利率法於可換股債券期間攤銷。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(q) Financial Instruments (Continued)

(vi) Other Financial Liabilities

Other financial liabilities (including trade and other payables) are subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

(vii) Equity Instruments

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

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

(r) Financial Guarantees, Provisions and Contingent Liabilities

(i) Financial Guarantees

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

3. 主要會計政策(續)

(q) 財務工具(續)

(vi) 其他財務負債

包括應付賬款及其他應付款項之其他財務負債隨後採用實際利率法以攤銷成本計量，惟於貼現影響不大之情況下以成本列賬則除外。

(vii) 股本工具

本公司發行之股本工具乃按已收取之所得款項減直接發行成本入賬。

為購回本公司本身股本工具已付之代價直接於權益確認及扣除。概無購買、出售、發行或註銷本公司本身股本工具之收益或虧損確認入損益。

(r) 財務擔保、撥備及或然負債

(i) 財務擔保

財務擔保乃指由簽發人(即擔保人)須於擔保受益人(「持有人」)因指定債務人未能根據債務工具之條款支付到期款項而蒙受損失時，向持有人償付指定款項之合約。

當本集團發出財務擔保時，該擔保之公平值(即交易價格，惟公平值能可靠地估計除外)初步確認為應付賬款及其他應付款項內之遞延收入。當就發行有關擔保已收或應收代價時，代價乃根據本集團適用於該資產類別之政策確認。倘並無有關代價屬已收或應收，則於初步確認任何遞延收入時於損益確認即時開支。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(r) Financial Guarantees, Provisions and Contingent Liabilities (Continued)

(i) Financial Guarantees (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3(r)(iii) if and when (1) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (2) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, i.e. the amount initially recognised less accumulated amortisation.

(ii) Contingent Liabilities Acquired in Business Combinations

Contingent liabilities acquired as part of a business combination are initially recognized at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 3(r)(iii). Contingent liabilities acquired in a business combination that cannot be reliably fair valued are disclosed in accordance with note 3(r)(iii).

3. 主要會計政策(續)

(r) 財務擔保、撥備及或然負債(續)

(i) 財務擔保(續)

初步確認為遞延收入之擔保額會於擔保期內在損益攤銷，作為發出財務擔保之收入。此外，倘(1)擔保持有人有可能省視擔保下之本集團；及(2)本集團之申索款額預期超過現時列於該擔保之應付賬款及其他應付款項(即初步確認之金額，減累計攤銷)，則撥備根據附註3(r)(iii)確認。

(ii) 於業務合併中收購之或然負債

作為業務合併一部分，收購之或然負債初步以公平值確認，惟公平值需能夠可靠地計量。於其以公平值初步確認後，該等或然負債以初步確認金額減適用之累計攤銷，以及根據附註3(r)(iii)釐定金額之較高者確認。於業務合併中收購之或然負債若未能可靠地計量公平值，則根據附註3(r)(iii)披露。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(r) Financial Guarantees, Provisions and Contingent Liabilities (Continued)

(iii) Other Provisions and Contingent Liabilities

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

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

(s) Related Parties

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

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

3. 主要會計政策(續)

(r) 財務擔保、撥備及或然負債(續)

(iii) 其他撥備及或然負債

倘本集團因過去事件須承擔現時責任，而且履行該責任很可能需要流出經濟利益且能作出可靠估計，則確認撥備。倘金錢之時間價值重大，撥備會以履行責任預期所需支出之現值列賬。

倘可能毋須流出經濟利益以履行責任，或責任數額未能充分可靠估計，則現有責任須披露為或然負債。因過往事件產生且其存在僅以發生或不發生一項或多項未來事件確定之可能責任，除非經濟利益流出可能性極低，否則亦同時披露為或然負債。

(s) 關連方

一方被視為與本集團有關連，倘：

- (i) 該方直接或間接透過一間或多間中介公司，(1)控制本集團、受本集團控制或與本集團受共同控制；(2)於本集團擁有權益，因而對本集團有重大影響；或(3)共同控制本集團；
- (ii) 該方為聯營公司；

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(s) Related Parties (Continued)

- (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);
- (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); or
- (vii) The party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(t) 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)

(s) 關連方(續)

- (iii) 該方為共同控制實體；
- (iv) 該方為本集團或其母公司主要管理人員之成員；
- (v) 該方為(i)或(iv)所述任何個人之近親；
- (vi) 該方為受(iv)或(v)所述任何個人直接或間接控制、共同控制或重大影響之實體，或上述個人直接或間接擁有其重大投票權之實體；或
- (vii) 該方為以本集團或任何屬本集團關連方之實體之僱員為受益人之僱用後福利計劃。

個人之近親為預期在與該實體交易中影響個人或受個人影響之家族成員。

(t) 分部報告

分部指本集團內從事供應產品或提供服務(業務分部)，或於特定經濟環境內供應產品或提供服務(地區分部)之可分辨部份，而各分部所受風險及所獲回報並不相同。

根據本集團之內部財務報告制度，本集團已選定將業務分部資料作為此等財務報表之主要報告形式，並將地區分部資料作為次要報告形式。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(t) 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, borrowings, tax balances, corporate and financing expenses.

3. 主要會計政策(續)

(t) 分部報告(續)

分部收益、支出、業績、資產及負債包括能直接歸屬於某一分部以及能按合理標準分配至該分部之項目。例如，分部資產可包括存貨、應收賬款及物業、廠房及設備。分部收益、支出、資產及負債均於綜合賬目須予抵銷之集團內結存及集團內交易之前釐定，除非該等集團內結存及交易乃於集團實體中之單一分部。分部間之定價乃基於其他外方可用之類似條款。

分部資本支出乃期內為購買預期將用於多個期間之有形及無形分部資產而產生之總成本。

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

Notes to the Financial Statements

For the year ended 31 December 2008

4. Critical Accounting Judgments and Estimates

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Judgments

The following are the critical judgements, apart from those involving estimations as discussed below, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

(i) Impairment of Assets

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

財務報表附註

截至二零零八年十二月三十一日止年度

4. 重大會計判斷及估計

於應用附註3所述之本集團會計政策時，管理層須就無法從其他來源獲得之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及認為相關之其他因素為基準而作出。實際結果或會有別於該等估計。

估計及相關假設按持續進行基準審閱。會計估計之修訂乃於修訂估計之期間內確認(倘修訂僅影響該期間)，或於修訂期間及日後之期間確認(倘修訂影響目前及日後之期間)。

(a) 判斷

除下文討論涉及估計之判斷外，下列重大判決為管理層於應用本集團會計政策過程時所作出及對該等財務報表內所確認之金額構成之影響最為重大。

(i) 資產減值

於釐定資產是否已減值或過往導致減值之事件是否不再存在時，管理層需就資產減值行使判斷，尤其是評估：(1)是否發生可能影響資產價值之事件或該影響資產價值之事件是否存在；(2)資產之賬面值能否以未來現金流量之淨現值作支持，而該淨現值乃根據持續使用資產或取消確認而作出估計；及(3)於編製現金流量預測時將採用之適當主要假設，包括該等現金流量預測是否採用適當比率貼現。管理層選擇以釐定減值程度之假設(包括用於現金流量預測之貼現率或增長率假設)之變動可能對減值測試所採用之淨現值產生重大影響。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

4. Critical Accounting Judgments and Estimates (Continued)

(a) Judgments (Continued)

(ii) Income Taxes

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

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

4. 重大會計判斷及估計(續)

(a) 判斷(續)

(ii) 所得稅

遞延稅項乃採用負債法於結算日就財務報告所用資產與負債之課稅基礎與其賬面值之所有暫時差額作出撥備。

遞延稅項資產就結轉之未動用稅務虧損而予以確認，惟以根據所有可獲取之憑證顯示可能有未來應課稅溢利可以未動用稅務虧損予以抵銷為限。確認主要涉及之判斷乃有關確認遞延稅項資產之特定法律實體或稅務團體之未來表現。於考慮是否有可信服之憑證顯示可能有部份或全部遞延稅項資產最終將獲變現時，將會評估多項其他因素，如存在應課稅暫時差額、稅務規劃策略及可動用估計稅務虧損之期間。本集團會於各結算日檢討遞延稅項資產之賬面值及有關財務模型與預算，而倘有充分可信服之憑證顯示於動用期內將有足夠應課稅溢利以容許動用結轉之稅務虧損，則資產結存將會減少，並自收益表扣除。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

4. Critical Accounting Judgments and Estimates (Continued)

(b) Estimation Uncertainty

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

(i) Impairment Test of Assets

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

(ii) Income Taxes

The management 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 realised. This requires an estimation of the future taxable profits. Estimating the future taxable profits requires the management to make an estimate of the expected future earnings of the Group and also to choose a suitable discount rate in order to calculate the present value of the earnings.

4. 重大會計判斷及估計(續)

(b) 估計之不明朗因素

以下為於結算日有關未來估計及其他主要估計來源之不明朗因素之主要假設，該等假設涉及須對本集團於下個財政年度之資產及負債賬面值作出重大調整之重大風險。

(i) 資產減值測試

管理層最少每年或於出現減值跡象時釐定資產是否經已減值。此舉需要對資產之使用價值作出估計，而估計使用價值需要管理層對預期資產所產生之未來現金流量作出估計，並選用適當之貼現率以計算該等現金流量之現值。

(ii) 所得稅

管理層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變現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管理層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 Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

4. Critical Accounting Judgments and Estimates (Continued)

(b) Estimation Uncertainty (Continued)

(iii) Depreciation of Property, Plant and Equipment

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

5. Revenue

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

4. 重大會計判斷及估計(續)

(b) 估計之不明朗因素(續)

(iii) 物業、廠房及設備折舊

物業、廠房及設備經考慮其估計剩餘價值後採用直線法於其估計可使用年內折舊。釐定可使用年期及剩餘價值涉及管理層之估計。管理層每年評估物業、廠房及設備之剩餘價值及可使用年期，而倘所作出之預期與原先之估計有所不同，則該差額可能對估計出現變動之年度及未來期間之折舊構成影響。

5. 收益

- (a) 本集團於本年度之營業額分析如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Sales of petroleum-related products	銷售石油相關產品	21,640	—
Discontinued operations	已終止經營業務		
Sales of pulps and paper products	銷售漿板及紙品	—	50,378

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

5. Revenue (Continued)

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

5. 收益(續)

(b) 本集團於本年度之其他收益及淨收入分析如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Bank interest income	銀行利息收入	820	548
Consultancy fee income	顧問費用收入	304	—
Net foreign exchange gain	匯兌收益淨額	—	1,314
		1,124	1,862
Discontinued operations	已終止經營業務		
Sundry income	雜項收入	—	196
Gain on disposal of subsidiary	出售附屬公司之收益	415	—
		1,539	2,058

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

6. Disposal of Subsidiaries

The Group disposed of a wholly-owned subsidiary, Yunnan Kanstar High Tech Products Development Company Limited, in 2008 and a wholly-owned subsidiary, Yunnan Changning Kanstar Paper Company Limited, in 2007. The business of development, manufacture and sale of pulps and paper products was discontinued upon the disposal of Yunnan Kanstar High Tech Products Development Company Limited in 2008. An analysis of the financial effects arising from the disposal and the results of the discontinued operations is as follows:

6. 出售附屬公司

本集團於二零零八年出售全資附屬公司雲南建星新技術產品開發有限公司及於二零零七年出售全資附屬公司雲南昌寧建星紙業有限公司。開發、製造及銷售漿板及紙品之業務已於二零零八年出售雲南建星新技術產品開發有限公司時終止經營。出售所產生之財務影響及已終止經營業務之業績分析如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Net assets disposed of:	所出售之淨資產：		
Property, plant and equipment	物業、廠房及設備	—	36,194
Prepaid lease payments	預付租金	—	2,290
Inventories	存貨	—	7,957
Trade and other receivables	應收賬款及其他應收款項	20	17,410
Cash and bank deposits	現金及銀行存款	45	3,455
Other short term loans	其他短期貸款	—	(7,258)
Trade and other payables	應付賬款及其他應付款項	(11)	(13,708)
Amounts due to directors	應付董事款項	—	(1,313)
		54	45,027
Release of exchange reserve	匯兌儲備撥回	(269)	(144)
		(215)	44,883
Total consideration, satisfied by:	總代價，支付方式為：		
Cash	現金	200	26,000
Settlement of bank loans	償還銀行貸款	—	15,600
		200	41,600
Gain/(loss) on disposal	出售收益／(虧損)	415	(3,283)
Net cash inflow arising on disposal:	出售所產生之現金流入淨額：		
Cash received	已收現金	200	26,000
Cash and bank deposits disposed of	所出售之現金及銀行存款	(45)	(3,455)
		155	22,545

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

6. Disposal of Subsidiaries (Continued)

Profit for the year from discontinued operations

		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	—	50,574
Expenses	開支	(14)	(50,052)
Profit/(loss) before tax	除稅前溢利/(虧損)	(14)	522
Gain/(loss) on disposal of subsidiaries	出售附屬公司之收益/(虧損)	415	(3,283)
Income tax	所得稅	—	—
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	401	(2,761)

6. 出售附屬公司(續)

本年度已終止經營業務之溢利

7. Finance Costs

		Continuing operations 持續經營業務		Discontinued operations 已終止經營業務		Consolidated 綜合	
		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	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Interest on bank and other borrowings wholly repayable within 5 years	須於五年內全數償付之銀行及其他借貸利息	—	1,278	—	209	—	1,487
Effective interest on convertible bonds	可換股債券之實際利息	15,878	3,496	—	—	15,878	3,496
		15,878	4,774	—	209	15,878	4,983

7. 融資成本

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

8. Profit/(loss) Before Tax

Profit/(loss) before tax is arrived at after charging:

8. 除稅前溢利/(虧損)

除稅前溢利/(虧損)已扣除以下項目：

	Continuing operations 持續經營業務		Discontinued operations 已終止經營業務		Consolidated 綜合	
	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	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 other benefits	5,799	951	—	3,006	5,799	3,957
薪金及其他福利						
— Retirement scheme contributions	36	7	—	—	36	7
退休計劃供款						
	5,835	958	—	3,006	5,835	3,964
Auditors' remuneration	350	300	—	—	350	300
核數師酬金						
Depreciation of property, plant and equipment	262	121	—	1,000	262	1,121
物業、廠房及設備折舊						
Amortisation of lease payment on land	—	—	—	37	—	37
土地租金攤銷						
Operating lease payment for land and buildings	1,682	—	—	—	1,682	—
土地及樓宇之經營租約款項						
Impairment losses on trade receivables	—	—	14	—	14	—
應收賬款之減值虧損						
Carrying amount of inventories sold	21,378	—	—	45,791	21,378	45,791
售出存貨賬面值						

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

9. Income Tax

		Continuing operations 持續經營業務		Discontinued operations 已終止經營業務		Consolidated 綜合	
		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	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current tax:	本期稅項：						
– Hong Kong	– 香港	–	–	–	–	–	–
– Other jurisdictions	– 其他司法權區	(30)	–	–	–	(30)	–
Deferred tax	遞延稅項	1,252	281	–	–	1,252	281
Income tax credit for the year	本年度 所得稅抵免	1,222	281	–	–	1,222	281

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profit tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/09. Hong Kong profits tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profit for the year.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2007: 30%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council issued Implementation Regulation of the New Law. The New Law and Implementation Regulation changed the tax rate of the PRC subsidiaries to 25% from 1 January 2008 onwards.

於二零零八年六月二十六日，香港立法會通過二零零八年收入條例草案，將二零零八／零九課稅年度之企業利得稅稅率由17.5%減至16.5%。香港利得稅乃按本年度估計應課稅溢利之16.5%（二零零七年：17.5%）計算。

中國附屬公司須按25%（二零零七年：30%）稅率繳付中國企業所得稅。於其他司法權區產生之稅項按相關司法權區之通行稅率計算。

於二零零七年三月十六日，中華人民共和國根據中華人民共和國主席令第63號頒佈中華人民共和國企業所得稅法（「新稅法」）。於二零零七年十二月六日，國務院頒佈新稅法實施條例。新稅法及實施條例由二零零八年一月一日起將中國附屬公司之稅率改為25%。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

9. Income Tax (Continued)

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Profit/(loss) before tax:	除稅前溢利/(虧損)：		
Continuing operations	持續經營業務	(320,315)	475,595
Discontinued operations	已終止經營業務	401	(2,761)
		(319,914)	472,834
Notional tax (charge)/credit on profit/(loss) before tax, calculated at the tax rates applicable to profit in the jurisdictions concerned	按有關司法權區溢利適用稅率計算之除稅前溢利/(虧損)之名義稅項(支出)/抵免	55,001	(83,030)
Tax effect of share of results of associates	應佔聯營公司業績之稅務影響	—	(385)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	(50,931)	(915)
Tax effect of non-taxable income	無需課稅收入之稅務影響	—	85,554
Tax effect of other temporary differences not recognised	未確認暫時差額之稅務影響	8	—
Tax effect of losses not allowable	不可扣稅虧損之稅務影響	(2,856)	(1,115)
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認稅項虧損之稅務影響	—	172
Income tax credit for the year	本年度所得稅抵免	1,222	281

Deferred tax for the year represents tax income recognized on reversal of temporary differences arising from convertible bonds.

No deferred tax has been recognized on loss for the year (2007: Nil) due to unpredictability stream of future taxable profits that will be available against which the tax losses can be utilized.

There was no material unrecognised deferred tax for the year.

本年度稅項支出可與綜合收益表之溢利對賬如下：

本年度之遞延稅項為就撥回可換股債券所產生暫時差額確認之稅項收入。

由於未能預測可供運用對銷稅項虧損之未來應課稅溢利之來源，故本年度並無就虧損確認任何遞延稅項(二零零七年：無)。

本年度並無任何重大未確認遞延稅項。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

10. Directors' and Employees' Emoluments

(i) Directors' Emoluments

The emoluments paid or payable to each of the 6 (2007: 12) directors were as follows:

2008	二零零八年	Fees 袍金 HK\$'000 港幣千元	Salaries and other benefits 薪金及 其他福利 HK\$'000 港幣千元	Retirement scheme contributions 退休計劃供款 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Executive directors:	執行董事：				
CAO Xuejun	曹學軍	—	1,157	—	1,157
KUAI Wei	鄒偉	—	363	—	363
LIN Zhang	林漳	—	272	2	274
Independent non-executive directors:	獨立非執行 董事：				
CHAN Kin Cheong	陳健昌	15	—	—	15
WANG Yanhui	王燕輝	15	—	—	15
ZHANG Xiaobao	張曉寶	15	—	—	15
		45	1,792	2	1,839

10. 董事及僱員薪酬

(i) 董事薪酬

已支付或應支付予六名(二零零七年：十二名)董事之薪酬如下：

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

10. Directors' and Employees' Emoluments
(Continued)

10. 董事及僱員薪酬(續)

(i) Directors' Emoluments (Continued)

(i) 董事薪酬(續)

2007	二零零七年	Fees	Salaries and other benefits	Retirement scheme contributions	Total
		袍金	薪金及其他福利	退休計劃供款	總計
		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：				
CHIM Kim Kiu, Jacky	詹劍嶠	—	—	—	—
IP Kai Cheung	葉啟昌	—	—	—	—
SUN Tak Keung	辛德強	—	—	—	—
CHENG Kwok Hing, Andy	鄭國興	—	—	—	—
KWOK Ching Chung	郭青松	—	—	—	—
KUAI Wei	劄偉	—	—	—	—
LIN Zhang	林漳	—	33	—	33
Independent non-executive directors:	獨立非執行董事：				
CHAN Chi Hung, Anthony	陳志雄	—	—	—	—
WANG Ai Guo	王愛國	—	—	—	—
WAN Hon Keung	溫漢強	—	—	—	—
WANG Yanhui	王燕輝	—	—	—	—
CHAN Kin Cheong	陳健昌	—	—	—	—
		—	33	—	33

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

10. Directors' and Employees' Emoluments (Continued)

- (ii) Of the 5 individuals with the highest emoluments in the Group, 2 (2007: Nil) was directors of the Company. The emoluments of these 3 (2007: 5) non-director individuals with the highest emoluments were as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	1,272	601
Retirement scheme contributions	退休計劃供款	18	8
		1,290	609

The emoluments of those 3 (2007: 5) non-director individuals with the highest emoluments are within the following bands:

		Number of individuals 人數	
		2008 二零零八年	2007 二零零七年
HK\$0 to HK\$1,000,000	港幣0元至港幣 1,000,000元	3	5

- (ii) 本集團五名最高薪酬人士中，兩名（二零零七年：無）為本公司董事。該等三名（二零零七年：五名）最高薪酬非董事人士之薪酬如下：

該三名（二零零七年：五名）薪酬最高非董事人士之薪酬介乎下列範圍：

11. Profit/(loss) attributable to Equity Holders of the Company

Amount of consolidated profit/(loss) attributable to equity shareholders dealt with in the Company's financial statements

於本公司財務報表內處理之
股權持有人應佔綜合
溢利／（虧損）金額

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		(23,853)	(8,541)

11. 本公司股權持有人應佔溢利／（虧損）

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

12. Earnings/(loss) Per Share

The calculations of the basic and diluted earnings/(loss) per share are based on the following data:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Profit/(loss) for the year from continuing and discontinued operations attributable to the equity holders of the Company	本公司股權持有人應佔本年度持續及已終止經營業務之溢利/(虧損)	(316,756)	473,961
Less:	減:		
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	401	(2,761)
Profit/(loss) for the year for the calculation of basic earnings/(loss) per share from continuing operations	計算持續經營業務之每股基本盈利/(虧損)所採用之本年度溢利/(虧損)	(317,157)	476,722
Number of shares	股份數目	'000 千股	'000 千股
Issued ordinary shares at the beginning of the year	於年初之已發行普通股	5,408,000	4,800,000
Effect of ordinary shares issued during the year	年內發行普通股之影響	—	160,222
Weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share	計算每股基本盈利/(虧損)所採用之加權平均普通股數目	5,408,000	4,960,222
Effect of dilutive potential ordinary shares on share options	購股權所涉及攤薄潛在普通股之影響	488	497
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per shares	計算每股攤薄盈利/(虧損)所採用之加權平均普通股數目	5,408,488	4,960,719

Effect of diluted potential ordinary shares on convertible bonds and warrants is considered to be nil as the average market prices of ordinary shares during the relevant periods is below the conversion price of the convertible bonds and the exercise price of the warrants.

每股基本及攤薄盈利/(虧損)乃根據下列數據計算:

由於有關期間內普通股之平均市價低於可換股債券之兌換價及認股權證之行使價，故可換股債券及認股權證所涉及攤薄潛在普通股之影響被視為零。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

12. Earnings/(loss) Per Share (Continued)

The diluted loss per share for the year ended 31 December 2008 has not been disclosed as the potential shares arising from the exercise of the Company's share options would decrease the loss per share of the Group for the year, and is regarded as anti-dilutive.

13. Dividend

No dividend has been paid or proposed for the year (2007: Nil).

14. Business and Geographical Segments

(a) Business Segments

2008

During the year, the Group is principally organized into 3 major business divisions — (1) trading of pulps and paper products, (2) exploration of coal, oil and natural gas and (3) trading of petroleum-related products. In July 2008, the Group disposed of the trading of pulps and paper products business. There are no sales or other transactions between the business segments. These business divisions are the basis on which the Group reports its primary segment information for year as presented below:

12. 每股盈利/(虧損)(續)

由於行使本公司購股權產生之潛在股份將減少本集團於本年度之每股虧損而被視為反攤薄，故並無披露截至二零零八年十二月三十一日止年度之每股攤薄虧損。

13. 股息

本年度並無派付或建議派付任何股息(二零零七年：無)。

14. 業務及地區分部

(a) 業務分部

二零零八年

年內，本集團主要分為三個主要業務分部 — (1)買賣漿板及紙品、(2)勘探煤炭、石油及天然氣，以及(3)買賣石油相關產品。於二零零八年七月，本集團出售買賣漿板及紙品業務。業務分部間並無銷售或其他交易。此等業務分部乃本集團報告其本年度之主要分部資料之基礎，資料呈列如下：

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

14. Business and Geographical Segments
(Continued)

14. 業務及地區分部(續)

(a) Business Segments (Continued)

(a) 業務分部(續)

Income Statement

收益表

		Continuing operations 持續經營業務			Discontinued operations 已終止 經營業務	Consolidated 綜合
		Coal, oil and natural gas 煤炭、 石油及天然氣 HK\$'000 港幣千元	Petroleum- related products 石油 相關產品 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Pulps and paper products 漿板及紙品 HK\$'000 港幣千元	
Turnover	營業額	—	21,640	21,640	—	21,640
Segment results	分部業績	(4,093)	90	(4,003)	401	(3,602)
Impairment losses on goodwill	商譽之減值虧損					(38,210)
Impairment losses on interests in jointly controlled entities	於共同控制實體權益之減值虧損					(243,204)
Unallocated corporate income	未分配企業收入					304
Unallocated corporate expenses	未分配企業開支					(19,324)
Finance costs	融資成本					(15,878)
Income tax	所得稅					1,222
Loss for the year	本年度虧損					(318,692)

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

14. Business and Geographical Segments
(Continued)

(a) Business Segments (Continued)

2008 (Continued)

Balance Sheet

		Continuing operations 持續經營業務			Discontinued operations 已終止 經營業務	Consolidated
		Coal, oil and natural gas 煤炭、 石油及天然氣 HK\$'000 港幣千元	Petroleum- related products 石油 相關產品 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Pulps and paper products 漿板及紙品 HK\$'000 港幣千元	
Assets:	資產:					
Segment assets	分部資產	7,489	1,217	8,706	—	8,706
Interests in associates	於聯營公司權益	81,915		81,915		81,915
Interests in jointly controlled entities	於共同控制實體權益	856,118		856,118		856,118
Unallocated corporate assets	未分配企業資產			6,044		6,044
Total assets	總資產			952,783		952,783
Liabilities:	負債:					
Segment liabilities	分部負債	40,431	13	40,444	—	40,444
Unallocated corporate liabilities	未分配企業負債			333,126		333,126
Total liabilities	總負債			373,570		373,570

Other information

其他資料

		Continuing operations 持續經營業務			Discontinued operations 已終止 經營業務	Consolidated
		Coal, oil and natural gas 煤炭、 石油及天然氣 HK\$'000 港幣千元	Petroleum- related products 石油 相關產品 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Pulps and paper products 漿板及紙品 HK\$'000 港幣千元	
Capital expenditure	資本開支	809	1	810	—	278
Depreciation	折舊	189	—	189	—	73

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

14. Business and Geographical Segments
(Continued)

(a) Business Segments (Continued)

2007

The Group was organised into 2 major business divisions — (1) development, manufacture and sale of pulps and paper products, and (2) exploration of oil and natural gas. There are no sales or other transactions between the business segments. These business divisions are the basis on which the Group reports its primary segment information as presented below:

Income Statement

		Continuing operations 持續 經營業務	Discontinued operations 已終止 經營業務	Consolidated 綜合
		Oil and natural gas 石油及天然氣 HK\$'000 港幣千元	Pulps and paper products 漿板及紙品 HK\$'000 港幣千元	HK\$'000 港幣千元
Turnover	營業額	—	50,378	50,378
Segment results	分部業績	(1,173)	701	(472)
Gain arising on business combination	業務合併產生之商譽	487,534		487,534
Share of loss of associates	應佔聯營公司虧損	(2,201)		(2,201)
Unallocated corporate income	未分配企業收入			6,149
Unallocated corporate expenses	未分配企業開支			(13,193)
Finance costs	融資成本			(4,983)
Income tax	所得稅			281
Profit for the year	本年度溢利			473,115

14. 業務及地區分部(續)

(a) 業務分部(續)

二零零七年

本集團分為兩個主要業務分部 — (1) 研發、製造及銷售漿板及紙品，以及(2) 勘探石油及天然氣。業務分部間並無銷售或其他交易。此等業務分部乃本集團報告其主要分部資料之基礎，資料呈列如下：

收益表

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

14. Business and Geographical Segments
(Continued)

14. 業務及地區分部(續)

(a) Business Segments (Continued)

(a) 業務分部(續)

2007 (Continued)

二零零七年(續)

Balance Sheet

資產負債表

		Continuing operations 持續 經營業務	Discontinued operations 已終止 經營業務	Consolidated 綜合
		Oil and natural gas 石油及天然氣 HK\$'000 港幣千元	Pulps and paper products 漿板及紙品 HK\$'000 港幣千元	HK\$'000 港幣千元
Assets:	資產:			
Segment assets	分部資產	78,286	1,594	79,880
Interests in jointly controlled entities	於共同控制實體權益	3,143,824		3,143,824
Unallocated corporate assets	未分配企業資產			870
Total assets	總資產			3,224,574
Liabilities:	負債:			
Segment liabilities	分部負債	95,755	1,527	97,282
Unallocated corporate liabilities	未分配企業負債			259,688
Total liabilities	總負債			356,970

Other information

其他資料

		Continuing operations 持續 經營業務	Discontinued operations 已終止 經營業務	Unallocated 未分配	Consolidated 綜合
		Oil and natural gas 石油及天然氣 HK\$'000 港幣千元	Pulps and paper products 漿板及紙品 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Capital expenditure	資本開支	26	957	1	984
Depreciation	折舊	9	1,111	1	1,121

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

14. Business and Geographical Segments
(Continued)

14. 業務及地區分部(續)

(b) Geographical Segments

The Group's major business divisions are operated in 2 principal geographical areas – (1) the People's Republic of China, including Hong Kong and Macau (the "PRC"), and (2) other Asia Pacific countries. These geographical areas are the basis on which the Group reports its secondary segment information as presented below:

(b) 地區分部

本集團兩個主要業務分部於兩個主要地區經營 – (1) 中華人民共和國 (包括香港及澳門, 「中國」), 以及 (2) 其他亞太國家。此等地區乃本集團報告其次要分部資料之基礎, 資料呈列如下:

2008

二零零八年

		Turnover 營業額 HK\$'000 港幣千元	Segment assets 分部資產 HK\$'000 港幣千元	Capital expenditure 資本開支 HK\$'000 港幣千元
PRC	中國	21,640	14,750	1,088
Other Asia Pacific countries	其他亞太國家	—	938,033	—
		21,640	952,783	1,088

2007

二零零七年

		Turnover 營業額 HK\$'000 港幣千元	Segment assets 分部資產 HK\$'000 港幣千元	Capital expenditure 資本開支 HK\$'000 港幣千元
PRC	中國	50,378	80,750	984
Other Asia Pacific countries	其他亞太國家	—	3,143,824	—
		50,378	3,224,574	984

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

15. Property, Plant and Equipment

15. 物業、廠房及設備

The Group

本集團

		Buildings 樓宇 HK\$'000 港幣千元	Plant and equipment 廠房及設備 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總計 HK\$'000 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	18,000	17,111	—	35,111
Additions	添置	—	584	400	984
Acquired on business combination	於業務合併時購入	—	166	—	166
Disposals	出售	(18,664)	(18,171)	(400)	(37,235)
Exchange adjustments	匯兌調整	664	655	—	1,319
At 31 December 2007 and 1 January 2008	於二零零七年 十二月三十一日及 二零零八年一月一日	—	345	—	345
Additions	添置	—	1,088	—	1,088
Disposals	出售	—	(124)	—	(124)
At 31 December 2008	於二零零八年 十二月三十一日	—	1,309	—	1,309
Comprising:	包括：				
At 31 December 2007	於二零零七年 十二月三十一日				
— cost	— 成本	—	234	—	234
— valuation 2006	— 二零零六年估值	—	111	—	111
		—	345	—	345
At 31 December 2008	於二零零八年 十二月三十一日				
— cost	— 成本	—	1,295	—	1,295
— valuation 2006	— 二零零六年估值	—	14	—	14
		—	1,309	—	1,309

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

15. Property, Plant and Equipment (Continued)

15. 物業、廠房及設備(續)

The Group (Continued)

本集團(續)

		Buildings 樓宇 HK\$'000 港幣千元	Plant and equipment 廠房及設備 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Depreciation and impairment:	折舊及減值：				
At 1 January 2007	於二零零七年一月一日	—	—	—	—
Provided for the year	本年度撥備	518	603	—	1,121
Acquired on business combination	於業務合併時購入	—	25	—	25
Written back on disposals	於出售時撥回	(525)	(516)	—	(1,041)
Exchange adjustments	匯兌調整	7	31	—	38
At 31 December 2007 and 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	—	143	—	143
Provided for the year	本年度撥備	—	262	—	262
Written back on disposals	於出售時撥回	—	(99)	—	(99)
At 31 December 2008	於二零零八年 十二月三十一日	—	306	—	306
Carrying amounts:	賬面值：				
At 31 December 2008	於二零零八年 十二月三十一日	—	1,003	—	1,003
At 31 December 2007	於二零零七年 十二月三十一日	—	202	—	202

The Valuation 2006 was made by the directors of the Company on a continued existing use basis as at 31 December 2006.

二零零六年估值於二零零六年十二月三十一日由本公司董事按持續現有用途基準進行。

The directors considered the carrying amounts of property, plant and equipment at 31 December 2008 were not significantly different from their fair value at that date.

董事認為，物業、廠房及設備於二零零八年十二月三十一日之賬面值與當日之公平值並無重大差異。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

15. Property, Plant and Equipment (Continued)

15. 物業、廠房及設備(續)

The Company

本公司

		Plant and equipment 廠房及設備 HK\$'000 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	53
Additions	添置	14
At 31 December 2007 and 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	67
Additions	添置	174
At 31 December 2008	於二零零八年十二月三十一日	241
Comprising:	包括：	
At 31 December 2007	於二零零七年十二月三十一日	
— cost	— 成本	53
— valuation 2006	— 二零零六年估值	14
		67
At 31 December 2008	於二零零八年十二月三十一日	
— cost	— 成本	227
— valuation 2006	— 二零零六年估值	14
		241
Depreciation and impairment:	折舊及減值：	
At 1 January 2007	於二零零七年一月一日	—
Provided for the year	本年度撥備	23
At 31 December 2007 and 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	23
Provided for the year	本年度撥備	59
At 31 December 2008	於二零零八年十二月三十一日	82
Carrying amounts:	賬面值：	
At 31 December 2008	於二零零八年十二月三十一日	159
At 31 December 2007	於二零零七年十二月三十一日	44

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

15. Property, Plant and Equipment (Continued)

The Company (Continued)

The Valuation 2006 was made by the directors of the Company on a continued existing use basis as at 31 December 2006.

The directors considered the carrying amount of property, plant and equipment at 31 December 2008 was not significantly different from its fair value at that date.

16. Prepaid Lease Payments

Prepaid lease payments comprise:

15. 物業、廠房及設備(續)

本公司(續)

二零零六年估值於二零零六年十二月三十一日由本公司董事按持續現有用途基準進行。

董事認為，物業、廠房及設備於二零零八年十二月三十一日之賬面值與當日之公平值並無重大差異。

16. 預付土地租金

預付土地租金包括：

		The Group 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
Land held under medium lease outside Hong Kong in the People's Republic of China:	根據中期租約在中華人民共和國香港以外地區持有之土地：		
At the beginning of the year (note (a))	於年初(附註(a))	—	2,245
Amortised during the year	年內攤銷	—	(37)
Exchange adjustments	匯兌調整	—	82
Disposals	出售	—	(2,290)
At the end of the year	於年終	—	—

Note:

- (a) In 2006, adjustment was made, in order to comply with the Group's accounting policies to recognise the cost of interest in leasehold land in the year of commencement of lease and the amortisation over the lease term, to restate the amortised cost of prepaid lease payments as at 1 January 2006 to HK\$2,206,000 in respect of the interest in leasehold land in the People's Republic of China acquired by a wholly-owned subsidiary of the Company, Yunnan Changning Kanstar Paper Company Limited, in December 2002 for a term of 30 years at a consideration of RMB2,440,330 but the cost of acquisition had not been recognised and amortised until 2005 when the cost was paid although the lease was operating since December 2002.

附註：

- (a) 於二零零六年，為遵照本集團關於於租約開始年度確認及於租期內攤銷租賃土地權益成本之會計政策，本集團作出調整，將二零零六年一月一日之預付土地租金攤銷成本重列為港幣2,206,000元。該金額乃有關本公司之全資附屬公司雲南昌寧建星紙業有限公司於二零零二年十二月按代價人民幣2,440,330元所購入於中華人民共和國為期30年之租賃土地權益。儘管租約自二零零二年十二月起生效，惟收購成本直至二零零五年方獲支付，並隨後予以確認及攤銷。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

17. Investments in Subsidiaries

17. 於附屬公司之投資

		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
Unlisted shares, at cost	非上市股份，按成本	24,895	24,895

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.

於二零零八年十二月三十一日，對本集團之業績或淨資產具有重大影響之主要附屬公司之詳情載列於附註39。

18. Interests in Associates

18. 於聯營公司權益

		The Group 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
Share of fair value of net assets of associates acquired on business combination (note (21))	應佔於業務合併時購入之聯營公司淨資產之公平值 (附註(21))	81,915	—

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Registered Capital 註冊資本	Attributable equity interest of the Group 應佔本集團股權		Principal activities 主要業務
			2008 二零零八年	2007 二零零七年	
Great Wall Mining and Power Corp.	Philippines 菲律賓	PHP2,500,000 2,500,000 披索	40%	—	Coal mining 煤礦開採
Eastern Star Mining and Power Corp.	Philippines 菲律賓	PHP2,500,000 2,500,000 披索	40%	—	Investment holding 投資控股

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

18. Interests in Associates (Continued)

Summarised financial information in respect of associates are set out below:

Great Wall Mining and Power Corp.

18. 於聯營公司權益(續)

有關聯營公司之財務資料概述如下：

Great Wall Mining and Power Corp.

		12 December 2008 (date of acquisition) to 31 December 2008 二零零八年 十二月十二日 (收購日期)至 二零零八年 十二月三十一日 HK\$'000 港幣千元
Turnover	營業額	—
Loss for the period	本期間虧損	201
Loss attributable to the Group	本集團應佔虧損	81

		As at 31 December 2008 於二零零八年 十二月三十一日 HK\$'000 港幣千元
Total assets	總資產	3,370
Total liabilities	總負債	(5,748)
Net liabilities	淨負債	(2,378)
Net liabilities attributable to the Group	本集團應佔淨負債	(951)

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

18. Interests in Associates (Continued)

Eastern Star Mining and Power Corp. and its subsidiary

18. 於聯營公司權益(續)

Eastern Star Mining and Power Corp. 及其附屬公司

		12 December 2008 (date of acquisition) to 31 December 2008 二零零八年 十二月十二日 (收購日期)至 二零零八年 十二月三十一日 HK\$'000 港幣千元
Turnover	營業額	—
Loss for the period	本期間虧損	(187)
Loss attributable to the Group	本集團應佔虧損	(75)

		As at 31 December 2008 於二零零八年 十二月三十一日 HK\$'000 港幣千元
Total assets	總資產	3,354
Total liabilities	總負債	(5,586)
Net liabilities	淨負債	(2,232)
Net liabilities attributable to the Group	本集團應佔淨負債	(893)

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

19. Interests in Jointly Controlled Entities

19. 於共同控制實體權益

		The Group 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
At the beginning of the year	於年初	3,143,824	—
Acquired on business combination	於業務合併時購入	—	32,132
Fair value adjustment on business combination	於業務合併之公平值調整	—	3,111,692
Adjustment arising on corporate restructuring (note (a))	企業重組產生之調整 (附註(a))	(2,049,039)	—
Additional investments	額外投資	4,537	—
Impairment loss (note (b))	減值虧損(附註(b))	(243,204)	—
At the end of the year	於年終	856,118	3,143,824

Notes:

- (a) The adjustment reflects the reduction of interests in jointly controlled entity, which were recognised on a business combination at 10 October 2007, after a corporate restructuring exercise effected on 14 April 2008 as mentioned in note 20 from a 60% to a 21% participating interest in a consortium formed by an indirect wholly-owned subsidiary, China Sino Oil Company Limited. (formerly known as Chinaoil USA (Macao) Company Limited"), with three independent venturers for the operation of a production sharing agreement in respect of a project for the exploration of oil and natural gas in Brunei (the "Oil Project").
- (b) The valuation of the Oil Project as at 31 December 2008 was US\$522,660,000 (2007: US\$776,123,000), as per a valuation prepared by Greater China Appraisal Limited, a firm of professional valuers, of which approximately US\$109,758,600 (2007: US\$465,673,800, equivalent to approximately HK\$3,632,255,640) was attributable to the interests held by the Group, resulting in an impairment loss of approximately HK\$243,204,000 recognized at 31 December 2008 (2007: Nil).

附註:

- (a) 該調整反映於附註20所述企業重組活動於二零零八年四月十四日生效後，於共同控制實體權益(有關權益乃於二零零七年十月十日進行業務合併時確認)減少，指間接非全資附屬公司中國新星石油有限公司(前稱中國聯合石油美國(澳門)有限公司)與三名獨立合營方就經營有關於汶萊勘探石油及天然氣項目(「石油項目」)之生產攤分協議組成財團之參與權益由60%減少至21%。
- (b) 根據專業估值師行漢華評值有限公司所編製之估值，石油項目於二零零八年十二月三十一日之估值為522,660,000美元(二零零七年：776,123,000美元)，其中約109,758,600美元(二零零七年：465,673,800美元(相等於約港幣3,632,255,640元))歸屬於本集團所持權益，導致於二零零八年十二月三十一日確認減值虧損約港幣243,204,000元(二零零七年：港幣零元)。

Notes to the Financial Statements

For the year ended 31 December 2008

20. Corporate Restructuring

The Group previously held a total 60% participating interest in an oil project in Brunei (the “Oil Project”) of which 39% represented interest attributable to minority and the remaining 21% represented effective interest owned by the Group.

On 14 April 2008, the Group completed a corporate restructuring exercise by disposing of a total 39% participating interest in the Oil Project held by an indirect subsidiary, Chinaoil USA (Macao) Company Limited (“Chinaoil Macao”), to the minority shareholders of Chinaoil Macao and Chinaoil Macao’s immediate holding company, Polyard Petroleum International Company Limited (“Polyard Macau”), for the acquisition of share capital in Chinaoil Macao and Polyard Macau held by those minority shareholders. Chinaoil Macao and Polyard Macau then became indirect wholly-owned subsidiaries of the Company with the Group’s effective interest in the Oil Project being unchanged at 21%. Details of the corporate restructuring exercise have been set out in a circular of the Company issued to its shareholders on 28 March 2008.

21. Business Combination

On 12 December 2008, Polyard International Mining Company Limited (“PIM”), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Mexford Holdings Limited (“Mexford”) at a total consideration of HK\$120,000,000, satisfied by convertible bonds at a total amount of HK\$120,000,000 to be issued by the Company, of which convertible bonds of HK\$108,000,000 were issued on 29 December 2008 (note 29) and convertible bonds of HK\$12,000,000 were issued on 4 February 2009 (note 37).

財務報表附註

截至二零零八年十二月三十一日止年度

20. 企業重組

本集團原持有汶萊石油項目(「石油項目」)合共60%參與權益，當中39%為少數股東應佔權益，而餘下21%則為本集團持有之實際利益。

於二零零八年四月十四日，本集團透過出售由間接附屬公司中國聯合石油美國(澳門)有限公司(「中聯澳門」)於石油項目所持合共39%參與權益予中聯澳門及中聯澳門之中介控股公司百田石油國際有限公司(「百田澳門」)，以收購該等少數股東所持之中聯澳門及百田澳門之股本，完成企業重組活動。中聯澳門及百田澳門隨即成為本公司之間接全資附屬公司，而本集團於石油項目之實際權益維持不變，仍為21%。企業重組活動之詳情已載於本公司於二零零八年三月二十八日刊發予其股東之通函。

21. 業務合併

於二零零八年十二月十二日，本公司之全資附屬公司百田國際礦業有限公司(「百田國際礦業」)收購 Mexford Holdings Limited (「Mexford」)之100%股權，總代價為港幣120,000,000元，以本公司將發行總額為港幣120,000,000元之可換股債券支付，當中港幣108,000,000元之可換股債券於二零零八年十二月二十九日發行(附註29)，而港幣12,000,000元之可換股債券則於二零零九年二月四日發行(附註37)。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

21. Business Combination (Continued)

Mexford (which holds 40% interest in Eastern Star Mining and 64% effective interest in Great Wall Mining) became a subsidiary of the Company and the acquisition was accounted for as a business combination at 12 December 2008 and measured as follows:

21. 業務合併(續)

Mexford(持有 Eastern Start Mining 之 40% 權益及 Great Wall Mining 之 64% 實際權益)成為本公司之附屬公司，而收購於二零零八年十二月十二日入賬列作業務合併及計量如下：

		Acquiree's carrying amount before combination 被收購公司 於合併前 之賬面值 HK\$'000 港幣千元	Fair value adjustment 公平值調整 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Net assets acquired:	所收購之淨資產：			
Interests in associates	於聯營公司權益	—	81,915	81,915
Amounts due from associates	應收聯營公司款項	4,545	—	4,545
Amounts due to shareholder	應付股東款項	(4,496)	—	(4,496)
Amounts due to associates	應付聯營公司 款項	(174)	—	(174)
		(125)	81,915	81,790
Total cost on business combination	業務合併總成本			120,000
Goodwill arising on business combination impaired (note (a))	業務合併產生之已減 值商譽(附註(a))			38,210

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

21. Business Combination (Continued)

Note:

- (a) The assets of Mexford are primarily the interests in associates which have already been measured at their fair value on 12 December 2008. Accordingly, the goodwill arising on business combination of Mexford was immediately impaired.

21. 業務合併(續)

附註：

- (a) Mexford之資產主要為於聯營公司權益，已按其於二零零八年十二月十二日之公平值計量。因此，Mexford於業務合併時產生之商譽被即時減值。

22. Amounts due from Subsidiaries

22. 應收附屬公司款項

		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
Amounts due from subsidiaries	應收附屬公司款項	738,677	638,844

The amounts are unsecured and non-interest bearing. The Company will not demand repayment within 1 year after the balance sheet date and the amounts are therefore classified as non-current assets.

此款項為無抵押及免息。本公司將不會要求於結算日後一年內還款，故此款項被歸類為非流動資產。

23. Amounts due from Associates and Jointly Controlled Entities

23. 應收聯營公司及共同控制實體款項

		The Group 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
Amounts due from associates	應收聯營公司款項	4,731	—
Amounts from jointly controlled entities	應收共同控制實體款項	1,341	—
		6,072	—

The amounts due from associates and jointly controlled entities are unsecured and non-interest bearing and have no fixed terms of repayment.

應收聯營公司及共同控制實體之款項為無抵押、免息及無固定還款期。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

24. Trade and Other Receivables

The Group has a policy of allowing average credit period ranging from 2 weeks to 1 month to its trade customers. In addition, for certain customers with long-established relationship and good past repayment histories, a longer credit period may be granted.

24. 應收賬款及其他應收款項

本集團之政策為給予其貿易客戶介乎兩週至一個月之平均記賬期。此外，若干已建立悠久關係，並有良好過往還款記錄之客戶，可獲更長之記賬期。

		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
An aged analysis of trade receivables is as follows:	應收賬款之賬齡分析如下：				
0 – 30 days	0至30天	—	5,749	—	—
Other debtors, deposits and prepayments	其他應收款項、按金及預付款項	1,075	786	582	767
Amount due from subsidiary's shareholders	應收附屬公司股東款項	—	2,913	—	—
Amount due from subsidiary's associates	應收附屬公司聯營公司款項	—	—	304	—
		1,075	9,448	886	767

The amounts due from subsidiary's shareholders and subsidiary's associates were unsecured, interest-free and had no fixed terms of repayment.

應收附屬公司股東及附屬公司聯營公司之款項為無抵押、免息及無固定還款期。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

25. Cash and Bank Deposits

25. 現金及銀行存款

		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
Deposits with banks and other financial institutions	銀行及其他金融機構存款	6,445	21,149	10	52
Deposits with bank — pledged	銀行存款 — 已抵押	—	49,950	—	—
Cash in hand	手頭現金	155	1	—	1
		6,600	71,100	10	53

26. Bank and Other Borrowings

26. 銀行及其他借貸

		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
Bank overdraft	銀行透支	—	133	—	133

The borrowings were subject to interest charges at prevailing market rates.

該等借貸按現行市場利率計息。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

27. Trade and Other Payables

27. 應付賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 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
An aged analysis of trade payables is as follows:	應付賬款之賬齡分析如下：				
0 – 30 days	0至30天	—	450	—	—
Other creditors and accrued charges	其他應付款項及應計費用	14,902	19,288	1,551	2,323
Amounts due to related companies	應付關連公司款項	22,575	51,311	—	—
Amounts due to subsidiary's shareholders	應付附屬公司股東款項	—	27,487	—	—
Amounts due to shareholders	應付股東款項	9,532	1,611	12,149	1,973
Amounts due to associates	應付聯營公司款項	174	—	—	—
		47,183	100,147	13,700	4,296

The amounts due to related companies, subsidiary's shareholders, shareholders and associates are unsecured, interest-free and have no fixed terms of repayment.

應付關連公司、附屬公司股東、股東及聯營公司之款項為無抵押、免息及無固定還款期。

28. Amounts due to Directors

28. 應付董事款項

		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
Lin Zhang	林漳	2	—	—	—

The amounts due to directors are unsecured, interest-free and have no fixed term of repayment.

應付董事款項為無抵押、免息及無固定還款期。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

29. Convertible Bonds

29. 可換股債券

		HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	
Liability component of the Convertible Bonds A issued	發行可換股債券A 負債部份	251,600
Interest charged	已徵收利息	3,496
Interest paid	已付利息	(1,885)
At 31 December 2007	於二零零七年十二月三十一日	253,211
Liability component of the Convertible Bonds B issued	發行可換股債券B負債部份	54,580
Interest charged	已徵收利息	15,878
Interest paid	已付利息	(8,291)
At 31 December 2008	於二零零八年十二月三十一日	315,378

The convertible bonds issued to Mr. Lam Nam (the "Bondholder") at a nominal value of HK\$276,352,231 for a term of 36 months on 10 October 2007 (the "Convertible Bonds A") were subject to interest charge at the rate of 3% per annum accrued on a day to day basis.

The Bondholder may at any business day after the date of issue of the Convertible Bonds A convert the whole or any part at an amount in an integral multiple of HK\$100,000 of the principal amount of the Convertible Bonds A into ordinary shares of HK\$0.002 each in the share capital of the Company at the conversion price of HK\$0.43 per conversion share.

The fair value of the liability component of the Convertible Bonds A was measured using a market interest rate of approximately 6.25% for an equivalent non-convertible bond; the remaining balance represented the equity conversion component, is included in shareholders' equity under convertible bonds reserve.

於二零零七年十月十日，可換股債券（「可換股債券A」）按面值港幣276,352,231元發行予林南先生（「債券持有人」），為期36個月，按年利率3%每日累計利息。

債券持有人可於發行可換股債券A日期後任何營業日按可換股債券A本金額港幣100,000元之完整倍數之金額，按兌換價每股兌換股份港幣0.43元兌換全部或任何部份為本公司股本中每股面值港幣0.002元之普通股。

可換股債券A負債部份之公平值乃採用同等非可換股債券之市場利率約6.25%計算；餘額指權益兌換部份，計入可換股債券儲備之股東權益內。

Notes to the Financial Statements

For the year ended 31 December 2008

29. Convertible Bonds (Continued)

Another bonds of HK\$108,000,000 at zero coupon interest (the “Convertible Bonds B”) were issued on 29 December 2008 to China International Mining Holding Company Limited (the “Bondholder 2”), an investment holding company beneficially owned by Mr. Lam Nam, at a nominal value of HK\$108,000,000 for a term of 5 years.

The Bondholder 2 may at any business day falling on the fifth anniversary from the issue date of the Convertible Bonds B convert the whole or any part at an amount in an integral multiple of HK\$100,000 of the principal amount of the Convertible Bonds B into ordinary shares of HK\$0.002 each in the share capital of the Company at the conversion price of HK\$0.048 per conversion share.

The fair value of the liability component of the Convertible Bonds B was measured using a market interest rate of approximately 14.62% for an equivalent non-convertible bond; the remaining balance represented the equity conversion component, is included in shareholders’ equity under convertible bonds reserve.

財務報表附註

截至二零零八年十二月三十一日止年度

29. 可換股債券(續)

另一批零息票之港幣108,000,000元債券(「可換股債券B」)於二零零八年十二月二十九日按面值港幣108,000,000元發行予林南先生實益擁有之投資控股公司中國國際礦業控股有限公司(「債券持有人2」)，為期5年。

債券持有人2可於發行可換股債券B日期五週年後任何營業日按可換股債券B本金額港幣100,000元之完整倍數之金額，按兌換價每股兌換股份港幣0.048元兌換全部或任何部份為本公司股本中每股面值港幣0.002元之普通股。

可換股債券B負債部份之公平值乃採用同等非可換股債券之市場利率約14.62%計算；餘額指權益兌換部份，計入可換股債券儲備之股東權益內。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

30. Deferred Taxation

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

The Group and The Company

30. 遞延稅項

於本年度及過往年度確認之重大遞延稅項負債及其變動概述如下：

本集團及本公司

		Convertible bonds 可換股債券 HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	
Charge to equity for the year	本年度扣除自權益	3,761
Credit to profit and loss for the year	本年度計入損益	(282)
At 31 December 2007 and 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	3,479
Charge to equity for the year	本年度扣除自權益	8,780
Credit to profit and loss for the year	本年度計入損益	(1,252)
At 31 December 2008	於二零零八年十二月三十一日	11,007

There are no significant deferred tax assets or liabilities not recognized at the balance sheet date.

於結算日概無未確認重大遞延稅項資產或負債。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

31. Share Capital

31. 股本

		Number of shares		Amount	
		股份數目		金額	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		'000	'000	HK\$'000	HK\$'000
		千股	千股	港幣千元	港幣千元
Authorised:	法定：				
Ordinary shares of HK\$0.002 each	每股面值港幣0.002元之普通股				
— At beginning and end of the year	— 於年初及年終	10,000,000	10,000,000	20,000	20,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.002 each	每股面值港幣0.002元之普通股				
— At beginning of the year	— 於年初	5,408,000	4,800,000	10,816	9,600
— Shares issued on exercise of options	— 因行使購股權而發行股份	—	75,000	—	150
— Shares issued on acquisition of interests in associates/subsidiaries	— 因收購聯營公司／附屬公司權益而發行股份	—	533,000	—	1,066
— At end of the year	— 於年終	5,408,000	5,408,000	10,816	10,816

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

32. Reserves

(a) The Group

32. 儲備

(a) 本集團

		Share premium	Special reserve	Revaluation reserve	Exchange reserve	Retained Profits/ (Accumulated losses)	Warrant reserve	Convertible bonds reserve	Total
		股份溢價	特別儲備	重估儲備	匯兌儲備	保留溢利/ (累計虧損)	認股 權證儲備	可換股 債券儲備	總計
		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
At 1 January 2007	於二零零七年 一月一日	259,770	985	14,508	42	(31,674)	—	—	243,631
Issue of warrants	發行認股權證	—	—	—	—	—	4,423	—	4,423
Issue of ordinary shares on acquisition of interests in subsidiaries	收購附屬公司 權益而發行 普通股	100,204	—	—	—	—	—	—	100,204
Issue of convertible bonds on acquisition of interests in subsidiaries	收購附屬公司 權益而發行 可換股債券	—	—	—	—	—	—	21,491	21,491
Deferred tax liability on issue of convertible bonds	發行可換股債券 之遞延稅項 負債	—	—	—	—	—	—	(3,761)	(3,761)
Release of exchange reserve on disposal of subsidiary	出售附屬公司之 匯兌儲備撥回	—	—	—	(144)	—	—	—	(144)
Transfer of surplus on revaluation of buildings on disposal	出售之樓宇重估 盈餘轉撥	—	—	(14,508)	—	14,508	—	—	—
Exchange differences arising on translation of foreign operations	換算對外營運所 產生之匯兌 差額	—	—	—	311	—	—	—	311
Profit for the year	本年度溢利	—	—	—	—	473,961	—	—	473,961
At 31 December 2007	於二零零七年 十二月 三十一日	359,974	985	—	209	456,795	4,423	17,730	840,116

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

32. Reserves (Continued)

(a) The Group (Continued)

	Share premium	Special reserve	Revaluation reserve	Exchange reserve	Retained Profits/ (Accumulated losses)	Warrant reserve	Convertible bonds reserve	Total	
	股份溢價	特別儲備	重估儲備	匯兌儲備	保留溢利/ (累計虧損)	認股 權證儲備	可換股 債券儲備	總計	
	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	
At 1 January 2008	於二零零八年 一月一日	359,974	985	—	209	456,795	4,423	17,730	840,116
Issue of convertible bonds on acquisition of interests in subsidiary	收購附屬公司 權益而發行 可換股債券	—	—	—	—	—	—	53,420	53,420
Deferred tax liabilities on issue of convertible bonds	發行可換股債券之 遞延稅項負債	—	—	—	—	—	—	(8,814)	(8,814)
Deferred tax effect on change in tax rates	稅率變動之遞延稅務 影響	—	—	—	—	—	—	34	34
Exchange difference arising on translation of foreign operations	換算對外營運所產生 之匯兌差額	—	—	—	75	—	—	—	75
Release of exchange reserve on disposal of subsidiary	出售附屬公司之匯兌 儲備撥回	—	—	—	(269)	—	—	—	(269)
Loss for the year	本年度虧損	—	—	—	—	(316,756)	—	—	(316,756)
		359,974	985	—	15	140,039	4,423	62,370	567,806

32. 儲備(續)

(a) 本集團(續)

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

32. Reserves (Continued)

(b) The Company

		Share premium	Accumulated losses	Warrant reserve	Convertible bonds reserve	Total
		股份溢價	累計虧損	認股權證儲備	可換股債券儲備	總額
		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
At 1 January 2007	於二零零七年一月一日	284,650	(5,798)	—	—	278,852
Issue of warrants	發行認股權證	—	—	4,423	—	4,423
Issue of ordinary shares on acquisition of interests in subsidiaries	收購附屬公司權益而發行普通股	100,204	—	—	—	100,204
Issue of convertible bonds on acquisition of interests in subsidiaries	收購附屬公司權益而發行可換股債券	—	—	—	21,491	21,491
Deferred tax liability on issue of convertible bonds	發行可換股債券之遞延稅項負債	—	—	—	(3,761)	(3,761)
Loss for the year	本年度虧損	—	(8,541)	—	—	(8,541)
At 31 December 2007	於二零零七年十二月三十一日	384,854	(14,339)	4,423	17,730	392,668
At 1 January 2008	二零零八年一月一日	384,854	(14,339)	4,423	17,730	392,668
Issue of convertible bonds on acquisition of interests in subsidiary	收購附屬公司權益發行可換股債券	—	—	—	53,420	53,420
Deferred tax liability on issue of convertible bonds	發行可換股債券之遞延稅項負債	—	—	—	(8,814)	(8,814)
Deferred tax effect on change in tax rates	稅率變動之遞延稅務影響	—	—	—	35	35
Loss for the year	本年度虧損	—	(23,583)	—	—	(23,583)
At 31 December 2008	於二零零八年十二月三十一日	384,854	(37,922)	4,423	62,371	413,726

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

32. Reserves (Continued)

(c) Nature and purpose of reserves

(i) Share premium

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business.

(ii) Special reserve

The special reserve represents the difference between the paid up capital of the previous holding company of the Group acquired and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganization for the listing of the Company's shares on the Growth Enterprise Market in 2002.

(iii) Revaluation reserve

The revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for property, plant and equipment in note 3(h).

(iv) Exchange reserve

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

32. 儲備(續)

(c) 儲備之性質及目的

(i) 股份溢價

根據開曼群島公司法(經修訂)第22章,本公司之股份溢價可用以分派或派付股息予股東,惟須按照其公司組織章程大綱或細則之規定,及於緊隨分派或派付股息後,本公司須有能力償還其日常業務中之到期債務。

(ii) 特別儲備

特別儲備指被收購本集團以往控股公司之繳足股本與於為準備本公司股份於二零零二年在創業板上市進行集團重組時就收購事項而發行之本公司股份面值之差額。

(iii) 重估儲備

重估儲備經已設立,並根據附註3(h)所載就物業、廠房及設備採納之會計政策處理。

(iv) 匯兌儲備

匯兌儲備包括所有換算對外營運財務報表所產生之外匯差額。儲備根據附註3(k)所載之會計政策處理。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

32. Reserves (Continued)

(c) Nature and purpose of reserves (Continued)

(v) Warrant reserve

The warrant reserve represents the net proceeds received and receivable on issue of warrants to subscribe for the Company's shares. The warrant reserves will be transferred to share premium when the warrant is exercised or released to the retained profits when the warrant remains unexercised at the expiry date.

(vi) Convertible bonds reserve

The convertible bonds reserve has been set up and is dealt with in accordance with the accounting policies adopted for convertible bonds in note 3(q) (v).

(d) Distributability of reserves

At the balance sheet date, in the opinion of the directors, the Company's reserves available for distribution to shareholders amounted to approximately HK\$346,933,000 (2007: HK\$370,515,000).

32. 儲備(續)

(c) 儲備之性質及目的(續)

(v) 認股權證儲備

認股權證儲備指發行認股權證以認購本公司股份之已收及應收所得款項淨額。認股權證儲備將於認股權證獲行使時轉撥至股份溢價或於認股權證於屆滿日期仍未行使時撥回至保留溢利。

(vi) 可換股債券儲備

可換股債券儲備經已設立，並根據附註3(q)(v)所載就可換股債券採納之會計政策處理。

(d) 可供分派儲備

於結算日，董事認為，本公司可供分派予股東之儲備約為港幣346,933,000元(二零零七年：港幣370,515,000元)。

Notes to the Financial Statements

For the year ended 31 December 2008

33. Share Option Schemes

The Company adopted two share option schemes (hereinafter referred to as the “Pre-IPO Share Option Scheme” and the “Share Option Scheme”) on 26 June 2002 for the purpose of providing incentives to the directors and eligible participants, under which the Company may grant options to the directors and employees of the Group and also other eligible participants to subscribe for shares of the Company. The Scheme became effective on 12 July 2002 and, unless otherwise cancelled or amended, will remain in effect for 10 years from that date.

Eligible participants of the Share Option Scheme include the following:

- (i) any employee or proposed employee (whether full time or part time) of the Group or any entity (“Invested Entity”) in which any member of the Group holds any equity interest (including any executive director but excluding any non-executive director of the Group or any Invested Entity);
- (ii) any non-executive director (including independent non-executive director) of the Group or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

財務報表附註

截至二零零八年十二月三十一日止年度

33. 購股權計劃

為獎勵若干董事及合資格參與者，本公司於二零零二年六月二十六日採納兩項購股權計劃(下文稱為「首次公開發售前購股權計劃」及「購股權計劃」)，據此，本公司可向本集團之董事及員工及其他合資格參與者授予購股權以供認購本公司股份。該計劃於二零零二年七月十二日生效，且除被取消或修訂外，將自該日起於十年內有效。

購股權計劃之合資格參與者包括以下人士：

- (i) 本集團或本集團任何成員公司擁有任何股權之任何實體(「投資實體」)之任何僱員或擬聘用僱員(全職或兼職)，包括本集團或任何投資實體之任何執行董事，但不包括本集團或任何投資實體之任何非執行董事；
- (ii) 本集團或任何投資實體之任何非執行董事(包括獨立非執行董事)；
- (iii) 向本集團任何成員公司或任何投資實體提供產品或服務之任何供應商；
- (iv) 本集團或任何投資實體之任何客戶；
- (v) 向本集團或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；
- (vi) 本集團任何成員公司或任何投資實體之任何股東，或本集團任何成員公司或任何投資實體發行之任何證券之任何持有人；

Notes to the Financial Statements

For the year ended 31 December 2008

33. Share Option Schemes (Continued)

- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (viii) any company wholly owned by one or more of the eligible participants referred to in (i) to (vii) above.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 30% of the shares of the Company in issue from time to time, 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 one year is not permitted to exceed 1% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their associates 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.

As at 31 December 2008, no options had been granted under the Share Option Scheme.

The offer of a grant of share options may be accepted within 21 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of each grant. Options may be exercised at any time during a period which may commence on a day after the date of grant of the share options but shall end at any event not later than ten years from the date of grant of the options. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five trading days immediately preceding the date of grant, and (iii) the nominal value of the shares.

財務報表附註

截至二零零八年十二月三十一日止年度

33. 購股權計劃(續)

- (vii) 本集團任何成員公司或任何投資實體任何業務或業務發展範圍之任何顧問(專業顧問或其他顧問)或諮詢人；及
- (viii) 由上述(i)至(vii)項所提述之一個或多個合資格參與者全資擁有之任何公司。

除非本公司股東事先批准，否則購股權計劃項下可授出之購股權所涉及之股份總數不得超過本公司不時已發行股份之30%。除非本公司股東事先批准，否則任何個別人士於任何一個年度內可獲授之購股權所涉及之股份數目不得超過本公司不時已發行股份之1%。倘授予主要股東或獨立非執行董事或彼等之聯繫人士之購股權超過本公司股本0.1%或價值超過港幣5,000,000元，則須經本公司股東預先批准。

於二零零八年十二月三十一日，並無根據購股權計劃可授出購股權。

授出購股權之建議可於建議日期起計21日內接納。於接納每次授出時，應付象徵式代價港幣1元。購股權可於期內任何時間行使，有關期間可自購股權授出日期後任何一日起開始，惟無論如何不得遲於購股權授出日期起計十年完結。行使價由本公司董事釐定，並將至少為(i)本公司股份於授出日期之收市價、(ii)股份緊接授出日期前五個交易日之平均收市價，以及(iii)股份面值中之最高者。

Notes to the Financial Statements

For the year ended 31 December 2008

33. Share Option Schemes (Continued)

On 26 June 2002, prior to its listing, the Company granted options to certain executive directors and employees of the Group to subscribe for an aggregate of 251,100,000 shares (note) in the Company under the Pre-IPO Share Option Scheme. The terms of the Pre-IPO Share Option Scheme are the same as the Share Option Scheme as described above except that:

- (i) the eligible participants are confined to certain directors, senior management, employees, consultants and advisers of the Group;
- (ii) there is no minimum subscription price;
- (iii) the general scheme limit, the individual limit applicable to each proposed grantee and the restrictions on grant of options to a connected person do not apply; and
- (iv) The directors may only grant options under the Pre-IPO Share Option Scheme at any time within a period from 26 June 2002 to 12 July 2002.

財務報表附註

截至二零零八年十二月三十一日止年度

33. 購股權計劃(續)

於二零零二年六月二十六日，本公司透過首次公開發售前購股權計劃，於上市前向本集團若干執行董事及員工授出購股權以認購合共251,100,000股股份(附註)。該首次公開發售前購股權計劃之條款與上述購股權計劃之條款相同，惟除了：

- (i) 合資格參與者只限本集團若干董事、高級管理層、僱員、諮詢人及顧問；
- (ii) 並無最低認購價；
- (iii) 一般計劃限額、適用於每個準承授人之個人限額及向關連人士授出購股權之限制均不適用；及
- (iv) 董事只可於二零零二年六月二十六日至二零零二年七月十二日期內任何時間，根據首次公開發售前購股權計劃授出購股權。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

33. Share Option Schemes (Continued)

Details of share options granted under the Pre-IPO Share Option Scheme to certain directors and employees to subscribe for shares in the Company are as follows:

		Number of options 購股權數目			Outstanding as at 31 December 2008 於 二零零八年 十二月三十一日 尚未行使
		Outstanding as at 1 January 2008 於二零零八年 一月一日 尚未行使	Exercised during the year 本年度 已行使	Lapsed during the year 本年度 已失效	
Employees	12 July 2002 – 11 July 2008				
僱員	二零零二年七月十二日至二零零八年七月十一日	500,000	–	500,000	–

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Note:

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 7 October 2004, each of the initial issued and unissued shares having a par value of HK\$0.01 were subdivided into five subdivided shares having a par value of HK\$0.002 each with effect from 8 October 2004. This share subdivision gave rise to adjustments to both the exercise price and the number of underlying shares granted under the Pre-IPO Share Option Scheme, and accordingly every option originally granted was increased to five options.

33. 購股權計劃(續)

根據首次公開發售前購股權計劃授予若干董事及僱員購股權，以認購本公司股份之詳情如下：

直至購股權獲行使之有關時間，授出購股權並無使本公司或本集團之資產負債表錄得財務影響，且本年度授出之購股權價值並無於收益表確認扣除。在行使購股權時，所產生之已發行股份由本公司按股份面值記錄為額外股本，而每股行使價高於股份面值之金額則由本公司記錄於股份溢價賬內。在其行使日期前失效或被註銷之購股權將於尚未行使購股權之登記冊內刪除。

附註：

根據本公司二零零四年十月七日舉行之股東特別大會通過之普通決議案，自二零零四年十月八日起，每股票面值為港幣0.01元之原來已發行及未發行股份將拆細為五股每股票面值為港幣0.002元之拆細股份。是項股份分拆導致根據首次公開招股計劃前購股權計劃項下之行使價及授出相關股份數目作為調整，因此原先授出之每份購股權增加為五份購股權。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

34. Retirement Benefit Schemes

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions at HK\$1,000 or 5% of the relevant payroll costs, whichever is the lower, to the scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

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

35. Related Party Transactions

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

Remuneration for key management personnel of the Group, including the Company's directors and certain highest paid employees, is set out in note 10.

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material related party transactions during the year:

34. 退休福利計劃

本集團為香港所有合資格僱員經營一項強制性公積金計劃(「公積金計劃」)。公積金計劃之資產乃由獨立受託人控制之基金持有，與本集團無關。根據公積金計劃之規定，僱主及其僱員均須各自向該計劃繳納港幣1,000元或相關薪金成本5%(以較低者為準)之供款。本集團就公積金計劃具有之唯一責任為根據該計劃繳納所需供款。

本集團於中華人民共和國境內附屬公司之僱員是一項由當地政府經營之國家管理退休福利計劃之成員。該等附屬公司須按薪金成本之指定百分比向該退休福利計劃供款，以便為該等福利提供資金。本集團就該退休福利計劃具有之唯一責任為繳納指定供款。

35. 關連方交易

本公司與其附屬公司(為本公司關連方)之交易已於綜合賬目撇銷及並無在本附註中披露。

本集團主要管理人員(包括本公司董事及若干最高薪酬僱員)之酬金載於附註10。

除本財務報表其他地方披露之交易及結存外，本集團於本年度進行下列重大關連方交易：

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

35. Related Party Transactions (Continued)

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Consultancy fee income	顧問費收入	304	—

The consultancy fee income was charged by Polyard Petroleum International Group Limited for services rendered to a jointly controlled entity operated by Polyard Petroleum International Company Limited in the Philippines.

顧問費收入乃由百田石油國際集團有限公司就其向百田石油國際有限公司於菲律賓經營之共同控制實體提供之服務而收取。

36. Commitments

(a) Capital Commitments

At the balance sheet date, the capital commitments outstanding contracted for but not provided for in these financial statements are as follows:

36. 承擔

(a) 資本承擔

於結算日，已訂約惟未於本財務報表撥備之尚未履行資本承擔如下：

		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
Acquisition of property, plant and equipment	收購物業、廠房及設備	—	816	—	816
Contributions to jointly controlled entities	出資予共同控制實體	58,285	92,589	—	—

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

36. Commitments (Continued)**(b) Operating Lease Commitments**

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

		The Group 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
Properties	物業				
– Within 1 year	– 一年內	1,710	651	1,361	651
– After 1 year but within 5 years	– 一年後 但五年內	1,259	–	1,076	–
		2,969	651	2,437	651

37. Events after the Balance Sheet Date

On 4 February 2009, convertible bonds amounted to HK\$12,000,000 were issued to China International Mining Holding Company Limited for settlement of the balance of consideration payable for the acquisition of Mexford Holdings Limited (note 21).

36. 承擔(續)**(b) 經營租約承擔**

於結算日，根據不可撤銷經營租約須於未來支付之最低租金總額如下：

37. 結算日後事項

於二零零九年二月四日，為數港幣12,000,000元之可換股債券已發行予中國國際礦業控股有限公司，以清償收購Mexford Holdings Limited之應付代價結餘(附註21)。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

38. Financial Risk and Capital Management

(a) Financial Risk Management

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The board of directors and management meet periodically to analyse and formulate strategies to manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not enter into or trade derivative financial instruments for speculative purposes.

The Group's major financial instruments include cash and bank deposits, trade and other receivables, trade and other payables, borrowings and convertible bonds. Details of these financial instruments are disclosed in respective notes. The main risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

(i) Market Risk

- *Currency Risk*

The Group's main trading operations are in the PRC and have no significant exposure to any specific foreign currency other than Renminbi.

All the Group's cash and cash equivalents are deposits with major banks located in the PRC, including Hong Kong and Macau.

38. 財務風險及資本管理

(a) 財務風險管理

本集團面對多項因其經營及投資活動而導致之財務風險。董事會及管理層定期舉行會議，以分析及制定管理及監察該等風險之策略，以確保適時實行有效之適當措施。整體而言，本集團就風險管理引用保守策略。由於本集團承受之有關風險維持於最低程度，故本集團並無採用任何衍生工具或其他工具作對沖用途。本集團並無訂立或買賣衍生財務工具，以作投機。

本集團之主要財務工具包括現金及銀行存款、應收賬款及其他應收款項、應付賬款及其他應付款項、借貸及可換股債券。該等財務工具之詳情於各附註內披露。與該等財務工具有關之主要風險及如何減低該等風險之政策載於下文：

(i) 市場風險

- *貨幣風險*

本集團之主要貿易業務位於中國，而除人民幣外，並無承受任何特定外幣之重大風險。

本集團全部現金及現金等值物均為存放在中國(包括香港及澳門)主要銀行之存款。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

38. Financial Risk and Capital Management

(Continued)

(a) Financial Risk Management (Continued)

(i) Market Risk (Continued)

- Currency Risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2007: 5%) increase and decrease in Hong Kong dollars against RMB. The sensitivity analysis includes outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit and other equity where the Hong Kong dollars strengthen 5% (2007: 5%). For a 5% (2007: 5%) weakening of the Hong Kong dollars against RMB, there would be equal and opposite impact on the profit and other equity and the balances below would be negative.

		Impact of RMB 人民幣之影響	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Sensitivity rate	敏感度比率	5%	5%
Profit or loss (1)	溢利或虧損(1)	9	1

- (1) This is mainly attributable to the exposure outstanding on receivables and payables denominated in RMB not subject to cash flow hedge at year end.

38. 財務風險及資本管理(續)

(a) 財務風險管理(續)

(i) 市場風險(續)

- 貨幣風險(續)

敏感度分析

下表詳述本集團對港幣兌人民幣升跌5%(二零零七年:5%)之敏感度。敏感度分析包括以外幣列值之尚未兌換貨幣項目。以下之正數顯示港幣升值5%(二零零七年:5%)時令溢利及其他權益增加。於港幣兌人民幣貶值5%(二零零七年:5%)時,將對溢利及其他權益構成相等及相反之影響,而以下之結餘將為負數。

- (1) 此主要為以人民幣列值之應收款項及應付款項不受年終現金流量對沖之風險所限。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

38. Financial Risk and Capital Management

(Continued)

(a) Financial Risk Management (Continued)

(i) Market Risk (Continued)

- Fair Value Interest Rate Risk

The fair value of financial assets and financial liabilities (including derivative instruments) are principally determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as inputs. For an option-based derivative, the fair value is estimated using option pricing model (for example, Black-Scholes Model).

The Group's fair value interest rate risk relates primarily to convertible bonds.

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

		2008 二零零八年		2007 二零零七年	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Financial liabilities	財務負債				
Convertible bonds	可換股債券	315,378	281,550	253,211	254,900

38. 財務風險及資本管理(續)

(a) 財務風險管理(續)

(i) 市場風險(續)

- 公平值利率風險

財務資產及財務負債(包括衍生工具)之公平值主要根據公認定價模式，以現有公開市場交易之價格或比率作為進項，並按現金流量貼現分析而釐定。而期權衍生工具之公平值則採用期權定價模式(如柏力克－舒爾斯模式)進行估計。

本集團之公平值利率風險主要與可換股債券有關。

除下表所詳述者外，董事認為於綜合財務報表所錄得之財務資產及財務負債之賬面值與其公平值相若：

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

38. Financial Risk and Capital Management

(Continued)

(a) Financial Risk Management (Continued)

(i) Market Risk (Continued)

- Cash Flow Interest Rate Risk

The Group's cash flow interest rate risk relates primarily to variable-rate of deposits and borrowings. It is the Group's policy to minimise its net borrowings at floating rates of interest so as to reduce the fair value interest rate risk.

- Price Risk

The Group did not have investments in equity securities for treasury purpose and therefore is not exposed to equity price risk. The management have a policy to monitor the Group's exposure to price risk by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise.

(ii) Credit Risk

The carrying amounts of trade receivables included in the consolidated balance sheet represent the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to its financial assets. No other financial assets carry a significant exposure to credit risk.

38. 財務風險及資本管理(續)

(a) 財務風險管理(續)

(i) 市場風險(續)

- 現金流利率風險

本集團之現金流利率風險主要與存款及借貸之利率變動有關。本集團之政策為減低其按浮息利率計算之淨借貸，以減低利率風險之公平值。

- 價格風險

本公司並無持作財政用途之權益證券投資，因此，並不預期會面對權益價格風險。管理層備有監管本集團面對價格風險之政策，維持不同風險及回報之投資組合，以及當有需要時考慮就風險進行對沖。

(ii) 信貸風險

計入綜合資產負債表之應收賬款賬面值指本集團於對方未能履行其責任時就財務資產所承受之最高信貸風險。概無其他財務資產帶有重大信貸風險。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

38. Financial Risk and Capital Management

(Continued)

(a) Financial Risk Management (Continued)

(ii) Credit Risk (Continued)

In order to minimize the credit risk, the management of the Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The management has also delegated personnel responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the People's Republic of China ("PRC") with exposure spread over a number of customers.

(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. Banking facilities have also been arranged with different banks in order to fund the liquidity requirements. The management monitors the utilization of borrowings and ensures compliance with loan covenants.

38. 財務風險及資本管理(續)

(a) 財務風險管理(續)

(ii) 信貸風險(續)

為減低信貸風險，本集團管理層已實行政策，以確保向具備適當信貸紀錄之客戶銷售貨物。管理層亦已授權一支隊伍，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團於各結算日均會檢討各個別貿易債項之可收回金額，以確保已就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大大減低。

本集團按地區劃分之信貸風險主要集中於中華人民共和國（「中國」），有關風險分散於多名客戶。

(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，並確保其維持充裕現金及現金等值物以應付其流動資金需求。銀行融資亦已安排於不同銀行進行，以滿足流動資金需求。管理層監控借款之動用並確保遵守貸款契約。

Notes to the Financial Statements

For the year ended 31 December 2008

38. Financial Risk and Capital Management

(Continued)

(b) Capital Management

The Group's objectives 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 net debt-to-equity 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.

財務報表附註

截至二零零八年十二月三十一日止年度

38. 財務風險及資本管理(續)

(b) 資本管理

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利益相關者提供利益，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。

於業內其他人士一致，本集團按淨負債對權益比率監察資本。比率以淨債務除以總權益計算。淨債務以總債務(包括綜合資產負債表所示之流動及非流動債務)減現金及現金等值物計算。總權益指綜合資產負債表所示之「權益」。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

38. Financial Risk and Capital Management

(Continued)

(b) Capital Management (Continued)

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain the net debt-to-equity ratio at an appropriate level. The net debt-to-equity ratios at 31 December 2008 and 2007 are as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Total liabilities	總債務	373,570	356,970
Less: Cash and cash equivalents (Note 25)	減：現金及現金等值物 (附註25)	(6,600)	(70,967)
Net debt	淨債務	366,970	286,003
Total equity	總權益	579,213	2,867,604
Net debt-to-equity ratio	淨債務對權益比率	63%	10%

The increase in the net debt-to-equity ratio at 31 December 2008 resulted primarily from the issue of convertible bonds as part of the consideration for the acquisition of a subsidiary (note 21) as well as the elimination of minority interests on a corporate restructuring exercise (note 20).

38. 財務風險及資本管理(續)

(b) 資本管理(續)

於二零零八年內，本集團之策略（自二零零七年起維持不變）為將淨債務對權益比率維持於適當水平。於二零零八年及二零零七年十二月三十一日之淨債務對權益比率如下：

於二零零八年十二月三十一日，淨債務對權益比率上升主要由發行可換股債券（作為收購一間附屬公司之部分代價）（附註21）以及於實行企業重組時撤銷少數股東權益（附註20）所致。

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

39. Particulars of Subsidiaries

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

39. 附屬公司詳情

於二零零八年十二月三十一日，本公司之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ 註冊成立/ 經營地點	Forms of legal entity 法定實體形式	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有之 已發行股本/ 註冊資本 所佔面值比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Kanstar Environmental Technology Group Limited	British Virgin Islands 英屬處女群島	International Business Company 國際商務公司	US\$1,000 1,000美元	100%	—	Investment holding 投資控股
Win Easy International Limited	British Virgin Islands 英屬處女群島	International Business Company 國際商務公司	US\$1 1美元	100%	—	Investment holding 投資控股
Lucky China Investments Inc.	British Virgin Islands 英屬處女群島	International Business Company 國際商務公司	US\$1 1美元	100%	—	Investment holding 投資控股
Mexford Holdings Limited	British Virgin Islands 英屬處女群島	International Business Company 國際商務公司	US\$50,000 50,000美元	—	100%	Investment holding 投資控股
Kanstar Hong Kong Limited 建星香港有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$1,000,000 港幣 1,000,000元	—	100%	Investment holding and provision of management services 投資控股及提供管理服務
Addata Development Limited 加訊發展有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$10,000 港幣 10,000元	—	100%	Inactive 暫無營業
Modern Lucky International Limited 新運通國際有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$2 港幣 2元	—	100%	Investment holding 投資控股
Polyard Resources Company Limited (formerly known as "Polyard Petroleum Trading Company Limited") 百田資源有限公司 (前稱「百田石油貿易有限公司」)	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$1 港幣 1元	—	100%	Investment holding 投資控股

Notes to the Financial Statements

For the year ended 31 December 2008

財務報表附註

截至二零零八年十二月三十一日止年度

39. Particulars of Subsidiaries (Continued)

39. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Forms of legal entity 法定實體形式	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有之 已發行股本/ 註冊資本 所佔面值比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Polyard Petroleum (Hong Kong) Limited 百田石油(香港)有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$1 港幣 1 元	—	100%	Trading 貿易
Polyard International Mining Company Limited (formerly known as "Polyard Petroleum Mining Company Limited") 百田國際礦業有限公司 (前稱「百田石油礦業有限公司」)	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$1,000,000 港幣 1,000,000 元	—	100%	Investment holding 投資控股
西安百田石油化工有限公司	People's Republic of China 中華人民共和國	Limited Liability Company 有限責任公司	RMB1,000,000 人民幣 1,000,000 元	—	51%	Trading of petroleum-related products 買賣石油相關產品
Polyard Petroleum International Company Limited 百田石油國際有限公司	Macau 澳門	Limited Liability Company 有限責任公司	MOP10,000,000 10,000,000 澳門元	—	100%	Investment holding 投資控股
China Sino Oil Company Limited (formerly known as "Chinaoil USA (Macao) Company Limited") 中國新星石油有限公司 (前稱「中國聯合石油美國(澳門)有限公司」)	Macau 澳門	Limited Liability Company 有限責任公司	MOP10,000,000 10,000,000 澳門元	—	100%	Petro-chemical product dealing 買賣石油化工產品
Polyard Mining Company Limited (formerly known as "Polyard Holdings Limited") 百田礦業有限公司 (前稱「百田控股有限公司」)	Macau 澳門	Limited Liability Company 有限責任公司	MOP10,000,000 10,000,000 澳門元	—	100%	Inactive 暫無營業

None of the subsidiaries had issued any debt securities at the end of the year.

於年終，概無附屬公司發行任何債務證券。

Five Year Financial Summary

五年財務概要

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

本集團於過去五個財政年度之綜合業績、資產及負債之概要(摘錄自本集團之經審核財務報表)載列如下：

Results

業績

		For the year ended 31 December 截至十二月三十一日止年度				2008
		2004 二零零四年 HK\$'000 港幣千元 (Restated) (重列)	2005 二零零五年 HK\$'000 港幣千元 (Restated) (重列)	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	二零零八年 HK\$'000 港幣千元
Turnover	營業額	50,313	53,671	43,295	50,378	21,640
Profit/(loss) attributable to	應佔溢利/(虧損)					
– equity holders of the Company	– 本公司股權持有人	963	103	(18,428)	473,961	(316,756)
– Minority interests	– 少數股東權益	–	–	–	(846)	(1,936)
		963	103	(18,428)	473,115	(318,692)

Assets and Liabilities

資產及負債

		At 31December 於十二月三十一日				2008
		2004 二零零四年 HK\$'000 港幣千元 (Restated) (重列)	2005 二零零五年 HK\$'000 港幣千元 (Restated) (重列)	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	二零零八年 HK\$'000 港幣千元
Total assets	總資產	78,277	85,237	288,088	3,224,574	952,783
Total liabilities	總負債	(23,364)	(30,059)	(34,857)	(356,970)	(373,570)
Net assets	淨資產	54,913	55,178	253,231	2,867,604	579,213



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
百田石油國際集團有限公司

Room 2602, China Merchants Tower, Shun Tak Centre,
200 Connaught Road Central, Hong Kong
香港干諾道中200號信德中心招商局大廈2602室