

Haier 海尔



Haier Electronics Group Co., Ltd.
海爾電器集團有限公司*

Stock Code 股份代號：1169

Annual Report 2007 年報



* for identification purpose only
僅供識別

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Corporate Profile and Recent Development 企業簡介及近期發展

Corporate Profile

Haier Electronics Group Co., Ltd. (Stock code: 1169) (the “Company”), a subsidiary of Haier Group, is listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company and its subsidiaries (the “Group”) are principally engaged in the research, development, production and sale of washing machines and water heaters under the brand name of “Haier”.

Founded in 1984, Haier Group is headquartered in Qingdao, Shangdong Province, the PRC and is today one of the world’s leading white goods home appliance manufacturers. The products of Haier Group are now sold in over 100 countries. Haier ranked the first among Fortune China’s the World’s Most Admired Companies in 2007, and number one among electronic and electric industry. Haier is also an official sponsor of the 2008 Beijing Olympic Games for white goods home appliances.

Recent Development

The Group has completed the acquisition of the remaining 30% interest in Haier Indesit (front loading washing machines business) from the Italian partner in December 2007. The acquisition will enable the Group to have better and more effective management and control over Haier Indesit, enable more effective sharing of resources with other subsidiaries of the Group and thus improving our operating efficiencies.

In the past, the Group had to pay a trademark licence fee to the parent company Haier Group at a rate of 0.8% of certain sales of the Group (excluding the front loading washing machines and water heaters businesses) in order to use certain trademarks registered in the names of members of the Haier Group for its top loading machines business. In order to facilitate further growth of the Group, the Haier Group agreed to waive trademark licence fee for the company’s top loading washing machine business with effect from 1 January 2008. The waiver is expected to improve financial performance of the Group from 2008 onwards.

企業簡介

海爾電器集團有限公司(股份代號：1169)(「本公司」)為海爾集團旗下一家在香港聯合交易所有限公司主板上市之附屬公司。目前本公司及其附屬公司(「本集團」)之主要業務為研究、開發、生產及銷售以「海爾」為品牌名稱之洗衣機及熱水器。

海爾集團於一九八四年創辦，其總部位於中國山東省青島市，現時為全球白色家電製造商的龍頭之一。海爾集團旗下產品目前銷往全球逾100個國家。海爾於《財富中國》雜誌二零零七年中國世界最受讚賞公司中高居榜首，並為電器及電子業之冠。海爾亦為二零零八年北京奧運會白色家電之指定贊助商。

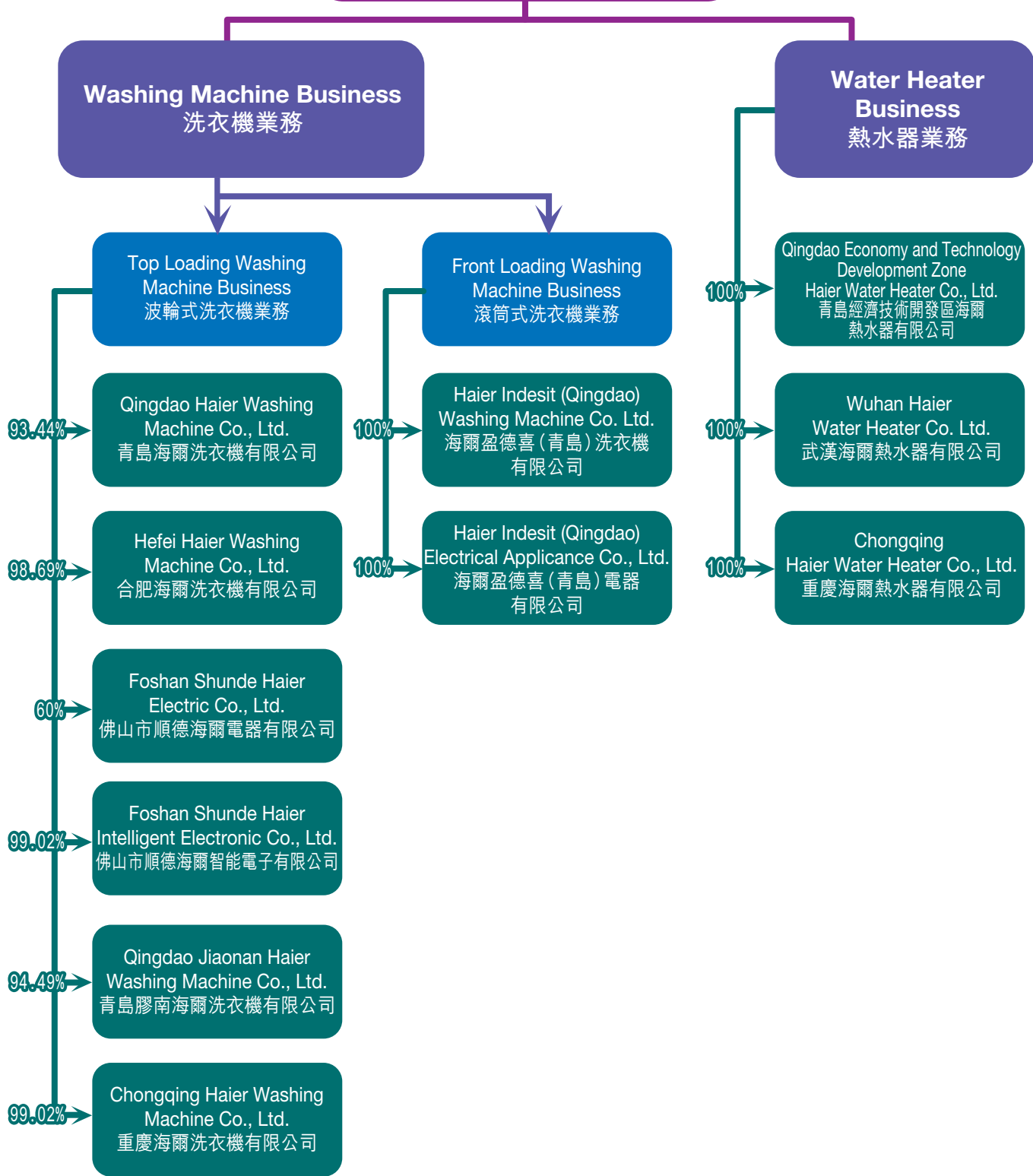
近期發展

於二零零七年十二月，本集團完成向意大利夥伴收購海爾盈德喜(滾筒式洗衣機業務)餘下之30%權益。收購將令本集團得以對海爾盈德喜作出更妥善及更有效之管理及控制，使其與本集團之其他附屬公司更有效地分享資源，從而改善其營運效率。

過往，為了旗下之波輪式洗衣機可使用若干以海爾集團成員公司名義註冊之商標，本集團須向母公司海爾集團支付商標牌照費，費用以本集團若干銷售(不包括滾筒式洗衣機及熱水器業務)0.8%之比率計算。為促進本集團進一步發展，海爾集團同意豁免本公司波輪式洗衣機之商標牌照費，由二零零八年一月一日起生效。該豁免預期將自二零零八年起改善本集團之財務表現。

Simplified Corporate Structure

企業架構簡圖



Corporate Information 公司資料

Board of Directors

Executive Directors

Ms. YANG Mian Mian (*Chairman*)
Mr. WU Ke Song (*Deputy Chairman*)
Mr. LIANG Hai Shan
Mr. CAO Chun Hua
Mr. CUI Shao Hua
Mr. SUN Jing Yan

Independent Non-executive Directors

Mr. WU Yinong
Mr. YU Hon To, David
Dr. LIU Xiao Feng

Principal Board Committees

Audit Committee

Mr. YU Hon To, David (*Committee Chairman*)
Mr. WU Yinong
Dr. LIU Xiao Feng

Remuneration Committee

Mr. WU Yinong (*Committee Chairman*)
Dr. LIU Xiao Feng
Mr. YU Hon To, David
Mr. WU Ke Song
Mr. CUI Shao Hua

Qualified Accountant & Company Secretary

Mr. YIP Wai Ming

Legal Advisors

As to Hong Kong Law
Dibb Lupton Alsop

As to Bermuda Law
Conyers Dill & Pearman

Principal Bankers in Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
Nanyang Commercial Bank, Ltd.

Principal Banker in the PRC

China Construction Bank Corporation

Auditors

Ernst & Young

Financial Calendar

Six-month interim period end : 30 June
Financial year end : 31 December

董事會

執行董事

楊綿綿女士(*主席*)
武克松先生(*副主席*)
梁海山先生
曹春華先生
崔少華先生
孫京岩先生

獨立非執行董事

吳亦農先生
俞漢度先生
劉曉峰博士

主要董事委員會

審核委員會

俞漢度先生(*委員會主席*)
吳亦農先生
劉曉峰博士

薪酬委員會

吳亦農先生(*委員會主席*)
劉曉峰博士
俞漢度先生
武克松先生
崔少華先生

合資格會計師兼公司秘書

葉偉明先生

法律顧問

香港法律
歐華律師行

百慕達法律
康德明律師事務所

香港主要往來銀行

中國工商銀行(亞洲)有限公司
南洋商業銀行有限公司

中國主要往來銀行

中國建設銀行股份有限公司

核數師

安永會計師事務所

財務日誌

六個月中期終結 : 六月三十日
財政年度年結 : 十二月三十一日

Corporate Information 公司資料

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business in Hong Kong

Unit 3513, 35/F., The Center
99 Queen's Road Central
Hong Kong

Principal Place of Business in the PRC

Haier Industrial Park
No. 1, Haier Road, Qingdao, the PRC

Principal Share Registrar and Transfer Office

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

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

Telephone Number

+852 2169 0000

Fax Number

+852 2169 0880

Stock Code

The Stock Exchange of Hong Kong Limited:
01169

Websites

www.haier-elec.com.hk

Investor Relations Contact

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Central, Hong Kong
Telephone Number : (852) 3183 0299
Fax Number : (852) 2155 9165
E-mail Address : general@ccgelite.com

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港總辦事處及主要營業地點

香港
皇后大道中99號
中環中心35樓3513室

中國主要營業地點

中國青島市海爾路1號
海爾工業園

主要股份過戶登記處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

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香港
皇后大道東28號
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傳真號碼

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股份代號

香港聯合交易所有限公司：
01169

網站

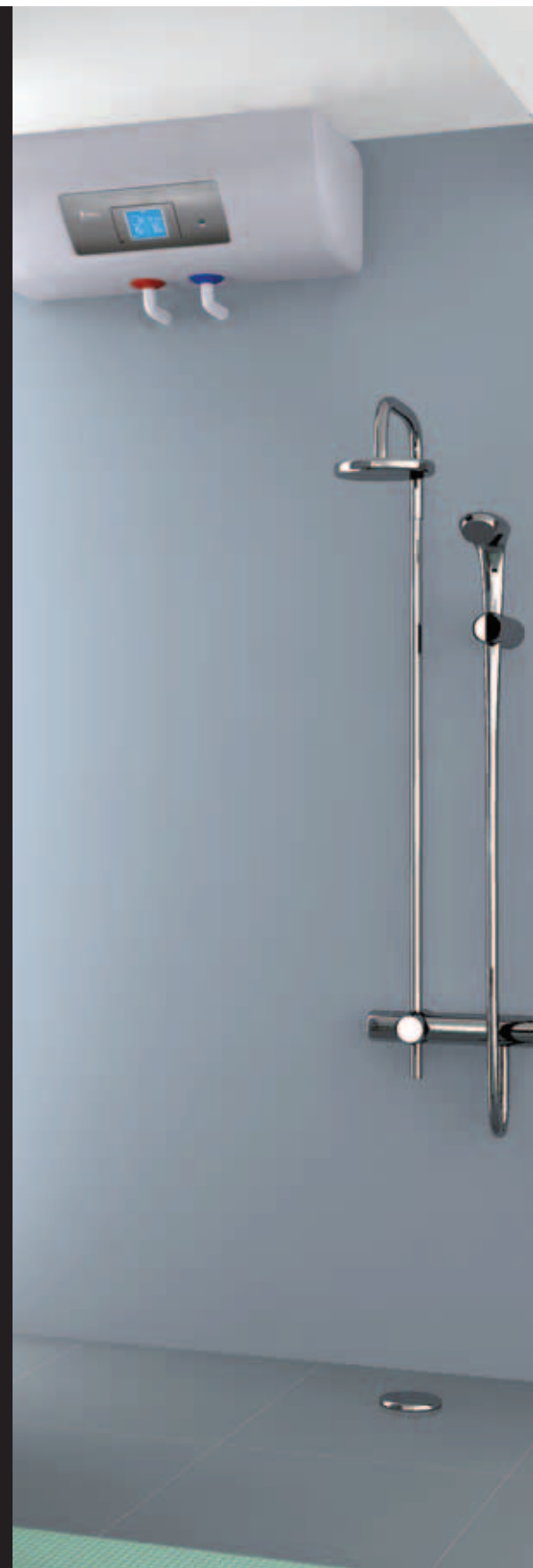
www.haier-elec.com.hk

投資者關係聯絡資料

駿天投資者關係有限公司
香港中環皇后大道中9號
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傳真號碼 : (852) 2155 9165
電郵地址 : general@ccgelite.com

Thoughtful Technology

貼心的科技





Chairman's Letter

主席函件

Overview

The Group continued to build up its core strengths in 2007. The completion of the acquisition of the front loading washing machine and water heater businesses from the Company's controlling shareholders, Haier Group Corporation and Qingdao Haier Investment and Development Co., Ltd together with their subsidiaries (collectively the "Haier Group"), in December 2006 significantly broadened the Group's revenue and earnings basis in 2007. In addition, the booming PRC economy results in significant growth in consumer spending. Coupled with measures taken by the Group to rationalize its cost structure and fine-tune its business model to enhance operational efficiency, the Group is able to achieve satisfactory results in 2007.

Group Results

Turnover from continuing operations amounted to HK\$8,549 million, representing an increase of approximately 23.9% from HK\$6,902 million in 2006. The Group continues to maintain leading positions in the washing machine and water heater markets in the PRC, with respective market share of approximately 31.9% and 20.4% in 2007 according to China Market Monitor (a market research company based in the PRC). EBITDA margin improved from 4.3% in 2006 to 4.9% in 2007 while operating margin also improved from 3.2% in 2006 to 3.9% in 2007 as a result of our launch of innovative high value added products and improvement in operational efficiency.

Excluding the net profit from the discontinued mobile handset operation of HK\$103 million (which mainly arose from the gain on disposal of this business) in the previous period in 2006, profit for the year from continuing operations increased by approximately 22.8% as compared to 2006, reaching HK\$225.7 million in 2007.

概覽

本集團繼續於二零零七年建立其核心實力。於二零零六年十二月完成向本公司控股股東海爾集團公司及青島海爾投資發展有限公司連同其附屬公司(統稱「海爾集團」)收購滾筒式洗衣機及熱水器業務，令本集團於二零零七年之收益及盈利基礎大為擴闊。此外，中國經濟蓬勃帶動消費者開支大幅增長。由於本集團採取措施以精簡成本架構及調整經營模式，從而提高營運效率，故本集團能夠於二零零七年錄得理想之業績。

集團業績

來自持續經營業務之營業額達8,549,000,000港元，較二零零六年之6,902,000,000港元增加約23.9%。本集團繼續在中國洗衣機及熱水器市場中保持龍頭地位，根據中怡康時代市場研究(一間以中國為基地之市場調查公司)，本集團於二零零七年在上述市場之市場佔有率分別約為31.9%及20.4%。本集團推出了創新高增值產品及改善營運效益，令EBITDA(除利息、稅項、折舊及攤銷前盈利)邊際利潤率由二零零六年之4.3%改善至二零零七年之4.9%，而經營溢利率亦由二零零六年之3.2%改善至二零零七年之3.9%。

撇除二零零六年同期已終止經營之移動手機業務所得純利103,000,000港元(主要因出售該業務之收益而產生)後，持續經營業務之年內溢利較二零零六年增加約22.8%至二零零七年之225,700,000港元。



Chairman's Letter

主席函件

Outlook

In December 2007, the Group acquired the remaining 30% interest in Haier Indesit (Qingdao) Washing Machine Co., Ltd. and Haier Indesit (Qingdao) Electrical Appliance Co., Ltd. (collectively "Haier Indesit"), which are engaged in the manufacture and sale of front loading washing machines, from the Italian partner Indesit Group. The acquisition is expected to enable the Group to have better and more effective management control over Haier Indesit, enable more effective sharing of resources with other subsidiaries of the Group and thus improving our operating efficiencies from 2008 onwards. In addition, in the past, the Group had to pay a trademark licence fee to the parent company Haier Group at a rate of 0.8% of sales of top loading washing machines. In order to facilitate further growth of the Group, the Haier Group agreed to waive such trademark licence fee, which represented approximately 17.8% of the profit from continuing operations of the Group in 2007, with effect from 1 January 2008. The waiver is expected to improve financial performance of the Group from 2008 onwards.

Despite measures being taken by the PRC government to cool down the economy, we are still seeing substantial growth in consumer spending and we remain optimistic on the washing machine and water heater markets in the PRC, in particular in the 3rd and 4th tier cities and rural area in view of the growing brand consciousness of the consumers in these markets, and the government's policy to improve living standard in the rural area. In addition, although sales for exports currently only account for approximately 10% of total revenue, with Haier being a sponsor to the Beijing Olympic Games in 2008, we believe our brand recognition will be significantly enhanced in overseas markets, which is expected to help our growth in export sales from 2008 onwards. Coupled with the acquisition of the remaining 30% interest in Haier Indesit and the waiver of trademark licence fee as mentioned above, we are optimistic about the prospects of the Group in the forthcoming year.

Appreciation

I would like to take this opportunity to thank all my fellow directors and staff for their dedicated services, contributions and support during the year.

By Order of the Board of
Haier Electronics Group Co., Ltd.
Yang Mian Mian
Chairman

Hong Kong, 24 April 2008

前景

於二零零七年十二月，本集團向意大利夥伴盈德喜集團收購海爾盈德喜(青島)洗衣機有限公司及海爾盈德喜(青島)電器有限公司(統稱「海爾盈德喜」)，從事製造及銷售滾筒式洗衣機業務)餘下之30%權益。收購預期將令本集團得以對海爾盈德喜作出更妥善及更有效之管理及控制，使其與本集團之其他附屬公司更有效地分享資源，從而改善其於二零零八年之營運效率。此外，過往，本集團須向母公司海爾集團支付商標牌照費，費用以波輪式洗衣機銷售0.8%之比率計算。為促進本集團進一步發展，海爾集團同意豁免該商標牌照費(佔本集團二零零七年來自持續經營業務之溢利約17.8%)，由二零零八年一月一日起生效。豁免預期將於二零零八年改善本集團之財務表現。

儘管中國政府採取措施為經濟降溫，惟本公司察覺到消費開支仍持續大幅增長。鑑於洗衣機及熱水器市場之消費者對品牌認知上升及政府改善農村地區生活質素之政策，本公司對中國之洗衣機及熱水器市場(尤其於第三及第四線城市及農村地區)保持樂觀。此外，雖然現時出口銷售僅佔總收益約10%，但由於海爾作為二零零八年北京奧運之贊助商，本公司相信於海外市場之品牌認知將大大提升，而品牌知名度之提升預期有助由二零零八年之出口銷售之增長。加上上述收購海爾盈德喜餘下30%權益及豁免商標牌照費，本公司對本集團於來年之前景感到樂觀。

致謝

本人謹藉此機會感謝全體董事及員工於年內之竭誠服務、貢獻及支持。

承董事會命
海爾電器集團有限公司
主席
楊綿綿

香港，二零零八年四月二十四日

Directors and Senior Management 董事及高級管理層

The directors and senior management of the Group as at the date of this report are as follows:

Executive Directors

Ms. YANG Mian Mian, aged 66, has served as the Chairman and an Executive Director of the Company since January 2005. Ms. Yang is responsible for determining corporate strategies and overall management of the Group. She graduated from Shandong Industrial Institute, which is now known as Shandong University, the People's Republic of China (the "PRC") in 1963. As one of the founders of the Haier Group, she has been in charge of the overall management of the white goods business since 1984. She is currently the president of Haier Group Corporation ("Haier Corp") and the chairman of Qingdao Haier Co., Ltd. (a company listed on the Shanghai Stock Exchange (the "A-Share Company")). Ms. Yang is also a director of certain subsidiaries of the Group. In 2006, she was elected by Forbes as one of "The World's Most Powerful Women".

Mr. WU Ke Song, aged 57, has served as the Deputy Chairman and an Executive Director of the Company since December 2001 and is also a member of the remuneration committee of the Company. Mr. Wu is responsible for worldwide business development of the Group and liaison with relevant government officials. He graduated from Shandong Industrial Institute, the PRC which is now known as Shandong University, the PRC in 1974 and joined the Haier Group in 1984. He is also a vice chairman of Haier Corp and a director of a subsidiary of the Group.

Mr. LIANG Hai Shan, aged 41, has served as an Executive Director of the Company since December 2001. Mr. Liang is mainly responsible for strategic procurement and overall quality control of products of the Group. He received a Bachelor's degree of Industry from the Xian Jiaotong University, the PRC and has 19 years of experience in the manufacture of household electrical appliances, in particular in raw material procurement function and white goods business. He is also a senior vice president of Haier Corp.

於本報告日期，本集團之董事及高級管理層如下：

執行董事

楊綿綿女士，66歲，自二零零五年一月起出任本公司主席兼執行董事，楊女士負責制定本集團的企業策略及整體管理。彼於一九六三年畢業於中華人民共和國（「中國」）山東工業學院（現稱為山東大學）。楊女士為海爾集團創辦人之一，自一九八四年起負責白色家電業務的整體管理，彼現時為海爾集團公司（「海爾集團公司」）總裁，以及於上海證券交易所上市之青島海爾股份有限公司（「A股公司」）主席。楊女士亦為本集團若干附屬公司之董事。彼於二零零六年獲美國《福布斯》雜誌評為「全球最具有影響力的女性」之一。

武克松先生，57歲，自二零零一年十二月起出任本公司副主席兼執行董事，並為本公司薪酬委員會成員。武先生負責本集團的全球業務發展，並與有關政府官員聯繫。武先生於一九七四年畢業於中國山東工業學院（現稱為山東大學），於一九八四年加入海爾集團。彼亦為海爾集團公司的副主席及本集團一間附屬公司之董事。

梁海山先生，41歲，自二零零一年十二月起出任本公司執行董事，梁先生主要負責本集團的策略採購及產品的整體品質監控。彼持有中國西安交通大學工業學士學位，累積十九年製造家電經驗，更深具原料採購及白色家電業務經驗。彼亦為海爾集團公司之高級副總裁。

Directors and Senior Management 董事及高級管理層

Executive Directors (Cont'd)

Mr. CAO Chun Hua, aged 39, has served as an Executive Director of the Company since January 2005. Mr. Cao is currently the General Manager of the Group's washing machine business. He graduated from Hangzhou Electronic Industry College, the PRC with a Bachelor's degree in 1991. He joined the Haier Group in 1995 and has since held a number of senior positions in the washing machine business. He is also a vice president of Haier Corp and a director of certain subsidiaries of the Group.

Mr. CUI Shao Hua, aged 50, has served as an Executive Director of the Company since November 2002 and is a member of the remuneration committee of the Company. Mr. Cui is responsible for the Group's corporate finance function. Mr. Cui graduated from Jilin Institute of Finance and Commerce, the PRC in 1982. He joined the Haier Group in 1993 and has over 20 years of experience in financial management and listed companies' operations. He is also a director and a deputy chairman of the A-Share Company, a vice president of Haier Corp and a director of certain subsidiaries of the Group. He is currently also a director of Changjiang Securities Company Limited (a company listed on the Shenzhen Stock Exchange).

Mr. SUN Jing Yan, aged 37, has served as an Executive Director of the Company since March 2007. Mr. Sun has been the general manager of the Haier Group's Electrothermal Product Division since 2005 and is mainly responsible for the operation of the Group's water heater business. Mr. Sun graduated from Shangdong Institute of Light Industry, the PRC in 1993 with a Bachelor of Engineering in Machine Design and Manufacture. He joined the Haier Group in 1993 and has since held a number of senior positions in the Electrothermal Appliance Department of the Haier Group. Mr. Sun is also a director of certain subsidiaries of the Group. He has over 14 years of extensive experience in water heater business.

執行董事(續)

曹春華先生，39歲，自二零零五年一月起出任本公司執行董事，曹先生現時為本集團洗衣機業務的總經理。彼於一九九一年畢業於中國杭州電子工業學院，獲頒學士學位。彼於一九九五年加入海爾集團，並自此出任洗衣機業務的多項要職。彼亦為海爾集團公司的副總裁及本集團若干附屬公司之董事。

崔少華先生，50歲，自二零零二年十一月起出任本公司執行董事，並為本公司薪酬委員會成員。崔先生負責本集團的資產運營職能。崔先生於一九八二年畢業於中國吉林財貿學院。彼於一九九三年加入海爾集團，累積二十多年財務管理及上市公司營運經驗。彼亦為A股公司之董事兼副主席、海爾集團公司之副總裁及本集團若干附屬公司之董事。彼現時亦為長江證券股份有限公司(一間於深圳證券交易所上市之公司)之董事。

孫京岩先生，37歲，於二零零七年三月起出任本公司執行董事。孫先生自二零零五年起出任海爾集團電熱產品本部之總經理，主要負責集團之熱水器業務營運。孫先生於一九九三年畢業於中國山東輕工業學院，獲頒機械設計與製造工學學士學位。彼於一九九三年加入海爾集團，並自此出任海爾集團電熱器具部的多項要職。孫先生亦為本集團若干附屬公司之董事。彼在熱水器業務方面累積逾十四年之豐富經驗。

Directors and Senior Management 董事及高級管理層

Independent Non-executive Directors

Mr. WU Yinong, aged 45, has served as an Independent Non-executive Director of the Company since January 2005 and is a member of both the audit committee and the remuneration committee of the Company. Mr. Wu graduated from Portland State University in the United States of America with a Master's degree in Business Administration in 1994. He is currently Executive Director of China Merchants Securities (Hong Kong) Co., Limited and the Head of Investment Banking Department. He has been in the investment banking industry for more than 10 years.

Mr. YU Hon To, David, aged 60, was appointed as an independent non-executive director of the Company on 21 June 2007. Mr. Yu is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Institute of Certified Public Accountants. He was formerly a partner of an international accounting firm with extensive experience in corporate finance. Mr. Yu is a founder and a director of MCL Capital Limited (previously known as Management Capital Limited), which specialises in direct investment and financial advisory activities, and also sits on the boards of several listed companies in Hong Kong.

Dr. Liu Xiao Feng, aged 45, was appointed as an independent non-executive director of the Company on 21 June 2007. He is currently Managing Director of DBS Asia Capital Limited. He has worked in various international financial institutions since 1993, including N. M. Rothschild & Sons and JP Morgan, and has many years of experience in corporate finance. Dr. Liu has a Ph.D and Master degrees from the Faculty of Economics, University of Cambridge and a Bachelor of Economics from Sichuan Institute of Finance and Economics, China. Dr. Liu is currently also an independent non-executive director of CNPC (Hong Kong) Limited and Honghua Group Limited, both of which are publicly listed companies on the Stock Exchange.

獨立非執行董事

吳亦農先生，45歲，自二零零五年一月起出任本公司獨立非執行董事，亦為本公司審核委員會及薪酬委員會成員。吳先生於一九九四年畢業於美國波特蘭州立大學，持有工商管理碩士學位。彼現職招商證券(香港)有限公司之執行董事及投資銀行部主管。彼具有十多年投資銀行業經驗。

俞漢度先生，60歲，於二零零七年六月二十一日獲委任為本公司獨立非執行董事。俞先生為英格蘭及威爾斯特許會計師公會之資深會員及香港會計師公會之會員。俞先生曾擔任一間國際會計師事務所之合夥人，並於企業融資方面擁有豐富經驗。俞先生為偉業融資有限公司之創辦人及董事，該公司專門從事直接投資及企業財務顧問之業務。俞先生亦為香港若干上市公司之董事會成員。

劉曉峰博士，45歲，於二零零七年六月二十一日獲委任為本公司獨立非執行董事。彼現任星展亞洲融資有限公司之董事總經理。彼自一九九三年起曾任職於多間國際金融機構，包括洛希爾父子及摩根大通，並擁有多年企業融資經驗。劉博士持有劍橋大學經濟系博士及碩士學位及中國四川財經學院經濟學士學位。劉博士現時並出任於聯交所上市公司中國(香港)石油有限公司及宏華集團有限公司之獨立非執行董事。

Directors and Senior Management 董事及高級管理層

Senior Management

Mr. YIP Wai Ming, aged 43, joined the Company in 2004 as Chief Financial Officer. He is also the Company Secretary and Qualified Accountant of the Company. Mr. Yip has more than 20 years of experience in finance and accounting, and had held senior positions in an international accounting firm, a major European bank and listed companies in Hong Kong. He graduated from the University of Hong Kong with a Bachelor's degree in Social Sciences and from the University of London with a Bachelor's degree in Law. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Chinese Institute of Certified Public Accountants.

Mr. CHEN Lu Cheng, aged 38, graduated from College of Constructive Material in Shandong, the PRC with a Bachelor's degree in Engineering in 1992. He joined the Haier Group in 1995 and has since held a number of senior positions in the washing machine division. He is currently responsible for production management of the washing machine business of the Group.

Mr. LU Pei Shi, aged 44, graduated from Shandong Agricultural and Mechanical College, the PRC with a Bachelor's degree in 1987. He joined the Haier Group in 1995 and has since held a number of senior positions in the washing machine business of the Haier Group. He is currently responsible for the research and development function of the washing machine business of the Group. He is a member of the Washing Machine Sub-committee of the International Electrotechnical Commission.

Mr. ZHANG Zheng Tao, aged 33, graduated from Shangdong Light Industry University, the PRC with a Bachelor's degree of Material Engineering. He joined the Haier Group in 1996 and has held a number of senior positions in the water heater division. He is currently a director of Electrothermal Appliance Department.

高級管理層

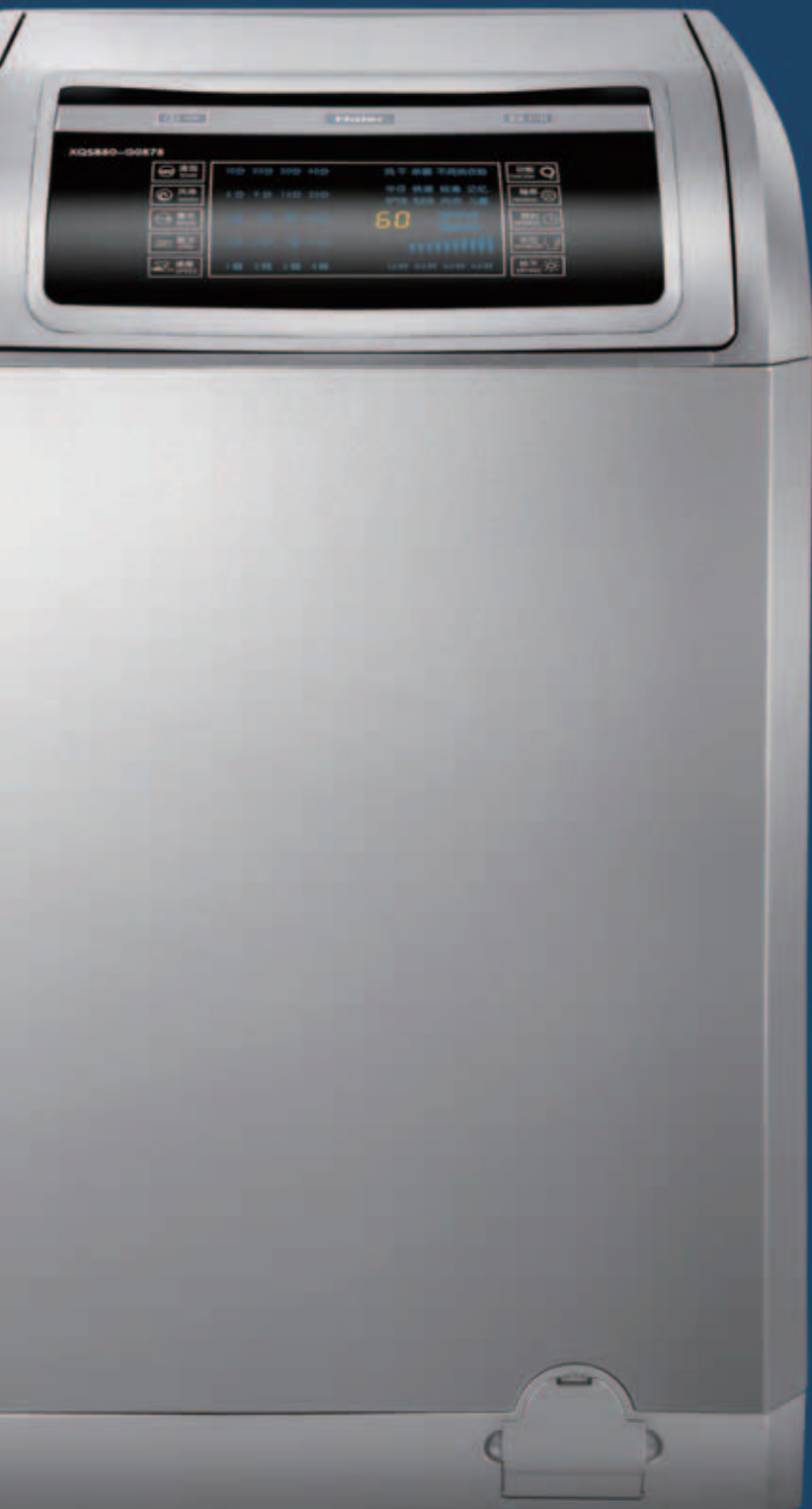
葉偉明先生，43歲，於二零零四年加入本公司出任財務總監，彼亦為本公司之公司秘書兼合資格會計師。葉先生於財務及會計方面累積逾二十年經驗，曾先後於一家國際會計師行、一家大型歐洲銀行及香港多家上市公司出任高級職位。彼畢業於香港大學，獲頒社會科學學士學位，亦取得倫敦大學法律學士學位。彼為香港會計師公會會員、英國特許公認會計師公會資深會員及中國註冊會計師協會會員。

陳景城先生，38歲，於一九九二年畢業於中國山東建築材料工業學院，獲頒工程學士學位。彼於一九九五年加入海爾集團，並自此出任洗衣機部門的多項要職。彼現負責管理集團洗衣機業務之生產事宜。

呂佩師先生，44歲，於一九八七年畢業於中國山東農業機械化學院，獲頒學士學位。彼於一九九五年加入海爾集團，並自此出任洗衣機業務的多項要職。彼現負責本集團洗衣機業務之研究及開發工作。彼現為國際電工委員會洗衣機分技術委員會工作組專家。

張正濤先生，33歲，畢業於中國山東輕工業大學，持有材料工程學士學位。彼於一九九六年加入海爾集團，並自此出任熱水器部門的多項要職。彼現為電熱器具部部長。





Global Brand
世界級品牌

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Business Review

Washing Machine Business

The Group's washing machine business comprises the manufacture and sale of top loading and front loading washing machines, which together accounted for approximately 81% of total revenue for 2007 (2006: 81.9%). The Group continues to strengthen its dominant market position in the PRC with strong revenue growth of 22.6% from HK\$5,651 million in 2006 to HK\$6,927 million in 2007. Operating margin remained stable at 3.9% in 2007. As a result, operating profit grew by 22.9% from HK\$221 million in 2006 to HK\$272 million in 2007. The growth in both volume and profitability was made possible due largely to our well-received marketing programs and successful product positioning. In addition, our sophisticated design and technology were reaffirmed during the period by winning awards such as the red dot product design award in Germany, which is an internationally recognized quality label for excellence in design.

The front loading washing machine business, in which we increased our stake from 70% to 100% in December 2007 as mentioned above, is in particular an area with significant growth potential, with 2007 sales of HK\$1,689 million, an increase of 34.3% compared with 19.2% for top loading washing machines, and accounted for 24.4%

業務回顧

洗衣機業務

本集團之洗衣機業務包括製造及銷售波輪式及滾筒式洗衣機，合共佔二零零七年總收益約81%（二零零六年：81.9%）。本集團繼續鞏固其於中國市場之顯赫地位，並於二零零七年錄得強勁收益增長，由二零零六年之5,651,000,000港元增加22.6%至二零零七年之6,927,000,000港元。經營溢利率亦於二零零七年維持穩定3.9%。因此，經營溢利由二零零六年之221,000,000港元增長22.9%至二零零七年之272,000,000港元。本集團推行之市場推廣活動廣受歡迎及產品定位湊效，令銷量及盈利能力均取得增長。此外，本集團於期內勇奪德國紅點產品設計大獎（國際認可之頂級設計獎項）等殊榮，足證其精密設計與技術得到認同。

上述本集團於二零零七年十二月將權益由70%增加至100%之滾筒式洗衣機業務為特別具龐大增長潛力之範疇，二零零七年之銷售額為1,689,000,000港元，增加34.3%（波輪式洗衣機則增加19.2%），並佔洗衣機銷售額24.4%，較二零零六年之22.3%增加。此類型洗衣機於歐洲



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財務回顧

of washing machines' sales, up from 22.3% in 2006. This type of washing machine is more popularly used in Europe and has higher average selling price. In the PRC, they are targeting the higher end of the market and have only been introduced to market for a relatively shorter period of time. With rising income level and spending power of consumers in the PRC, we believe there is significant growth potential for these products.

To cater for our rapid growth in sales, a new factory with annual production capacity of approximately 1 million units has been constructed in Chongqing, the PRC and production has commenced in the first quarter of 2007, boasting our total annual production capacity to approximately 8 million units.

We will continue to enhance our competitiveness by focusing on developing our R&D capabilities so as to bring more differentiated products with value added features to the market to improve our margin. We will also put particular emphasis on environmentally friendly concept which we believe is the global trend for all consumer products. Looking forward, the Directors are confident that the washing machine business will continue to perform satisfactorily in the years ahead.

Water Heater Business

The water heater business, which accounted for approximately 19% of Group revenue in 2007 (2006: 18.1%), also posted strong growth in both volume and profitability. Revenue grew by approximately 29.7%, reaching HK\$1,623 million in 2007. Operating margin improved from 3.5% in 2006 to 5.3% in 2007. As a result, operating profit increased by 95% from HK\$44.2 million in 2006 to HK\$86.4 million in 2007.

獲廣泛使用，平均售價亦較高。於中國，此類型洗衣機主攻較高檔次之客戶，而推出市場之時間相對較短。隨著中國消費者之收入水平及消費力上升，本集團相信此等產品之增長潛力優厚。

為配合銷售之迅速增長，本集團已於中國重慶興建一座全新廠房，年產能約為1,000,000部，並已於二零零七年第一季投產，令本集團之總年產能上升至約8,000,000部。

本集團將繼續提高其競爭力，透過專注發展研發能力，為市場提供更多具增值功能之獨特產品以改善邊際利潤。本集團亦會更加著重環保概念產品，本集團深信，有關產品實為所有消費品之全球大勢所趨。展望將來，董事有信心洗衣機業務將繼續在未來數年取得佳績。

熱水器業務

熱水器業務於二零零七年佔本集團之收益約19% (二零零六年：18.1%)，其亦於銷售量及盈利能力錄得強勁增長。二零零七年之收益增加約29.7%至1,623,000,000港元。經營溢利率由二零零六年之3.5%改善至二零零七年之5.3%。因此，經營溢利亦由二零零六年之44,200,000港元增加95%至二零零七年之86,400,000港元。

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The Group produces three types of water heaters, namely, electrical water heaters, gas water heaters and solar power water heaters. Electrical water heaters and gas water heaters are currently the predominant types of water heaters sold in the PRC while the market share of solar power water heaters is still insignificant. However, we are seeing significant market potential for solar water heaters due to their environmentally friendly, safety and energy efficient features. With our extensive experience and expertise and strong emphasis on R&D, we believe we would be able to take advantage of the growth opportunities in this market in the long run.

In recognition of our technology excellence, the Group's patented PTOIO technology (防電牆技術), a safe care water heater technology, which ensures users' safety in case of electricity leakage, was included in the 2006 IEC standard proposal (IEC國際標準提案), and was further recognized as the national standard in the PRC with effect from July 2007. Going forward, the Group will follow its "safety-based products" philosophy in the design of water heater products and continue to lead the industry in safety technologies.

Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 114% as at 31 December 2007 (2006: 115%). As at 31 December 2007, the Group had a cash balance of HK\$595 million (2006: HK\$627 million); bank and other borrowings of approximately HK\$215 million (2006: HK\$137 million) of which approximately HK\$62 million (2006: HK\$58 million) was due within one year and approximately HK\$153 million (2006: HK\$ 79 million) was due over one year; and zero-coupon 3-year convertible notes (the "Convertible Notes") with a face value of HK\$170 million (2006: HK\$170 million) and a liability element of HK\$169 million (2006: HK\$162 million) and was due to mature on 27 January 2008. The Convertible Notes were fully converted into 94,444,444 shares of the Company at a conversion price of HK\$1.8 per share in January 2008.

本集團生產三類熱水器，即電熱水器、燃氣熱水器及太陽能熱水器。電熱水器及燃氣熱水器目前為在中國出售之主要熱水器類別，而太陽能熱水器之市場佔有率則仍然較低。然而，本集團預期太陽能熱水器將因其環保、安全及具能源效益之優點而具龐大市場潛力。憑藉本集團之豐富經驗、專業知識以及著重研發，本集團相信長遠能夠抓緊該市場之增長商機。

本集團之專利安全熱水器技術PTOIO防電牆技術可在發生漏電時確保使用者之安全，該專利已獲納入二零零六年IEC國際標準提案，並由二零零七年七月起進一步獲認可為中國國家標準，足證本集團之優秀技術廣受認同。未來，本集團將在設計熱水器產品方面奉行其「產品以安全為本」之理念，繼續在安全技術上領導業界。

流動資金及財務資源

本集團之財政及流動資金狀況穩健，於二零零七年十二月三十一日之流動比率為114% (二零零六年：115%)。於二零零七年十二月三十一日，本集團之現金結餘為595,000,000港元(二零零六年：627,000,000港元)；銀行及其他借貸約215,000,000港元(二零零六年：137,000,000港元)，其中約62,000,000港元(二零零六年：58,000,000港元)於一年內到期，而約153,000,000港元(二零零六年：79,000,000港元)於超過一年後到期；及零息三年期可換股票據(「可換股票據」)之面值為170,000,000港元(二零零六年：170,000,000港元)，其負債部分為169,000,000港元(二零零六年：162,000,000港元)，於二零零八年一月二十七日期到。可換股票據於二零零八年一月按每股1.8港元之兌換價全數兌換為94,444,444股本公司股份。

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Due to our focus on cashflow management, the Group has been able to maintain a very strong cash position with a net cash balance (cash balance less borrowings and Convertible Notes) of HK\$211 million as at 31 December 2007.

There is no material effect of seasonality on the Group's borrowing requirements.

The Group had capital commitments amounting to HK\$18 million as at 31 December 2007 (2006: HK\$252 million), all being contracted capital commitments, which were mainly related to purchase of machinery for the expansion in production capacity of the Group's businesses.

Capital Structure and Gearing Ratio

Capital Reorganisation

Pursuant to a special resolution passed by the Company's shareholders at a special general meeting of the Company held on 7 March 2007, the Company has undertaken a capital reorganisation involving capital reduction and share consolidation effected on 8 March 2007 as summarized below:

- (1) Capital Reduction: a reduction in nominal value of each of then issued share from HK\$0.1 to HK\$0.01 by cancellation of HK\$0.09 paid up capital on each of then issued share.
- (2) Share Consolidation: every 10 issued share of HK\$0.01 each resulting from the said capital reduction was consolidated into 1 share of HK\$0.1 each.

The details of the said capital reorganisation are set out in (a) two announcements of the Company dated 24 January 2007 and 8 March 2007 respectively; and (b) a circular of the Company dated 6 February 2007.

Gearing Ratio

As at 31 December 2007, the Group maintained a gearing ratio (defined as total borrowings plus Convertible Notes over net assets) of 41% (2006: 37%).

由於本集團著重現金流量管理，故此本集團得以維持十分穩健之現金狀況，於二零零七年十二月三十一日之現金結餘淨額(現金結餘減借貸及可換股票據)為211,000,000港元。

本集團之借貸需要並無重大季節性影響。

於二零零七年十二月三十一日，本集團之資本承擔為18,000,000港元(二零零六年：252,000,000港元)，即為已訂約資本承擔，主要由於為提高本集團業務產能而購買機器所致。

資本架構及負債資本比率

股本重組

根據本公司股東於本公司於二零零七年三月七日舉行之股東特別大會上通過之特別決議案，本公司已進行股本重組(涉及股本削減及股份合併)，由二零零七年三月八日起生效，概述如下：

- (1) 股本削減：透過註銷每股當時已發行股份之已繳足股本0.09港元，將每股當時已發行股份之面值由0.1港元削減至0.01港元。
- (2) 股份合併：將因上述股本削減而產生之每10股每股面值0.01港元之已發行股份合併為一股每股面值0.1港元之股份。

上述股本重組之詳情載於(a)本公司分別於二零零七年一月二十四日及二零零七年三月八日刊發之兩份公佈；及(b)本公司於二零零七年二月六日刊發之通函。

負債資本比率

於二零零七年十二月三十一日，本集團之負債資本比率(定義為按借貸總額加可換股票據除以資產淨值計算)為41%(二零零六年：37%)。

Financial Review

財務回顧

Treasury Policies

The Group employs a conservative approach to cash management and risk controls. Most of the Group's receipts and payments are in Renminbi and Hong Kong dollars. Cash is generally placed in short term deposits denominated either in Renminbi or Hong Kong dollars. As at 31 December 2007, the Convertible Notes were denominated in Hong Kong dollars and most of the Group's borrowings were denominated in Renminbi and were principally made on a floating rate basis. Foreign currency risk is largely, though not fully, mitigated as liabilities in Renminbi will be substantially matched by the Group's earnings, most of which are from domestic sales in the PRC and are denominated in Renminbi and only approximately 10% of the Group's revenue are from export sales and are denominated in other currencies. The Group does not have any significant interest rate risk, as the Group has an overall net cash balance. The Group does not have any financial instruments for hedging purposes.

Employees and Remuneration Policy

The total number of employees of the Group as at 31 December 2007 was approximately 15,500, representing an increase of approximately 98.7% as compared to 31 December 2006 and total staff costs for the year amounted to approximately HK\$482 million, representing an increase of approximately 138% as compared to 2006, which was mainly due to the Group's establishing its own sales and distribution channel for domestic sales of front loading washing machines and water heaters with effect from 1 January 2007 upon completion of the abovementioned acquisition of these businesses in December 2006.

The Group ensures that the remuneration packages for its employees are competitive and employees are generally remunerated with a fixed monthly income, which are normally reviewed on an annual basis, plus discretionary performance bonuses.

庫務政策

本集團採取審慎現金管理及風險監控。本集團大部分收支以人民幣及港元結算。現金一般存作人民幣或港元短期存款。於二零零七年十二月三十一日，可換股票據以港元計值，而本集團大部分借貸以人民幣結算，並主要按浮動利率計息。由於人民幣負債將與本集團收益(大部分來自於中國之國內銷售、以人民幣計值，且僅約10%之本集團收益乃來自出口銷售及以其他貨幣計值)大幅對銷，因此外匯風險雖未全面緩和，但已大為降低。由於本集團擁有整體現金結餘淨額，故此本集團並無任何重大利率風險。本集團並無運用任何金融工具進行對沖。

僱員及薪酬政策

本集團於二零零七年十二月三十一日之僱員總數約15,500人，較於二零零六年十二月三十一日增加約98.7%，而年內之總員工成本約為482,000,000港元，較二零零六年增加約138%，主要由於在二零零六年十二月完成上述收購滾筒式洗衣機及熱水器業務後，本集團自二零零七年一月一日起建立其銷售及分銷渠道以在國內銷售滾筒式洗衣機及熱水器所致。

本集團確保僱員酬金待遇具競爭力，僱員一般獲發定額月薪，另加按表現酌情發放之花紅，而薪酬通常每年作檢討。

Financial Review

財務回顧

Material Acquisition and Disposal of Subsidiaries and Associates

On 4 September 2007, the Group entered into agreements to acquire the remaining 30% interest in Haier Indesit (Qingdao) Washing Machine Co., Ltd. and Haier Indesit (Qingdao) Electrical Appliance Co., Ltd., which are engaged in the manufacture and sale of front loading washing machines, from Indesit Group, for an aggregate consideration of €14,310,000 (approximately HK\$162,977,000). The acquisition was completed in December 2007.

附屬公司及聯營公司之重大收購及出售

於二零零七年九月四日，本集團訂立協議，按總代價14,310,000歐羅（約162,977,000港元）向盈德喜集團收購海爾盈德喜（青島）洗衣機有限公司及海爾盈德喜（青島）電器有限公司（從事製造及銷售滾筒式洗衣機）之餘下30%權益。該收購已於二零零七年十二月完成。

Corporate Governance Report

企業管治報告

The board (the “Board”) of directors (the “Directors”) and the management (the “Management”) of Haier Electronics Group Co., Ltd. (the “Company”) recognise that sound corporate practices are crucial to the efficient operation of the Company and its subsidiaries (collectively the “Group”) and the safeguarding of our shareholders’ interests. In this regard, the Board attaches great priority to reinforce the Company’s corporate governance standards with emphasis on transparency, accountability and independence in order to enhance our long-term shareholders’ value.

The Company has, throughout the year ended 31 December 2007, complied with most of the applicable code provisions (the “Code Provision(s)”) and principles under the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) except for certain deviations as described below. This report describes the Company’s corporate governance practices, explains its applications of and deviations from the CG Code, together with considered reasons for such deviations.

Board of Directors

Composition

The Board currently comprises six executive Directors and three independent non-executive Directors (the “INED(s)”). The Directors are well-versed in respective areas such as legal, accounting and finance, business management and industry knowledge and the Board as a whole has achieved an appropriate balance of skills and experience. The Directors’ biographical details are set out on pages 10 to 13 of this annual report.

To the best of the Company’s knowledge, there is no financial or family relationship among the Board members. All of them are free to exercise their independent judgment on all matters concerning the Company.

海爾電器集團有限公司(「本公司」)董事(「董事」)會(「董事會」)及管理層(「管理層」)深明優良之企業常規為本公司及其附屬公司(統稱「本集團」)有效經營及股東權益保障之重要關鍵。就此方面，董事會非常著重提升本公司之企業管治水平，尤其注重公司之透明度、問責性與獨立性，務求提高本公司股東之長遠價值。

截至二零零七年十二月三十一日止年度，除下列偏離外，本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「企業管治守則」)之大部分適用守則條文(「守則條文」)及原則。本報告說明本公司之企業管治常規、闡釋其對企業管治守則之應用與偏離，連同有關偏離之經考慮原因。

董事會

組成

董事會現時由六名執行董事及三名獨立非執行董事(「獨立非執行董事」)組成。董事在法律、會計與財務、業務管理及行業知識等各範疇擁有深入精闢之認識，而董事會整體更具備各方面之適當技能與經驗。董事之履歷詳情載於本年報第10至第13頁內。

就本公司所深知，董事會成員之間概無財務或親屬關係。全體董事均可就本公司之一切事宜作出獨立判斷。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Delegation by the Board

The Directors are collectively responsible for setting the Group's strategies, providing leadership and guidance to put them into effect, reviewing and monitoring the performance of the Group and are accountable to the Company's shareholders. To maximise the effectiveness of the Group's operations, the Board has delegated management and administration of the Group's daily operations to the executive Directors and the Management while reserving several important matters for its approval. To this end, the Board has adopted written guidelines (the "Guidelines") laying down the division of functions between the Board and the Management (including the executive Directors for the purpose of the Guidelines).

Pursuant to the Guidelines, the major functions of the Board and the Management are summarized as follows:

The Board is principally responsible for:

1. determining the overall strategy and approving annual operating budget of the Group;
2. reviewing all significant policies of the Group;
3. monitoring the performance of the Management to ensure that the business operations of the Group are properly planned and undertaken;
4. approving interim and annual results of the Group based on recommendations made by the audit committee of the Company;
5. approving material contracts and transactions for which the Management is required to obtain the Board's prior approval; and
6. subject to the requirements of the Listing Rules, approving transactions in which connected person(s) (as defined in the Listing Rules) of the Group is/are considered having a material conflict of interests.

董事會(續)

董事會之授權

董事須共同負責制訂本集團之策略，並為有關策略之實行提供領導與指引，亦肩負檢討及監察本集團表現之責任，同時向本公司股東負責。為提高本集團之營運效率，董事會已授權執行董事及管理層負責本集團日常營運之管理及行政工作，但若干重要事宜則須待其批准。就此而言，董事會已採納一套書面指引(「指引」)，列明董事會與管理層(就指引而言，包括執行董事)間之職能劃分。

根據指引，董事會與管理層之主要職能概述如下：

董事會主要負責：

1. 釐定本集團之整體策略及批准年度經營預算；
2. 檢討本集團之所有重大政策；
3. 監察管理層之表現，確保本集團之業務營運妥善策劃及執行；
4. 根據本公司審核委員會作出之推薦建議，批准本集團之中期及年度業績；
5. 批准管理層須取得董事會事先批准之重大合約及交易；及
6. 在上市規則規定之規限下，批准本集團關連人士(定義見上市規則)被視為於其中有重大利益衝突之交易。

Corporate Governance Report 企業管治報告

Board of Directors (Cont'd)

Delegation by the Board (Cont'd)

The Management is principally responsible for:

1. exercising all such other powers and perform all such other acts as may be exercised and performed by the Directors, save and except for those that may specifically be reserved by the Board and/or the committees set up by the Board for decision and implementation; or those that may only be exercised by the Board pursuant to The Companies Act of Bermuda, the Bye-laws of the Company, the Listing Rules and/or the Hong Kong Codes on Takeovers and Mergers and Share Repurchases;
2. formulating and implementing policies for business activities, internal controls and administration of the Company;
3. planning and deciding the Company's strategies on its business activities; and
4. keeping proper written records of its decisions taken which may be inspected by any members of the Board or the Board committees upon request.

The Board reviews those arrangements and the Guidelines on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Chairman and Chief Executive Officer ("CEO")

Under the Code Provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. Currently, the Company does not have any person holding the title of CEO. Ms. Yang Mian Mian is the Chairman of the Board and is also performing the functions of CEO. The Board meets regularly to consider major matters affecting the business and operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

董事會(續)

董事會之授權(續)

管理層主要負責：

1. 除董事會及／或董事會所成立委員會可能特別保留由其作決定及實行者；或根據百慕達公司法、本公司之公司細則、上市規則及／或香港公司收購、合併及股份購回守則僅可由董事會行使者外，行使及進行董事可能行使及進行之一切其他有關權力及行動；
2. 制訂及實行有關本公司業務活動、內部監控及行政之政策；
3. 策劃及決定本公司有關其業務活動之策略；及
4. 就其決策保存妥善之書面紀錄，以應董事會或董事會委員會任何成員要求供其查閱。

董事會定期檢討上述安排及指引，以確保此等安排及指引仍然切合本集團之需要。

主席及行政總裁(「行政總裁」)

根據守則條文A.2.1，主席與行政總裁之角色應有區分，並不應由一人同時兼任。本公司現時並無任何人士擁有行政總裁之職銜。楊綿綿女士為董事會主席，同時兼顧行政總裁之職能。董事會定期舉行會議，對影響本集團業務運作之重要事宜加以考慮。董事會認為該架構將不會損害董事會與管理層間之均衡權力與授權，並相信該架構可讓本集團得以有效地即時作出並實行各項決策。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Chairman and Chief Executive Officer (“CEO”) (Cont'd)

Under the Code Provision E.1.2, the chairman of the board should attend the annual general meeting. The Chairman of the Board did not attend the 2007 annual general meeting of the Company as she had overseas business trip at that time.

INEDs

The INEDs have the same duties of care and skill and fiduciary duties as the executive Directors. They are expressly identified as such in all corporate communications that disclose the names of the Directors.

The INEDs are experienced professionals with expertise in areas of accounting and finance. With their professional knowledge and experience, the INEDs advise the Company on its operation and management; provide independent opinion on the Company's connected/continuing connected transactions; participate in the Company's audit committee meetings and remuneration committee meetings. The INEDs also contribute to provide adequate checks and balance to protect the interests of the Company and the Company's shareholders as a whole, and to promote the development of the Company.

The Company has received an annual confirmation of independence from each of the INEDs pursuant to Rule 3.13 of the Listing Rules and considers that all INEDs to be independent as the date of this report.

Under the Code Provision A.4.1, non-executive directors should be appointed for specific terms, subject to re-election. Currently, all INEDs are not appointed for a specific term but are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Company's Bye-laws (the “Bye-laws”). As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

董事會(續)

主席及行政總裁(「行政總裁」)(續)

根據守則條文E.1.2，董事會主席應出席股東週年大會。由於董事會主席當時在海外公幹，故並無出席本公司二零零七年度股東週年大會。

獨立非執行董事

獨立非執行董事應具有與執行董事相同之謹慎態度及技能以及受信責任。於所有披露董事姓名之公司通訊內，均會明確識別出獨立非執行董事。

獨立非執行董事均為資深專業人士，具備會計與金融各範疇之專業知識。憑藉其專業知識及經驗，獨立非執行董事就本公司之營運及管理向本公司提供建議；就本公司之關連／持續關連交易提供獨立意見；並參與本公司之審核委員會及薪酬委員會會議。獨立非執行董事亦致力提供充分監管與制衡，務求保障本公司及本公司股東之整體利益，同時亦可促進本公司之發展。

於本報告日期，本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定就其獨立性發出之年度確認，並認為全體獨立非執行董事均屬獨立人士。

根據守則條文A.4.1，非執行董事之委任應有指定任期，並須接受重新選舉。現時，全體獨立非執行董事之委任均無指定任期，惟彼等須根據本公司之公司細則(「公司細則」)於本公司股東週年大會上輪流退任。因此，董事會認為，本公司已採取足夠措施確保本公司之企業管治常規與企業管治守則所載者同樣嚴緊。

Corporate Governance Report 企業管治報告

Board of Directors (Cont'd)

Supply of and access to information

Newly appointed Directors will receive induction packages containing the duties and responsibilities of directors under the Listing Rules and other applicable rules and regulations.

All the Directors are briefed and updated from time to time on the latest legislative and regulatory developments to ensure that they are fully aware of their responsibilities under the Listing Rules, applicable legal and regulatory requirements.

In order to ensure that their duties can be properly discharged, the Directors are entitled to seek advice from independent professional advisers whenever deemed necessary by them at the Company's expense.

Board Meetings

During the year ended 31 December 2007, apart from consents obtained by means of written resolutions of all the Board members, the Board had held four scheduled meetings at approximately quarterly intervals to review and approve, among other things, the 2006 annual results and 2007 interim results, discloseable and connected transactions and continuing connected transactions of the Group. The Company's board meetings (the "Board Meeting(s)") are permitted to be held by means of telephone or other means of electronic communication under the Bye-laws.

Reasonable notices are served and comprehensive information is provided to the Board members in advance of all the Board Meetings in order to enable them to make informed decisions on all matters transacted at the Board Meetings.

The proceedings of the Board Meetings are conducted by the Chairman of the Board or another Executive Director who ensures that sufficient time is allowed for discussion among the Directors and equal opportunities are being given to the Directors to express their views and share their concerns.

董事會(續)

資料之提供與取閱

新委任之董事將接獲一套就任須知，當中包括董事根據上市規則以及其他適用規則及法規之職責與責任。

全體董事均會不時獲介紹及更新法例及法規之最新發展，以確保彼等全面瞭解其根據上市規則、適用法例及規管規定之責任。

為確保董事能妥善履行其職責，董事有權在彼等認為有需要時尋求獨立專業顧問之意見，費用概由本公司承擔。

董事會會議

於截至二零零七年十二月三十一日止年度內，除透過書面決議案以取得全體董事會成員之同意外，董事會已舉行四次定期會議，即約每季舉行一次，以審閱及批准(其中包括)本集團二零零六年年度業績及二零零七年度中期業績、須予披露及關連交易以及持續關連交易。本公司之董事會會議(「董事會會議」)獲准以電話或根據公司細則以其他電子通訊方式舉行。

於所有董事會會議前，董事會成員均會事先獲發出合理通知及獲提供全面資料，以讓彼等得以在董事會會議上就所處理之一切事宜作出知情決定。

董事會會議程序由董事會主席或另一位執行董事主持，而主席亦會確保董事獲充裕時間進行討論，而各董事亦獲同等機會發表其意見及提出所關注之事宜。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Board Meetings (Cont'd)

The Company Secretary/Qualified Accountant attends the Board Meetings to advise Directors on corporate governance practices, and statutory compliance, accounting and financial issues whenever deemed necessary by the Board.

The Company Secretary is responsible for preparing minutes recording all matters transacted and resolved at the Board Meetings. All the Board Minutes are kept by the Company Secretary and are open for inspection by the Directors.

The following table shows the attendance of the Directors at the scheduled Board Meetings during the year ended 31 December 2007:

Executive Directors:

Ms. Yang Mian Mian (Chairman)
Mr. Wu Ke Song (Deputy Chairman)
Mr. Liang Hai Shan
Mr. Cao Chun Hua
Mr. Cui Shao Hua
Mr. Sun Jing Yan*
Mr. Chai Yong Sen**
Mr. Song Chun Guang**

執行董事：

楊綿綿女士(主席)
武克松先生(副主席)
梁海山先生
曹春華先生
崔少華先生
孫京岩先生*
柴永森先生**
宋春光先生**

INEDs:

Mr. Lam Kin Kau, Mark***
Mr. Fung Hoi Wing, Henry***
Mr. Wu Yinong
Mr. Yu Hon To, David****
Dr. Liu Xiao Feng****

獨立非執行董事：

林建球先生***
馮藹榮先生***
吳亦農先生
俞漢度先生****
劉曉峰博士****

* appointed on 8 March 2007
** resigned on 15 February 2007
*** resigned on 21 June 2007
**** appointed on 21 June 2007

董事會(續)

董事會會議(續)

如董事會認為有需要，則公司秘書/合資格會計師會出席董事會會議，以就企業管治常規、法規遵守、會計及財務等事項提供意見。

公司秘書負責編製會議紀錄，載列在董事會會議上所處理及議決之一切事宜。公司秘書會保管所有董事會會議紀錄，有關紀錄可供董事查閱。

下表為截至二零零七年十二月三十一日止年度內，董事於定期董事會會議之出席率：

No. of the Board Meetings attended/held

出席 / 舉行之董事會會議次數

Ms. Yang Mian Mian (Chairman)	楊綿綿女士(主席)	2/4
Mr. Wu Ke Song (Deputy Chairman)	武克松先生(副主席)	1/4
Mr. Liang Hai Shan	梁海山先生	1/4
Mr. Cao Chun Hua	曹春華先生	2/4
Mr. Cui Shao Hua	崔少華先生	4/4
Mr. Sun Jing Yan*	孫京岩先生*	2/4
Mr. Chai Yong Sen**	柴永森先生**	0/0
Mr. Song Chun Guang**	宋春光先生**	0/0

Mr. Lam Kin Kau, Mark***	林建球先生***	2/2
Mr. Fung Hoi Wing, Henry***	馮藹榮先生***	2/2
Mr. Wu Yinong	吳亦農先生	4/4
Mr. Yu Hon To, David****	俞漢度先生****	2/2
Dr. Liu Xiao Feng****	劉曉峰博士****	2/2

* 於二零零七年三月八日獲委任
** 於二零零七年二月十五日辭任
*** 於二零零七年六月二十一日辭任
**** 於二零零七年六月二十一日獲委任

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Board Meetings (Cont'd)

It is challenging to arrange the Board Meeting that fits in with the tight and busy schedules of all the Directors. In particular, as certain of the executive Directors devote considerable time and efforts to the management and operation of the Group's business, they were only able to attend some of the Board Meetings in person and their attendance rate at the Board Meetings were relatively low during the fiscal year of 2007. To enable all the Directors to keep abreast of the Group's latest development and to discharge their duties properly, the Company Secretary will brief the Directors on those matters transacted at the Board Meetings that they were unable to attend. In addition, draft and final versions of the Board Minutes will be sent to all Directors for their comments and records.

Model Code for Securities Transactions by Directors

The Company has adopted a Model Code for Securities Transactions by Directors (the "Haier Electronics Model Code") on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standard as set out in the Haier Electronics Model Code throughout the year ended 31 December 2007.

In addition, the Board has adopted written guidelines (the "Employees' Guidelines for Securities Transactions") for securities transactions by employees (the "Relevant Employees") who are likely to be in possession of unpublished price sensitive information of the Company on no less exacting terms than the Haier Electronics Model Code. Having made specific enquiry of all the Relevant Employees, the Company confirmed that all the Relevant Employees have complied with the required standard as set out in the Employees' Guidelines for Securities Transactions throughout the year ended 31 December 2007.

董事會(續)

董事會會議(續)

為配合各董事緊湊而繁忙之時間表而安排董事會會議實屬非常困難。尤其若干執行董事在本集團業務之管理及經營上付出不少時間及努力，故彼等僅可親身出席某些董事會會議，因而令彼等在二零零七年財政年度內之董事會會議出席率偏低。為令全體董事得悉本集團之最新發展，並妥善履行彼等之職務，公司秘書將向董事扼要報告在彼等無法出席之董事會會議上所處理之有關事宜。此外，董事會會議紀錄之草稿及定稿亦會送交全體董事，以供彼等提出意見及保存紀錄。

董事進行證券交易的標準守則

本公司已採納一套董事進行證券交易之標準守則(「海爾電器標準守則」)，該守則之條款與上市規則附錄10所載上市公司董事進行證券交易的標準守則同樣嚴緊。經本公司作出查詢後，本公司全體董事已確認彼等已於截至二零零七年十二月三十一日止年度期間內一直遵守海爾電器標準守則所載之規定標準。

此外，董事會已就可能擁有本公司未公佈價格敏感資料之僱員(「相關僱員」)所進行之證券交易採納書面指引(「僱員證券交易指引」)，該指引之條款與海爾電器標準守則同樣嚴緊。經向全體相關僱員作出明確查詢後，本公司確認全體相關僱員已於截至二零零七年十二月三十一日止年度內一直遵守僱員證券交易指引所載之規定標準。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Board Committees

The Board has established an Audit Committee (the "Audit Committee") and a Remuneration Committee (the "Remuneration Committee") (collectively the "Committees") to oversee specific aspects of the Company's affairs. The Committees report to the Board regularly, and have been provided with sufficient resources to discharge their respective duties. To reinforce independence, the chairman of both the Committees is an INED. Each of the Committees has adopted specific terms of reference covering its duties, powers and functions which will be reviewed by the Board from time to time. The Company Secretary also acts as secretary of the Committees. The Committees adopt as far as practicable, the procedures and arrangement of the Board Meeting in relation to the conduct of meetings, notice of meetings and recording of minutes. Further particulars of each of the Committees are set out below:

(1) Audit Committee

The Audit Committee currently comprises all three INEDs and is chaired by Mr. Yu Hon To, David. Mr. Yu is a professional accountant and was formerly a partner of an international accounting firm. The primary duties of the Audit Committee are to ensure the objectivity and credibility of financial reporting, to make recommendation to the Board on the appointment, reappointment and removal of the Group's external auditors and review of the Company's financial controls, internal control and risk management systems. Each member of the Audit Committee has unrestricted access to the Group's external auditors and the Management.

During the year ended 31 December 2007, the Audit Committee held three meetings with an attendance rate of 100% to review the management and accounting principles and practices adopted by the Group and to discuss internal controls and financial reporting matters including the review of 2006 annual results and 2007 interim results of the Group.

董事會(續)

董事會委員會

董事會已成立審核委員會(「審核委員會」)及薪酬委員會(「薪酬委員會」)(統稱「委員會」)，以對本公司事務之特定範疇進行監督。委員會定期向董事會匯報，並已獲提供足夠資源以執行彼等各自之職責。為加強獨立性，兩個委員會之主席均為獨立非執行董事。各委員會均已採納明確職權範圍，包括其職責、權力及職能，並不時由董事會進行檢討。公司秘書亦擔任委員會之秘書。在實際可行情況下，委員會就舉行會議、會議通告及記述會議紀錄方面採納與董事會會議相同之程序與安排。各委員會之進一步詳情載列如下：

(1) 審核委員會

審核委員會現時由全體三名獨立非執行董事組成，並由俞漢度先生擔任主席。俞先生為專業會計師，曾為一間國際會計師行之合夥人。審核委員會之主要職責為確保財務申報之客觀及可信程度、就委任、重新委任及罷免本集團外聘核數師向董事會提供推薦建議，以及檢討本公司之財務監控、內部監控及風險管理系統。審核委員會各成員在接觸本集團之外聘核數師及管理層方面並無受到任何限制。

截至二零零七年十二月三十一日止年度內，審核委員會已舉行三次會議，出席率達100%，會上審閱本集團所採納之管理及會計原則及慣例，並討論內部監控及財務申報事宜，包括審閱本集團二零零六年度業績及二零零七年度中期業績。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Board Committees (Cont'd)

(1) Audit Committee (Cont'd)

The following table shows the attendance of members of the Audit Committee during the year ended 31 December 2007:

INEDs:	獨立非執行董事:	No. of Audit Committee Meetings attended/held 出席/舉行之 審核委員會會議次數
Mr. Lam Kin Kau, Mark*	林建球先生*	1/1
Mr. Fung Hoi Wing, Henry*	馮靄榮先生*	1/1
Mr. Wu Yinong	吳亦農先生	3/3
Mr. Yu Hon To, David**	俞漢度先生**	2/2
Dr. Liu Xiao Feng**	劉曉峰博士**	2/2

* resigned on 21 June 2007

** appointed on 21 June 2007

董事會(續)

董事會委員會(續)

(1) 審核委員會(續)

下表為截至二零零七年十二月三十一日止年度內，成員於審核委員會會議之出席率：

INEDs:	獨立非執行董事:	No. of Audit Committee Meetings attended/held 出席/舉行之 審核委員會會議次數
Mr. Lam Kin Kau, Mark*	林建球先生*	1/1
Mr. Fung Hoi Wing, Henry*	馮靄榮先生*	1/1
Mr. Wu Yinong	吳亦農先生	3/3
Mr. Yu Hon To, David**	俞漢度先生**	2/2
Dr. Liu Xiao Feng**	劉曉峰博士**	2/2

* 於二零零七年六月二十一日辭任

** 於二零零七年六月二十一日獲委任

(2) Remuneration Committee

The Remuneration Committee currently comprises five members including two executive Directors, namely, Mr. Wu Ke Song and Mr. Cui Shao Hua and all three INEDs. The Remuneration Committee is chaired by Mr. Wu Yinong, an INED. The primary duties of the Remuneration Committee are to make recommendations to the Board on policy and structure of all remuneration of the Directors and Management. Each of the Directors has not involved in the determination of his/her own remuneration. The Remuneration Committee meets at least once a year. During the year, the Remuneration Committee has held two meetings. At the meetings, members of the Remuneration Committee reviewed the remuneration packages and overall benefits of the Directors and Management by taking into account factors such as remuneration packages and benefits offered by comparable companies, the respective contribution of each of the Directors and Management to the Group and the business objectives of the Group.

(2) 薪酬委員會

薪酬委員會現時由五名成員組成，包括兩名執行董事武克松先生及崔少華先生以及全體三名獨立非執行董事。薪酬委員會由獨立非執行董事吳亦農先生擔任主席。薪酬委員會之主要職責為就董事及管理層之全部薪酬政策及架構向董事會作出推薦建議。各董事均無參與釐訂其本身之薪酬。薪酬委員會每年最少舉行一次會議。薪酬委員會已於年內舉行兩次會議。薪酬委員會成員在會上檢討董事及管理層之薪酬組合及整體福利，當中已考慮到可資比較公司所提供之薪酬組合及福利、各董事及管理層各自對本集團及其業務目標之貢獻。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Board Committees (Cont'd)

(2) Remuneration Committee (Cont'd)

The following table shows the attendance of members of the Remuneration Committee during the year ended 31 December 2007:

		No. of Remuneration Committee Meetings attended/held 出席/舉行之 薪酬委員會會議次數
Executive Directors:	執行董事:	
Mr. Wu Ke Song	武克松先生	0/2
Mr. Cui Shao Hua	崔少華先生	1/2
INEDs:	獨立非執行董事:	
Mr. Lam Kin Kau, Mark*	林建球先生*	1/1
Mr. Fung Hoi Wing, Henry*	馮藹榮先生*	1/1
Mr. Wu Yinong	吳亦農先生	2/2
Mr. Yu Hon To, David**	俞漢度先生**	1/1
Dr. Liu Xiao Feng**	劉曉峰博士**	1/1

* resigned on 21 June 2007

** appointed on 21 June 2007

董事會(續)

董事會委員會(續)

(2) 薪酬委員會(續)

下表為截至二零零七年十二月三十一日止年度內，成員於薪酬委員會會議之出席率：

* 於二零零七年六月二十一日辭任

** 於二零零七年六月二十一日獲委任

Nomination of Directors

The Board has not established a nomination committee. However, accordingly to the Bye-laws, the Board has the power from time to time to appoint any person as the Director to fill a casual vacancy or as an addition to the Board. The Board will mainly take into consideration the nominees' qualification, skills, experience, particularly their experience in the industry of the Group for the nominees of the executive Director, and potential contributions to the Group.

During the year, the Board held one meeting to consider the suitability of the re-election of the Directors who were subject to the retirement by rotation at the 2007 annual general meeting of the Company in accordance with the Bye-laws.

董事提名

董事會並無成立提名委員會，然而根據公司細則，董事會有權不時委任任何人士為董事以填補董事會空缺或增添董事會成員。董事會主要會考慮獲提名人士之資歷、技能、經驗(如屬執行董事之獲提名人，則尤其會考慮其在本集團行業的經驗)及預計其對本集團可作出的貢獻。

年內，董事會舉行了一次會議，以考慮須按公司細則於二零零七年度股東週年大會上輪值退任之董事是否適合膺選連任。

Corporate Governance Report

企業管治報告

Communication With Shareholders

It is the Company's practice to include details of the procedures for voting by poll and the rights of shareholders to demand a poll in the circulars to shareholders in accordance with the Bye-laws and the Listing Rules. The poll results of special general meetings are also published in newspapers and on the websites of the Stock Exchange. The Board regards general meetings as one of the principal channels of communications with our shareholders and the Directors provide detailed and complete answers to questions raised by the shareholders in the general meetings.

Insurance

The Group has arranged appropriate directors' and officers' liability insurance to indemnify the Directors and senior staff of the Group for their potential liabilities incurred by them in discharging their duties. The Group reviews the insurance coverage for the Directors and the Group's senior staff on an annual basis.

Accountability and Audit

The Directors acknowledge their responsibility for preparing financial statements of the Group in accordance with relevant statutory requirements and generally accepted accounting principles in Hong Kong and ensuring that the financial statements give a true and fair view of the Group's financial position. In preparing the financial statements of the Group for the year ended 31 December 2007, the Directors have adopted suitable accounting policies and applied them consistently; made judgments and estimates that are prudent and reasonable; and prepared the financial statements on a going concern basis.

The Board aims to present a comprehensive, balanced and understandable assessment of the Group's development and prospects in all corporate communications, including but not limited to annual and interim reports, any price-sensitive announcements and financial disclosures required under the Listing Rules, any reports to regulators as well as to information required to be disclosed pursuant to other statutory requirements.

Internal Control and Risk Management

The Group is committed to implementing effective internal controls and risk management procedures to identify and manage the risks that may be faced by the Group, as well as to safeguard the interests of the Group and our shareholders as a whole.

與股東之溝通

本公司之慣例為根據公司細則及上市規則之規定，在致股東通函內載列按股數投票表決之程序及股東要求按股數投票表決之權利之詳情。於股東特別大會上按股數投票表決之結果亦會刊登於報章及聯交所網站。董事會視股東大會為與本公司股東溝通之主要渠道之一，而董事於股東大會上均會就股東之提問提供完整之詳盡答案。

保險

本公司已安排適當之董事及高級職員責任保險，以彌償本集團董事及高級職員因履行職責而可能產生之責任。本集團每年均會檢討董事及本集團高級職員之受保範圍。

問責性與審核

董事確認彼等對根據相關法律規定及香港公認會計原則編製本集團財務報表之責任，並確保財務報表可真實公平地反映本集團之財務狀況。董事在編製本集團截至二零零七年十二月三十一日止年度之財務報表時，已採納並貫徹應用合適之會計政策；作出審慎合理之判斷及估計；及按持續經營基準編製財務報表。

董事會務求在所有公司通訊中就本集團發展及前景呈列一份易於理解兼全面周詳之評估、任何致規管人之報告，以及根據其他法律規定須予披露之資料。上述公司通訊包括但不限於上市規則所規定之年度及中期報告、任何價格敏感公佈及財務披露。

內部監控與風險管理

本集團致力實行有效之內部監控及風險管理程序，以識別並管理本集團可能面臨之風險，並保障本集團及其股東之整體利益。

Corporate Governance Report

企業管治報告

Internal Control and Risk Management (Cont'd)

The Board is responsible for maintaining adequate internal controls and risk management procedures in the Group, and for reviewing its effectiveness through the Audit Committee on an on-going basis. The Board has delegated to the Management the implementation of the Group's internal controls covering financial, operational and compliance aspects, as well as risk management procedures.

During the year, the Company has engaged external independent professionals to assist in its review on the operation of individual divisions of the Group and in its assessment of the effectiveness of Group's internal control systems and risk management procedures in its major business and operational processes. The Company has established an internal control review plan to cover its major internal control systems covering areas including operational control, financial control and compliance control. Recommendations for further improvements have been reported to the Audit Committee and the Audit Committee has, in turn, reported the same to the Board together with its assessment and recommendations. Such recommendations have been or are being followed up by management. The Company is committed to maintain an effective internal control system and will make sure that adequate resources and management attention will be devoted to strengthen its internal controls and risk management procedures.

The Group does not currently has an internal audit function. Recognizing the importance of internal controls and risk management procedures, the Group has planned to set up an internal audit department in the forthcoming year with the assistance of external independent professionals in establishing internal audit procedures and in provision of appropriate training to the relevant personnel.

Remuneration of External Auditors

The Group's independent external auditors are Ernst & Young, Certified Public Accountants. During the year, the annual audit fees and non-audit fees payable/paid by the Group to Ernst & Young were HK\$8,000,000 and HK\$2,780,000, respectively.

內部監控與風險管理(續)

董事會負責為本集團維持充分之內部監控及風險管理程序，並有責任透過審核委員會持續檢討上述程序之成效。董事會已授權管理層對財務、營運及遵例各方面實行本集團之內部監控及風險管理程序。

年內，本公司已委聘外聘獨立專業人士協助其檢討本集團個別部門之運作，並評估本集團主要業務及運作程序之內部監控制度及風險管理程序之成效。本公司已設立一項內部監控計劃以涵蓋其主要內部監控制度，所涵蓋範圍包括營運監控、財務監控及合規監控。進一步改善之建議已向審核委員會匯報，而審核委員會亦已向董事會匯報有關事宜，並向其提交所作評估及推薦建議。管理層已經或正在跟進有關建議。本公司將致力維持有效之內部監控制度，並確保將投入充分資源及管理注視以鞏固其內部監控及風險管理程序。

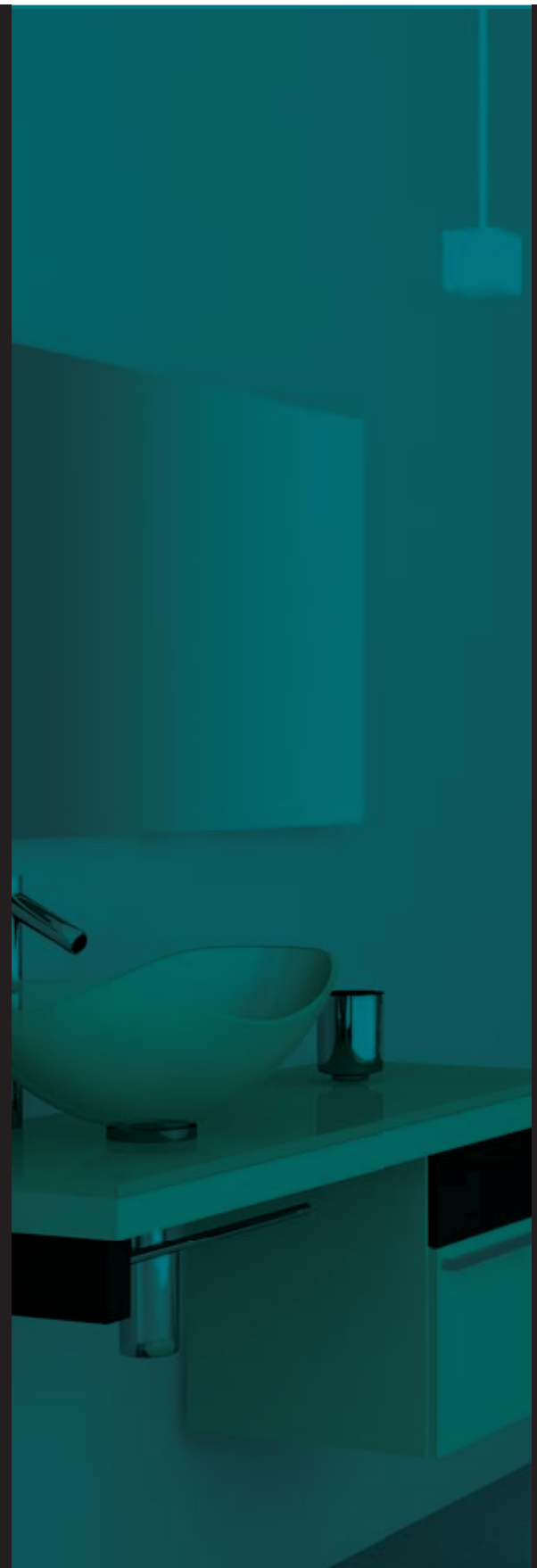
本集團現時並無內部審計職能。本集團深明內部監控及風險管理程序之重要性，因而已計劃於來年成立內部審計部門，並在外聘獨立專業人士之協助下設立內部審計程序，及向相關人員提供適當培訓。

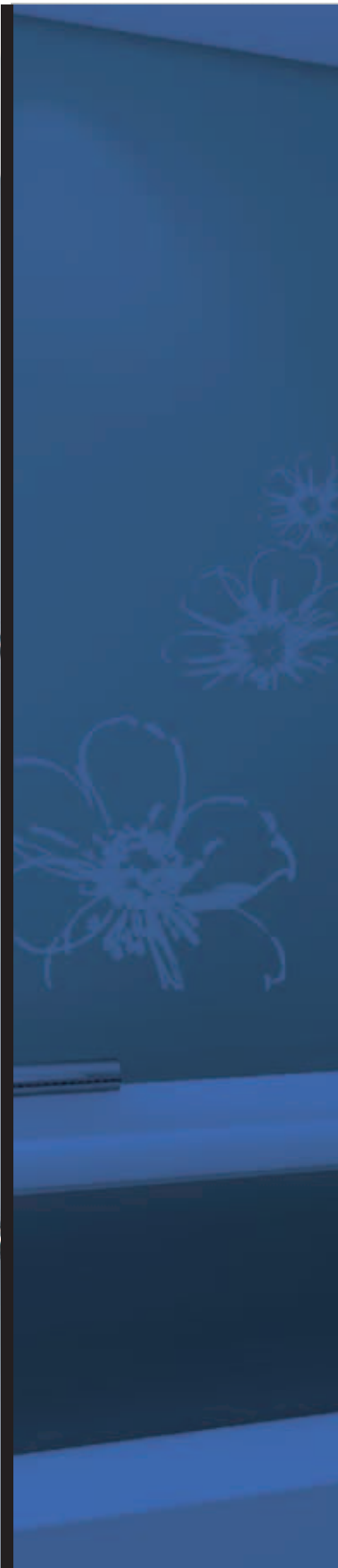
外聘核數師之酬金

本集團之獨立外聘核數師為執業會計師安永會計師事務所。年內，本集團應付/已付予安永會計師事務所之年度核數費用及非核數費用分別為8,000,000港元及2,780,000港元。

Life Style

生活品味





Report of the Directors

董事會報告書

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2007.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the manufacture and sale of washing machines and water heaters. There were no significant changes in the nature of the Group's principal activities during the year.

Results and Dividends

The Group's profit for the year ended 31 December 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 55 to 163.

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

Summary Financial Information

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 164. This summary does not form part of the audited financial statements.

Property, Plant and Equipment

Details of movements in the Group's property, plant and equipment during the year are set out in note 16 to the financial statements.

Share Capital, Share Options and Convertible Notes

Details of movements in the Company's share capital, share options and convertible notes during the year are set out in notes 31, 32 and 28 to the financial statements, respectively.

董事同寅現謹提呈董事會報告書及本公司及本集團截至二零零七年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。附屬公司之主要業務包括製造及銷售洗衣機及熱水器。本集團主要業務性質於年內並無重大變動。

業績及股息

本集團截至二零零七年十二月三十一日止年度之溢利以及本公司及本集團於該日之財務狀況載於本報告第 55 至 163 頁之財務報表。

董事不建議派發本年度之任何股息。

財務資料摘要

本集團過去五個財政年度之已刊發業績與資產、負債及少數股東權益摘要載於本報告第 164 頁，乃摘錄自經審核財務報表並經過適當之重列 / 重新分類。該摘要並非經審核財務報表之一部分。

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載於財務報表附註 16。

股本、購股權及可換股票據

本公司股本、購股權及可換股票據於年內之變動詳情分別載於財務報表附註 31、32 及 28。

Report of the Directors 董事會報告書

Pre-emptive Rights

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

Purchase, Redemption or Sale of Listed Securities of the Company

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

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 33(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

At 31 December 2007, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to HK\$830,660,000. In addition, the Company's share premium account, in the amount of HK\$796,590,000, may be distributed in the form of fully paid bonus shares.

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers accounted for 61% of the total sales for the year and sales to the largest customer included therein amounted to 27%. Purchases from the Group's five largest suppliers accounted for 99% of the total purchases for the year and purchases from the largest supplier included therein amounted to 75%.

During the year, Haier Group Corporation ("Haier Corp") and Qingdao Haier Investment and Development Co., Ltd. ("Haier Investment") (collectively the "Haier Group"), the substantial shareholders of the Company, had beneficial interests in two and five of the Group's five largest customers and suppliers, respectively.

優先認購權

根據本公司之公司細則或百慕達法例，並無任何有關優先認購權之條文規定本公司須向現時之股東按比例發售新股。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內並無購買、贖回或出售本公司任何上市證券。

儲備

年內，本公司與本集團之儲備變動詳情分別載於財務報表附註33(b)及綜合權益變動表。

可供分派儲備

於二零零七年十二月三十一日，按百慕達一九八一年公司法(經修訂)之規定計算，本公司之可供分派儲備為830,660,000港元。此外，本公司之股份溢價賬796,590,000港元可以繳足紅股之形式分派。

主要客戶及供應商

於回顧年度內，本集團五大客戶之銷售額佔本年度總銷售額61%，其中向最大客戶之銷售額則佔27%。向本集團五大供應商之購貨額佔本年度總購貨額99%，其中向最大供應商之購貨額則佔75%。

年內，本公司主要股東海爾集團公司(「海爾集團公司」)及青島海爾投資發展有限公司(「海爾投資」)(統稱「海爾集團」)分別在本集團其中兩名及五名五大供應商中擁有實益權益。

Report of the Directors 董事會報告書

Major Customers and Suppliers (Cont'd)

Save as disclosed above, none of the directors or any of their associates or any shareholders of the Company (which, to the best knowledge of the directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

Directors

The directors of the Company during the year were:

Executive directors:

Yang Mian Mian	
Wu Ke Song	
Liang Hai Shan	
Cao Chun Hua	
Cui Shao Hua	
Sun Jing Yan	(appointed on 8 March 2007)
Chai Yong Sen	(resigned on 15 February 2007)
Song Chun Guang	(resigned on 15 February 2007)

Independent non-executive directors:

Wu Yinong	
Liu Xiao Feng	(appointed on 21 June 2007)
Yu Hon To, David	(appointed on 21 June 2007)
Lam Kin Kau, Mark	(resigned on 21 June 2007)
Fung Hoi Wing, Henry	(resigned on 21 June 2007)

In accordance with the bye-laws of the Company, Cao Chun Hua, Cui Shao Hua, Wu Yinong, Yu Hon To, David and Liu Xiao Feng will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

The independent non-executive directors of the Company are not appointed for any specific terms and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

The Company has received annual confirmations of independence from Mr. Wu Yinong, Dr. Liu Xiao Feng and Mr. Yu Hon To, David, and, on the basis of such confirmations, still considers them to be independent as at the date of this report.

主要客戶及供應商(續)

除上文所披露者外，概無董事、其任何聯繫人或據董事所知擁有本公司已發行股本5%以上之本公司股東，在本集團五大客戶或供應商中擁有任何實益權益。

董事

年內本公司董事如下：

執行董事：

楊綿綿	
武克松	
梁海山	
曹春華	
崔少華	
孫京岩	(於二零零七年三月八日獲委任)
柴永森	(於二零零七年二月十五日辭任)
宋春光	(於二零零七年二月十五日辭任)

獨立非執行董事：

吳亦農	
劉曉峰	(於二零零七年六月二十一日獲委任)
俞漢度	(於二零零七年六月二十一日獲委任)
林建球	(於二零零七年六月二十一日辭任)
馮藹榮	(於二零零七年六月二十一日辭任)

根據本公司之公司細則，曹春華先生、崔少華先生、吳亦農先生、俞漢度先生及劉曉峰博士將於本公司即將舉行之股東週年大會上退任，惟彼等符合資格並願意膺選連任。

本公司獨立非執行董事並無任何特定任期，惟須根據本公司之公司細則於本公司之股東週年大會輪值退任及膺選連任。

本公司已接獲吳亦農先生、劉曉峰博士及俞漢度先生之年度獨立確認書，仍認為截至本報告日期，彼等為獨立人士。

Report of the Directors 董事會報告書

Directors' and Senior Management's Biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 10 to 13 of the annual report.

Directors' Service Contracts

During the year, no director had a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

Directors' Interests in Contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

Directors' Interests and Short Positions in Shares and Underlying Shares

At 31 December 2007, no director had any interests and short positions in the ordinary share(s) ("Share(s)") or the underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited (the "Listing Rules").

董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷載於年報第10至13頁。

董事服務合約

年內，概無董事與本公司訂有本公司不得於一年內不作補償(法定賠償除外)而終止之服務合約。

董事薪酬

董事袍金須經股東於股東大會上批准。其他酬金乃由本公司董事會經參考董事之職責、責任、表現及本集團之業績而釐定。

董事於合約之權益

年內概無董事於本公司或其控股公司或其附屬公司或任何同系附屬公司所訂立任何對本集團業務關係重大之合約中，直接或間接擁有重大權益。

董事於股份及相關股份之權益及淡倉

於二零零七年十二月三十一日，概無董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之普通股(「股份」)或相關股份中，擁有任何記錄於本公司根據證券及期貨條例第352條規定須存置之登記冊中或根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄10所載上市公司董事進行證券交易的標準守則而知會本公司聯交所之權益及淡倉。

Report of the Directors 董事會報告書

Directors' Rights to Acquire Shares in or Debentures of the Company

Save as disclosed in note 32 to the financial statements regarding the share option scheme of the Company, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any director of the Company or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire such rights in any other body corporate.

董事購買本公司股份或債權證之權利

除財務報表附註32所載之本公司購股權計劃資料所披露者外，於年內任何時間概無任何本公司董事或彼等各自之配偶或未成年子女獲授予或行使可透過購入本公司股份或債權證而獲益之權利，而本公司、其控股公司或其附屬公司或任何同系附屬公司概無訂立任何安排，致令本公司董事可獲任何其他法人團體之該等權利。

Report of the Directors 董事會報告書

Substantial Shareholders' Interests in Shares and Underlying Shares

At 31 December 2007, the following shareholders interested in 5% or more of the issued Shares and/or underlying Shares were recorded in the register of substantial shareholders required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares:

Name of shareholder	股東名稱	Notes 附註	Number of Shares interested 擁有權益之股份數目	Approximate percentage of the Company's share capital 佔本公司股本之概約百分比
Qingdao Haier Collective Asset Management Association ("Haier Collective Asset Management")	青島海爾集體資產管理協會(「海爾集體資產管理」)	1	1,459,042,593	78.47
Haier Corp	海爾集團公司	2	1,459,042,593	78.47
Haier Investment	海爾投資	3	1,459,042,593	78.47
Deutsche Bank Aktiengesellschaft ("Deutsche Bank")	德意志銀行(「德銀」)	4	1,264,598,149	68.01
Qingdao Haier Group Holdings (BVI) Limited ("Haier BVI")	青島海爾集團控股(BVI)有限公司(「海爾BVI」)	5	939,792,593	50.55
Haier Electrical Appliances Third Holdings (BVI) Limited ("Haier Third BVI")	海爾電器第三控股(BVI)有限公司(「海爾第三BVI」)		100,000,000	5.38

主要股東於股份及相關股份之權益

於二零零七年十二月三十一日，以下股東擁有記錄於本公司根據證券及期貨條例第336條規定須存置之主要股東名冊之已發行股份及／或相關股份5%或以上權益：

股份之好倉：

Report of the Directors 董事會報告書

Substantial Shareholders' Interests in Shares and Underlying Shares (Cont'd)

Short positions in the underlying Shares:

Name of shareholder	股東名稱	Note 附註	Number of	Approximate
			underlying Shares interested	percentage of total shareholding
			擁有權益之 相關股份數目	佔股權總額之 概約百分比
Deutsche Bank	德銀	4	392,677,482	21.12

Long positions in the underlying Shares:

Name of shareholder	股東名稱	Note 附註	Number of	Approximate
			underlying Shares interested	percentage of total shareholding
			擁有權益之 相關股份數目	佔股權總額之 概約百分比
Haier BVI	海爾 BVI	5	94,444,444	5.08

Notes:

- By virtue of the SFO, Haier Collective Asset Management was deemed to be interested in (i) 336,600,000 Shares held by its non-wholly-owned subsidiary, namely Haier Investment; (ii) 82,650,000 Shares held by Haier Investment's indirect non-wholly-owned subsidiary. In addition, given Haier Investment was acting in concert with Haier Corp and both Haier BVI and Haier Third BVI are non-wholly-owned-subsiidiaries of Haier Corp, Haier Collective Asset Management was also deemed to be interested in an aggregate of 939,792,593 Shares held by Haier BVI as stated in note 5 below and 100,000,000 Shares held by Haier Third BVI pursuant to the SFO.

Ms. Yang Mian Mian, Mr. Wu Ke Song and Mr. Liang Hai Shan, the executive directors of the Company, are also members of the board of management of Haier Collective Asset Management.

主要股東於股份及相關股份之權益(續)

相關股份之淡倉：

Name of shareholder	股東名稱	Note 附註	Number of	Approximate
			underlying Shares interested	percentage of total shareholding
			擁有權益之 相關股份數目	佔股權總額之 概約百分比
Deutsche Bank	德銀	4	392,677,482	21.12

相關股份之好倉：

Name of shareholder	股東名稱	Note 附註	Number of	Approximate
			underlying Shares interested	percentage of total shareholding
			擁有權益之 相關股份數目	佔股權總額之 概約百分比
Haier BVI	海爾 BVI	5	94,444,444	5.08

附註：

- 根據證券及期貨條例，海爾集體資產管理被視為擁有 (i) 其非全資附屬公司海爾投資所持有之 336,600,000 股股份；及 (ii) 海爾投資之間接非全資附屬公司持有之 82,650,000 股股份。此外，由於海爾投資與海爾集團公司乃一致行動，而海爾 BVI 及海爾第三 BVI 均為海爾集團公司之非全資附屬公司，故此根據證券及期貨條例，海爾集體資產管理亦被視為於下文附註 5 所述海爾 BVI 持有之合共 939,792,593 股股份及海爾第三 BVI 持有之 100,000,000 股股份中擁有權益。

本公司執行董事楊綿綿女士、武克松先生及梁海山先生亦為海爾集體資產管理理事會之成員。

Report of the Directors 董事會報告書

Substantial Shareholders' Interests in Shares and Underlying Shares (Cont'd)

Notes: (Cont'd)

- As both Haier BVI and Haier Third BVI are the non-wholly-owned subsidiaries of Haier Corp, Haier Corp was deemed to be interested in an aggregate of 939,792,593 Shares held by Haier BVI as stated in note 5 below and 100,000,000 Shares held by Haier Third BVI pursuant to the SFO.

Furthermore, as Haier Corp was acting in concert with Haier Investment, Haier Corp was deemed to be interested in 336,600,000 Shares held by Haier Investment and 82,650,000 Shares held by a non-wholly-owned subsidiary of Haier Investment.

Ms. Yang Mian Mian, Mr. Wu Ke Song and Mr. Liang Hai Shan, the executive directors of the Company, are also the members of the management committee of Haier Corp.

- Haier Investment held 336,600,000 Shares and was deemed to be interested in 82,650,000 Shares held by its indirect non-wholly-owned subsidiary. Moreover, Haier Investment was deemed to be interested in an aggregate of 939,792,593 Shares held by Haier BVI as stated in note 5 below and 100,000,000 Shares held by Haier Third BVI pursuant to the SFO by reason of its acting in concert with Haier Corp.

Ms. Yang Mian Mian and Mr. Cui Shao Hua, the executive directors of the Company, are also directors of Haier Investment.

- Deutsche Bank had a long position in 1,264,598,149 Shares. In addition, it has a short position in 392,677,482 underlying Shares (the "DB Shares") acquired pursuant to an agreement dated 16 November 2005 entered into between Deutsche Bank and CCT Telecom Holdings Limited. In addition, pursuant to a subscription agreement dated 16 November 2005 entered into between Deutsche Bank and Haier BVI, Haier BVI agreed to issue and Deutsche Bank agreed to subscribe for warrants in respect of the 392,677,482 DB Shares which, upon exercise, will entitle the holder to put such Shares to Haier BVI.
- Haier BVI held 452,670,667 Shares. In addition, Haier BVI was acting in concert with Deutsche Bank pursuant to an undertaking letter dated 5 January 2006 executed by Haier BVI and Deutsche Bank, pursuant to which Deutsche Bank agreed that, unless otherwise agreed and subject to the exceptions set out therein, Deutsche Bank will not sell or dispose of any of the 392,677,482 DB Shares (as defined in note 4 above). Accordingly, Haier BVI was deemed to be interested in the DB Shares pursuant to the SFO.

主要股東於股份及相關股份之權益(續)

附註：(續)

- 由於海爾BVI及海爾第三BVI為海爾集團公司之非全資附屬公司，故此根據證券及期貨條例，海爾集團公司被視為於下文附註5所述海爾BVI持有之合共939,792,593股股份及海爾第三BVI持有之100,000,000股股份中擁有權益。

此外，由於海爾集團公司與海爾投資乃一致行動，故海爾集團公司被視為於海爾投資所持有之336,600,000股股份及海爾投資之非全資附屬公司持有之82,650,000股股份中擁有權益。

本公司執行董事楊綿綿女士、武克松先生及梁海山先生亦為海爾集團公司管理委員會之成員。

- 海爾投資持有336,600,000股股份，鑑於其與海爾集團公司乃一致行動，故根據證券及期貨條例，其被視為於其間接非全資附屬公司持有之82,650,000股股份中擁有權益，並於下文附註5所述海爾BVI持有之合共939,792,593股股份及海爾第三BVI持有之100,000,000股股份中擁有權益。

本公司執行董事楊綿綿女士及崔少華先生亦為海爾投資之董事。

- 德銀擁有1,264,598,149股股份之好倉。此外，根據德銀與中建電訊集團有限公司於二零零五年十一月十六日訂立之協議，其亦擁有根據該協議所購入之392,677,482股相關股份(「德銀股份」)之淡倉。此外，根據德銀與海爾BVI於二零零五年十一月十六日訂立之認購協議，海爾BVI同意發行而德銀同意認購涉及392,677,482股德銀股份之認股權證，於行使時，持有人有權向海爾BVI認沽該等股份。
- 海爾BVI持有452,670,667股股份。此外，根據海爾BVI與德銀於二零零六年一月五日簽立之承諾書，海爾BVI與德銀乃一致行動，據此，德銀同意，除非經其他方式協定及在當中所載若干例外情況下，德銀將不會銷售或出售任何392,677,482股德銀股份(定義見上文附註4)。因此，海爾BVI根據證券及期貨條例被視為於德銀股份中擁有權益。

Report of the Directors 董事會報告書

Substantial Shareholders' Interests in Shares and Underlying Shares (Cont'd)

Notes: (Cont'd)

5. Haier BVI was also interested in 94,444,444 underlying Shares under the convertible notes as part of the consideration pursuant to an agreement dated 5 March 2004 entered into between Haier Corp, Haier Investment and the Company respectively.

Ms. Yang Mian Mian and Mr. Wu Ke Song, the executive directors of the Company, are also directors of Haier BVI.

Save as disclosed above, as at 31 December 2007, no other person had registered an interest or a short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Connected Transactions and Continuing Connected Transactions

- (a) On 15 June 2007, Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd., an indirect wholly-owned subsidiary of the Company, entered into a transfer agreement with Qingdao Jiaonan Haier Microwave Manufacturing Co., Ltd. ("Qingdao Microwave"), an indirect non-wholly-owned subsidiary of Haier Corp, pursuant to which Qingdao Microwave agreed to transfer certain building and plant (the "Assets") to Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd. for a total consideration of approximately RMB26,554,000 (approximately HK\$27,085,000). The consideration of this transaction was determined with reference to the valuation of the Assets conducted by an independent qualified valuer in Mainland China.

The transfer agreement subsequently lapsed on 30 September 2007 (being the long-stop date of the transfer agreement) because Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd. failed to receive the revised state-owned land use right certificate in connection with the building to be transferred.

主要股東於股份及相關股份之權益(續)

附註：(續)

5. 海爾BVI亦於海爾集團公司、海爾投資與本公司在二零零四年三月五日訂立之協議中作部分代價之可換股票據所涉及之94,444,444股相關股份中擁有權益。

本公司執行董事楊綿綿女士及武克松先生亦為海爾BVI之董事。

除上文所披露者外，於二零零七年十二月三十一日，概無其他人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須予記錄之登記權益或淡倉。

關連交易及持續關連交易

- (a) 於二零零七年六月十五日，本公司之間接全資附屬公司青島經濟技術開發區海爾熱水器有限公司與海爾集團之間接非全資附屬公司青島膠南海爾微波制品有限公司(「青島微波製品」)訂立轉讓協議，據此，青島微波製品同意轉讓若干樓宇及廠房(「資產」)予青島經濟技術開發區海爾熱水器有限公司，總代價約為人民幣26,554,000元(約27,085,000港元)。此項交易之代價乃參考一間中國內地評估師進行之資產估值而釐定。

轉讓協議其後於二零零七年九月三十日(即轉讓協議之最後限期)失效，因為青島經濟技術開發區海爾熱水器有限公司未能接獲將予轉讓樓宇之經修訂國有土地使用權證。

Connected Transactions and Continuing
Connected Transactions (Cont'd)

(b) On 4 September 2007, Haier Washing Machines Holdings (BVI) Limited (“Haier WM BVI”), an indirect wholly-owned subsidiary of the Company, as purchaser entered into equity transfer agreements with Indesit Company S.p.A. and Indesit Company Luxembourg S.A. (“Indesit Group”) as vendors pursuant to which Haier WM BVI agreed to acquire and Indesit Group agreed to sell the 30% shareholding of Haier Indesit (Qingdao) Washing Machine Co., Ltd. and Haier Indesit (Qingdao) Electrical Appliance Co., Ltd. for an aggregate consideration of €14,310,000 (approximately HK\$162,977,000). Haier Indesit (Qingdao) Washing Machine Co., Ltd. and Haier Indesit (Qingdao) Electrical Appliance Co., Ltd. are indirect 70%-owned subsidiaries of the Company. The consideration of this transaction was determined after arm’s length negotiations between Haier WM BVI and Indesit Group with reference to similar transactions in relevant industries.

The above transaction was completed on 24 December 2007.

關連交易及持續關連交易(續)

(b) 於二零零七年九月四日，本公司之間接全資附屬公司海爾洗衣機控股(BVI)有限公司(「海爾洗衣機BVI」)(作為買方)與盈德喜家用電器股份有限公司及盈德喜國際公司(「盈德喜集團」)(作為賣方)訂立股權轉讓協議，據此，海爾洗衣機BVI同意收購而盈德喜集團同意出售海爾盈德喜(青島)洗衣機有限公司及海爾盈德喜(青島)電器有限公司30%股權，總代價為14,310,000歐羅(約162,977,000港元)。海爾盈德喜(青島)洗衣機有限公司及海爾盈德喜(青島)電器有限公司為本公司間接擁有70%之附屬公司。此交易之代價乃經海爾洗衣機BVI與盈德喜集團經參考有關行業之類似交易後公平磋商釐定。

上述交易於二零零七年十二月二十四日完成。

Report of the Directors

董事會報告書

Connected Transactions and Continuing Connected Transactions (Cont'd)

(c) During the year, the Company's subsidiaries, Qingdao Haier Washing Machine Co., Ltd., Qingdao Jiaonan Haier Washing Machine Co., Ltd., Hefei Haier Washing Machine Co., Ltd., Foshan Shunde Haier Electric Co., Ltd., Foshan Shunde Haier Intelligent Electronic Co., Ltd., Chongqing Haier Washing Machine Co., Ltd. and Qingdao Haier Electronics Sales Co., Ltd. had the following continuing connected transactions with Haier Corp, Haier Investment, their subsidiaries and associates (collectively referred to as "Haier Affiliates"):

關連交易及持續關連交易(續)

(c) 年內，本公司附屬公司青島海爾洗衣機有限公司、青島膠南海爾洗衣機有限公司、合肥海爾洗衣機有限公司、佛山市順德海爾電器有限公司、佛山市順德海爾智能電子有限公司、重慶海爾洗衣機有限公司及青島海爾電器銷售有限公司與海爾集團公司、海爾投資、其附屬公司及聯營公司(統稱為「海爾聯屬人士」)曾進行以下持續關連交易：

Group		本集團	2007		2006	
			Notes	二零零七年	二零零六年	
			附註	HK\$'000	HK\$'000	千港元
Export sales of washing machines	出口銷售洗衣機	(i)		331,603	346,991	
Domestic sales of washing machines and water heaters	國內銷售洗衣機及熱水器	(ii)		480,068	21,901	
Purchases of raw materials	採購原料	(iii)		4,009,916	3,105,709	
Printing and packaging fee expenses	印刷及包裝費支出	(iv)		11,126	4,376	
Mould charges	模具費支出	(v)		72,652	45,640	
Utility service fee expenses	公用服務費支出	(vi)		16,518	12,441	
Logistics charges	物流費支出	(vii)		189,795	125,621	
Promotion fee expenses	宣傳費支出	(viii)		58,980	47,984	
Other service fee expenses	其他服務費支出	(ix)		50,046	31,373	
Interest expenses	利息支出	(x)		3,336	269	
Interest income	利息收入	(x)		4,613	1,808	
Trademark licence fee expenses	商標牌照費支出	(xi)		40,195	32,315	
Consignment sale commission income	商品代售佣金收入	(xii)		3,684	—	
Sales of gift products	銷售禮品	(xiii)		5,644	—	

Report of the Directors 董事會報告書

Connected Transactions and Continuing Connected Transactions (Cont'd)

(c) (Cont'd)

Notes:

- (i) The export sales of washing machines were made to Haier Electrical Appliances Co., Ltd. (“Haier Electrical”), a subsidiary of Haier Investment, at selling prices representing differences between the selling prices of washing machines mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of washing machines.
- (ii) The domestic sales of washing machines and water heaters were determined at rates mutually agreed between the relevant parties.
- (iii) The purchases of materials were charged based on the lower of the average market price or the consolidated and integrated tender and bidding price plus a commission of no more than 2.6% of the aforementioned purchase price.
- (iv) The printing and packaging fee expenses were charged on an actual cost basis plus a processing fee of not higher than those charged by independent third parties.
- (v) The moulds were charged with reference to the average market tender and bidding price plus actual administrative costs.
- (vi) The utility service fee expenses were charged based on the state-prescribed prices plus actual administrative costs.
- (vii) The logistics charges were charged based on an actual cost basis and on terms more favourable than those offered by independent third parties.
- (viii) The promotion fee expenses were charged based on 1.2% of the domestic sales of washing machines.
- (ix) The other service fee expenses were determined with reference to actual costs incurred.

關連交易及持續關連交易(續)

(c) (續)

附註：

- (i) 向海爾投資之附屬公司海爾集團電器產業有限公司(「海爾電器產業」)出口銷售洗衣機乃根據相等於雙方協定之洗衣機售價與海爾電器產業之出售開支(不超過洗衣機售價之2.5%)之差額而進行。
- (ii) 洗衣機及熱水器之國內銷售乃按相關訂約方共同協定之收費率釐定。
- (iii) 採購原料乃根據市場平均價或統一整合競標後之價格另加不超過前述購買價2.6%之佣金計價(以較低者為準)。
- (iv) 印刷及包裝費支出乃根據實際成本另加不超過獨立第三方所收取之加工費計價。
- (v) 模具費支出乃參考平均市場競標後之價格另加實際行政成本計價。
- (vi) 公用服務費支出乃根據國家指定價格另加實際行政成本計價。
- (vii) 物流費支出乃按較獨立第三方提供者優厚之條款及實際成本計價。
- (viii) 宣傳費支出乃按洗衣機之國內銷售之1.2%計價。
- (ix) 其他服務費支出乃參考所產生實際成本釐定。

Report of the Directors 董事會報告書

Connected Transactions and Continuing Connected Transactions (Cont'd)

(c) (Cont'd)

Notes: (Cont'd)

- (x) The interest expenses and income were determined with reference to the standard rates published by the People's Bank of China.
- (xi) The trademark licence fee expenses were charged at a rate of 0.8% of certain sales made by Qingdao Haier Washing Machine Co., Ltd., Foshan Shunde Haier Electric Co., Ltd., Hefei Haier Washing Machine Co., Ltd., Qingdao Jiaonan Haier Washing Machine Co., Ltd. and Chongqing Haier Washing Machine Co., Ltd.
- (xii) The consignment sale commission income was determined at 2% of the turnover of the sales of the outstanding inventories of washing machines and water heaters owned by subsidiaries of Haier Investment at 31 December 2006.
- (xiii) The sales of gift products were made at selling prices no less than that sold by the Group to independent third parties.

關連交易及持續關連交易(續)

(c) (續)

附註：(續)

- (x) 利息支出及收入乃根據中國人民銀行頒佈之標準息率釐定。
- (xi) 商標牌照費支出乃按青島海爾洗衣機有限公司、佛山市順德海爾電器有限公司、合肥海爾洗衣機有限公司、青島膠南海爾洗衣機有限公司及重慶海爾洗衣機有限公司之若干銷售0.8%之比率計價。
- (xii) 商品代售佣金收入乃根據海爾投資之附屬公司於二零零六年十二月三十一日所擁有之洗衣機及熱水器尚餘存貨銷售之營業額2%釐定。
- (xiii) 銷售禮品乃按不低於本集團向獨立第三者進行出售之出售價進行。

Report of the Directors

董事會報告書

Connected Transactions and Continuing Connected Transactions (Cont'd)

(c) (Cont'd)

During the year, the Company's subsidiaries, Haier Indesit (Qingdao) Washing Machine Co., Ltd., Haier Indesit (Qingdao) Electrical Appliance Co., Ltd., Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd., Wuhan Haier Water Heater Co., Ltd. and Chongqing Haier Water Heater Co., Ltd. had the following continuing connected transactions with Haier Affiliates:

Group

		Notes	2007 二零零七年 HK\$'000 千港元
		附註	
Export sales of washing machines	出口銷售洗衣機	(xiv)	509,219
Export sales of water heaters	出口銷售熱水器	(xiv)	6,047
Purchases of raw materials	採購原料	(xv)	2,141,559
Printing and packaging fee expenses	印刷及包裝費支出	(xvi)	13,641
Mould charges	模具費支出	(xvii)	27,872
Utility service fee expenses	公用服務費支出	(xviii)	35,196
Logistics charges	物流費支出	(xix)	91,448
Promotion fee expenses	宣傳費支出	(xx)	33,452
Other service fee expenses	其他服務費支出	(xxi)	39,645
Interest expenses	利息支出	(xxii)	7,707
Interest income	利息收入	(xxii)	482

Notes:

- (xiv) The export sales of washing machines and water heaters were made to Haier Electrical at selling prices representing differences between the selling prices of washing machines and water heaters mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of washing machines.
- (xv) The purchases of raw materials were charged based on the lower of the average market price or the consolidated and integrated tender and bidding price plus a commission of no more than 2.6% of the aforementioned purchase price.

關連交易及持續關連交易(續)

(c) (續)

年內，本公司之附屬公司海爾盈德喜(青島)洗衣機有限公司、海爾盈德喜(青島)電器有限公司、青島經濟技術開發區海爾熱水器有限公司、武漢海爾熱水器有限公司及重慶海爾熱水器有限公司與海爾聯屬人士曾進行下列持續關連交易：

	Notes	2007 二零零七年 HK\$'000 千港元
	附註	
Export sales of washing machines	(xiv)	509,219
Export sales of water heaters	(xiv)	6,047
Purchases of raw materials	(xv)	2,141,559
Printing and packaging fee expenses	(xvi)	13,641
Mould charges	(xvii)	27,872
Utility service fee expenses	(xviii)	35,196
Logistics charges	(xix)	91,448
Promotion fee expenses	(xx)	33,452
Other service fee expenses	(xxi)	39,645
Interest expenses	(xxii)	7,707
Interest income	(xxii)	482

附註：

- (xiv) 銷售洗衣機及熱水器予海爾電器產業之售價乃根據相當於雙方協定之洗衣機售價與海爾電器產業之出售開支(不超過洗衣機售價之2.5%)之差額而進行。
- (xv) 採購原料乃根據市場平均價或統一整合競標後之價格另加不超過前述購買價2.6%之佣金計價(以較低者為準)。

Report of the Directors 董事會報告書

Connected Transactions and Continuing Connected Transactions (Cont'd)

(c) (Cont'd)

Notes: (Cont'd)

- (xvi) The printing and packaging fee expenses were charged on actual cost basis plus a processing fee of not higher than those charged by independent third parties.
- (xvii) The moulds were charged with reference to the average market tender and bidding price plus actual administrative costs.
- (xviii) The utility service fee expenses were charged with reference to the state-prescribed prices plus actual administrative costs.
- (xix) The logistics charges were determined on terms no less favourable than those offered by independent third parties.
- (xx) The promotion fee expenses were charged at 1.2% of the domestic sales of washing machines and water heaters.
- (xxi) The other service fee expenses were determined with reference to actual costs incurred.
- (xxii) The interest expenses and income were determined with reference to the standard rates published by the People's Bank of China.

Except for the domestic sales of washing machines and water heaters, trademark licence fee expenses, consignment sale commission income and sales of gift products, the above transactions were defined as the Non-exempt Continuing Connected Transactions or the Continuing Connected Transactions in the circulars to the shareholders of the Company dated 4 October 2005 and 25 September 2006, respectively, and were approved by the shareholders at special general meetings of the Company held on 24 October 2005 and 23 October 2006, respectively.

關連交易及持續關連交易(續)

(c) (續)

附註：(續)

- (xvi) 印刷及包裝費支出乃根據實際成本另加不超過獨立第三方所收取之加工費計價。
- (xvii) 模具費支出乃參考平均市場競標後之價格另加實際行政成本計價。
- (xviii) 公用服務費支出乃參考國家指定價格另加實際行政成本計價。
- (xix) 物流費用支出乃按不遜於獨立第三方所提供之條款釐定。
- (xx) 宣傳費支出乃根據洗衣機及熱水器之國內銷售之1.2%計價。
- (xxi) 其他服務費支出乃參考所產生實際成本釐定。
- (xxii) 利息支出及收入乃參考中國人民銀行頒佈之標準息率釐定。

除洗衣機及熱水器之國內銷售、商標牌照費支出、商品代理佣金收入及銷售禮品外，上述交易分別於二零零五年十月四日及二零零六年九月二十五日致本公司股東之通函中界定為非豁免持續關連交易或持續關連交易，並已分別於二零零五年十月二十四日及二零零六年十月二十三日舉行之股東特別大會上獲股東批准。

Report of the Directors 董事會報告書

Connected Transactions and Continuing Connected Transactions (Cont'd)

(c) (Cont'd)

The Stock Exchange has granted conditional waivers to the Company in respect of the Non-exempt Continuing Connected Transactions and the Continuing Connected Transactions from strict compliance with the connected transactions requirements as set out in the Listing Rules for the three financial years ended 31 December 2007 and for the three years ending 31 December 2008, respectively.

The independent non-executive directors of the Company have reviewed the Non-exempt Continuing Connected Transactions and the Continuing Connected Transactions set out above and have confirmed that they were entered into:

- (i) in the usual and ordinary course of business of the Group;
 - (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.
- (d) As at the balance sheet date, Haier Corp provided corporate guarantees up to RMB201,000,000 (2006: RMB156,800,000) (equivalent to HK\$214,973,000 (2006: HK\$153,726,000)) to Haier Group Finance Co., Ltd. ("Haier Finance"), a subsidiary of Haier Corp and a financial institution approved by the People's Bank of China, for loan facilities granted to certain subsidiaries of the Group.

關連交易及持續關連交易(續)

(c) (續)

聯交所已分別就非豁免持續關連交易及持續關連交易批准本公司在截至二零零七年十二月三十一日止三個財政年度及截至二零零八年十二月三十一日止三個年度有條件豁免嚴格遵守上市規則所載之關連交易規定。

本公司獨立非執行董事已審閱及確認上述非豁免持續關連交易及持續關連交易乃：

- (i) 在本集團之一般及日常業務中進行；
 - (ii) 按一般商業條款進行，或如無足夠之可比較交易以判斷是否按一般商業條款進行，則按不遜於本集團給予或獲自獨立第三方(視情況而定)之條款進行；及
 - (iii) 按條款公平合理並符合本公司股東之整體利益之有關協議進行。
- (d) 於結算日，海爾集團公司向其附屬公司海爾集團財務有限責任公司(「海爾財務」，一間中國人民銀行認可之財務機構)提供最多人民幣201,000,000元(二零零六年：人民幣156,800,000元)(相等於約214,973,000港元(二零零六年：153,726,000港元))之公司擔保，作為本集團若干附屬公司之擔保。

Report of the Directors 董事會報告書

Sufficiency of Public Float

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

Post Balance Sheet Events

Details of the significant post balance sheet events of the Group are set out in note 40 to the financial statements.

Auditors

Ernst & Young retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board

Yang Mian Mian

Chairman

Hong Kong

24 April 2008

足夠公眾持股量

根據本公司所得之公開資料及就董事所知，於本報告日期，本公司全部已發行股本最少25%由公眾人士持有。

結算日後事項

本集團重大結算日後事項之詳情載於財務報表附註40。

核數師

安永會計師事務所將依章告退，在本公司即將舉行之股東週年大會上將提呈決議案續聘其為本公司核數師。

代表董事會

主席

楊綿綿

香港

二零零八年四月二十四日

Independent Auditors' Report 獨立核數師報告書



To the shareholders of Haier Electronics
Group Co., Ltd.

(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Haier Electronics Group Co., Ltd. set out on pages 55 to 163, which comprise the consolidated and company balance sheets as at 31 December 2007, 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. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致海爾電器集團有限公司

列位股東

(於百慕達註冊成立之有限公司)

吾等已審核刊於第55至第163頁海爾電器集團有限公司之財務報表，其中包括於二零零七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

貴公司董事須負責按照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實而公平地列報此等財務報表。此責任包括設計、實施及保持與編製及真實而公平地列報財務報表相關之內部監控，以使財務報表不存有由於欺詐或錯誤而導致之重大錯誤陳述；選擇和採用適當之會計政策；及按情況作出合理之會計估計。

核數師之責任

吾等之責任為根據吾等審核工作之結果，對此等財務報表提出意見。吾等之報告按照百慕達一九八一年公司法第90條之規定，僅向全體股東報告，而不可用作其他用途。吾等概不就本報告之內容，對任何其他人士負責或承擔任何責任。

吾等乃按香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定財務報表是否不存有重大錯誤陳述。

Independent Auditors' Report 獨立核數師報告書

Auditors' responsibility (Cont'd)

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit 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.

Ernst & Young

Certified Public Accountants
18th Floor
Two International Finance Centre
8 Finance Street
Central

Hong Kong
24 April 2008

核數師之責任(續)

審核涉及執行程序以獲取有關財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師會考慮與該實體編製及真實而公平地列報財務報表相關之內部監控，以設計適當之審核程序，但並非為對實體內部監控之有效性發表意見。審核亦包括評估董事所採用的會計政策之合適性及所作出的會計估計之合理性，以及評估財務報表之整體列報方式。

吾等相信，吾等所獲得之審核憑證乃充足及適當地為吾等之審核意見提供基礎。

意見

依照吾等之意見，該財務報表已根據香港財務報告準則真實與公平地顯示 貴公司及 貴集團於二零零七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溢利及現金流量，並已根據香港公司條例之披露要求而適當編製。

安永會計師事務所

執業會計師
中環
金融街8號
國際金融中心2期
18樓

香港
二零零八年四月二十四日

Consolidated Income Statement

綜合收益表

Year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
CONTINUING OPERATIONS	持續經營業務			
REVENUE	收益	5	8,549,239	6,901,705
Cost of sales	銷售成本		(6,058,011)	(5,062,200)
Gross profit	毛利		2,491,228	1,839,505
Other income and gains	其他收入及收益	5	34,521	42,960
Selling and distribution costs	銷售及分銷成本		(1,646,661)	(1,243,740)
Administrative expenses	行政費用		(527,071)	(401,679)
Other expenses	其他費用		(5,993)	(2,441)
Finance costs	融資成本	7	(24,068)	(11,109)
PROFIT BEFORE TAX	除稅前溢利	6	321,956	223,496
Tax	稅項	10	(96,259)	(39,710)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之年內溢利		225,697	183,786
DISCONTINUED OPERATION	已終止經營業務			
Profit for the year from a discontinued operation	已終止經營業務之年內溢利	12	—	103,420
PROFIT FOR THE YEAR	年內溢利		225,697	287,206
Attributable to:	應佔：			
Equity holders of the parent	母公司股權持有人	11	172,131	262,349
Minority interests	少數股東權益		53,566	24,857
			225,697	287,206
DIVIDENDS	股息	13	—	60,875
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權持有人 應佔每股盈利	14		
Basic	基本			
— For profit for the year	— 年內溢利		9.29 HK cents港仙	14.36 HK cents港仙
— For profit for the year from continuing operations	— 持續經營業務之年 內溢利		9.29 HK cents港仙	8.70 HK cents港仙
Diluted	攤薄			
— For profit for the year	— 年內溢利		9.22 HK cents港仙	13.93 HK cents港仙
— For profit for the year from continuing operations	— 持續經營業務之年 內溢利		9.22 HK cents港仙	8.59 HK cents港仙

Consolidated Balance Sheet

綜合資產負債表

31 December 2007

二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	758,236	700,030
Prepaid land premiums	預付土地款	17	77,745	75,661
Intangible assets	無形資產	18	1,484	1,734
Deferred tax assets	遞延稅項資產	30	49,506	34,681
Long term prepayments	長期預付款項	20	—	5,169
Total non-current assets	非流動資產總值		886,971	817,275
CURRENT ASSETS	流動資產			
Inventories	存貨	21	658,534	208,070
Trade and bills receivables	應收貿易賬款及票據	22	1,347,026	1,619,408
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	23	178,255	101,464
Tax recoverable	可退回稅項		—	261
Cash and cash equivalents	現金及現金等值項目	24	595,426	626,802
Total current assets	流動資產總值		2,779,241	2,556,005
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及票據	25	1,032,041	1,210,013
Tax payable	應付稅項		104,269	26,039
Other payables and accruals	其他應付賬款及應計負債	26	1,013,902	861,566
Provisions	撥備	29	63,898	61,172
Interest-bearing borrowings	計息借貸	27	62,032	58,000
Convertible notes	可換股票據	28	169,344	—
Total current liabilities	流動負債總額		2,445,486	2,216,790
NET CURRENT ASSETS	流動資產淨值		333,755	339,215
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,220,726	1,156,490
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing borrowings	計息借貸	27	152,941	78,800
Convertible notes	可換股票據	28	—	161,665
Provisions	撥備	29	125,661	109,993
Deferred tax liabilities	遞延稅項負債	30	—	7,465
Total non-current liabilities	非流動負債總額		278,602	357,923
Net assets	資產淨值		942,124	798,567

Consolidated Balance Sheet

綜合資產負債表

31 December 2007
二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
EQUITY	權益			
Equity attributable to equity holders of the parent	母公司股權持有人應佔權益			
Issued equity	已發行權益	31	1,248,210	1,212,960
Equity component of convertible notes	可換股票據之權益部分		22,094	22,094
Reserves	儲備	33(a)	(422,904)	(590,935)
			847,400	644,119
Minority interests	少數股東權益		94,724	154,448
Total equity	權益總值		942,124	798,567

Yang Mian Mian
楊綿綿
Chairman
主席

Cui Shao Hua
崔少華
Director
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

Year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the parent 母公司股權持有人應佔											
		Issued equity	Capital reduction reserve	Capital reserve	Equity component of convertible notes	Share option reserve	Merger reserve	Reserve funds	Retained profits/ (accumulated losses)	Exchange fluctuation reserve	Total	Minority interests	Total equity
Notes		已發行權益	股本削減儲備	資本儲備	可換股票據之權益部分	購股權儲備	合併儲備	儲備基金	保留溢利/ (累計虧損)	外匯波動儲備	總額	少數股東權益	權益總值
附註		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(note)	(note)		(note)	(note)	(note)	(note)	(note)			
			(附註)	(附註)		(附註)	(附註)	(附註)	(附註)	(附註)			
At 1 January 2006	於二零零六年一月一日	1,094,159	-	-	30,281	-	87,902	96,908	(394,657)	32,322	946,915	162,507	1,109,422
Exchange realignment	匯兌調整	-	-	-	-	-	-	-	-	34,711	34,711	6,273	40,984
Total income and expense for the year recognised directly in equity	年內直接於權益確認之收入及費用總額	-	-	-	-	-	-	-	-	34,711	34,711	6,273	40,984
Profit for the year	年內溢利	-	-	-	-	-	-	-	262,349	-	262,349	24,857	287,206
Total income and expense for the year	年內收入及費用總額	-	-	-	-	-	-	-	262,349	34,711	297,060	31,130	328,190
Dividends	股息	-	-	-	-	-	-	-	(60,875)	-	(60,875)	(20,442)	(81,317)
Contribution from holding companies	控股公司之出資	-	-	-	-	-	25,333	-	(1,586)	-	23,747	(18,747)	5,000
Deemed distribution to holding companies	視為分派予控股公司	-	-	-	-	-	(660,000)	-	-	-	(660,000)	-	(660,000)
Disposal of subsidiaries	出售附屬公司	34	-	-	-	-	-	(3,010)	3,010	(13,342)	(13,342)	-	(13,342)
Conversion of convertible notes	兌換可換股票據	31	65,509	-	(8,187)	-	-	-	-	-	57,322	-	57,322
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	-	-	409	-	-	-	-	409	-	409
Exercise of share options	行使購股權	31	53,292	-	-	(409)	-	-	-	-	52,883	-	52,883
Transfer to reserve funds	轉撥至儲備基金	-	-	-	-	-	-	68,407	(68,407)	-	-	-	-
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及二零零七年一月一日	1,212,960	-	-	22,094	-	(546,765)	162,305	(260,166)	53,691	644,119	154,448	798,567
Exchange realignment	匯兌調整	-	-	-	-	-	-	-	-	64,388	64,388	12,079	76,467
Total income and expense for the year recognised directly in equity	年內直接於權益確認之收入及費用總額	-	-	-	-	-	-	-	-	64,388	64,388	12,079	76,467
Profit for the year	年內溢利	-	-	-	-	-	-	-	172,131	-	172,131	53,566	225,697
Total income and expense for the year	年內收入及費用總額	-	-	-	-	-	-	-	172,131	64,388	236,519	65,645	302,164
Acquisition of minority interests	收購少數股東權益	-	-	-	-	-	-	-	(68,488)	-	(68,488)	(94,489)	(162,977)
Dividends	股息	-	-	-	-	-	-	-	-	-	-	(30,880)	(30,880)
Capital reduction	股本削減	31	(1,657,866)	1,657,866	-	-	-	-	-	-	-	-	-
Elimination of accumulated losses	抵銷累計虧損	-	-	(1,196,370)	-	-	-	-	1,196,370	-	-	-	-
Exercise of share options	行使購股權	31	35,250	-	-	-	-	-	-	-	35,250	-	35,250
Transfer to reserve funds	轉撥至儲備基金	-	-	-	-	-	-	58,730	(58,730)	-	-	-	-
At 31 December 2007	於二零零七年十二月三十一日	1,248,210	(1,657,866)	461,496	22,094	-	(546,765)	221,035	981,117	118,079	847,400	94,724	942,124

Note: These reserve accounts comprise the consolidated reserves in the consolidated balance sheet.

附註：該等儲備賬目包括綜合資產淨值之綜合儲備。

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December 2007

截至二零零七年十二月三十一日止年度

	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Profit before tax:	除稅前溢利：		
From continuing operations	來自持續經營業務	321,956	223,496
From a discontinued operation	來自已終止經營業務	—	(53,029)
Adjustments for:	作以下調整：		
Finance costs	融資成本	24,068	14,626
Interest income	利息收入	(10,121)	(16,874)
Depreciation	折舊	80,061	101,360
Recognition of prepaid land premiums	確認預付土地款	2,324	1,427
Amortisation of intangible assets	無形資產攤銷	355	639
Provision for obsolete and slow-moving inventories	過時及滯銷存貨撥備	5,226	30,238
Loss on disposal/write-off of items of property, plant and equipment, net	出售／撇銷物業、廠房及設備項目虧損淨額	5,993	2,441
Equity-settled share option expense	以股本結算之購股權支出	—	409
Expenses directly attributable to the disposal of the discontinued operation	出售已終止經營業務直接應佔費用	—	(2,219)
	34	429,862	302,514
Decrease in long term prepayments	長期預付款項減少	5,169	4,772
Decrease/(increase) in inventories	存貨減少／(增加)	(455,690)	77,393
Decrease/(increase) in trade and bills receivables	應收貿易賬款及票據減少／(增加)	272,382	(973,046)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(75,951)	(34,778)
Increase/(decrease) in trade and bills payables	應付貿易賬款及票據增加／(減少)	(177,972)	727,259
Increase in other payables and accruals	其他應付款項及應計負債增加	145,588	166,007
Increase in provisions	撥備增加	18,394	62,706
Effect of foreign exchange rate changes, net	匯率變動影響淨額	11,288	(2,817)
Cash generated from operations	經營業務所得現金	173,070	330,010
Interest received	已收利息	10,121	5,686
Mainland China corporate income tax paid	已付中國大陸企業所得稅	(40,058)	(19,096)
Net cash inflow from operating activities	經營業務之現金流入淨額	143,133	316,600

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December 2007

截至二零零七年十二月三十一日止年度

	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net cash inflow from operating activities	經營業務之現金流入淨額	143,133	316,600
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Purchases of items of property, plant and equipment and interest capitalised	購買物業、廠房及設備項目及資本化利息	(95,447)	(128,535)
Additions to prepayments for land premiums	新增預付土地款	—	(40,218)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	207	2,970
Disposal of investments	出售投資	—	4,807
Contribution from holding companies	控股公司之出資	—	5,000
Acquisition of minority interests	收購少數股東權益	(162,977)	—
Disposal of subsidiaries	出售附屬公司	—	(38,534)
Decrease in pledged deposits	已抵押存款減少	—	70
Decrease/(increase) in time deposits with original maturity of more than three months when acquired	原定於取得當日起計三個月後到期之定期存款減少/(增加)	228,000	(228,000)
Net cash outflow from investing activities	投資活動之現金流出淨額	(30,217)	(422,440)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Proceeds from issue of shares upon exercise of share options	因購股權獲行使而發行股份所得款項	35,250	52,883
Interest paid	已付利息	(9,641)	(7,167)
Dividends paid to minority interests	已付少數股東權益股息	(30,880)	(32,447)
Dividends paid	已付股息	—	(80,997)
New borrowings	新增借貸	125,333	204,107
Repayment of borrowings	償還借貸	(59,487)	(200,000)
Net repayment of trust receipts	償還信託收據淨額	—	(42,472)
Net cash inflow/(outflow) from financing activities	融資活動之現金流入/(流出)淨額	60,575	(106,093)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之增加/(減少)淨額	173,491	(211,933)
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	398,802	592,162
Effect of foreign exchange rate changes, net	匯率變動影響淨額	23,133	18,573
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值項目	595,426	398,802
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目之結餘分析		
Cash and bank balances	現金及銀行結餘	470,754	350,685
Time deposits with original maturity of less than three months when acquired	原定於取得當日起計三個月內到期之定期存款	124,672	48,117
		595,426	398,802

Balance Sheet

資產負債表

31 December 2007

二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	附屬公司權益	19	2,143,636	1,982,920
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	23	999	346
Cash and cash equivalents	現金及現金等值項目	24	143,403	66,021
Total current assets	流動資產總值		144,402	66,367
CURRENT LIABILITIES	流動負債			
Other payables and accruals	其他應付賬款及應計負債	26	202,359	186,345
Convertible notes	可換股票據	28	169,344	—
Total current liabilities	流動負債總值		371,703	186,345
NET CURRENT LIABILITIES	流動負債淨值		(227,301)	(119,978)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,916,335	1,862,942
NON-CURRENT LIABILITIES	非流動負債			
Due to subsidiaries	應付附屬公司款項	19	81,060	84,789
Convertible notes	可換股票據	28	—	161,665
			81,060	246,454
Net assets	資產淨值		1,835,275	1,616,488
EQUITY	權益			
Issued capital	已發行股本	31	185,932	1,836,573
Equity component of convertible notes	可換股票據之權益部分		22,093	22,093
Reserves	儲備	33(b)	1,627,250	(242,178)
Total equity	權益總值		1,835,275	1,616,488

Yang Mian Mian

楊綿綿

Chairman

主席

Cui Shao Hua

崔少華

Director

董事

Notes to Financial Statements

財務報表附註

31 December 2007

二零零七年十二月三十一日

1. Corporate Information

Haier Electronics Group Co., Ltd. is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

During the year, the Group was involved in the following principal activities:

- manufacture and sale of washing machines
- manufacture and sale of water heaters

In the opinion of the directors, Haier Group Corporation (“Haier Corp”) and Qingdao Haier Investment and Development Co., Ltd. (“Haier Investment”) (collectively referred to as “Haier Group”) are controlling shareholders of the Company. Haier Corp and Haier Investment are registered in the People’s Republic of China (the “PRC”).

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司資料

海爾電器集團有限公司為於百慕達註冊成立之有限公司。本公司註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda。

本年度內，本集團從事下列主要業務：

- 製造及銷售洗衣機
- 製造及銷售熱水器

董事認為，海爾集團公司（「海爾集團公司」）及青島海爾投資發展有限公司（「海爾投資」）（統稱「海爾集團」）為本公司之控股股東。海爾集團公司及海爾投資於中華人民共和國（「中國」）註冊。

2.1 編製基準

此等財務報表乃按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」）（當中亦包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之披露規定而編製。此等財務報表乃按歷史成本慣例編製。除另有指明外，此等財務報表以港元呈列，而所有價值均約整至最接近之千元。

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2.1 Basis of Preparation (Cont'd)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. An acquisition of minority interests is accounted for using the entity concept method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as an equity transaction.

Business combinations involving entities under common controls and basis of presentation

On 31 December 2006, the Company acquired from its controlling shareholders, Haier Group, their entire 100% interest in Haier Electrical Appliances Fourth Holdings (BVI) Limited ("Haier SPV") at a consideration of HK\$900 million (the "Asset Transfer"). The subsidiaries of Haier SPV are principally engaged in the manufacture and sale of washing machines and water heaters. Haier SPV and its subsidiaries are collectively referred to as the "Haier SPV Group".

As the Company and Haier SPV Group were under the common control of Haier Group before and after the Asset Transfer, the Asset Transfer was accounted for in the financial statements of the Group for the year ended 31 December 2006 as a business combination under common control using merger accounting under the Accounting Guideline 5 *Merger accounting for common control combinations* issued by the Hong Kong Institute of Certified Public Accounts. As a result, the operating results of Haier SPV Group for the year ended 31 December 2006 have been included in the income statement of the Group for the year ended 31 December 2006.

2.1 編製基準(續)

綜合賬目基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零零七年十二月三十一日止年度之財務報表。附屬公司之業績自收購日期(即本集團取得控制權當日)起綜合入賬，並一直綜合直至控制權終止當日為止。本集團內所有公司間之重大交易及結餘已於綜合賬目時對銷。

少數股東權益指並非由本集團持有之外間股東應佔本公司附屬公司之業績及資產淨值之權益。收購少數股東權益以實體概念法列賬，據此，代價與分佔收購資產淨值之賬面值之差異確認為股權交易。

涉及受共同控制實體之業務合併及呈報基準於二零零六年十二月三十一日，本公司向其控股股東海爾集團收購其於海爾電器第四控股(BVI)有限公司(「海爾SPV」)之全部100%權益，代價為900,000,000港元(「資產轉讓」)。海爾SPV之附屬公司主要從事製造及銷售洗衣機及熱水器。海爾SPV及其附屬公司統稱為「海爾SPV集團」。

由於於資產轉讓前及後，本公司及海爾SPV集團均共同受海爾集團控制，故根據香港會計師公會頒佈之會計指引第5號共同控制合併之合併會計法所使用之合併會計法，資產轉讓已計入本集團截至二零零六年十二月三十一日止年度之財務報表作為共同控制之業務合併。因此，海爾SPV集團截至二零零六年十二月三十一日止年度之經營業績已計入本集團截至二零零六年十二月三十一日止年度之收益表。

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財務報表附註

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2.2 Impact of New and Revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures	香港財務報告準則 第7號	金融工具：披露
HKAS 1 Amendment	Capital Disclosures	香港會計準則第1 號修訂本	資本披露
HK(IFRIC)-Int 8	Scope of HKFRS 2	香港(國際財務匯報 準則)－詮釋第8 號	香港財務報告準則 第2號之範圍
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives	香港(國際財務匯報 準則)－詮釋第9 號	重新評估內含衍生 工具
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment	香港(國際財務匯報 準則)－詮釋第 10號	中期財務報告及減 值

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

2.2 新訂及經修訂香港財務報告準則之影響

本集團已於本年度之財務報表首次採納下列新訂及經修訂香港財務報告準則。除在若干情況下引致新增及經修訂之會計政策及額外披露外，採納此等新訂及經修訂準則及詮釋對此等財務報表並無構成重大影響。

香港財務報告準則 第7號	金融工具：披露
香港會計準則第1 號修訂本	資本披露
香港(國際財務匯報 準則)－詮釋第8 號	香港財務報告準則 第2號之範圍
香港(國際財務匯報 準則)－詮釋第9 號	重新評估內含衍生 工具
香港(國際財務匯報 準則)－詮釋第 10號	中期財務報告及減 值

此等新訂及經修訂香港財務報告準則之主要影響如下：

(a) 香港財務報告準則第7號金融工具：披露

此準則要求披露能使財務報表使用者評價本集團金融工具之重要性及該等金融工具所產生之風險性質及程度。新披露包括在整份財務報表內。儘管對本集團之財務狀況或經營業績並無影響，惟已按適當情況載入／修訂比較資料。

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2.2 Impact of New and Revised Hong Kong Financial Reporting Standards (Cont'd)

(b) Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 38 to the financial statements.

(c) HK(IFRIC)-Int 8 Scope of HKFRS 2

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to its employees in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

(d) HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

2.2 新訂及經修訂香港財務報告準則之影響(續)

(b) 香港會計準則第1號修訂本財務報表之呈列 – 資本披露

此修訂本要求本集團作出披露，使財務報表使用者能夠評估本集團管理資本之目標、政策及程序。該等新披露示財務報表附註38。

(c) 香港(國際財務匯報準則) – 詮釋第8號香港財務報告準則第2號之範圍

此詮釋要求香港財務報告準則第2號應用於任何安排，本集團不能夠特定地分辨出以本集團授出股本工具或本集團承擔負債(按本集團股本工具價值計算)作為代價所收取之部分或所有貨物或服務，但代價似乎低於授出股本工具或承擔負債之公平值。由於本公司僅根據本公司之購股權計劃向其僱員發行股本工具，故此詮釋對此等財務報表並無影響。

(d) 香港(國際財務匯報準則) – 詮釋第9號重新評估內含衍生工具

此詮釋要求評估內含衍生工具是否需要與主合約分開及以衍生工具處理之日期為本集團首次成為合約方之日期，重新評估只會在合約改動以致現金流量有重大修改之情況下進行。由於本集團並無內含衍生工具須與主合約分開，故此詮釋對此等財務報表並無影響。

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2.2 Impact of New and Revised Hong Kong Financial Reporting Standards (Cont'd)

(e) HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 2 Amendment	Share-based Payment Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ⁵
HKFRS 8	Operating Segments ¹
HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 Amendment	Consolidated and Separate Financial Statements ⁵
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions ²
HK(IFRIC)-Int 12	Service Concession Arrangements ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

2.2 新訂及經修訂香港財務報告準則之影響(續)

(e) 香港(國際財務匯報準則) – 詮釋第10號中期財務報告及減值

本集團於二零零七年一月一日採納此詮釋，詮釋要求於以前中期期間確認有關商譽或分類為可供出售股本工具或按成本列賬之金融資產之投資之減值虧損其後不得撥回。由於本集團過往並無就該等資產撥回減值虧損，故此詮釋對本集團之財務狀況或經營業績並無影響。

2.3 已頒佈但未生效之香港財務報告準則之影響

本集團尚未於此等財務報表內應用下列已頒佈但未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	以股份支付報酬之歸屬條件及註銷 ¹
香港財務報告準則第3號(經修訂)	業務合併 ⁵
香港財務報告準則第8號	經營分類 ¹
香港會計準則第1號(經修訂)	財務報表之呈報 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(修訂本)	綜合及獨立財務報表 ⁵
香港(國際財務匯報準則) – 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 ²
香港(國際財務匯報準則) – 詮釋第12號	特許服務權安排 ⁴
香港(國際財務匯報準則) – 詮釋第13號	客戶忠誠度計劃 ³
香港(國際財務匯報準則) – 詮釋第14號	香港會計準則第19號 – 界定利益資產之限制、最低資金要求和兩者之互相關係 ⁴

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2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(Cont'd)

- ¹ Effective for annual periods beginning on or after 1 January 2009
- ² Effective for annual periods beginning on or after 1 March 2007
- ³ Effective for annual periods beginning on or after 1 July 2008
- ⁴ Effective for annual periods beginning on or after 1 January 2008
- ⁵ Effective for annual periods beginning on or after 1 July 2009

HKFRS 2 has been amended to restrict the definition of “vesting condition” to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.

HKFRS 3 has been revised to introduce a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 has been revised to require a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

- ¹ 於二零零九年一月一日或以後開始之年度期間生效
- ² 於二零零七年三月一日或以後開始之年度期間生效
- ³ 於二零零八年七月一日或以後開始之年度期間生效
- ⁴ 於二零零八年一月一日或以後開始之年度期間生效
- ⁵ 於二零零九年七月一日或以後開始之年度期間生效

香港財務報告準則第2號將「歸屬條件」定義修訂以限制為包括提供服務之明確或模糊規定之條件。任何其他條件為釐定所授出股本工具之公平值時須予考慮之非歸屬條件。倘在有關實體或對手方控制範圍內未能達致非歸屬條件而導致該項獎勵不獲歸屬，則應列作註銷。本集團尚未訂立附有非歸屬條件之以股份支付報酬計劃，故預期不會對其以股份支付報酬之會計法構成重大影響。

香港財務報告準則第3號對業務合併之會計政策作出多項變動，將會影響收購發生期間已確認之商譽金額及所呈報之業績以及未來呈報之業績。

香港會計準則第27號經已修訂，規定附屬公司之擁有權權益變動應作為股權交易入賬。因此，該項變動將不會對商譽構成影響，亦不會產生盈虧。此外，經修訂準則改變附屬公司所產生虧損及失去附屬公司之控制權之會計法。

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2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(Cont'd)

The changes introduced by HKFRS 3 and HKAS 27 must be applied prospectively and will affect future acquisitions and transactions with minority interests.

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosures of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 January 2009.

HKAS 1 has been revised to introduce changes in the presentation and disclosure of financial statements and does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港財務報告準則第3號及香港會計準則第27號所引入之變動必須於往後應用，並將影響日後收購及與少數股東權益之交易。

香港財務報告準則第8號將取代現有香港會計準則第14號分類呈報，列明實體如何根據首席經營決策者掌握並用以決定如何向經營分類作出資源分配及評估其表現之實體分類資料，呈報有關經營分類之資料。此準則亦要求披露有關分類提供之產品及服務、本集團經營地區以及來自本集團主要客戶之收益等資料。本集團預期由二零零九年一月一日起採納香港財務報告準則第8號。

香港會計準則第1號經已修訂，以引入財務報表列報及披露之變動，及不會改變指定交易之確認、計量或披露及其他香港財務報告準則要求之其他事件。

香港會計準則第23號修訂後要求當借貸成本直接與收購、建設或製造合資格資產有關時，此借貸成本需要資本化。由於本集團現時借貸成本政策符合經修訂準則之要求，故此經修訂準則不大可能會對本集團構成任何財務影響。

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2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(Cont'd)

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港(國際財務匯報準則) – 詮釋第11號要求僱員獲授予本集團股本工具之權利安排應如以股權結算之計劃作會計處理，即使本集團向另一方獲得工具或股東提供所需之股本工具。香港(國際財務匯報準則) – 詮釋第11號亦關注到涉及本集團內兩個或以上實體之以股份支付之交易之會計處理方法。由於本集團目前並無此類交易，故此詮釋不大可能會對本集團構成任何財務影響。

香港(國際財務匯報準則) – 詮釋第12號要求在公私營特許服務權安排下之經營者根據合約安排條款將為換取建築服務而已收或應收代價確認為金融資產及/或無形資產。香港(國際財務匯報準則) – 詮釋第12號亦關注經營者如何應用現行香港財務報告準則去處理就政府或公營機構藉以提供公眾服務及/或供應公眾服務而授予與建築基建項目合約有關之特許服務權安排所引起之責任及權利。由於本集團目前並無此類安排，故此詮釋不大可能會對本集團構成任何財務影響。

香港(國際財務匯報準則) – 詮釋第13號要求忠誠獎勵作為銷售業務之一部份授予客戶應以銷售業務獨立項目作會計處理。銷售業務收到之代價會分攤到忠誠獎勵及銷售之其他部份。分攤到忠誠獎勵之金額以其公平值釐定及遞延直至獎勵贖回或負債終絕為止。

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2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(Cont'd)

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists.

As the Group currently has no customer loyalty award credits and defined benefit scheme, HK(IFRIC)-Int 13 and HK(IFRIC)-Int 14 are not applicable to the Group and therefore are unlikely to have any financial impact on the Group.

2.4 Summary of Significant Accounting Policies

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港(國際財務匯報準則)－詮釋第14號關注如何評估在香港會計準則第19號僱員福利/中有關界定福利計劃退還金額或扣減將來供款並確認為資產之限制，尤其是當最低資金要求存在時。

由於本集團目前並無客戶忠誠獎勵計劃及界定福利計劃，香港(國際財務匯報準則)－詮釋第13號及香港(國際財務匯報準則)－詮釋第14號不適用於本集團，故不大可能會對本集團構成任何財務影響。

2.4 主要會計政策概要

附屬公司

附屬公司指本公司直接或間接控制其財政及經營政策以自該實體之業務獲益之實體。

附屬公司之業績按已收及應收之股息，計入本公司之收益表。本公司於附屬公司之權益乃按成本減任何減值虧損列賬。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture entity and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

- (a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture;
- (b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;
- (c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or
- (d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

2.4 主要會計政策概要(續)

合資企業

合資企業為按合約按排成立之實體，由此本集團及其他訂約方承擔一經濟活動。該合資企業乃本集團及其他訂約方擁有權益之獨立經營實體。

合資各方訂立之合營企業協議訂明合資各方之出資額、合資期限以及於合資企業解散時將予變現資產之基準。合資企業之經營損益及任何盈餘資產由合營各方按彼等各自之出資額比例或按合資企業協議之條款進行分配。

合資企業會被視為：

- (a) 附屬公司，如本集團對合資企業直接或間接擁有單方面之控制權；
- (b) 共同控制實體，如本集團對合資企業並無單方面控制權，但有直接或間接共同控制權；
- (c) 聯營公司，如本集團並無單方面或共同之控制權，但直接或間接持有不少於20%之合資企業註冊資本及對其有重大影響力；或
- (d) 按其指示香港會計準則第39號處理之股份投資，如本集團直接或間接持有不足20%之合資企業註冊資本，且對合資企業並無共同控制權，或對其並無重大影響力。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the income statement in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

2.4 主要會計政策概要(續)

商譽以外之非財務資產減值

倘出現任何減值跡象或按規定每年檢討資產(不包括存貨、遞延稅項資產及財務資產)顯示減值,則會估計資產之可收回數額。資產之可收回數額乃按資產或現金產生單位之使用價值或公平值減銷售成本兩者中之較高者計算,而個別資產須分開計算,惟若資產並不產生明顯獨立於其他資產或資產組別之現金流入,則可收回數額按資產所屬現金產生單位之可收回數額計算。

當資產之賬面值超出其可收回數額時,方會確認減值虧損。評估使用價值時,估計未來現金流量按可反映貨幣時間價值及資產特定風險之現時市場評估之稅前貼現率貼現為現值。減值虧損乃於產生期間在收益表中扣除。

於各申報日期,將評估有否跡象顯示過往已確認之減值虧損不再存在或可能減少。若出現上述跡象,則估計可收回數額。當用以釐定資產可收回數額之估計方法有變時,方會撥回先前已確認之資產減值虧損(商譽除外),惟撥回之數額不得超逾假設過往年度並無就該項資產確認減值虧損之原賬面值(已扣除任何折舊/攤銷)。撥回之減值虧損乃於產生期間計入收益表。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Related parties

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

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

2.4 主要會計政策概要(續)

關連人士

下列人士將視為與本集團有關連：

- (a) 直接或間接透過一個或多個中介機構 (i) 控制本集團、受本集團控制或與本集團共同受他人控制；(ii) 擁有本集團權益而對本集團有重大影響力；或 (iii) 受本集團共同控制之人士；
- (b) 聯繫人；
- (c) 共同控制實體；
- (d) 本集團或其母公司之主要管理人員；
- (e) (a) 或 (d) 所述任何個別人士之直屬親屬；
- (f) (d) 或 (e) 所述任何個別人士直接或間接控制、共同控制或可發揮重大影響力或持有大部分投票權之實體；或
- (g) 以本集團或屬本集團關連人士之任何實體之僱員為受益人之離職後福利計劃。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 10%
Plant and machinery	5% to 19%
Tools, furniture and fixtures	10% to 33%
Motor vehicles	9% to 20%

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)乃以成本減累計折舊及任何減值虧損列賬。若物業、廠房及設備項目分類為可供出售或屬於列為持作出售之出售組合一部分,則不予折舊,根據香港財務報告準則第5號入賬。物業、廠房及設備項目之成本包括其購買價及任何將資產達至其運作狀況及運往現址作擬定用途之直接應佔成本。在物業、廠房及設備項目投入運作後產生之支出,如維修保養等,一般於產生期間之收益表中扣除。倘當時之情況清楚顯示該項支出導致預期日後因使用該物業、廠房及設備項目而獲得之經濟利益增加,並能可靠地衡量該項目成本,則將該項支出撥作該項資產之額外成本或重置成本。

每項物業、廠房及設備項目乃按直線法就其估計可使用年期撇銷成本以計算折舊,就此採用之主要年率如下:

樓宇	2%至10%
廠房及設備	5%至19%
工具、傢具及裝置	10%至33%
汽車	9%至20%

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2.4 Summary of Significant Accounting Policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction and equipment pending installation. It is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of the property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

若物業、廠房及設備項目任何部分之可使用年期不同，則該項目成本將合理分配至各部分，而各部分將分開計算折舊。

餘值、可使用年期及折舊方法將於各結算日檢討及作出適當調整。

物業、廠房及設備項目於出售時或預期日後使用或出售該項目不會產生經濟利益時將終止確認。於資產終止確認之年度在收益表確認之出售或廢棄資產之任何損益，乃按出售所得款項淨額與有關資產賬面值之差額計算。

在建工程指建築中樓宇及有待安裝之設備，乃按成本減任何減值虧損列賬而不作折舊。成本包括建築工程於建築期間之直接成本。在建工程於落成及可供使用時重新分類至物業、廠房及設備之適當類別。

無形資產(不包括商譽)

無形資產之可使用年期分為有期限或無期限。有期限之無形資產將於可使用經濟期限攤銷，並於有跡象顯示無形資產可能減值時評估是否減值。有可用期限之無形資產攤銷期及攤銷方法須最少於各結算日進行檢討。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Intangible assets (other than goodwill) (Cont'd)

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of no more than 10 years.

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

無形資產(不包括商譽)(續)

專利及特許權

所購入之專利及特許權乃按成本減任何減值虧損列賬，按其不超過10年之估計可使用年期以直線法攤銷。

研究及開發費用

所有研究費用於產生時在收益表扣除。

開發新產品項目所產生之支出，只有在本集團證明在技術上可以完成無形資產並該無形資產可供使用或出售、有意完成項目及有能力使用或出售資產、資產如何產生未來經濟利益、可動用資源以完成項目及能可靠衡量發展期間之開支時，方會撥充資本及遞延處理。若產品開發支出未符合上述條件，則於產生時列作支出。

遞延開發成本按成本減任何減值虧損列賬，並按相關產品之商業年期以直線法攤銷。

經營租約

凡資產擁有權之絕大部分回報及風險仍由出租人享有及承擔之租約，均列為經營租約。倘本集團為承租人，則根據該等經營租約應付之租金乃以直線法按租期在收益表扣除。

經營租約之預付土地款首先按成本列賬，其後以直線法按租期確認。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要(續)

投資及其他財務資產

香港會計準則第39號所包含之財務資產視乎情況而分類為透過損益賬按公平值列賬之財務資產、貸款及應收賬項，以及可供出售財務資產。於首次確認時，財務資產以公平值計量，而若投資並非透過損益賬按公平值列賬，則以公平值加直接交易成本確認。

當本集團首次成為合約方，本集團會評估合約是否內含衍生工具，並評估當分析顯示內含衍生工具之經濟特徵及風險與主合約者並無密切關係時，內含衍生工具是否需要與主合約分開。重新評估只會在合約條款改動以致合約原要求之現金流量有重大修改之情況下進行。

本集團於首次確認後釐定財務資產之分類，並於許可並合適時在結算日重新評估分類。

所有按正規買賣之財務資產於交易當日(即本集團承諾購買或出售資產之日期)確認。財務資產之正規買賣指須於市場一般既定規例或慣例所規定之期限內交付資產之財務資產買賣。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Investments and other financial assets (Cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on investments held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any dividends on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

透過損益賬按公平值列賬之財務資產

透過損益賬按公平值列賬之財務資產包括持作買賣之財務資產。倘財務資產乃購入作短期內銷售用途，則份類為持作買賣。持作買賣投資之損益在收益表確認。於收益表確認之公平值損益淨額不包括該等財務資產之任何股息，有關股息乃根據下文「收入確認」所載之政策確認。

貸款及應收賬項

貸款及應收賬項為有指定或可釐定付款金額而在活躍市場並無報價之非衍生財務資產。該等資產其後以實際利息法按攤銷成本減任何減值撥備列賬。攤銷成本於計及任何收購折讓或溢價後計算，並包括屬實際利息及交易成本一部分之費用。有關損益於貸款及應收賬項終止確認或減值時以及透過攤銷在收益表確認。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Investments and other financial assets (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as “Other income” in accordance with the policies set out for “Revenue recognition” below. Losses arising from the impairment of such investments are recognised in the income statement as “Impairment loss on available-for-sale financial assets” and are transferred from the available-for-sale investment revaluation reserve.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

可供出售財務資產

可供出售財務資產為上市及非上市股本證券之非衍生財務資產，而此等資產被指定為可供出售或並無分類為任何其他兩個類別。於首次確認後，可供出售財務資產按公平值計量，損益獨立確認為權益之部分，直至該投資被終止確認或直至該投資被釐定為減值為止，屆時過往於權益呈報之累計損益計入收益表。所賺取之利息及股息分別呈報為利息收入及股息收入，並根據下文「收入確認」所載之政策於收益表確認為「其他收入」。該等投資減值所產生之虧損於收益表確認為「可供出售財務資產之減值虧損」，並轉撥自可供出售投資重估儲備。

倘非上市股本證券之公平值因(a) 合理公平值估計之範圍變動對投資屬重大或(b) 於該範圍內多項估計之概率無法可靠地評估及用於估計公平值，而無法可靠地計量，則有關證券按成本減任何減值虧損列賬。

公平值

於有組織金融市場交投活躍之投資之公平值，乃參考於結算日營業時間結束時所報市場買入價而釐定。對於並無活躍市場之投資，公平值利用估值技術釐定。有關技術包括使用最近公平市場交易；參考大致相同之另一工具之現行市值；貼現現金流量分析及期權定價模式。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.4 主要會計政策概要(續)

財務資產減值

本集團於各結算日評估有否客觀證據顯示一項或一組財務資產出現減值。

按攤銷成本列賬之資產

如有客觀證據顯示按攤銷成本列賬之貸款及應收賬項出現減值虧損，則虧損額按資產賬面值與以財務資產原有實際利率(即於首次確認時所計算之實際利率)貼現之估計未來現金流量現值(不包括尚未產生之未來信貸虧損)之差額釐定。資產賬面值直接或透過撥備賬扣減。減值虧損數額於收益表確認。貸款及應收賬項連同任何相關撥備於未來並無實際機會可收回款項時撇銷。

若在往後期間，減值虧損數額減少，並可客觀地認為該項減少與減值確認後發生之事項有關，則將過往已確認之減值透過調整撥備賬撥回。減值虧損之任何其後撥回於收益表確認，而資產賬面值不得超過撥回當日之攤銷成本。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Impairment of financial assets (Cont'd)

Assets carried at amortised cost (Cont'd)

In relation to trade and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

2.4 主要會計政策概要(續)

財務資產減值(續)

按攤銷成本列賬之資產(續)

就應收貿易賬款及其他應收款項而言，倘有客觀證據(如債務人無力償債或面臨重大財務困難之可能性以及科技、市場經濟或法律環境出現對債務人構成不利影響之重大轉變)證明本集團將不能按照發票之原有條款收回所有到期金額，則作出減值撥備。應收款項之賬面值透過撥備賬扣減。出現減值之債務倘評估為不可收回，則終止確認。

按成本列賬之資產

如有客觀證據顯示並非按公平值列賬之非掛牌股本工具乃因其公平值無法可靠地計量而出現減值虧損，則虧損額按資產賬面值與以類似財務資產之現行市場回報率貼現之估計未來現金流量現值之差額釐定。該等資產之減值虧損不予撥回。

可供出售財務資產

倘可供出售資產減值，則一筆相等於其成本(扣除任何本金及攤銷)與其現行公平值之差額，減先前在收益表中確認之任何減值虧損之金額，自權益轉撥至收益表。倘公平值重大或長期下跌至低於其成本或有其他客觀證據顯示出現減值，則將就可出售股本投資作出減值撥備。釐定「重大」或「長期」則需作出判斷。此外，本集團評估股價波幅等其他因素。分類為可供出售股本工具之減值虧損不會透過收益表撥回。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risk and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.4 主要會計政策概要(續)

終止確認財務資產

在下列情況，財務資產(或財務資產一部分或一組同類財務資產之一部分(視情況而定))將終止確認：

- 收取資產現金流量之權利屆滿；
- 本集團保留收取資產現金流量之權利，惟須根據「轉讓」協議向第三方全數付款且無出現重大延誤；或
- 本集團轉讓收取資產現金流量之權利及(a)轉讓絕大部分資產之風險及回報，或(b)並無轉讓或保留絕大部分資產之所有風險及回報，惟轉讓資產控制權。

倘本集團轉讓收取資產所得現金流量之權利，但並無轉讓或保留該項資產之絕大部分風險及回報，亦無轉讓該項資產之控制權，而本集團將持續涉及該項資產，則會將該項資產確認入賬。持續涉及資產指本集團就所轉讓資產提供擔保，以該項資產之原賬面值或本集團或須支付之總代價(以較低者為準)計算。

若持續涉及所轉讓資產屬於書面及/或認購期權(包括現金結算期權或同類規定)，則本集團持續涉及資產之程度以本集團可購回之所轉讓資產數額為限，惟若屬按公平值計量之資產書面認沽期權(包括現金結算期權或同類規定)，則本集團之持續涉及資產之程度僅限於所轉讓資產之公平值及期權行使價。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and other payables and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and 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. The related interest expense is recognised within “finance costs” in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.4 主要會計政策概要(續)

按攤銷成本列賬之財務負債(包括計息貸款及借貸)

財務負債包括應付貿易賬款其他應付賬款以及計息貸款及借貸，首次按公平值減直接應佔交易成本列賬，其後以實際利息法計算攤銷成本計量，惟倘貼現之影響不大，則按成本列賬。相關利息支出於收益表「融資成本」內確認。

有關損益於終止確認負債時以及透過攤銷過程於收益表確認。

可換股票據

可換股票據中顯示負債特徵之部分，於扣除交易成本後在資產負債表確認為負債。發行可換股票據時，採用同等非可換股票據之市價釐定負債部分之公平值，按攤銷成本基準將該數額列為長期負債，直至換股或贖回時註銷為止。所得款項餘款分配往已確認之換股期權，於扣除交易成本後計入股東權益。於其後年度，換股期權之賬面值不會重新計量。交易成本根據所得款項於工具首次確認時在負債與權益部分之間之分配，分類為可換股票據負債部分及權益部分。

終止確認財務負債

當負債之責任解除或註銷或到期時，財務負債將終止確認。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Derecognition of financial liabilities (Cont'd)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

2.4 主要會計政策概要(續)

終止確認財務負債(續)

若現有財務負債由另一項來自相同貸方按完全不同之條款提供之負債取代，或現有負債之條款作出重大修訂，則上述取代或修訂視為終止確認原有負債及確認新負債，而相關賬面值之差額在收益表確認。

存貨

存貨乃按成本與可變現淨值兩者中之較低者入賬。成本按加權平均基準釐定。如屬在製品及製成品，成本包括直接原料、直接勞工及按適當比例計算之間接成本。可變現淨值指估計售價減任何在完成及出售時產生之估計成本。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括庫存現金及活期存款，以及可隨時兌換為已知數額現金、價值波動風險輕微，且一般於取得當日起計三個月內到期之高度流動短期投資，減須按通知償還之銀行透支，為本集團現金管理之整體部分。

就資產負債表而言，現金及現金等值項目為用途不受限制之庫存及存放於銀行之現金，包括定期存款。

撥備

倘若由於過往事項產生現有法定或推斷責任，而解除責任可能需要未來資源流出，且該責任之數額能可靠衡量，則會確認撥備。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Provisions (Cont'd)

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Provisions for installation services and product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of installation services rendered, repairs or returns, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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 liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.4 主要會計政策概要(續)

撥備(續)

當貼現影響重大時，已確認之撥備數額為預期解除責任所需之未來支出於結算日之現值。隨時間流逝而產生之貼現現值增加將計入收益表之融資成本。

本集團就若干產品所提供之安裝服務及產品保養撥備根據銷量及過往之安裝服務及維修或退貨水平而確認，並貼現成現值(如適用)。

所得稅

所得稅包括當期及遞延稅項。所得稅乃於收益表確認，或如其關於在同一期間或不同期間直接在股東權益確認之項目，則在股東權益確認。

當期及過往期間之當期稅項資產及負債按預期已付予稅務當局或獲退回之數額計量。

遞延稅項使用負債法，於結算日就資產與負債稅基與財務申報面賬面值之間所有暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額確認：

- 惟倘遞延稅項負債乃來自商譽或首次確認交易(業務合併除外)資產或負債，且交易時並不影響會計溢利及應課稅溢利或虧損，則另作別論；及

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2.4 Summary of Significant Accounting Policies (Cont'd)

Income tax (Cont'd)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

- 就與附屬公司及聯營公司之投資及合營企業之權益有關之應課稅暫時差額確認，惟倘可控制沖回暫時差額之時間，而暫時差額於可見未來將不會沖回之情況下，則另作別論。

在有可扣稅暫時差額、承前之未動用稅項資產及未動用稅項虧損可供用於抵銷應課稅溢利之情況下，遞延稅項資產乃就所有可扣稅之暫時差額、承前之未動用稅項資產及未動用稅項虧損確認：

- 惟倘遞延稅項資產關於首次確認交易(業務合併除外)資產或負債產生之可扣稅暫時差額，且交易時並不影響會計溢利及應課稅溢利或虧損則另作別論；及
- 就與附屬公司及聯營公司之投資及合營企業之權益有關之可扣稅暫時差額而言，只會在於可見未來可沖回暫時差額及有應課稅溢利可供用於抵銷暫時差額之情況下，才會確認遞延稅項資產。

於每個結算日均會審閱遞延稅項資產之賬面值，及倘不再可能有足夠之應課稅溢利以動用全部或部分遞延稅項資產，則會減低遞延稅項資產。相反，於每個結算日均會重新評估之前未確認之遞延稅項資產，而如可能有足夠應課稅溢利以動用全部或部分遞延稅項資產，則予以確認之遞延稅項資產。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Income tax (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Revenue recognition

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

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產及負債按變現資產或償還負債期間預計適用稅率計算，而預計之適用稅率乃按結算日已頒行或大致上已頒行之稅率(及稅法)釐定。

倘根據法例可將同一應課稅實體及同一稅務當局的即期稅項資產與即期稅項負債以及遞延稅項對銷，則可將遞延稅項資產與遞延稅項負債對銷。

政府補助金

政府補助金於合理確定將獲取補助金及符合所有附帶條件時，按公平值確認。倘補助金與開支項目有關，則於有關期間確認為開支，以有系統地配合擬補助之成本。

收入確認

收入乃於本集團可取得經濟利益且能可靠地計算時按以下基準確認：

- (a) 銷售貨物收入，於擁有權之大部分風險及回報已轉移至買方而本集團不涉及通常與擁有權聯繫之管理亦無實際上控制售出之貨物時確認；
- (b) 租金收入，按物業租期按時間比例確認；
- (c) 利息收入，根據實際利率法按應計基準以可將財務資產預定期限之估計未來現金回報貼現為財務資產賬面淨值之比率計算；及
- (d) 股息收入，於股東收取支付之權利獲確立時。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that 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. The capitalisation of such borrowing costs ceases when the assets 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 capitalised.

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

2.4 主要會計政策概要(續)

僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為合資格參與強制性公積退休福利計劃(「強積金計劃」)之僱員設立定額供款強積金計劃。供款按僱員基本薪金之百分比計算，於根據強積金計劃應付時自收益表扣除。強積金計劃資產與本集團資產分開持有，由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸屬於僱員。

本集團中國大陸附屬公司僱員須參與由地方市政府營運之中央退休金計劃。此等附屬公司須向中央退休金計劃作出相當於其工資成本某一百分比之供款。供款於根據中央退休金計劃規則應付時自收益表扣除。

借貸成本

由收購、建築或生產合資格資產(即需相當長時間方可作擬定用途或出售之資產)所直接產生之借貸成本乃資本化為該等資產之部分成本。當資產大致可作擬定用途或出售時，則不再將該等借貸成本資本化。個別借貸於用作合資格資產開支前之暫時性投資所賺取之投資收入，乃於已資本化之借貸成本中扣除。

借貸成本於其產生期間在收益表列作開支。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4 主要會計政策概要(續)

股息

董事擬派之末期股息於資產負債表之權益部分，分開列為保留盈利分配，直至該等股息獲股東於股東大會批准。當該等股息獲股東批准及宣派時，即確認為負債。

中期股息乃同時建議及宣派，原因是本公司之公司細則授權董事宣派中期股息。因此，中期股息乃於建議及宣派時即時確認為負債。

外幣

此等財務報表以本公司之功能及呈報貨幣港元呈列。本集團屬下各實體自行決定本身之功能貨幣，而各實體之財務報表所包括項目按功能貨幣計量。外幣交易首先按各自之交易日期適用之功能貨幣匯率入賬。以外幣計值之貨幣資產及負債按結算日適用之功能貨幣匯率換算。所有匯兌差額於收益表處理。以外幣歷史成本計量之非貨幣項目按原訂交易日期之匯率換算，而按公平值計量之非貨幣項目則按釐定公平值當日之匯率換算。

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2.4 Summary of Significant Accounting Policies (Cont'd)

Foreign currencies (Cont'd)

The functional currencies of Mainland China subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of Mainland China subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of Mainland China subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

若干中國大陸附屬公司之功能貨幣並非港元。於結算日，該等實體之資產及負債按結算日之匯率換算為本公司之呈列貨幣，而收益表按年內之加權平均匯率換算為港元。所產生之匯兌差額計入外匯波動儲備。出售海外實體時，有關特定海外業務於權益確認之遞延累計數額將於收益表確認。

就綜合現金流量表而言，中國大陸附屬公司之現金流量按現金流量日期之匯率換算為港元。中國大陸附屬公司於整個年度經常產生之現金流量，按年內之加權平均匯率換算為港元。

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3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

3. 重大會計判斷及估計

編製本集團財務報表時，管理層須作出可能影響於報告日期之收益、費用、資產及負債之呈報數額以及或然負債之披露事項之判斷、估計及假設。然而，此等假設及估計之不確定因素可能導致須於未來為受影響之資產及負債賬面值作出重大調整。

判斷

採用本集團之會計政策時，除涉及估計者外，管理層作出以下對財務報表所確認數額有最重大影響之判斷：

經營租約承擔 — 本集團為出租人

本集團已就其物業組合訂立商業物業租約。本集團已決定保留該等根據經營租約出租之物業擁有權之所有重大風險及回報。

投資物業及擁有人自佔物業之分類

本集團須決定物業是否屬於投資物業，並已制訂作出判斷之條件。投資物業指持作賺取租金及／或資本增值之物業。因此，本集團須考慮物業所產生之現金流量是否大致獨立於本集團所持之其他資產。

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3. Significant Accounting Judgements and Estimates (Cont'd)

Judgements (Cont'd)

Classification between investment properties and owner-occupied properties (Cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The 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 assets and liabilities within the next financial year, are discussed below.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Where the actual or expected tax positions of the relevant companies of the Group in future are different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax charge in the period in which such estimate has been changed.

3. 重大會計判斷及估計(續)

判斷(續)

投資物業及擁有人自佔物業之分類(續)

若干物業包括持作賺取租金或資本增值之部份及持作生產或供應貨品或服務或管理用途之部分。若該等部份可分開出售(或根據融資租約分開出租),則本集團將各部份獨立入賬。若該等部份不可分開出售,則物業僅於持作生產或供應貨品或服務或管理用途之部分並不重大時,方會列作投資物業。

管理層須判斷個別物業之附帶設施是否重大而導致物業不合資格列為投資物業。

估計之不明朗因素

以下為大有可能導致下一財政年度之資產及負債賬面值須作重大調整之未來主要假設及結算日其他主要估計不明朗因素主要來源。

遞延稅項資產

在有可扣稅暫時差額、承前之未動用稅項資產及未動用稅項虧損可供用於抵銷應課稅溢利之情況下,遞延稅項資產乃就所有可扣稅之暫時差額、承前之未動用稅項資產及未動用稅項虧損確認。倘本集團有關公司未來之實際或預期稅務狀況與原先估計不同,則上述差額將會對在有關估計改變期間確認遞延稅項資產及所得稅支出構成影響。

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3. Significant Accounting Judgements And Estimates (Cont'd)

Estimation uncertainty (Cont'd)

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the ageing and estimated net realisable value of inventories. The assessment of the write-down amount involves management's judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of the inventories and the write-down charge/reversal in the period in which such estimate has been changed.

Product warranty and installation provisions

Product warranty and installation provisions are made based on sales volume and past experience of the level of installation service rendered, repairs or returns. The assessment of the provision amount involves management's judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying amount of the product warranty and installation provisions and the provision amount charge/reversal in the period in which such estimate has been changed.

Useful lives of items of property, plant and equipment

The management determines the estimated useful lives and related depreciation for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to industry cycles. The depreciation charge will increase where the useful lives are less than the previously estimated useful lives, or it will write off or write down obsolete or non-strategic assets that have been abandoned or sold.

3. 重大會計判斷及估計(續)

估計之不明朗因素(續)

撇減存貨至可變現淨值

撇減存貨至可變現淨值乃按存貨賬齡及估計可變現淨值而作出。評估撇減額涉及管理層之判斷及估計。倘實際結果或未來期望與原先估計不同，則上述差額將會對在有關估計改變期間之存貨賬面值及撇減支出／撥回構成影響。

產品保養及安裝撥備

產品保養及安裝撥備乃按銷量及過往所提供安裝服務、維修或退貨紀錄而作出。評估撥備額涉及管理層之判斷及估計。倘實際結果或未來期望與原先估計不同，則上述差額將會對在有關估計改變期間之產品保養及安裝撥備賬面值及撥備額支出／撥回構成影響。

物業、廠房及設備項目之可使用年期

管理層釐定本集團之物業、廠房及設備之估計可使用年期及有關折舊。該估計乃按照性質與功能類似之物業、廠房及設備項目之實際可使用年期而作出，可因技術創新及競爭對手就行業週期而採取之行動而顯著改變。倘可使用年期比先前之估計可使用年期短，則會增加折舊支出，或會撇銷或撇減已棄置或出售之過時或非策略資產。

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4. Segment Information

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the washing machine business segment manufactures and sells washing machines;
- (b) the water heater business segment manufactures and sells water heaters;
- (c) the mobile handset business segment manufactures and sells mobile phones and it was discontinued in the prior year (note 12); and
- (d) the corporate and others segment includes general corporate income and expense items.

4. 分類資料

分類資料按本集團主要分類報告基準業務分類呈報。在釐定本集團之地域分類時，分類應佔收益乃按客戶所在地劃分，而分類應佔資產則按資產之所在地劃分。由於本集團90%以上之收益乃衍生自以中國大陸為基地之客戶，而本集團90%以上資產位於中國大陸，故此並無呈列按地域劃分之進一步分類資料。

本集團之經營業務乃按其業務以及所提供產品及服務之性質組織及分開管理，本集團各個業務分類自成一個策略性業務單位，所提供產品及服務承受與其他業務分類不同之風險及享有不同之回報。業務分類之詳情概述如下：

- (a) 洗衣機業務分類製造及銷售洗衣機；
- (b) 熱水器業務分類製造及銷售熱水器；
- (c) 移動手機業務分類製造及銷售移動電話，並已於去年終止經營(附註12)；及
- (d) 公司及其他分類包括一般公司收支項目。

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4. Segment Information (Cont'd)

Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2007 and 2006.

4. 分類資料(續)

業務分類

下表呈列截至二零零七年及二零零六年十二月三十一日止年度本集團業務分部之收益、溢利，以及若干資產、負債與開支資料。

	Continuing operations 持續經營業務								Discontinued operation 已終止經營業務				Consolidated 綜合	
	Washing machine business 洗衣機業務		Water heater business 熱水器業務		Corporate and others 公司及其他		Eliminations 對銷		Total 總計		Mobile handset business 移動手機業務			
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元		
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元		
Segment revenue: 分類收益:														
Sales to external customers 向外間客戶銷售	6,926,500	5,650,895	1,622,739	1,250,810	-	-	-	-	8,549,239	6,901,705	-	1,014,163	8,549,239	7,915,868
Other revenue 其他收益	11,740	13,814	12,647	12,520	13	-	-	-	24,400	26,334	-	917	24,400	27,251
Total 總計	6,938,240	5,664,709	1,635,386	1,263,330	13	-	-	-	8,573,639	6,928,039	-	1,015,080	8,573,639	7,943,119
Segment results 分類業績	271,525	220,980	86,388	44,216	(22,010)	(47,217)	-	-	335,903	217,979	-	(49,760)	335,903	168,219
Interest income 利息收入									10,121	16,626	-	248	10,121	16,874
Finance costs 融資成本									(24,068)	(11,109)	-	(3,517)	(24,068)	(14,626)
Gain on disposal of the discontinued operation 出售已終止經營業務之收益									-	-	-	156,449	-	156,449
Profit before tax 除稅前溢利									321,956	223,496	-	103,420	321,956	326,916
Tax 稅項									(96,259)	(39,710)	-	-	(96,259)	(39,710)
Profit for the year 年內溢利									225,697	183,786	-	103,420	225,697	287,206
Assets and liabilities 資產與負債														
Segment assets 分類資產	1,957,685	2,237,560	536,256	533,020	33,266	1,119	(97,785)	(60,163)	2,429,422	2,711,536	-	-	2,429,422	2,711,536
Deferred tax assets 遞延稅項資產									49,506	34,681	-	-	49,506	34,681
Tax recoverable 可退回稅項									-	261	-	-	-	261
Cash and cash equivalents 現金及現金等值項目									595,426	626,802	-	-	595,426	626,802
Other unallocated assets 其他未分配資產									591,858	-	-	-	591,858	-
Total assets 資產總值									3,666,212	3,373,280	-	-	3,666,212	3,373,280
Segment liabilities 分類負債	1,567,321	1,775,441	283,028	280,802	268,468	246,664	(97,785)	(60,163)	2,021,032	2,242,744	-	-	2,021,032	2,242,744
Tax payable 應付稅項									104,269	26,039	-	-	104,269	26,039
Interest-bearing borrowings 計息借貸									214,973	136,800	-	-	214,973	136,800
Convertible notes 可換股票據									169,344	161,665	-	-	169,344	161,665
Deferred tax liabilities 遞延稅項負債									-	7,465	-	-	-	7,465
Other unallocated liabilities 其他未分配負債									214,470	-	-	-	214,470	-
Total liabilities 負債總額									2,724,088	2,574,713	-	-	2,724,088	2,574,713

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4. Segment Information (Cont'd)

Business segments

4. 分類資料(續)

業務分類(續)

	Continuing operations 持續經營業務								Discontinued operation 已終止經營業務				Consolidated 綜合	
	Washing machine business 洗衣機業務		Water heater business 熱水器業務		Corporate and others 公司及其他		Eliminations 對銷		Total 總計		Mobile handset business 移動手機業務			
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other segment information 其他分類資料														
Depreciation and amortisation 折舊及攤銷	62,507	62,272	19,726	17,089	356	252	-	-	82,589	79,613	-	23,813	82,589	103,426
Other unallocated amounts 其他未分配金額									151	-	-	-	151	-
									82,740	79,613	-	23,813	82,740	103,426
Capital expenditure 資本開支	76,832	94,540	18,538	73,229	19	849	-	-	95,389	168,618	-	135	95,389	168,753
Other unallocated amounts 其他未分配金額									58	-	-	-	58	-
									95,447	168,618	-	135	95,447	168,753
Provision for obsolete and slow-moving inventories 過時及滯銷存貨撥備	5,226	4,558	-	2,672	-	-	-	-	5,226	7,230	-	23,008	5,226	30,238
Product warranty and installation provisions 產品保養及安裝撥備	279,774	223,219	56,974	139,727	-	-	-	-	336,748	362,946	-	-	336,748	362,946
Loss on disposal/write-off of items of property, plant and equipment, net 出售/撇銷物業、廠房及設備項目之虧損淨額	5,993	2,342	-	99	-	-	-	-	5,993	2,441	-	-	5,993	2,441

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5. Revenue, Other Income and Gains

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of value-added tax and after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follow:

Group

Group		本集團	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Revenue	收益			
Continuing operations:	持續經營業務：			
Sale of washing machines	銷售洗衣機		6,926,500	5,650,895
Sale of water heaters	銷售熱水器		1,622,739	1,250,810
			8,549,239	6,901,705
Discontinued operation:	已終止經營業務：			
Sale of mobile handsets	銷售移動手機		—	1,014,163
Other income and gains	其他收入及收益			
Continuing operations:	持續經營業務：			
Bank interest income	銀行利息收入		10,121	5,438
Government subsidies*	政府補助金*		9,773	1,627
Compensation received from suppliers**	已收供應商賠償**		6,251	19,126
Consignment sale commission income (note 15(c))	商品代售佣金收入 (附註 15(c))		3,684	—
Interest income for a promissory note (note 12)	承付票據利息收入 (附註 12)		—	11,188
Gross rental income in respect of land and buildings	土地及樓宇之租金收入總額		385	1,446
Others	其他		4,307	4,135
			34,521	42,960
Discontinued operation:	已終止經營業務：			
Bank interest income	銀行利息收入		—	248
Gross rental income in respect of land and buildings	土地及樓宇之租金收入總額		—	385
Others	其他		—	532
			—	1,165

* The government subsidies for the year represented subsidies received from relevant authorities of the Qingdao Municipality for advanced research and development of washing machines and water heaters and certain tax refunds received from a relevant authority of the Wuhan Municipality.

** The compensation received from suppliers in the prior year included a compensation of approximately HK\$9,078,000 received from Qingdao Haier Parts Procurement Co., Ltd., an affiliate to Haier Investment, for the supply of defective materials used in the production of water heaters. The compensation amount was determined with reference to actual costs incurred by the Group.

5. 收益、其他收入及收益

收益亦即本集團之營業額，指出售貨品之發票淨值，扣除增值稅、退貨及貿易折扣。

收益、其他收入及收益分析如下：

本集團

本集團		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Revenue	收益		
Continuing operations:	持續經營業務：		
Sale of washing machines	銷售洗衣機	6,926,500	5,650,895
Sale of water heaters	銷售熱水器	1,622,739	1,250,810
		8,549,239	6,901,705
Discontinued operation:	已終止經營業務：		
Sale of mobile handsets	銷售移動手機	—	1,014,163
Other income and gains	其他收入及收益		
Continuing operations:	持續經營業務：		
Bank interest income	銀行利息收入	10,121	5,438
Government subsidies*	政府補助金*	9,773	1,627
Compensation received from suppliers**	已收供應商賠償**	6,251	19,126
Consignment sale commission income (note 15(c))	商品代售佣金收入 (附註 15(c))	3,684	—
Interest income for a promissory note (note 12)	承付票據利息收入 (附註 12)	—	11,188
Gross rental income in respect of land and buildings	土地及樓宇之租金收入總額	385	1,446
Others	其他	4,307	4,135
		34,521	42,960
Discontinued operation:	已終止經營業務：		
Bank interest income	銀行利息收入	—	248
Gross rental income in respect of land and buildings	土地及樓宇之租金收入總額	—	385
Others	其他	—	532
		—	1,165

* 年內政府補助金指附屬公司獲得青島市有關當局給予有關洗衣機及熱水器之高新技術研究及開發補助金以及武漢市有關當局所作出之若干退稅。

** 上年度已收供應商賠償包括來自海爾投資聯屬人士—青島海爾零部件採購有限公司所供應用於生產熱水器之瑕疵物料而收取之賠償約9,078,000港元。賠償額乃經參考本集團所產生之實際成本釐定。

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6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting) #:

6. 除稅前溢利

本集團之除稅前溢利扣除/(計入)下列各項#：

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost of inventories sold	售出存貨成本		5,991,925	5,961,423
Depreciation	折舊	16	80,061	101,360
Recognition of prepaid land premiums	確認預付土地款	17	2,324	1,427
Amortisation of intangible assets*	無形資產攤銷*	18	355	639
Research and development costs*	研究及開發費用*		60,505	87,183
Auditors' remuneration	核數師酬金		8,000	7,700
Employee benefits expense (including directors' remuneration -note 8):	僱員福利開支 (包括董事酬金 - 附註8)：			
Wages and salaries	工資及薪金		422,978	163,486
Equity-settled share option expense	以股本結算之購股權支出		—	409
Net pension scheme contributions and other benefits	退休金計劃供款及其他福利淨額		59,426	38,550
			482,404	202,445
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約之最低租金款項		41,103	24,143
Provision for obsolete and slow-moving inventories*	過時及滯銷存貨撥備*		5,226	30,238
Product warranty and installation provisions	產品保養及安裝撥備	29	336,748	362,946
Loss on disposal/write-off of items of property, plant and equipment, net**	出售/撤銷物業、廠房及設備項目之虧損淨額**		5,993	2,441
Foreign exchange differences, net	匯兌差額淨額		25,990	(7,727)

* The amortisation of intangible assets, research and development costs and provision for obsolete and slow-moving inventories for the year are included in "Cost of sales" on the face of the consolidated income statement.

** The loss on disposal/write-off of items of property, plant and equipment, net, is included in "Other expenses" on the face of the consolidated income statement.

The disclosures presented in this note include those amounts charged/credited in respect of the discontinued operation.

* 年內無形資產攤銷、研究及開發費用以及過時及滯銷存貨撥備已於綜合收益表列入「銷售成本」內。

** 出售/撤銷物業、廠房及設備項目之虧損淨額已於綜合收益表列入「其他費用」內。

此附註所呈列之披露事項包括就已終止經營業務扣除/計入之金額。

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7. Finance Costs Group

7. 融資成本 本集團

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Continuing operations:	持續經營業務：		
Interest on borrowings wholly repayable within five years	須於五年內全數償還之借貸利息	11,039	3,650
Interest on convertible notes (note 28)	可換股票據利息(附註28)	7,679	7,459
Interest on deferred consideration payable (note 26)	遞延應付代價利息(附註26)	6,748	—
Total interest expense	利息支出總額	25,466	11,109
Less: Interest capitalised	減：撥充資本之利息	(1,398)	—
		24,068	11,109
Discontinued operation:	已終止經營業務：		
Interest on borrowings wholly repayable within five years	須於五年內全數償還之借貸利息	—	3,517
Total finance costs	融資成本總額	24,068	14,626

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8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

Group		本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Fees	袍金	720	860
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	—	—
Performance related bonuses	表現花紅	—	—
Employee share option benefits	僱員購股權福利	—	—
Pension scheme contributions	退休金計劃供款	—	—
		720	860

(a) Independent non-executive directors:
The fees paid to independent non-executive directors during the year were as follows:

(a) 獨立非執行董事：
年內付予獨立非執行董事之袍金如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Wu Yinong	吳亦農	240	240
Liu Xiao Feng *	劉曉峰 *	126	—
Yu Hon To, David *	俞漢度 *	126	—
Lam Kin Kau, Mark **	林建球 **	114	240
Fung Hoi Wing, Henry **	馮藹榮 **	114	240
Lau Ho Wai, Lucas ***	劉可為 ***	—	140
		720	860

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8. Directors' Remuneration (Cont'd)

(a) Independent non-executive directors: (Cont'd)

- * Dr. Liu Xiao Feng and Mr. Yu Hon To, David, were appointed as directors of the Company on 21 June 2007.
- ** Mr. Lam Kin Kau, Mark, and Mr. Fung Hoi Wing, Henry, resigned as directors of the Company on 21 June 2007.
- *** Mr. Lau Ho Wai, Lucas, resigned as a director of the Company on 28 July 2006.

There were no other emoluments payable to the independent non-executive directors during the year (2006: Nil).

8. 董事酬金(續)

(a) 獨立非執行董事：(續)

- * 劉曉峰博士及俞漢度先生於二零零七年六月二十一日獲委任為本公司董事。
- ** 林建球先生及馮藹榮先生於二零零七年六月二十一日辭任本公司董事。
- *** 劉可為先生於二零零六年七月二十八日辭任本公司董事。

年內並無任何其他應付予獨立非執行董事之薪酬(二零零六年：無)。

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8. Directors' Remuneration (Cont'd)

(b) Executive directors:

	Salaries, allowances and benefits in kind	Performance related bonuses	Employee share option benefits	Pension scheme contributions	Total remuneration
Fees	薪金、津貼及 袍金	表現花紅	僱員 購股權福利	退休金計劃供款	酬金總額
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元

2007 二零零七年

Yang Mian Mian	楊綿綿	-	-	-	-	-
Wu Ke Song	武克松	-	-	-	-	-
Liang Hai Shan	梁海山	-	-	-	-	-
Cao Chun Hua	曹春華	-	-	-	-	-
Cui Shao Hua	崔少華	-	-	-	-	-
Sun Jing Yan *	孫京岩*	-	-	-	-	-
Chai Yong Sen **	柴永森**	-	-	-	-	-
Song Chun Guang **	宋春光**	-	-	-	-	-
		-	-	-	-	-

2006 二零零六年

Yang Mian Mian	楊綿綿	-	-	-	-	-
Wu Ke Song	武克松	-	-	-	-	-
Liang Hai Shan	梁海山	-	-	-	-	-
Cao Chun Hua	曹春華	-	-	-	-	-
Cui Shao Hua	崔少華	-	-	-	-	-
Chai Yong Sen **	柴永森**	-	-	-	-	-
Song Chun Guang **	宋春光**	-	-	-	-	-
		-	-	-	-	-

* Mr. Sun Jing Yan was appointed as a director of the Company on 8 March 2007.

* 孫京岩先生於二零零七年三月八日獲委任本公司董事。

** Mr. Chai Yong Sen and Mr. Song Chun Guang resigned as directors of the Company on 15 February 2007.

** 柴永森先生及宋春光先生於二零零七年二月十五日辭任本公司董事。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無董事訂立放棄或同意放棄任何薪酬之安排。

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9. Five Highest paid Employees

The five highest paid employees during the year included one director (2006: one), details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining four (2006: four) non-director, highest paid employees for the year are as follows:

Group		本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,189	4,682
Performance related bonuses	表現花紅	—	—
Employee share option benefits	僱員購股權福利	—	409
Pension scheme contributions	退休金計劃供款	46	37
		3,235	5,128

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括一名董事(二零零六年：一名)，有關董事之酬金詳情載於上文附註8。年內四名(二零零六年：四名)非董事最高薪酬僱員之酬金詳情如下：

非董事最高薪酬僱員酬金在下列指定範圍內之人數如下：

		Number of employees 僱員人數	
		2007 二零零七年	2006 二零零六年
Nil to HK\$1,000,000	零至1,000,000 港元	3	2
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	—	1
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	—	1
		4	4

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10. Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2006: Nil).

Tax on profits assessable elsewhere in the PRC have been calculated at the applicable PRC corporate income tax ("CIT") rates. Certain subsidiaries of the Group are entitled to preferential tax treatments including a reduction in CIT and a full exemption from CIT for two years starting from their first profit-making year followed by a 50% reduction in CIT for the next consecutive three years.

Group

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current — Mainland China	即期 — 中國大陸	116,160	34,963
Deferred (note 30)	遞延(附註30)	(19,901)	4,747
Total tax charge for the year	年內稅項支出總額	96,259	39,710

10. 稅項

年內，本集團並無任何源自香港之應課稅溢利，因此並無作出香港利得稅撥備(二零零六年：無)。

於中國其他地區就應課稅溢利之稅項，乃按照中國企業所得稅(「企業所得稅」)適用稅率計算。本集團若干附屬公司有權享有稅項優惠待遇，包括獲扣減企業所得稅，以及自首個獲利年度起計兩個年度獲全數豁免企業所得稅，並於其後連續三年獲豁免50%企業所得稅。

本集團

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10. Tax (Cont'd)

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

10. 稅項(續)

按本公司及其附屬公司所在司法權區之法定稅率計算除稅前溢利/(虧損)之稅項支出，與按實際稅率計算之稅項支出之對賬，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

Group – 2007

本集團 — 二零零七年

		Hong Kong 香港		Mainland China 中國大陸		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit/(loss) before tax	除稅前溢利/(虧損)	(32,320)		354,276		321,956	
Tax at the statutory tax rate	按法定稅率計算之稅項	(5,656)	17.5	116,911	33.0	111,255	34.6
Income not subject to tax	非課稅收入	(723)	2.2	—	—	(723)	(0.2)
Expenses not deductible for tax	不可扣稅開支	6,379	(19.7)	91,136	25.7	97,515	30.2
Tax losses not recognised	未確認稅項虧損	—	—	1,289	0.4	1,289	0.4
Tax exemption	稅項豁免	—	—	(113,077)	(31.9)	(113,077)	(35.1)
Tax charge at the Group's effective rate	按本集團之實際稅率計算之稅項支出	—	—	96,259	27.2	96,259	29.9
Represented by:	代表：						
Tax charge attributable to a discontinued operation (note 12)	已終止經營業務應佔之稅項支出(附註12)					—	
Tax charge attributable to continuing operations	持續經營業務應佔之稅項支出					96,259	
						96,259	

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10. Tax (Cont'd)

Group – 2006

		Hong Kong 香港		Mainland China 中國大陸		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax (including profit from a discontinued operation)	除稅前溢利(包括 已終止經營業 務之溢利)	62,029		264,887		326,916	
Tax at the statutory tax rate	按法定稅率計算 之稅項	10,855	17.5	87,413	33.0	98,268	30.0
Income not subject to tax	非課稅收入	(20,478)	(33.0)	–	–	(20,478)	(6.3)
Expenses not deductible for tax	不可扣稅開支	9,571	15.5	7,330	2.8	16,901	5.2
Tax losses not recognised	未確認稅項虧損	52	–	–	–	52	–
Temporary differences not recognised	未確認暫時差額	–	–	2,384	0.9	2,384	0.7
Tax exemption	稅項豁免	–	–	(57,417)	(21.7)	(57,417)	(17.5)
Tax charge at the Group's effective rate	按本集團之實際 稅率計算之稅 項支出	–	–	39,710	15.0	39,710	12.1
Represented by:	代表:						
Tax charge attributable to a discontinued operation (note 12)	已終止經營業 務應佔之稅 項支出(附 註12)					–	
Tax charge attributable to continuing operations	持續經營業務 應佔之稅項					39,710	
						39,710	

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC (the "New CIT Law"), which is effective from 1 January 2008. Under the New CIT Law, the CIT rate applicable to domestic companies will decrease from 33% to 25% from 1 January 2008. According to HKAS 12, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The change in CIT rate has had no significant impact on the results and financial position of the Group for the year ended 31 December 2007.

10. 稅項(續)

本集團 — 二零零六年

		Hong Kong 香港		Mainland China 中國大陸		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax (including profit from a discontinued operation)	除稅前溢利(包括 已終止經營業 務之溢利)	62,029		264,887		326,916	
Tax at the statutory tax rate	按法定稅率計算 之稅項	10,855	17.5	87,413	33.0	98,268	30.0
Income not subject to tax	非課稅收入	(20,478)	(33.0)	–	–	(20,478)	(6.3)
Expenses not deductible for tax	不可扣稅開支	9,571	15.5	7,330	2.8	16,901	5.2
Tax losses not recognised	未確認稅項虧損	52	–	–	–	52	–
Temporary differences not recognised	未確認暫時差額	–	–	2,384	0.9	2,384	0.7
Tax exemption	稅項豁免	–	–	(57,417)	(21.7)	(57,417)	(17.5)
Tax charge at the Group's effective rate	按本集團之實際 稅率計算之稅 項支出	–	–	39,710	15.0	39,710	12.1
Represented by:	代表:						
Tax charge attributable to a discontinued operation (note 12)	已終止經營業 務應佔之稅 項支出(附 註12)					–	
Tax charge attributable to continuing operations	持續經營業務 應佔之稅項					39,710	
						39,710	

於二零零七年三月十六日，全國人民大會批准企業所得稅法(「新企業所得稅法」)，自二零零八年一月一日起生效。根據新企業所得稅法，國內企業之適用企業所得稅率自二零零八年一月一日起由33%減至25%。根據香港會計準則第12號，遞延稅項資產及遞延稅項負債按變現資產或償還負債期間之預期適用稅率計算。企業所得稅率變動對本集團截至二零零七年十二月三十一日止年度之業績及財政狀況並無重大影響。

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11. Profit Attributable to Equity Holders of the Parent

Of the Group's profit attributable to equity holders of the parent of HK\$172,131,000 (2006: HK\$262,349,000), a loss of HK\$31,882,000 (2006: profit of HK\$48,698,000) has been dealt with in the financial statements of the Company (note 33(b)).

12. Discontinued Operation

In 2006, the Group disposed of its entire interest in Pegasus Telecom (Qingdao) Co., Ltd. ("Pegasus Qingdao") and Pegasus Electronic (Qingdao) Co., Ltd. ("Pegasus Electronic") to Qingdao Haier Group Holdings (BVI) Limited ("Haier BVI") for a consideration aggregating approximately HK\$411 million. The consideration was satisfied by way of a promissory note issued by Haier BVI to the Company. The promissory note was unsecured, bore interest at 5.2% per annum and had a one-year term.

Haier BVI is a substantial shareholder of the Company and a subsidiary of Haier Corp. Pegasus Qingdao and Pegasus Electronic were principally engaged in the manufacture and sale of mobile handsets. The above transaction was approved by the independent shareholders of the Company at a special general meeting held on 15 June 2006 and was completed on 27 June 2006.

11. 母公司股權持有人應佔溢利

在母公司股權持有人應佔本集團溢利172,131,000港元(二零零六年: 262,349,000港元)中, 虧損31,882,000港元(二零零六年: 溢利48,698,000港元)已在本公司之財務報表內處理(附註33(b))。

12. 已終止經營業務

於二零零六年, 本集團向青島海爾集團控股(BVI)有限公司(「海爾BVI」)出售其於飛馬通訊(青島)有限公司(「飛馬青島」)及飛馬電子(青島)有限公司(「飛馬電子」)之全部權益, 代價合共約為411,000,000港元。海爾BVI透過向本公司發行承付票據支付代價。承付票據乃無抵押、按年利率5.2厘計息及年期為一年。

海爾BVI為本公司之主要股東及海爾集團公司之附屬公司。飛馬青島及飛馬電子主要從事製造及銷售移動手機之業務。上述交易已於二零零六年六月十五日舉行之股東特別大會上獲本公司獨立股東批准, 並已於二零零六年六月二十七日完成。

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12. Discontinued Operation (Cont'd)

The results of Pegasus Qingdao and Pegasus Electronic are presented below:

12. 已終止經營業務(續)

飛馬青島及飛馬電子之業績呈列如下：

		For the year ended 31 December 2007	From 1 January to 27 June 2006
		截至二零零七年 十二月三十一日 止年度	二零零六年 一月一日至 六月二十七日
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收益	—	1,014,163
Expenses	開支	—	(1,063,675)
Finance costs	融資成本	—	(3,517)
Loss before tax from the discontinued operation	已終止經營業務之除稅前虧損	—	(53,029)
Tax	稅項	—	—
Loss for the year from the discontinued operation	已終止經營業務之年內虧損	—	(53,029)
Gain on disposal of the discontinued operation	出售已終止經營業務之收益	—	156,449
Profit for the year from the discontinued operation	已終止經營業務之年內溢利	—	103,420
Earnings per share:	每股盈利：		
Basic, from the discontinued operation	基本，來自已終止經營業務	—	5.66 HK cents
Diluted, from the discontinued operation	攤薄，來自已終止經營業務	—	5.34 HK cents

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12. Discontinued Operation (Cont'd)

The calculations of basic and diluted earnings per share amounts for the discontinued operation are based on:

		2007 二零零七年	2006 二零零六年
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent from the discontinued operation	母公司普通股權持有人應佔已終止經營業務溢利	—	HK\$103,420,000
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation (as adjusted to reflect the consolidation of the Company's ordinary shares during the year) (note 31)	用於計算每股基本盈利之年內已發行普通股之加權平均數 (經調整以反映年內將本公司之普通股合併) (附註31)	1,852,381,269	1,826,314,968
Weighted average number of ordinary shares used in the diluted earnings per share calculation (as adjusted to reflect the consolidation of the Company's ordinary shares during the year) (note 31)	用於計算每股攤薄盈利之普通股之加權平均數 (經調整以反映年內將本公司之普通股合併) (附註31)	1,949,421,909	1,936,194,326

The net cash flows incurred by Pegasus Qingdao and Pegasus Electronic are as follows:

		For the year ended 31 December 2007 截至二零零七年 十二月三十一日 止年度 HK\$'000 千港元	From 1 January to 27 June 2006 二零零六年 一月一日至 六月二十七日 HK\$'000 千港元
Operating activities	經營業務	—	54,774
Investing activities	投資活動	—	(135)
Financing activities	融資活動	—	(45,991)
Net cash inflow	現金流入淨額	—	8,648

12. 已終止經營業務(續)

已終止經營業務之每股基本及攤薄盈利之金額乃根據下列數據計算：

		2007 二零零七年	2006 二零零六年
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent from the discontinued operation	母公司普通股權持有人應佔已終止經營業務溢利	—	HK\$103,420,000
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation (as adjusted to reflect the consolidation of the Company's ordinary shares during the year) (note 31)	用於計算每股基本盈利之年內已發行普通股之加權平均數 (經調整以反映年內將本公司之普通股合併) (附註31)	1,852,381,269	1,826,314,968
Weighted average number of ordinary shares used in the diluted earnings per share calculation (as adjusted to reflect the consolidation of the Company's ordinary shares during the year) (note 31)	用於計算每股攤薄盈利之普通股之加權平均數 (經調整以反映年內將本公司之普通股合併) (附註31)	1,949,421,909	1,936,194,326

飛馬青島及飛馬電子所產生之現金流量淨額如下：

		For the year ended 31 December 2007 截至二零零七年 十二月三十一日 止年度 HK\$'000 千港元	From 1 January to 27 June 2006 二零零六年 一月一日至 六月二十七日 HK\$'000 千港元
Operating activities	經營業務	—	54,774
Investing activities	投資活動	—	(135)
Financing activities	融資活動	—	(45,991)
Net cash inflow	現金流入淨額	—	8,648

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13. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2006: Nil).

The dividend disclosed for the year ended 31 December 2006 represented dividend declared by the Group's subsidiaries to their respective previous owners, out of their retained profits determined in accordance with the applicable financial rules and regulations of the PRC.

14. Earnings Per Share Attributable to Equity Holders of the Parent

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the consolidation of the Company's ordinary shares during the year (*note 31*).

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible notes. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, as adjusted to reflect the consolidation of the Company's ordinary shares during the year (*note 31*).

13. 股息

年內本公司並無派付或宣派任何股息(二零零六年：無)。

所披露截至二零零六年十二月三十一日止年度之股息指本集團附屬公司根據中國適用之財務規則及法規釐定以保留溢利向彼等各自之前擁有人所宣派之股息。

14. 母公司股權持有人應佔每股盈利

每股基本盈利之金額乃根據年內母公司普通股權持有人應佔溢利及年內已發行普通股之加權平均數計算(經調整以反映年內將本公司之普通股合併)(*附註31*)。

每股攤薄盈利之金額乃根據年內母公司普通股權持有人應佔溢利(經調整以反映可換股票據利息)計算。計算所用之普通股加權平均數乃用於計算每股基本盈利時所用之年內已發行普通股數目，以及假設視作行使或兌換所有潛在攤薄普通股為普通股而無償發行之普通股加權平均數(經調整以反映年內將本公司之普通股合併)(*附註31*)。

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14. Earnings Per Share Attributable to Equity Holders of the Parent (Cont'd)

14. 母公司股權持有人應佔每股盈利 (續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent, as used in the basic earnings per share calculation:	用於計算每股基本盈利之母公司普通股權持有人應佔溢利：		
From continuing operations	來自持續經營業務	172,131,000	158,929,000
From a discontinued operation	來自已終止經營業務	—	103,420,000
		172,131,000	262,349,000
Interest on convertible notes (note 7)	可換股票據利息(附註7)	7,679,000	7,459,000
Profit attributable to ordinary equity holders of the parent before interest on convertible notes	未計可換股票據利息前之母公司普通股權持有人應佔溢利	179,810,000	269,808,000
Attributable to:	應佔：		
Continuing operations	持續經營業務	179,810,000	166,388,000
Discontinued operation	已終止經營業務	—	103,420,000
		179,810,000	269,808,000

		Number of shares 股份數目	
		2007 二零零七年	2006 二零零六年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation (as adjusted to reflect the consolidation of the Company's ordinary shares during the year) (note 31)	用於計算每股基本盈利之年內已發行普通股加權平均數(經調整以反映年內將本公司之普通股合併)(附註31)	1,852,381,269	1,826,314,968
Effect of dilution — weighted average number of ordinary shares (as adjusted to reflect the consolidation of the Company's ordinary shares during the year) (note 31)	攤薄影響 — 普通股加權平均數(經調整以反映年內將本公司之普通股合併)(附註31)		
Share options	購股權	2,596,196	13,270,530
Convertible notes	可換股票據	94,444,444	96,608,828
		97,040,640	109,879,358
Total	總計	1,949,421,909	1,936,194,326

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15. Related Party Transactions

In addition to the related party transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year.

- (a) On 15 June 2007, Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd., an indirect wholly-owned subsidiary of the Company, entered into a transfer agreement with Qingdao Jiaonan Haier Microwave Manufacturing Co., Ltd. (“Qingdao Microwave”), an indirect non-wholly-owned subsidiary of Haier Corp, pursuant to which Qingdao Microwave agreed to transfer certain building and plant (the “Assets”) to Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd. for a total consideration of approximately RMB26,554,000 (approximately HK\$27,085,000). The consideration of this transaction was determined with reference to the valuation of the Assets conducted by an independent qualified valuer in Mainland China.

The transfer agreement subsequently lapsed on 30 September 2007 (being the long-stop date of the transfer agreement) because Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd. failed to receive the revised state-owned land use right certificate in connection with the building to be transferred.

15. 關連人士交易

除此等財務報表其他部分詳述之關連人士交易外，本集團於年內與關連人士曾進行以下重大交易。

- (a) 於二零零七年六月十五日，本公司之間接全資附屬公司青島經濟技術開發區海爾熱水器有限公司與海爾集團之間接非全資附屬公司青島膠南海爾微波製品有限公司（「青島微波製品」）訂立轉讓協議，據此，青島微波製品同意轉讓若干樓宇及廠房（「資產」）予青島經濟技術開發區海爾熱水器有限公司，總代價約為人民幣26,554,000元（約27,085,000港元）。此項交易之代價乃參考一間中國內地之評估師進行之資產估值而釐定。

轉讓協議其後於二零零七年九月三十日（即轉讓協議之最後限期）失效，因為青島經濟技術開發區海爾熱水器有限公司未能接獲將予轉讓樓宇之經修訂國有土地使用權證。

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15. Related Party Transactions (Cont'd)

- (b) On 4 September 2007, Haier Washing Machines Holdings (BVI) Limited ("Haier WM BVI"), an indirect wholly-owned subsidiary of the Company, as purchaser entered into equity transfer agreements with Indesit Company S.p.A. and Indesit Company Luxembourg S.A. ("Indesit Group") as vendors pursuant to which Haier WM BVI agreed to acquire and Indesit Group agreed to sell the 30% shareholding of Haier Indesit (Qingdao) Washing Machine Co., Ltd. and Haier Indesit (Qingdao) Electrical Appliance Co., Ltd. for an aggregate consideration of €14,310,000 (approximately HK\$162,977,000). Haier Indesit (Qingdao) Washing Machine Co., Ltd. and Haier Indesit (Qingdao) Electrical Appliance Co., Ltd. are indirect 70%-owned subsidiaries of the Company. The consideration of this transaction was determined after arm's length negotiations between Haier WM BVI and Indesit Group with reference to similar transactions in the relevant industries.

The above transaction was completed on 24 December 2007.

15. 關連人士交易(續)

- (b) 於二零零七年九月四日，本公司之間接全資附屬公司海爾洗衣機控股(BVI)有限公司(「海爾洗衣機BVI」)(作為買方)與盈德喜家用電器股份有限公司及盈德喜國際公司(「盈德喜集團」)(作為賣方)訂立股權轉讓協議，據此，海爾洗衣機BVI同意收購而盈德喜集團同意出售海爾盈德喜(青島)洗衣機有限公司及海爾盈德喜(青島)電器有限公司30%股權，總代價為人民幣14,310,000歐羅(約162,977,000港元)。海爾盈德喜(青島)洗衣機有限公司及海爾盈德喜(青島)電器有限公司為本公司間接擁有70%之附屬公司。此交易之代價乃經海爾洗衣機BVI與盈德喜集團經參考有關行業之類似交易後公平磋商釐定。

上述交易於二零零七年十二月二十四日完成。

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15. Related Party Transactions (Cont'd)

(c) The Company's subsidiaries, Qingdao Haier Washing Machine Co., Ltd., Qingdao Jiaonan Haier Washing Machine Co., Ltd., Hefei Haier Washing Machine Co., Ltd., Foshan Shunde Haier Electric Co., Ltd., Foshan Shunde Haier Intelligent Electronic Co., Ltd., Chongqing Haier Washing Machine Co., Ltd. and Qingdao Haier Electronics Sales Co., Ltd. had the following material transactions with Haier Corp, Haier Investment, their subsidiaries and associates (collectively referred to as "Haier Affiliates"):

15. 關連人士交易(續)

(c) 本公司附屬公司青島海爾洗衣機有限公司、青島膠南海爾洗衣機有限公司、合肥海爾洗衣機有限公司、佛山市順德海爾電器有限公司、佛山市順德海爾智能電子有限公司、重慶海爾洗衣機有限公司及青島海爾電器銷售有限公司與海爾集團公司、海爾投資、其附屬公司及聯營公司(統稱為「海爾聯屬人士」)曾進行以下重大交易：

Group		Notes 附註	本集團	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Export sales of washing machines	出口銷售洗衣機	(i)	331,603	346,991
Domestic sales of washing machines and water heaters	國內銷售洗衣機及熱水器	(ii)	480,068	21,901
Purchases of raw materials	採購原料	(iii)	4,009,916	3,105,709
Printing and packaging fee expenses	印刷及包裝費支出	(iv)	11,126	4,376
Mould charges	模具費支出	(v)	72,652	45,640
Utility service fee expenses	公用服務費支出	(vi)	16,518	12,441
Logistics charges	物流費支出	(vii)	189,795	125,621
Promotion fee expenses	宣傳費支出	(viii)	58,980	47,984
Other service fee expenses	其他服務費支出	(ix)	50,046	31,373
Interest expenses	利息支出	(x)	3,336	269
Interest income	利息收入	(x)	4,613	1,808
Trademark licence fee expenses	商標牌照費支出	(xi)	40,195	32,315
Consignment sale commission income	商品代售佣金收入	(xii)	3,684	—
Sales of gift products	銷售禮品	(xiii)	5,644	—

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15. Related Party Transactions (Cont'd)

(c) (Cont'd)

Notes:

- (i) The export sales of washing machines were made to Haier Electrical Appliances Co., Ltd. ("Haier Electrical"), a subsidiary of Haier Investment, at selling prices representing differences between the selling prices of washing machines mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of washing machines.
- (ii) The domestic sales of washing machines and water heaters were determined at rates mutually agreed between the relevant parties.
- (iii) The purchases of materials were charged based on the lower of the average market price or the consolidated and integrated tender and bidding price plus a commission of no more than 2.6% of the aforementioned purchase price.
- (iv) The printing and packaging fee expenses were charged on actual cost basis plus a processing fee of not higher than those charged by independent third parties.
- (v) The moulds were charged with reference to the average market tender and bidding price plus actual administrative costs.
- (vi) The utility service fee expenses were charged based on the state-prescribed prices plus actual administrative costs.
- (vii) The logistics charges were charged based on an actual cost basis and on terms more favourable than those offered by independent third parties.
- (viii) The promotion fee expenses were charged based on 1.2% of the domestic sales of washing machines.
- (ix) The other service fee expenses were determined with reference to actual costs incurred.

15. 關連人士交易(續)

(c) (續)

附註：

- (i) 向海爾投資之附屬公司海爾集團電器產業有限公司(「海爾電器產業」)出口銷售洗衣機乃根據相等於雙方協定之洗衣機售價與海爾電器產業之出售開支(不超過洗衣機售價之2.5%)之差額而進行。
- (ii) 洗衣機及熱水器之國內銷售乃按相關訂約方共同協定之收費率釐定。
- (iii) 採購原料乃根據市場平均價或統一整合競標後之價格另加不超過前述購買價2.6%之佣金計價(以較低者為準)。
- (iv) 印刷及包裝費支出乃根據實際成本另加不超過獨立第三方所收取之加工費計價。
- (v) 模具費支出乃參考平均市場競標後之價格另加實際行政成本計價。
- (vi) 公用服務費支出乃根據國家指定價格另加實際行政成本計價。
- (vii) 物流費支出乃按較獨立第三方提供者優厚之條款及根據實際成本計價。
- (viii) 宣傳費支出乃按洗衣機之國內銷售之1.2%計價。
- (ix) 其他服務費支出包括參考所產生實際成本釐定。

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15. Related Party Transactions (Cont'd)

(c) (Cont'd)

Notes: (Cont'd)

- (x) The interest expenses and income were determined with reference to the standard rates published by the People's Bank of China.
- (xi) The trademark licence fee expenses were charged at a rate of 0.8% of certain sales made by Qingdao Haier Washing Machine Co., Ltd., Foshan Shunde Haier Electric Co., Ltd., Hefei Haier Washing Machine Co., Ltd., Qingdao Jiaonan Haier Washing Machine Co., Ltd. and Chongqing Haier Washing Machine Co., Ltd.
- (xii) The consignment sale commission income was determined at 2% of the turnover of the sales of the outstanding inventories of washing machines and water heaters owned by subsidiaries of Haier Investment at 31 December 2006.
- (xiii) The sales of gift products were made at selling prices no less than that sold by the Group to independent third parties

15. 關連人士交易(續)

(c) (續)

附註：(續)

- (x) 利息支出及收入乃根據中國人民銀行頒佈之標準息率釐定。
- (xi) 商標牌照費支出乃按青島海爾洗衣機有限公司、佛山市順德海爾電器有限公司、合肥海爾洗衣機有限公司、青島膠南海爾洗衣機有限公司及重慶海爾洗衣機有限公司之若干銷售0.8%之比率計價。
- (xii) 商品代售佣金收入乃根據海爾投資之附屬公司於二零零六年十二月三十一日所擁有之洗衣機及熱水器尚餘存貨銷售之營業額2%釐定。
- (xiii) 銷售禮品乃按不低於本集團向獨立第三者進行出售之出售價進行。

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15. Related Party Transactions (Cont'd)

- (c) During the year, the Company's subsidiaries, Haier Indesit (Qingdao) Washing Machine Co., Ltd., Haier Indesit (Qingdao) Electrical Appliance Co., Ltd., Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd., Wuhan Haier Water Heater Co., Ltd. and Chongqing Haier Water Heater Co., Ltd. had the following material transactions with Haier Affiliates:

Group

		Notes	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
Sales of washing machines	銷售洗衣機	(xiv)	509,219	1,257,317
Sales of water heaters	銷售熱水器	(xv)	6,047	1,238,658
Purchases of raw materials	採購原料	(xvi)	2,141,559	1,664,676
Printing and packaging fee expenses	印刷及包裝費支出	(xvii)	13,641	4,187
Mould charges	模具費支出	(xviii)	27,872	16,164
Utility service fee expenses	公用服務費支出	(xix)	35,196	21,905
Logistics charges	物流費支出	(xx)	91,448	74,421
Promotion fee expenses	宣傳費支出	(xxi)	33,452	31,619
Other service fee expenses	其他服務費支出	(xxii)	39,645	35,962
Interest expenses	利息支出	(xxiii)	7,707	3,381
Interest income	利息收入	(xxiii)	482	258

- (xiv) The sales of washing machines for the year ended 31 December 2007 represented export sales made to Haier Electrical at selling prices representing differences between the selling prices of washing machines mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of washing machines.

The sales of washing machines for the year ended 31 December 2006 comprised domestic sales made to subsidiaries of Haier Investment and export sales made to Haier Electrical. The domestic sales of washing machines were made at selling prices quoted by the subsidiaries of Haier Investment to third party distributors less discounts ranging from 2% to 50%. The export sales of washing machines were made at selling prices representing differences between the selling prices of washing machines mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of washing machines.

15. 關連人士交易(續)

- (c) 年內，本公司之附屬公司海爾盈德喜(青島)洗衣機有限公司、海爾盈德喜(青島)電器有限公司、青島經濟技術開發區海爾熱水器有限公司、武漢海爾熱水器有限公司及重慶海爾熱水器有限公司與海爾聯屬人士曾進行下列重大交易：

本集團

		Notes	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
Sales of washing machines	銷售洗衣機	(xiv)	509,219	1,257,317
Sales of water heaters	銷售熱水器	(xv)	6,047	1,238,658
Purchases of raw materials	採購原料	(xvi)	2,141,559	1,664,676
Printing and packaging fee expenses	印刷及包裝費支出	(xvii)	13,641	4,187
Mould charges	模具費支出	(xviii)	27,872	16,164
Utility service fee expenses	公用服務費支出	(xix)	35,196	21,905
Logistics charges	物流費支出	(xx)	91,448	74,421
Promotion fee expenses	宣傳費支出	(xxi)	33,452	31,619
Other service fee expenses	其他服務費支出	(xxii)	39,645	35,962
Interest expenses	利息支出	(xxiii)	7,707	3,381
Interest income	利息收入	(xxiii)	482	258

- (xiv) 截至二零零七年十二月三十一日止年度之銷售洗衣機指根據相當於雙方協定之洗衣機售價與海爾電器產業之出售開支(不超過洗衣機售價之2.5%)之差額之售價向海爾電器產業進行之出口銷售。

截至二零零六年十二月三十一日止年度之銷售洗衣機包括向海爾投資之附屬公司之國內銷售，以及向海爾電器產業之出口銷售。洗衣機之國內銷售乃根據海爾投資之附屬公司向第三方分銷商所報之售價減2%至50%不等之折扣而進行。洗衣機之出口銷售則根據相等於雙方協定之洗衣機售價與海爾電器產業之出售開支(不超過洗衣機售價之2.5%)之差額而進行。

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15. Related Party Transactions (Cont'd)

(c) Notes: (Cont'd)

- (xv) The sales of water heaters for the year ended 31 December 2007 represented export sales made to Haier Electrical at selling prices representing differences between the selling prices of water heaters mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of water heaters.

The sales of water heaters for the year ended 31 December 2006 comprised domestic sales made to subsidiaries of Haier Investment and export sales made to Haier Electrical. The domestic sales of water heaters were made at selling prices quoted by the subsidiaries of Haier Investment to third party distributors less discounts ranging from 2% to 50%. The export sales of water heaters were made at selling prices representing differences between the selling prices of water heaters mutually agreed and the selling expenses of Haier Electrical not exceeding 2.5% of the selling prices of water heaters.

- (xvi) The purchases of raw materials were charged based on the lower of the average market price or the consolidated and integrated tender and bidding price plus a commission of no more than 2.6% of the aforementioned purchase price.
- (xvii) The printing and packaging fee expenses were charged on actual cost basis plus a processing fee of not higher than those charged by independent third parties.
- (xviii) The moulds were charged with reference to the average market tender and bidding price plus actual administrative costs.
- (xix) The utility service fee expenses were charged with reference to the state-prescribed prices plus actual administrative costs.
- (xx) The logistics charges were determined on terms no less favourable than those offered by independent third parties.
- (xxi) The promotion fee expenses were charged at 1.2% of the domestic sales of washing machines and water heaters (2006: with reference to a rate of 1.2% of the domestic sales of washing machines and water heaters made by subsidiaries of Haier Investment).

15. 關連人士交易(續)

(c) 附註：(續)

- (xv) 截至二零零七年十二月三十一日止年度之銷售熱水器指根據相當於雙方協定之熱水器售價與海爾電器產業之出售開支(不超過熱水器售價之2.5%)之差額之售價向海爾電器產業進行之出口銷售。

截至二零零六年十二月三十一日止年度之銷售熱水器包括向海爾投資之附屬公司之國內銷售，以及向海爾電器產業之出口銷售。熱水器之國內銷售乃根據海爾投資之附屬公司向第三方分銷商所報之售價減2%至50%不等之折扣而進行。熱水器之出口銷售則根據相等於雙方協定之熱水器售價與海爾電器產業之出售開支(不超過熱水器售價之2.5%)之差額而進行。

- (xvi) 採購原料乃根據市場平均價或統一整合競標後之價格另加按相關訂約方共同協定之收費率釐定2.6%之佣金計價(以較低者為準)。
- (xvii) 印刷及包裝費支出乃根據實際成本另加不超過獨立第三方所收取之加工費計價。
- (xviii) 模具費支出乃參考平均市場競標後之價格另加實際行政成本計價。
- (xix) 公用服務費支出乃參考國家指定價格另加實際行政成本計價。
- (xx) 物流費用支出乃按不遜於獨立第三方所提供之條款釐定。
- (xxi) 宣傳費支出乃根據洗衣機及熱水器之國內銷售之1.2%計價(二零零六年：參考海爾投資之附屬公司所進行洗衣機及熱水器之國內銷售1.2%之比率)。

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15. Related Party Transactions (Cont'd)

- (c) Notes: (Cont'd)
- (xxii) Other service fee expenses were determined with reference to actual costs incurred.
- (xxiii) The interest expenses and income were determined with reference to the standard rates published by the People's Bank of China.
- (d) As at the balance sheet date, Haier Corp provided corporate guarantees up to RMB201,000,000 (2006: RMB156,800,000) (equivalent to HK\$214,973,000 (2006: HK\$153,726,000)) to Haier Group Finance Co., Ltd. ("Haier Finance"), a subsidiary of Haier Corp and a financial institution approved by the People's Bank of China, for loan facilities granted to certain subsidiaries of the Group.
- (e) Compensation of key management personnel of the Group:

15. 關連人士交易(續)

- (c) 附註：(續)
- (xxii) 其他服務費支出乃參考所產生實際成本釐定。
- (xxiii) 利息支出及收入乃參考中國人民銀行頒佈之標準息率釐定。
- (d) 於結算日，海爾集團公司向其附屬公司海爾集團財務有限責任公司(「海爾財務」，一間中國人民銀行認可之財務機構)提供人民幣201,000,000元(二零零六年：人民幣156,800,000元)(相等於約214,973,000港元(二零零六年：153,726,000港元))之公司擔保，作為本集團若干附屬公司之擔保。
- (e) 本集團主要管理人員之薪酬：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,819	2,948
Post-employment benefits	離職後福利	12	12
Share-based payments	以股份支付之報酬	—	409
Total compensation paid to key management personnel	已付主要管理人員之薪酬總額	2,831	3,369

Further details of directors' emoluments are included in note 8 to the financial statements.

董事酬金之其他詳情載於財務報表附註8。

Except for item (e), the above related party transactions also constitute continuing connected transactions or connected transactions as defined in Chapter 14A of the Listing Rules.

除上文(e)項目外，上述關連人士交易亦構成上市規則第14A章所界定之持續關連交易或關連交易。

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16. Property, Plant and Equipment Group

16. 物業、廠房及設備 本集團

		Buildings	Plant and machinery	Tools, furniture and fixtures 工具、傢具及裝置	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器		汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
31 December 2007	二零零七年 十二月三十一日						
At 1 January 2007:	於二零零七年 一月一日:						
Cost	成本	382,174	782,861	12,266	3,589	96,143	1,277,033
Accumulated depreciation and impairment	累計折舊及減值	(107,062)	(462,469)	(4,910)	(2,562)	—	(577,003)
Net carrying amount	賬面淨值	275,112	320,392	7,356	1,027	96,143	700,030
Cost at 1 January 2007, net of accumulated depreciation and impairment	於二零零七年一月一日 之成本，已扣除累 計折舊及減值	275,112	320,392	7,356	1,027	96,143	700,030
Additions	添置	3,738	27,971	5,202	843	57,693	95,447
Disposals/write-off	出售/撇銷	—	(6,189)	(11)	—	—	(6,200)
Depreciation provided during the year	年內折舊撥備	(18,702)	(58,223)	(2,107)	(1,029)	—	(80,061)
Transfers	轉撥	95,475	51,892	2,958	—	(150,325)	—
Exchange realignment	匯兌調整	22,569	22,934	731	65	2,721	49,020
Cost at 31 December 2007, net of accumulated depreciation and impairment	於二零零七年 十二月三十一日之 成本，已扣除累計 折舊及減值	378,192	358,777	14,129	906	6,232	758,236
At 31 December 2007:	於二零零七年 十二月三十一日:						
Cost	成本	512,199	850,242	20,532	4,536	6,232	1,393,741
Accumulated depreciation and impairment	累計折舊及減值	(134,007)	(491,465)	(6,403)	(3,630)	—	(635,505)
Net carrying amount	賬面淨值	378,192	358,777	14,129	906	6,232	758,236

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16. Property, Plant and Equipment (Cont'd)

16. 物業、廠房及設備(續)

		Buildings	Plant and machinery	Tools, furniture and fixtures 工具、傢具及裝置	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 December 2006	二零零六年 十二月三十一日						
At 1 January 2006:	於二零零六年 一月一日:						
Cost	成本	503,236	1,065,107	93,198	7,719	2,095	1,671,355
Accumulated depreciation and impairment	累計折舊及減值	(110,073)	(498,564)	(31,757)	(6,341)	—	(646,735)
Net carrying amount	賬面淨值	393,163	566,543	61,441	1,378	2,095	1,024,620
Cost at 1 January 2006, net of accumulated depreciation and impairment	於二零零六年一月一日之成本，已扣除累計折舊及減值	393,163	566,543	61,441	1,378	2,095	1,024,620
Additions	添置	1,403	25,035	3,474	697	97,926	128,535
Disposals/write-off	出售/撇銷	(15)	(3,613)	(288)	(704)	(791)	(5,411)
Disposal of subsidiaries (note 34)	出售附屬公司 (附註34)	(111,483)	(209,249)	(49,310)	—	—	(370,042)
Depreciation provided during the year	年內折舊撥備	(18,860)	(73,830)	(8,279)	(391)	—	(101,360)
Transfers	轉撥	61	2,967	135	—	(3,163)	—
Exchange realignment	匯兌調整	10,843	12,539	183	47	76	23,688
Cost at 31 December 2006, net of accumulated depreciation and impairment	於二零零六年十二月三十一日之成本，已扣除累計折舊及減值	275,112	320,392	7,356	1,027	96,143	700,030
At 31 December 2006:	於二零零六年 十二月三十一日:						
Cost	成本	382,174	782,861	12,266	3,589	96,143	1,277,033
Accumulated depreciation and impairment	累計折舊及減值	(107,062)	(462,469)	(4,910)	(2,562)	—	(577,003)
Net carrying amount	賬面淨值	275,112	320,392	7,356	1,027	96,143	700,030

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16. Property, Plant and Equipment (Cont'd)

As at 31 December 2007, certain of the Group's buildings with an aggregate net book value of approximately HK\$267,009,000 (2006: HK\$219,008,000) did not have building ownership certificates registered under the names of the respective subsidiaries of the Company.

On 24 February 2005 and 20 September 2006, Haier Corp issued two undertakings to the Company pursuant to which Haier Corp agreed to provide other suitable properties to the Group to ensure the continuing operations of certain subsidiaries of the Company operating in Qingdao and Wuhan and indemnify the Group against any losses arising from the above defective property title issue and for any moving cost/loss incurred, if, for any reason, the respective subsidiaries were not able to continue to use the buildings before the related acquisition and registration procedures have been completed. The aggregate net book value of the Group's buildings indemnified by Haier Corp as at 31 December 2007 amounted to approximately HK\$169,851,000 (2006: HK\$175,588,000).

In the opinion of the directors, the Group is entitled to lawfully and validly occupy and use the buildings for its daily operations, notwithstanding the fact that the related building ownership certificates have not yet been obtained.

16. 物業、廠房及設備(續)

於二零零七年十二月三十一日，本集團總賬面淨值約為267,009,000港元(二零零六年：219,008,000港元)之若干樓宇並無以本公司各相關附屬公司之名義登記之房地產權證。

於二零零五年二月二十四日及二零零六年九月二十日，海爾集團公司向本公司作出兩項承諾，據此，海爾集團公司同意，倘各附屬公司如因任何理由無法在有關收購及登記程序完成前繼續使用樓宇經營業務，則海爾集團公司將向本集團提供其他合適物業，以確保本公司於青島及武漢經營之若干附屬公司可繼續經營業務，並彌償本集團因上述物業所有權欠妥之任何損失以及所招致之任何搬遷成本／損失。於二零零七年十二月三十一日，海爾集團公司彌償本集團之樓宇總賬面淨值約為169,851,000港元(二零零六年：175,588,000港元)。

董事認為，儘管仍未取得有關房地產權證，惟本集團有權合法及有效地佔用及使用樓宇以進行日常營運。

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17. Prepaid Land Premiums

Group

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於一月一日之賬面值	76,926	36,668
Additions	添置	—	40,218
Recognised during the year	年內確認	(2,324)	(1,427)
Exchange realignment	匯兌調整	5,248	1,467
Carrying amount at 31 December	於十二月三十一日之賬面值	79,850	76,926
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款之流動部分	(2,105)	(1,265)
Non-current portion	非流動部分	77,745	75,661

All leasehold land of the Group is under medium term leases and is situated in Mainland China.

As at 31 December 2007, certain parcels of the Group's land with an aggregate unamortised prepaid land premium amount of approximately HK\$52,215,000 (2006: HK\$56,210,000) did not have land use right certificates registered under the names of the respective subsidiaries of the Company, of which approximately HK\$14,995,000 (2006: HK\$10,516,000) was indemnified by Haier Corp as at 31 December 2007. Details of the undertakings granted by Haier Corp to the Company in relation to such title issue are set out in note 16 to the financial statements.

17. 預付土地款

本集團

本集團全部租賃土地均按中期租約持有，且位於中國大陸。

於二零零七年十二月三十一日，本集團未攤銷預付土地款總額約為52,215,000港元(二零零六年：56,210,000港元)之若干幅土地並無以本公司各相關附屬公司之名義登記之土地使用權證，海爾集團公司已於二零零七年十二月三十一日就其中約14,995,000港元(二零零六年：10,516,000港元)作出彌償。海爾集團公司向本公司就有關所有權之發出而向本公司作出承諾之詳情載於財務報表附註16。

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18. Intangible Assets

Group

18. 無形資產

本集團

**Patents and
licences**
專利及特許權
HK\$'000
千港元

31 December 2007	二零零七年十二月三十一日	
At 1 January 2007:	於二零零七年一月一日：	
Cost	成本	2,428
Accumulated amortisation	累計攤銷	(694)
Net carrying amount	賬面淨值	1,734
Cost at 1 January 2007, net of accumulated amortisation	於二零零七年一月一日之成本已扣除 累計攤銷	1,734
Amortisation provided during the year	年內攤銷撥備	(355)
Exchange realignment	匯兌調整	105
Cost at 31 December 2007, net of accumulated amortisation	於二零零七年十二月三十一日之成本， 已扣除累計攤銷	1,484
At 31 December 2007:	於二零零七年十二月三十一日：	
Cost	成本	2,596
Accumulated amortisation	累計攤銷	(1,112)
Net carrying amount	賬面淨值	1,484
31 December 2006	二零零六年十二月三十一日	
At 1 January 2006:	於二零零六年一月一日：	
Cost	成本	8,312
Accumulated amortisation	累計攤銷	(2,874)
Net carrying amount	賬面淨值	5,438
Cost at 1 January 2006, net of accumulated amortisation	於二零零六年一月一日之成本，已扣除 累計攤銷	5,438
Amortisation provided during the year	年內攤銷撥備	(639)
Disposal of subsidiaries (note 34)	出售附屬公司(附註34)	(3,138)
Exchange realignment	匯兌調整	73
Cost at 31 December 2006, net of accumulated amortisation	於二零零六年十二月三十一日之成本， 已扣除累計攤銷	1,734
At 31 December 2006:	於二零零六年十二月三十一日：	
Cost	成本	2,428
Accumulated amortisation	累計攤銷	(694)
Net carrying amount	賬面淨值	1,734

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19. Interests in Subsidiaries

Company

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investments, at cost	非上市投資，按成本	1,982,417	1,982,417
Due from subsidiaries	應收附屬公司款項	163,575	503
		2,145,992	1,982,920
Impairment for unlisted investments (note)	非上市投資減值(附註)	(2,356)	—
		2,143,636	1,982,920

Note: An impairment was recognised for certain unlisted investments with a carrying amount of HK\$2,356,000 because the relevant subsidiaries had suffered losses for years.

The amounts due from and to subsidiaries included in the Company's non-current assets and non-current liabilities of HK\$163,575,000 (2006: HK\$503,000) and HK\$81,060,000 (2006: HK\$84,789,000), respectively, are unsecured, interest free and have no fixed terms of repayment. The carrying amounts of these amounts due from and to subsidiaries approximate to their fair values.

19. 附屬公司權益

本公司

附註：由於相關附屬公司於該等年度出現虧損，故已就賬面值2,356,000港元之若干非上市投資確認減值。

計入本公司非流動資產及非流動負債之應收及應付附屬公司款項分別163,575,000港元(二零零六年：503,000港元)及81,060,000港元(二零零六年：84,789,000港元)為無抵押、免息及並無固定還款期。該等應收及應付附屬公司款項之賬面值與其公平值相若。

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19. Interests in Subsidiaries (Cont'd)

Particulars of the principal subsidiaries are as follows:

19. 附屬公司權益(續)

主要附屬公司之資料如下：

Name	Place of registration and operations	Nominal value of registered capital	Percentage of equity directly attributable to the Company		Principal activities
			本公司直接應佔股權百分比	本公司間接應佔股權百分比	
名稱	註冊及營業地點	註冊資本面值	Direct 直接	Indirect 間接	主要業務
Qingdao Haier Washing Machine Co., Ltd. * 青島海爾洗衣機有限公司*	PRC/ Mainland China 中國/中國大陸	RMB150,000,000 人民幣150,000,000元	—	93.44	Manufacture and sale of washing machines 生產及銷售洗衣機
Foshan Shunde Haier Electric Co., Ltd. * 佛山市順德海爾電器有限公司*	PRC/ Mainland China 中國/中國大陸	RMB48,000,000 人民幣48,000,000元	—	60	Manufacture and sale of washing machines 生產及銷售洗衣機
Hefei Haier Washing Machine Co., Ltd. * 合肥海爾洗衣機有限公司*	PRC/ Mainland China 中國/中國大陸	RMB12,000,000 人民幣12,000,000元	—	98.69	Manufacture and sale of washing machines 生產及銷售洗衣機
Qingdao Jiaonan Haier Washing Machine Co., Ltd. ** 青島膠南海爾洗衣機有限公司**	PRC/ Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	—	94.49	Manufacture and sale of washing machines 生產及銷售洗衣機
Chongqing Haier Washing Machine Co., Ltd. * 重慶海爾洗衣機有限公司*	PRC/ Mainland China 中國/中國大陸	RMB25,000,000 人民幣25,000,000元	25	74.02	Manufacture and sale of washing machines 生產及銷售洗衣機
Foshan Shunde Haier Intelligent Electronic Co., Ltd. * 佛山市順德海爾智能電子有限公司*	PRC/ Mainland China 中國/中國大陸	RMB34,200,000 人民幣34,200,000元	25	74.02	Manufacture and sale of accessories for electrical appliances 生產及銷售電器配件
Qingdao Haier Electronics Sales Co., Ltd. * 青島海爾電器銷售有限公司*	PRC/ Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	50	30	Sale of washing machines and water heaters 銷售洗衣機及熱水器

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19. Interests in Subsidiaries (Cont'd)

19. 附屬公司權益(續)

Name	Place of registration and operations	Nominal value of registered capital	Percentage of equity directly attributable to the Company		Principal activities
			本公司直接 應佔股權百分比 Direct 直接	Indirect 間接	
Haier Indesit (Qingdao) Washing Machine Co., Ltd. *** 海爾盈德喜(青島)洗衣機有限公司***	PRC/ Mainland China 中國/中國大陸	USD24,000,000 24,000,000美元	—	100	Manufacture and sale of washing machines 生產及銷售洗衣機
Haier Indesit (Qingdao) Electrical Appliance Co., Ltd. *** 海爾盈德喜(青島)電器有限公司***	PRC/ Mainland China 中國/中國大陸	USD12,000,000 12,000,000美元	—	100	Manufacture and sale of washing machines 生產及銷售洗衣機
Qingdao Economy and Technology Development Zone Haier Water Heater Co., Ltd. *** 青島經濟技術開發區海爾熱水器有限公司***	PRC/ Mainland China 中國/中國大陸	RMB120,000,000 人民幣120,000,000元	—	100	Manufacture and sale of water heaters 生產及銷售熱水器
Wuhan Haier Water Heater Co., Ltd. *** 武漢海爾熱水器有限公司***	PRC/ Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	—	100	Manufacture and sale of water heaters 生產及銷售熱水器
Chongqing Haier Water Heater Co., Ltd. ** 重慶海爾熱水器有限公司**	PRC/ Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	—	100	Manufacture and sale of water heaters 生產及銷售熱水器
* Registered as a Sino-foreign equity joint venture enterprise under PRC law.			* 根據中國法律註冊為中外股份合營公司。		
** Registered as a limited liability company under PRC law.			** 根據中國法律註冊為有限責任公司。		
*** Registered as a wholly-foreign-owned enterprise under PRC law.			*** 根據中國法律註冊為外商獨資企業。		

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列之本公司附屬公司乃董事認為主要影響本集團本年度之業績或組成本集團資產淨值主要部分之附屬公司。董事認為，詳列其他附屬公司將會導致內容過於冗長。

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20. Long Term Prepayments

In 2005, Haier Group sponsored the Organising Committee for the Games of the XXIX Olympiad (“OCG”) in connection with the Games of the XXIX Olympiad to be hosted in Beijing in 2008 (the “Games”). The sponsorship fee amounting to RMB220 million (equivalent to approximately HK\$216 million) was shared as to RMB203 million (equivalent to approximately HK\$199 million) by certain subsidiaries of Haier Group (excluding those subsidiaries of the Group) and RMB17 million (equivalent to approximately HK\$17 million) by one of the subsidiaries of the Company. Under the sponsorship agreement, Haier Group and/or its affiliates are permitted to use the official logo of the Games for its product promotion purposes from 8 August 2005 to 31 December 2008 (the “Sponsorship Period”).

The sponsorship fee is amortised over the Sponsorship Period on the straight-line basis.

Accordingly, a relevant portion of the sponsorship fee paid by the subsidiary of the Company amounting to approximately HK\$5 million has been classified as prepayments, deposits and other receivables under current assets.

Group

		本集團	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at end of year	年終之賬面值	5,529	10,338
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款之流動部分	(5,529)	(5,169)
Non-current portion	非流動部分	—	5,169

20. 長期預付款項

於二零零五年，海爾集團就將於二零零八年在北京主辦之第29屆奧林匹克運動會（「奧運會」）贊助第29屆奧林匹克運動會組織委員會（「奧委會」）。贊助費達人民幣220,000,000元（相等於約216,000,000港元），其中人民幣203,000,000元（相等於約199,000,000港元）由海爾集團之若干附屬公司（本集團之附屬公司除外）分擔，而人民幣17,000,000元（相等於約17,000,000港元）則由海爾SPV集團之一家附屬公司分擔。根據贊助協議，海爾集團及／或其聯屬人士於二零零五年八月八日至二零零八年十二月三十一日期間（「贊助期間」）獲准使用奧運會會徽作產品宣傳。

贊助費於贊助期間以直線法攤銷。

因此，本公司附屬公司所支付贊助費之相關部分約5,000,000港元已分類為流動資產項下之預付款項、按金及其他應收賬款。

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21. Inventories

Group

21. 存貨

本集團

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原料	34,399	15,907
Work in progress	在製品	556	11,668
Finished goods	製成品	623,579	180,495
		658,534	208,070

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22. Trade and Bills Receivables

The Group normally allows an average credit period of 90 days to its trade customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of provisions, and the balance of the bills receivable are as follows:

Group

		本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade receivables:	應收貿易賬款：		
Within 1 month	1 個月內	404,318	334,656
1 to 2 months	1 至 2 個月	64,244	120,429
2 to 3 months	2 至 3 個月	40,950	29,295
Over 3 months	超過 3 個月	54,174	21,267
		563,686	505,647
Bills receivable	應收票據	783,340	1,113,761
		1,347,026	1,619,408

22. 應收貿易賬款及票據

本集團一般給予其貿易客戶平均90日之信貸期。本集團致力對其未償還應收賬款維持嚴緊監控，而高級管理層會定期檢討過期結餘。應收貿易賬款均不計利息。

於結算日應收貿易賬款(已扣除撥備)之賬齡按發票日期分析及應收票據之結餘如下：

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22. Trade and Bills Receivables (Cont'd)

An aged analysis of the trade and bills receivables that are not considered to be impaired is as follows:

Group

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Neither past due nor impaired	未逾期及未減值	1,292,852	1,598,141
Less than 1 year past due	逾期少於1年	54,174	21,267
		1,347,026	1,619,408

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Included in the Group's trade and bills receivables are amounts due from Haier Affiliates amounting to HK\$219,957,000 (2006: HK\$479,940,000), which are repayable on similar credit terms to those offered to the major customers of the Group. Further details of the sales to these related parties are set out in note 15 to the financial statements.

22. 應收貿易賬款及票據(續)

並無被視為減值之應收貿易賬款及票據之賬齡分析如下：

本集團

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Neither past due nor impaired	未逾期及未減值	1,292,852	1,598,141
Less than 1 year past due	逾期少於1年	54,174	21,267
		1,347,026	1,619,408

未逾期及未減值之應收款項與近期並無欠款紀錄之客戶有關。

已逾期但未減值之應收款項與多名於本集團往績紀錄良好之獨立客戶有關。根據過往經驗，本公司董事認為毋須就該等結餘作出減值撥備，因為信貸質素並無重大變動，而該等結餘仍未認為可全數收回。本集團並無就該等結餘持有任何抵押品或其他信貸提升。

本集團之應付貿易賬款及票據包括應付海爾聯屬人士款項為219,957,000港元(二零零六年：479,940,000港元)，該款項須按與主要供應商給予本集團相若之信貸條款償還。有關向該等關連人士採購之其他詳情載於財務報表附註15。

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23. Prepayments, Deposits and Other Receivables

23. 預付款項、按金及其他應收賬款

		Group 本集團		Company 本公司	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Prepayments	預付款項	51,069	64,298	695	42
Deposits	按金	304	304	304	304
Other receivables	其他應收賬款	126,882	36,862	—	—
		178,255	101,464	999	346

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

Included in the Group's prepayments, deposits and other receivables are amounts due from Haier Affiliates amounting to HK\$65,942,000 (2006: HK\$87,008,000), which are unsecured, interest-free and are repayable on demand. The carrying amounts of the prepayments, deposits and other receivables approximate to their fair values.

上述資產概無已逾期或已減值。上述結餘所包括之財務資產與並無近期欠款紀錄之應收賬款有關。

本集團之預付款項、按金及其他應收賬款包括應收海爾聯屬人士款項為65,942,000港元(二零零六年：87,008,000港元)。該款項為無抵押、免息及按通知償還。預付款項、按金及其他應收賬款之賬面值與其公平值相若。

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24. Cash and Cash Equivalents

24. 現金及現金等值項目

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash and bank balance	現金及銀行結餘	470,754	350,685	18,731	17,904
Time deposits	定期存款	124,672	276,117	124,672	48,117
Cash and cash equivalents	現金及現金等值項目	595,426	626,802	143,403	66,021

At the balance sheet date, the cash and bank balances and time deposits of the Group denominated in Renminbi (“RMB”) amounted to HK\$452,041,000 (2006: HK\$560,760,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirement of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks or financial institutions with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

Included in the Group’s cash and cash equivalents are deposits of approximately HK\$367,853,000 (2006: HK\$479,163,000) placed with Haier Finance, a financial institution approved by the People’s Bank of China. The interest rate on these deposits was 0.72% per annum. Further details of the interest income attributable to the deposits placed with Haier Finance are set out in note 15 to the financial statements.

於結算日，本集團以人民幣(「人民幣」)列值之現金及銀行結餘以及定期存款為452,041,000港元(二零零六年：560,760,000港元)。人民幣不能自由兌換為其他貨幣，但根據中國大陸之《外匯管制法規及結匯、售匯及付匯管理規定》，本集團可透過獲認可進行外幣業務之銀行將人民幣兌換為其他貨幣。

存於銀行之現金根據每日銀行存款利率按浮動利率賺取利息。短期定期存款視乎本集團之即時現金需求而分為介乎一日至三個月之不同存款期，按相關短期定期存款利率賺取利息。銀行結餘存放於並無近期欠款紀錄之信譽良好銀行或金融機構。現金及現金等值項目之賬面值與其公平值相若。

本集團之現金及現金等值項目包括存放於海爾財務之存款約367,853,000港元(二零零六年：479,163,000港元)。海爾財務為中國人民銀行認可之財務機構。該等存款按年利率0.72厘計息。有關存放於海爾財務之存款之利息收入其他詳情載於財務報表附註15。

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25. Trade and Bills Payables

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, and the balance of the bills payable are as follows:

Group		本集團	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade payables:	應收貿易賬款：			
Within 1 month	1 個月內		441,094	630,009
1 to 2 months	1 至 2 個月		296,903	108,895
2 to 3 months	2 至 3 個月		64,196	3,864
Over 3 months	超過 3 個月		229,848	25,225
			1,032,041	767,993
Bills payable	應收票據		—	442,020
			1,032,041	1,210,013

The trade payables are non-interest-bearing and are normally settled on credit terms ranging from 30 to 90 days.

Included in the Group's trade and bills payables are amounts due to Haier Affiliates amounting to HK\$1,008,252,000 (2006: HK\$749,449,000), which are repayable on similar credit terms to those offered by other similar suppliers of the Group. Further details of the purchases from these related parties are set out in note 15 to the financial statements.

25. 應付貿易賬款及票據

於結算日應付貿易賬款之賬齡按發票日期分析及應付票據之結餘如下：

應付貿易賬款不計利息，並一般按介乎 30 至 90 日之信貸期償還。

本集團之應付貿易賬款及票據包括應付海爾聯屬人士款項為 1,008,252,000 港元(二零零六年：749,449,000 港元)，該款項須按與其他供應商給予本集團相若之信貸條款償還。有關向該等關連人士採購之其他詳情載於財務報表附註 15。

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26. Other Payables and Accruals

26. 其他應付賬款及應計負債

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other payables	其他應付賬款	575,662	625,512	192,379	168,695
Accruals	應計負債	438,240	236,054	9,980	17,650
		1,013,902	861,566	202,359	186,345

Included in the Group's other payables and accruals are amounts due to Haier Affiliates and directors of the Company and certain subsidiaries amounting to HK\$374,720,000 and HK\$16,936,000 (2006: HK\$261,232,000 and Nil), respectively. These amounts are unsecured, interest-free and are repayable on demand, except for a payable amount due to Haier Electrical Appliances Third Holdings (BVI) Limited, a subsidiary of Haier Group, of HK\$168,695,000 at 31 December 2006.

The payable amount due to Haier Electrical Appliances Third Holdings (BVI) Limited represented the deferred consideration relating to the Asset Transfer. It was originally due to be repayable at 31 December 2007 and bore interest at 4% per annum but the due date of this payable amount, together with its corresponding accrued interest of HK\$6,748,000, aggregating HK\$175,443,000 was extended one year to 31 December 2008 and the entire payable amount of HK\$175,443,000 at 31 December 2007 has become non-interest-bearing since 31 December 2007 pursuant to an agreement entered into between Haier Electrical Appliances Third Holdings (BVI) Limited and the Company on 31 December 2007.

本集團之其他應付賬款及應計負債包括應付海爾聯屬人士及本公司及若干附屬公司董事款項分別為374,720,000港元及16,936,000港元(二零零六年：261,232,000港元及無)。該等款項為無抵押、免息乃按通知償還，惟於二零零六年十二月三十一日應付海爾電器第三控股(BVI)有限公司(海爾集團之附屬公司)款項168,695,000港元除外。

應付海爾電器第三控股(BVI)有限公司為有關資產轉讓之遞延代價。該款項原於二零零七年十二月三十一日到期償還並按年利率4厘計息，惟該應付款項之到期日連同其相應應計利息6,748,000港元合共175,443,000港元已獲延期一年至二零零八年十二月三十一日，而根據海爾電器第三控股(BVI)有限公司與本公司於二零零七年十二月三十一日訂立之協議，於二零零七年十二月三十一日之全數應付款項175,443,000港元已自二零零七年十二月三十一日起成為不計息。

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27. Interest-bearing Borrowings

Group

27. 計息借貸

本集團

		2007 二零零七年			2006 二零零六年		
		Effective Interest rate 實際利率 %	Year of maturity 到期	HK\$'000 千港元	Effective interest rate 實際利率 %	Year of maturity 到期	HK\$'000 千港元
Current	流動						
Convertible notes (note 28)	可換股票據 (附註28)	4.75	2008	169,344	—	—	—
Other loans	其他貸款	6.57	2008	62,032	6.12	2007	58,000
				231,376			58,000
Non-current	非流動						
Convertible notes (note 28)	可換股票據 (附註28)	—	—	—	4.75	2008	161,665
Other loans	其他貸款	6.75-7.20	2009-2011	152,941	6.48	2009-2011	78,800
				152,941			240,465
				384,317			298,465

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27. Interest-bearing Borrowings (Cont'd)

Company

		2007 二零零七年			2006 二零零六年		
		Effective Interest rate 實際利率 %	Year of maturity 到期	HK\$'000 千港元	Effective interest rate 實際利率 %	Year of maturity 到期	HK\$'000 千港元
Current	流動						
Convertible notes (note 28)	可換股票據 (附註28)	4.75	2008	169,344	—	—	—
Non-current	非流動						
Convertible notes (note 28)	可換股票據 (附註28)	—	—	—	4.75	2008	161,665
				169,344			161,665

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Borrowings repayable:	須於以下限期 償還之借貸：				
Within one year or on demand	一年內或按通知	231,376	58,000	169,344	—
In the second year	第二年	26,524	161,665	—	161,665
In the third to fifth years, inclusive	第三年至五年 (包括首尾 兩年)	126,417	78,800	—	—
		384,317	298,465	169,344	161,665

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27. Interest-bearing Borrowings (Cont'd)

All interest-bearing borrowings are unsecured. The other loans represented loans borrowed from Haier Finance, which are guaranteed by Haier Corp, bear interest at rates ranging from 6.57% to 7.20% per annum and are repayable within one year, except for borrowings of HK\$152,941,000 (2006: HK\$78,800,000) which are repayable between 2009 and 2011. Further details of the interest expenses attributable to the loans borrowed from Haier Finance are set out in note 15 to the financial statements.

Except for the convertible notes, all borrowings of the Group bear interest at floating interest rates. The Group's other loans are denominated in RMB and the convertible notes are denominated in Hong Kong dollars.

The carrying amounts of the Group's other borrowings approximate to their fair values.

28. Convertible Notes

On 28 January 2005, the Company issued convertible notes with an aggregate principal amount of HK\$260 million to a subsidiary of Haier Group, Qingdao Haier Group Holdings (BVI) Ltd. The convertible notes have a three-year term and are non-interest-bearing. Each note is convertible at any time prior to the fifth business day before 27 January 2008, at the noteholder's option, into the Company's ordinary shares at a conversion price of HK\$0.18 per share (adjusted to HK\$1.8 per share as a result of the share consolidation which became effective from 8 March 2007). When the notes were issued, the prevailing market interest rate for similar notes without the conversion option was higher than the interest rate at which the notes were issued.

27. 計息借貸(續)

所有計息借貸均為無抵押。其他貸款指向海爾財務借入並由海爾集團公司擔保之貸款，按年利率介乎6.57%至7.20%厘計息及須於一年內償還，惟須於二零零九年至二零一一年償還之借貸152,941,000港元(二零零六年：78,800,000港元)除外。向海爾財務借入貸款之利息支出載於財務報表附註15。

除可換股票據外，本集團所有借貸均以浮動利率計息。本集團其他貸款以人民幣列值，而可換股票據則以港元列值。

本集團其他借貸之賬面值與其公平值相若。

28. 可換股票據

於二零零五年一月二十八日，本公司向海爾集團之附屬公司青島海爾集團控股(BVI)有限公司發行本金額合共260,000,000港元之可換股票據。可換股票據之年期為三年，不計利息。票據持有人可於二零零八年一月二十七日前第五個營業日前隨時以每股0.18港元(因於二零零七年三月八日生效之股份合併而調整之每股1.8港元)之換股價將各票據兌換為本公司普通股。當發行票據後，並無換股權之同類票據當時市場利率較票據發行當時之利率為高。

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28. Convertible Notes (Cont'd)

The fair value of the liability component of the convertible notes was determined at the issuance date, using the prevailing market interest rate for similar debt without a conversion option of 4.75% and is carried as a long term liability. The remaining portion was allocated to the conversion option that is recognised and included in shareholders' equity. At the issuance date, the liability and equity components of the convertible notes were split as to HK\$226,210,000 and HK\$33,790,000, respectively.

During the year, there were no conversions of convertible notes into ordinary shares of the Company. Accordingly, the equity component of the convertible notes remained unchanged during the year and the liability component of the convertible notes was increased by the amount of corresponding finance costs of HK\$7,679,000 (2006: HK\$7,459,000) during the year. At 31 December 2007, the outstanding aggregate principal amount of the convertible notes was HK\$170 million (2006: HK\$170 million).

Subsequent to the balance sheet date, on 18 January 2008, the outstanding aggregate principal amount of the convertible notes of HK\$170 million were fully converted, resulting in the issue of 94,444,444 additional ordinary shares of the Company. Accordingly, there are additions of share capital and share premium of approximately HK\$9 million and HK\$183 million, respectively, and a reduction in the equity component of the convertible notes of approximately HK\$22 million.

28. 可換股票據(續)

可換股票據之負債部分公平值於發行日期按同類債務(並無換股權)之當時市場利率(4.75厘)釐定,並以長期負債列賬。剩餘部分則分配至在股東權益確認入賬之換股權。於發行日期,已分拆之可換股票據之負債及權益部分分別為226,210,000港元及33,790,000港元。

年內,並無可換股票據兌換為本公司普通股。因此,可換股票據之權益部分於年內保持不變,而可換股票據之負債部分於年內則增加相應融資成本7,679,000港元(二零零六年:7,459,000港元)之金額。於二零零七年十二月三十一日,尚未兌換之可換股票據本金總額為170,000,000港元(二零零六年:170,000,000港元)。

於結算日後,於二零零八年一月十八日,尚未兌換本金總額170,000,000港元之可換股票據已全數兌換,導致發行94,444,444股本公司額外普通股。因此,股本及股份溢價分別增加約9,000,000港元及183,000,000港元,而可換股票據之權益部分則減少約22,000,000港元。

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財務報表附註

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28. Convertible Notes (Cont'd)

Group and Company

		Liability component	
		負債部分	
		2007	2006
		二零零七年	二零零六年
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
At 1 January	於一月一日	161,665	211,528
Interest expenses	利息支出	7,679	7,459
Conversion of convertible notes	兌換可換股票據	—	(57,322)
At 31 December	於十二月三十一日	169,344	161,665

28. 可換股票據(續)

本集團及本公司

29. Provisions

Group

		Product warranties and installation	
		產品保養及安裝	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	171,165	108,459
Additional provision	額外撥備	336,748	362,946
Amounts utilised during the year	年內已動用金額	(330,521)	(304,578)
Exchange realignment	匯兌調整	12,167	4,338
At 31 December	於十二月三十一日	189,559	171,165
Portion classified as current liabilities	列作流動負債之部分	(63,898)	(61,172)
Non-current portion	非流動部分	125,661	109,993

29. 撥備

本集團

The Group provides installation services and warranties of one to three years to its customers on washing machines and water heaters, under which faulty products are repaired or replaced. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of installation services rendered, repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

本集團向客戶提供安裝服務及為期一至三年之洗衣機及熱水器保養，有問題之產品可獲維修或更換。保養撥備金額按銷量及以往所提供安裝服務、維修及退貨紀錄估計。估計基準持續檢討，並於適當時作出修訂。

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財務報表附註

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30. Deferred Tax

The movements in deferred tax assets and liabilities (mainly representing accruals and provisions) during the year are as follows:

Group

		Note 附註	Deferred tax assets 遞延稅項資產	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日		34,681	30,824
Deferred tax credited to the income statement during the year	年內在收益表入賬之遞延稅項	10	12,245	2,718
Exchange realignment	匯兌調整		2,580	1,139
At 31 December	於十二月三十一日		49,506	34,681

		Note 附註	Deferred tax liabilities 遞延稅項負債	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日		7,465	—
Deferred tax charged/(credited) to the income statement during the year	年內在收益表扣除/(入賬)之遞延稅項	10	(7,656)	7,465
Exchange realignment	匯兌調整		191	—
At 31 December	於十二月三十一日		—	7,465

The Group has tax losses arising in Hong Kong of HK\$36,098,000 (2006: HK\$34,523,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

30. 遞延稅項

年內，遞延稅項資產及負債(主要為應計費用及撥備)變動如下：

本集團

		Note 附註	Deferred tax assets 遞延稅項資產	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日		34,681	30,824
Deferred tax credited to the income statement during the year	年內在收益表入賬之遞延稅項	10	12,245	2,718
Exchange realignment	匯兌調整		2,580	1,139
At 31 December	於十二月三十一日		49,506	34,681

		Note 附註	Deferred tax liabilities 遞延稅項負債	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日		7,465	—
Deferred tax charged/(credited) to the income statement during the year	年內在收益表扣除/(入賬)之遞延稅項	10	(7,656)	7,465
Exchange realignment	匯兌調整		191	—
At 31 December	於十二月三十一日		—	7,465

本集團於香港產生之稅項虧損為36,098,000港元(二零零六年：34,523,000港元)，可供無限期抵銷該等產生虧損之公司日後應課稅溢利。由於遞延稅項資產來自虧損多時之本公司及附屬公司，故此並無就該等虧損確認遞延稅項資產，而本公司不認為有可能出現可動用稅項虧損之應課稅溢利。

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30. Deferred Tax (Cont'd)

At 31 December 2007, there was no significant unrecognised deferred tax liability (2006: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. 遞延稅項(續)

於二零零七年十二月三十一日，本集團概無因匯寄該等款額產生額外稅項之負債，故此並無有關若干本集團附屬公司未匯寄盈利之應付稅項之重大未確認遞延稅項負債(二零零六年：無)。

本公司向其股東派付之股息概無附帶任何所得稅後果。

31. Issued Equity

Group

		Issued equity
		已發行權益
		HK\$'000
		千港元
At 1 January 2006	於二零零六年一月一日	1,094,159
Conversion of convertible notes	兌換可換股票據	65,509
Exercise of share options	行使購股權	53,292
At 31 December 2006 and beginning of year	於二零零六年十二月三十一日及年初	1,212,960
Exercise of share options	行使購股權	35,250
At 31 December 2007	於二零零七年十二月三十一日	1,248,210

31. 已發行權益

本集團

Due to the use of the reverse acquisition basis of accounting, the amount of issued equity, which includes share capital, share premium and contributed surplus in the consolidated balance sheet, represents the amount of issued equity of legal subsidiaries acquired by the Company on 28 January 2005 and the amount of issued equity of Haier Electrical Appliances Fourth Holdings (BVI) Limited, a direct wholly-owned subsidiary of the Company, and its then subsidiaries at 31 December 2006 plus equity changes of the Company resulting from the exercise of share options and conversion of convertible notes after the reverse acquisition. The equity structure (i.e., the number and type of shares) reflects the equity structure of the legal parent, Haier Electronics Group Co., Ltd.

由於採用逆向收購會計法，故已發行權益之金額(包括綜合資產負債表之股本、股份溢價及繳入盈餘)指本公司於二零零五年一月二十八日所收購各法定附屬公司之已發行權益金額及本公司之直接全資附屬公司海爾電器第四控股(BVI)有限公司及其當時附屬公司於二零零六年十二月三十一日之已發行權益金額。加上逆向收購後本公司因行使購股權及兌換可換股票據而產生之權益變動。股本架構(即股份數目及類別)反映法定母公司海爾電器集團有限公司之權益架構。

Notes to Financial Statements

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31 December 2007

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31. Issued Equity (Cont'd)

Company

31. 已發行權益(續)

本公司

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Authorised:	法定：		
30,000,000,000 (2006: 30,000,000,000)	30,000,000,000 股		
shares of HK\$0.1 each	(二零零六年： 30,000,000,000 股) 每股 面值 0.1 港元之股份	3,000,000	3,000,000
Issued and fully paid:	已發行及已繳足：		
1,859,323,461 (2006: 18,365,734,612)	1,859,323,461 股		
shares of HK\$0.1 each	(二零零六年： 18,365,734,612 股) 每股 面值 0.1 港元之股份	185,932	1,836,573

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財務報表附註

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二零零七年十二月三十一日

31. Issued Equity (Cont'd)

A summary of the transactions during the year involving the Company's issued share capital is as follows:

		Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2006	於二零零六年 一月一日	16,670,734,612	1,667,073	579,264	2,246,337
Issue of shares	發行股份	1,000,000,000	100,000	140,000	240,000
Conversion of convertible notes	兌換可換股票據	350,000,000	35,000	30,509	65,509
Exercise of share options (note i)	行使購股權 (附註i)	345,000,000	34,500	18,792	53,292
At 31 December 2006 and beginning of year	於二零零六年 十二月 三十一日及 年初	18,365,734,612	1,836,573	768,565	2,605,138
Exercise of share options before share consolidation (note i)	於股份合併前 行使購股權 (附註i)	55,000,000	5,500	2,840	8,340
Capital reduction (note ii)	股本削減 (附註ii)	—	(1,657,866)	—	(1,657,866)
Share consolidation (note ii)	股份合併 (附註ii)	(16,578,661,151)	—	—	—
Exercise of share options after share consolidation (note i)	於股份合併後 行使購股權 (附註i)	17,250,000	1,725	25,185	26,910
At 31 December 2007	於二零零七年 十二月 三十一日	1,859,323,461	185,932	796,590	982,522

Notes:

- (i) Details of the Company's share option scheme and the share options issued under the scheme are included in note 32 to the financial statements.
- (ii) Pursuant to a special resolution passed at a special general meeting of the Company held on 7 March 2007, the Company reduced the nominal value of each of its issued shares from HK\$0.10 to HK\$0.01 by the cancellation of paid-up capital of HK\$0.09 on each of its issued shares (the "Capital Reduction"). Immediately following the Capital Reduction, every 10 issued shares of the Company of HK\$0.01 resulting from the Capital Reduction were consolidated into one consolidated share of HK\$0.1 each (the "Share Consolidation"). The Capital Reduction and Share Consolidation became effective from 8 March 2007.

31. 已發行權益(續)

於年內涉及本公司已發行股本之交易概要如下：

附註：

- (i) 本公司購股權計劃及根據計劃發行之購股權之詳情載於財務報表附註32。
- (ii) 根據本公司於二零零七年三月七日舉行之股東特別大會上通過之特別決議案，本公司透過註銷其每股已發行股份之已繳足股本0.09港元，將其每股已發行股份之面值由0.1港元削減至0.01港元(「股本削減」)。緊隨股本削減後，本公司因股本削減而產生之每10股每股面值0.01港元之已發行股份合併為一股每股面值0.1港元之合併股份(「股份合併」)。股本削減及股份合併已由二零零七年三月八日起生效。

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財務報表附註

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二零零七年十二月三十一日

32. Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to the eligible participants who contribute to the success of the operations of the Group. Eligible participants of the Share Option Scheme include any employee, executive or officer of the Group (including executive and non-executive directors of the Company) and any supplier, consultant, agent, adviser, shareholder, customer, partner, business associate who, in the sole discretion of the board of directors of the Company (the "Board"), has contributed to the Group. The Share Option Scheme became effective on 28 February 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme is such number of shares, when aggregated with shares subject to any other share option scheme(s) of the Company, must not exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. The maximum number of shares issuable upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each eligible participant in any 12-month period is limited to 1% of the shares of the Company in issue as at the date of grant. Any further grant of share options in excess of this 1% limit shall be subject to the issue of a circular by the Company (and if required, the holding company) and the shareholders' approval of the Company (and if required, the approval of the shareholders of the holding company) at a general meeting.

32. 購股權計劃

本公司採納一項購股權計劃(「購股權計劃」)，其目的是激勵及獎勵合資格參與者為本集團業務作出貢獻。購股權計劃之合資格參與者包括本集團之任何僱員、行政人員或管理人員(包括本公司之執行及非執行董事)，以及本公司董事會(「董事會」)全權決定認為對本集團有所貢獻之任何供應商、顧問、代理商、諮詢人、股東、客戶、夥伴及業務聯繫人。購股權計劃由二零零二年二月二十八日起生效，而除另行註銷或修訂外，將由該日起計10年內有效。

根據購股權計劃可能授出之購股權所涉之股份總數加上本公司任何其他購股權計劃所涉之股份數目，不得超過購股權計劃採納當日本公司已發行股本10%。於任何十二個月期間內，因根據購股權計劃及本公司任何其他購股權計劃授出之購股權(包括已行使、註銷及尚未行使之購股權)獲行使而可以向各合資格參與者發行之最高股份數目，以授出當日本公司已發行股份1%為限。如再授出超過該1%限額之購股權，則本公司(及(如有需要)控股公司)須事先刊發通函及於股東大會徵求本公司股東(及(如有需要)控股公司之股東)批准。

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財務報表附註

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二零零七年十二月三十一日

32. Share Option Scheme (Cont'd)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to the approval in advance by the independent non-executive directors of the Company (and if required, the independent non-executive directors of the holding company), excluding the independent non-executive director(s) of the Company and the holding company who is/are the grantee(s) of the options. In addition, any share option granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue as at the date of grant or with an aggregate value (based on the closing price of the shares of the Company as at the date of grant) in excess of HK\$5 million, within any 12-month period, is subject to the issue of a circular by the Company (and if required, the holding company) and the shareholders' approval of the Company (and if required, the approval of the shareholders of the holding company) in advance at a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board, and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the share options or the expiry date of the Share Option Scheme, whichever is earlier.

The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares of the Company.

32. 購股權計劃(續)

向本公司之董事或最高行政人員或主要股東或彼等各自之任何聯繫人授出購股權，事先必須獲得本公司之獨立非執行董事(及(如有需要)控股公司之獨立非執行董事)批准(身為購股權承授人之本公司及控股公司獨立非執行董事除外)。此外，如於任何十二個月期間向本公司之主要股東或獨立非執行董事或彼等各自任何聯繫人授出之購股權所涉之股份，超過授出當日本公司已發行股份0.1%或總值(根據授出當日本公司股份之收市價格計算)超過5,000,000港元，則本公司(及(如有需要)控股公司)須事先刊發通函及於股東大會徵求本公司股東(及(如有需要)控股公司之股東)批准。

授出購股權之建議可於建議日期起計28日內由承授人支付象徵式代價合共1港元後接納。已授出購股權之行使期由董事會釐定，由指定之日期開始至授出購股權日期起計不超過十年之日或購股權計劃期滿日(以較早者為準)為止。

購股權之行使價由董事會釐定，惟不得低於下列三者之最高者：(i)本公司股份於授出當日(必須為交易日)在聯交所每日報價表所列之收市價；(ii)本公司股份於緊接授出當日前五個交易日在聯交所每日報價表所列之平均收市價；及(iii)本公司股份之面值。

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32. Share Option Scheme (Cont'd)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Details of the movements of share options under the Share Option Scheme during the year were as follows:

2007

Name or category of participant	參與者名稱或類別	Number of share options [*]			Outstanding as at 31 December 2007	Date of grant of share options	Exercise period of share options	Exercise price of share options [*]	Price of the Company's shares (note 3) [*]	
		Outstanding as at 1 January 2007	Exercised during the year	Lapsed during the year					Immediately before the exercise date	At exercise date of options
		於二零零七年一月一日尚未行使	年內授出	年內行使	於二零零七年十二月三十一日尚未行使	購股權授出日期	購股權行使期	購股權行使價 [*]	緊接購股權行使日期前	於購股權行使日期
						(note 1) (附註1)		(note 2) (附註2)	HK\$ 港元	HK\$ 港元
Executive directors	執行董事									
Wu Ke Song	武克松	1,000,000	(1,000,000)	—	—	19/11/2002	19/11/2003-18/11/2007	1.50	2.55	2.50
Chai Yong Sen (note 4)	柴永森 (附註4)	1,000,000	(1,000,000)	—	—	19/11/2002	19/11/2003-18/11/2007	1.50	2.55	2.50
Liang Hai Shan	梁海山	1,000,000	(1,000,000)	—	—	19/11/2002	19/11/2003-18/11/2007	1.50	2.55	2.50
Cui Shao Hua	崔少華	1,000,000	(1,000,000)	—	—	19/11/2002	19/11/2003-18/11/2007	1.50	2.55	2.50
		4,000,000	(4,000,000)	—	—					
Independent non-executive directors	獨立非執行董事									
Fung Hoi Wing, Henry (note 5)	馮藹榮 (附註5)	100,000	(100,000)	—	—	16/8/2002	16/8/2003-15/8/2007	1.56	2.53	2.57
Other participants	其他參與者									
In aggregate	合計	22,650,000	(18,650,000)	(4,000,000)	—	16/8/2002	16/8/2003-15/8/2007	1.56	2.55	2.50
		26,750,000	(22,750,000)	(4,000,000)	—					

* Adjusted to take into account the share consolidation

32. 購股權計劃(續)

購股權並無賦予持有人收取股息或於股東大會上投票之權利。

年內，購股權計劃項下購股權之變動詳情如下：

二零零七年

* 作出調整以計入股份合併

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32. Share Option Scheme (Cont'd)

2006

32. 購股權計劃(續)

二零零六年

Name or category of participant	參與者名稱或類別	Number of share options			Outstanding as at 31 December 2006	Date of grant of share options	Exercise period of share options	Exercise price of share options	Price of the Company's shares (note 3)		
		Outstanding as at 1 January 2006	Granted during the year	Exercised during the year					At grant date	Immediately before the exercise date	At exercise date
		於二零零六年一月一日尚未行使	年內授出	年內行使	於二零零六年十二月三十一日尚未行使	購股權授出日期	購股權行使期	購股權行使價	於購股權授出日期	緊接購股權行使日期前	於購股權行使日期
						(note 1)		(note 2)			
								HK\$	HK\$	HK\$	HK\$
								港元	港元	港元	港元
Executive directors 執行董事											
Wu Ke Song	武克松	62,000,000	—	(52,000,000)	10,000,000	19/11/2002	19/11/2003– 18/11/2007	0.150	—	0.241	0.239
Chai Yong Sen	柴永森 (附註4)	62,000,000	—	(52,000,000)	10,000,000	19/11/2002	19/11/2003– 18/11/2007	0.150	—	0.240	0.241
Liang Hai Shan	梁海山	60,000,000	—	(50,000,000)	10,000,000	19/11/2002	19/11/2003– 18/11/2007	0.150	—	0.241	0.241
Cui Shao Hua	崔少華	60,000,000	—	(50,000,000)	10,000,000	19/11/2002	19/11/2003– 18/11/2007	0.150	—	0.241	0.241
		244,000,000	—	(204,000,000)	40,000,000						
Independent non-executive directors 獨立非執行董事											
Lam Kin Kau, Mark	林建球 (附註5)	5,000,000	—	(5,000,000)	—	16/8/2002	16/8/2003– 15/8/2007	0.156	—	0.259	0.248
Fung Hoi Wing, Henry	馮議榮 (附註5)	2,000,000	—	(1,000,000)	1,000,000	16/8/2002	16/8/2003– 15/8/2007	0.156	—	0.265	0.280
		7,000,000	—	(6,000,000)	1,000,000						
Other employees 其他僱員											
In aggregate	合計	—	5,000,000	(5,000,000)	—	23/1/2006	23/1/2006– 22/1/2011	0.2134	0.213	0.320	0.295
Other participants 其他參與者											
In aggregate	合計	356,500,000	—	(130,000,000)	226,500,000	16/8/2002	16/8/2003– 15/8/2007	0.156	—	0.300	0.291
		607,500,000	5,000,000	(345,000,000)	267,500,000						

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32. Share Option Scheme (Cont'd)

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The exercise price of the share options is subject to adjustment(s) in the case of rights or bonus share issues, or other similar changes in the share capital of the Company.
3. The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options. The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercises of options within the disclosure line.
4. Mr. Chai Yong Sen resigned as an executive of the Company with effect from 15 February 2007.
5. Mr. Lam Kin Kau, Mark, and Mr. Fung Hoi Wing, Henry, resigned as an independent non-executive director of the Company with effect from 21 June 2007.

The fair value of the share options granted in prior year was HK\$409,000, of which the Group recognised a share option expense during the year ended 31 December 2006.

33. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 58 of the financial statements.

- (i) Pursuant to the relevant PRC laws and regulations, certain of the Group's subsidiaries registered in the PRC are required to transfer a portion of their profits to reserve funds. These funds are non-distributable in the form of cash dividends. For the purpose of determining the appropriations to these funds, the net profits of these subsidiaries are determined in accordance with the applicable financial rules and regulations of the PRC.

32. 購股權計劃(續)

附註：

1. 購股權之歸屬期由授出日期起至行使期開始為止。
2. 購股權之行使價可於配售新股或發行紅股或本公司股本出現其他類似變動時調整。
3. 所披露本公司股份於購股權授出當日之價格，為緊接購股權授出當日前之交易日在聯交所之收市價。所披露本公司股份緊接購股權行使當日前之價格，為在披露範圍內有關行使所有購股權在緊接購股權行使當日前在聯交所之加權平均收市價。
4. 柴永森先生於二零零七年二月十五日起辭任本公司董事。
5. 林建球先生及馮藹榮先生於二零零七年六月二十一日起辭任本公司獨立非執行董事。

於去年授出購股權之公平值為409,000港元，本集團已於截至二零零六年十二月三十一日止年度就其確認購股權開支。

33. 儲備

(a) 本集團

本年度及過往年度本集團之儲備數額及其變動詳情，載於財務報表第58頁之綜合權益變動表。

- (i) 根據相關中國法例及法規，本集團若干於中國註冊之附屬公司須將其部分溢利轉撥至儲備基金。該等基金不可以現金股息之形式分派。在釐定向該等基金之分配時，會根據適用之中國財務規則及法規釐定該等附屬公司之純利。

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33. Reserves (Cont'd)

(a) Group (Cont'd)

- (ii) The Group's capital reduction reserve arose from the reduction in the nominal value of each of the issued shares of the Company from HK\$0.10 to HK\$0.01 by the cancellation of paid-up capital of HK\$0.09 on each of the issued shares of the Company effective from 8 March 2007. The Group's capital reserve originally represented the difference between the credit arising from the Capital Reduction of HK\$1,657,866,000 and the amount transferred to eliminate the accumulated losses of the Group of HK\$1,196,370,000

(b) Company

33. 儲備(續)

(a) 本集團(續)

- (ii) 本集團之股本削減儲備產生自於二零零七年三月八日透過註銷其每股已發行股份之已繳足股本0.09港元，將其每股已發行股份之面值由0.10港元削減至0.01港元。本集團之股本儲備原為削減股本產生之進賬1,657,866,000港元與轉撥以對銷本集團累計虧損1,196,370,000港元兩者間之差額。

(b) 本公司

		Share premium account	Contributed surplus	Share option reserve	Retained profits/ (accumulated losses)	Total
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	附註	千港元	千港元	千港元	千港元	千港元
At 1 January 2006	於二零零六年一月一日	579,264	190,870	—	(1,250,311)	(480,177)
Issue of shares	發行股份	140,000	—	—	—	140,000
Equity-settled share option arrangements	以股本結算之購股權安排	—	—	409	—	409
Conversion of convertible notes	兌換可換股票據	30,509	—	—	—	30,509
Exercise of share options	行使購股權	18,792	—	(409)	—	18,383
Profit for the year	年內溢利	—	—	—	48,698	48,698
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及二零零七年一月一日	768,565	190,870	—	(1,201,613)	(242,178)
Capital reduction	股本削減	—	1,657,866	—	—	1,657,866
Transfer of contributed surplus to offset against accumulated losses	轉撥繳入盈餘以抵銷累計虧損	—	(1,196,370)	—	1,196,370	—
Exercises of share options	行使購股權	28,025	—	—	—	28,025
Profit for the year	年內溢利	—	—	—	183,537	183,537
At 31 December 2007	於二零零七年十二月三十一日	796,590	652,366	—	178,294	1,627,250

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders in certain circumstances.

本公司之繳入盈餘為所收購附屬公司股份公平值超逾本公司為支付相關代價而發行股份面值之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘可在若干情況下分派予股東。

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34. Disposal of Subsidiaries

34. 出售附屬公司

			2007	2006
		Notes	二零零七年	二零零六年
		附註	HK\$'000	HK\$'000
			千港元	千港元
Net assets disposed of:	所出售之資產淨值：			
Property, plant and equipment	物業、廠房及設備	16	—	370,042
Intangible assets	無形資產	18	—	3,138
Inventories	存貨		—	171,527
Trade and bills receivables	應收貿易賬款及票據		—	438,676
Prepayments, deposits and other receivables	預付款項、按金及其他 應收賬款		—	105,047
Tax recoverable	可退回稅項		—	94
Cash and cash equivalents	現金及現金等值項目		—	38,534
Trade and bills payables	應付貿易賬款及票據		—	(738,611)
Other payables and accruals	其他應付賬款及 應計負債		—	(54,862)
Interest-bearing borrowings	計息借貸		—	(67,911)
			—	265,674
Exchange fluctuation reserve realised	已變現之外匯波動儲備		—	(13,342)
Expenses directly attributable to the disposal of the discontinued operation	出售已終止經營業務 直接應佔之開支		—	2,219
Gain on disposal of the discontinued operation	出售已終止經營業務 之收益	12	—	156,449
			—	411,000
Satisfied by:	以下列方式支付：			
Promissory note	承付票據	12	—	411,000

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34. Disposal of Subsidiaries (Cont'd)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash consideration	現金代價	—	—
Cash and cash equivalents disposed of	所出售現金及現金等值項目	—	(38,534)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等值項目流出淨額	—	(38,534)

35. Contingent Liabilities

At the balance sheet date, neither the Group nor the Company had any significant contingent liabilities.

36. Operating Lease Arrangements

The Group leases certain properties under operating lease arrangements. Leases for the properties are negotiated for terms ranging from one to ten years.

At the balance sheet date, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

34. 出售附屬公司 (續)

有關出售附屬公司之現金及現金等值項目流出淨額分析如下：

35. 或然負債

於結算日，本集團及本公司均無任何重大或然負債。

36. 經營租約安排

本集團根據經營租約安排租用若干物業。議定之物業租期介乎一年至十年。

於結算日，本集團及本公司根據於下列期間到期之不能取消之經營租約有未來最低租金總額如下：

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	16,288	7,436	998	998
In the second to fifth years, inclusive	第二至五年 (包括首尾兩年)	5,024	5,111	249	1,247
		21,312	12,547	1,247	2,245

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37. Commitments

In addition to the operating lease commitments detailed in note 36 above, the Group had the following commitments at the balance sheet date:

37. 承擔

除上文附註36所詳述經營租約承擔外，本集團於結算日有以下承擔：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Authorised, but not contracted for:	已授權但未訂約：		
Property, plant and equipment	物業、廠房及設備	—	169,298
Contracted, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	18,328	82,467
		18,328	251,765

At the balance sheet date, the Company did not have any significant commitments other than those disclosed in note 36 above.

於結算日，本公司除上文附註36所披露者外並無任何重大承擔。

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38. Financial Instruments by Category

The carrying amounts of loans and receivables and financial liabilities at amortised cost of the Group at the balance sheet date are as follows:

Financial assets

		Loans and receivables	
		貸款及應收款項	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Trade and bills receivables	應收貿易賬款及票據	1,347,026	1,619,408
Other receivables (notes 23)	其他應收賬款(附註23)	126,882	36,862
Cash and cash equivalents	現金及現金等值項目	595,426	626,802
		2,069,334	2,283,072

Financial liabilities

		Financial liabilities at amortised cost	
		按攤銷成本之金融負債	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Trade and bills payables	應付貿易賬款及票據	1,032,041	1,210,013
Other payables (note 26)	其他應付賬款(附註26)	575,662	625,512
Interest-bearing borrowings	計息借貸	214,973	136,800
Convertible notes	可換股票據	169,344	161,665
		1,992,020	2,133,990

38. 金融工具分類

於結算日，本集團之貸款及應收款項及按攤銷成本之金融負債之賬面值如下：

金融資產

		Loans and receivables	
		貸款及應收款項	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Trade and bills receivables	應收貿易賬款及票據	1,347,026	1,619,408
Other receivables (notes 23)	其他應收賬款(附註23)	126,882	36,862
Cash and cash equivalents	現金及現金等值項目	595,426	626,802
		2,069,334	2,283,072

金融負債

		Financial liabilities at amortised cost	
		按攤銷成本之金融負債	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Trade and bills payables	應付貿易賬款及票據	1,032,041	1,210,013
Other payables (note 26)	其他應付賬款(附註26)	575,662	625,512
Interest-bearing borrowings	計息借貸	214,973	136,800
Convertible notes	可換股票據	169,344	161,665
		1,992,020	2,133,990

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38. Financial Instruments by category (Cont'd)

The carrying amounts of loans and receivables and financial liabilities at amortised cost of the Company at the balance sheet date are as follows:

Financial assets

		Loans and receivables 貸款及應收款項	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Due from subsidiaries (note 19)	應收附屬公司款項(附註19)	163,575	503
Cash and cash equivalents	現金及現金等值項目	143,403	66,021
		306,978	66,524

Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本之金融負債	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other payables (note 26)	其他應付賬款(附註26)	192,379	168,695
Due to subsidiaries	應付附屬公司	81,060	84,789
Convertible notes	可換股票據	169,344	161,665
		442,783	415,149

38. 金融工具分類(續)

於結算日，本公司之貸款及應收款項及按攤銷成本之金融負債之賬面值如下：

金融資產

		Loans and receivables 貸款及應收款項	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Due from subsidiaries (note 19)	應收附屬公司款項(附註19)	163,575	503
Cash and cash equivalents	現金及現金等值項目	143,403	66,021
		306,978	66,524

金融負債

		Financial liabilities at amortised cost 按攤銷成本之金融負債	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other payables (note 26)	其他應付賬款(附註26)	192,379	168,695
Due to subsidiaries	應付附屬公司	81,060	84,789
Convertible notes	可換股票據	169,344	161,665
		442,783	415,149

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39. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing borrowings, convertible notes and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations or acquisitions. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

It is, and has been, throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board review and agrees policies for managing each of these risks and they are summarised below.

39. 財務風險管理目標及政策

本集團之主要金融工具包括計息借貸、可換股票據及現金與短期存款。該等金融工具之主要目的是為本集團營運或收購集資。本集團有多種其他財務資產及負債，如直接來自業務之應收及應付貿易賬款及票據。

於整個回顧年度，本集團之政策為不進行任何金融工具買賣。

來自本集團金融工具之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會檢討及協定各類風險之監控政策概述如下。

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39. Financial Risk Management Objectives and Policies (Cont'd)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group does not use derivative financial instruments to hedge its exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no significant impact on other components of the Group's equity.

		Increase/ (decrease) in basis points 基點上升 / (下跌)	Increase/ (decrease) in profit before tax 除稅前溢利增加 /(減少) HK\$'000 千港元
2007	二零零七年		
Renminbi	人民幣	50	(1,075)
Renminbi	人民幣	(50)	1,075
2006	二零零六年		
Renminbi	人民幣	50	(684)
Renminbi	人民幣	(50)	684

39. 財務風險管理目標及政策 (續)

利率風險

本集團之市場利率變動風險主要有關本集團之浮息借貸。本集團並無使用衍生金融工具對沖其利率風險。

下表列示在所有其他變數不變之情況下，合理利率可能變動對本集團除稅前溢利之敏感度分析(透過對浮息借貸造成之影響)。對本集團其他權益部分並無重大影響。

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39. Financial Risk Management Objectives and Policies (Cont'd)

Foreign currency risk

The Group has transactional currency exposures. Such exposures mainly arise from sales or purchases by the Group's operating units operating in Mainland China in currencies other than the units' functional currency (i.e., RMB). The Group does not enter into any hedging transactions in an effort to reduce the Group's exposure to foreign currency risk.

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange of rates of Euro, United States Dollar and Japanese Yen, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no significant impact on other components of the Group's equity.

39. 財務風險管理目標及政策 (續)

外幣風險

本集團涉及交易貨幣風險。該等風險來自在中國大陸經營之營運單位以功能貨幣(即人民幣)以外貨幣進行銷售或購買。本集團並無進行任何對沖交易以減低本集團之外幣風險。

下表列示在所有其他變數不變之情況下，歐羅、美元及日圓之合理匯率可能變動對本集團除稅前溢利之敏感度分析(由於貨幣資產及負債之公平值改變)。對本集團其他權益部分並無重大影響。

		Increase/ (decrease) in exchange rates 匯率上升 /(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利增加 /(減少) HK\$'000 千港元
2007	二零零七年		
If Renminbi strengthens against Euro	倘人民幣兌歐羅升值	5	(6,569)
If Renminbi strengthens against United States Dollar	倘人民幣兌美元升值	5	(2,384)
If Renminbi strengthens against Japanese Yen	倘人民幣兌日圓升值	5	(538)
If Renminbi weakens against Euro	倘人民幣兌歐羅貶值	(5)	6,569
If Renminbi weakens against United States Dollar	倘人民幣兌美元貶值	(5)	2,384
If Renminbi weakens against Japanese Yen	倘人民幣兌日圓貶值	(5)	538
2006	二零零六年		
If Renminbi strengthens against Euro	倘人民幣兌歐羅升值	5	5,385
If Renminbi strengthens against United States Dollar	倘人民幣兌美元升值	5	(1,396)
If Renminbi strengthens against Japanese Yen	倘人民幣兌日圓升值	5	340
If Renminbi weakens against Euro	倘人民幣兌歐羅貶值	(5)	(5,385)
If Renminbi weakens against United States Dollar	倘人民幣兌美元貶值	(5)	1,396
If Renminbi weakens against Japanese Yen	倘人民幣兌日圓貶值	(5)	(340)

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39. Financial Risk Management Objectives and Policies (Cont'd)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are analysed by customer/counterparty and by geographical region. At the balance sheet date, the Group has certain concentrations of credit risk as 94% (2006: 25%) of the Group's trade receivables were due from the five largest customers of the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other borrowings. It is the Group's policy to renew its loan agreements with Haier Finance or major local banks in Mainland China upon the maturity of the Group's short term bank loans and other borrowings.

39. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與著名及信譽良好之客戶進行交易。根據本集團之政策，任何有意以記賬形式進行交易之客戶均須經過信貸核實程序。此外，本集團亦持續監察應收賬款結餘，而本集團之壞賬風險並不重大。

就本集團其他財務資產(包括現金及現金等值項目及其他應收賬款)之信貸風險而言，本集團之信貸風險來自交易對手違約，最高金額以相關財務資產之賬面值為限。

由於本集團僅與著名及信譽良好的客戶進行交易，因此並無要求提供抵押。信貸風險集中程度按客戶／交易對手及按地區進行分析。於結算日，本集團有一定信貸風險集中度，原因為本集團之應收貿易賬款其中94%(二零零六年：25%)為應收本集團之五大客戶。

有關本集團來自應收貿易賬款之信貸風險進一步量化數據，於財務報表附註22披露。

流動資金

本集團透過椒環流動資金計劃工具監控資金短缺風險。有關工具考慮其金融工具及財務資產(例如貿易應收賬款)之到期日以及經營業務之預測現金流量。

本集團旨在透過銀行貸款及其他借貸維持資金之持續性及彈性之平衡。本集團之政策為在本集團之短期貸款或借貸期滿時，續訂與海爾財務或中國大陸主要地方銀行訂立之貸款協議。

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39. Financial Risk Management Objectives and Policies (Cont'd)

Liquidity risk (Cont'd)

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, is as follows:

2007

二零零七年

		Within one year or on demand 一年內或按要求 HK\$'000 千港元	Beyond one year or no fixed terms of repayment 一年後或 無固定還款期 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade and bills payables	應收貿易賬款及票據	1,032,041	—	1,032,041
Other payables (note 26)	其他應付賬款 (附註26)	575,662	—	575,662
Interest-bearing borrowings	計息借貸	62,032	152,941	214,973
Convertible notes	可換股票據	170,000	—	170,000
		1,839,735	152,941	1,992,676

2006

二零零六年

		Within one year or on demand 一年內或按要求 HK\$'000 千港元	Beyond one year or no fixed terms of repayment 一年後或 無固定還款期 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade and bills payables	應收貿易賬款及票據	1,210,013	—	1,210,013
Other payables (note 26)	其他應付賬款 (附註26)	625,512	—	625,512
Interest-bearing borrowings	計息借貸	58,000	78,800	136,800
Convertible notes	可換股票據	—	170,000	170,000
		1,893,525	248,800	2,142,325

39. 財務風險管理目標及政策 (續)

流動資金 (續)

於結算日，按照已訂約無折扣付款計算，本集團財務負債之到期日組合如下：

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39. Financial Risk Management Objectives and Policies (Cont'd)

Liquidity risk (Cont'd)

The maturity profile of the Company's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, is as follows:

2007

二零零七年

		Within one year or on demand 一年內或按要求 HK\$'000 千港元	Beyond one year or no fixed terms of repayment 一年後或 無固定還款期 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other payables (note 26)	其他應付賬款 (附註26)	192,379	—	192,379
Due to subsidiaries	應付附屬公司款項	—	81,060	81,060
Convertible notes	可換股票據	170,000	—	170,000
		362,379	81,060	443,439

2006

二零零六年

		Within one year or on demand 一年內或按要求 HK\$'000 千港元	Beyond one year or no fixed terms of repayment 一年後或無固定還 款期 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other payables (note 26)	其他應付賬款 (附註26)	168,695	—	168,695
Due to subsidiaries	應付附屬公司款項	—	84,789	84,789
Convertible notes	可換股票據	—	170,000	170,000
		168,695	254,789	423,484

39. 財務風險管理目標及政策 (續)

流動資金(續)

於結算日，按照已訂約無折扣付款計算，本公司財務負債之到期日組合如下：

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39. Financial Risk Management Objectives and Policies (Cont'd)

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is total debt divided by the total equity. The Group's policy is to maintain the gearing ratio not exceeding 100%. Total debt includes interest-bearing borrowings and convertible notes. The gearing ratios as at the balance sheet dates were as follows:

Group

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest-bearing borrowings	計息借貸	214,973	136,800
Convertible notes	可換股票據	169,344	161,665
Total debt	債務總值	384,317	298,465
Total equity	權益總值	942,124	798,567
Gearing ratio	負債資本比率	41%	37%

39. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理之主要目標在於維持本集團持續經營之能力及維持穩健資本比率，以支持其業務及為股東爭取最高價值。

本集團根據經濟狀況變動管理及調整其資本架構。為維持或調整資本架構，本集團可能調整向股東派付之股息、向股東退還資本或發行新股。本集團不受任何外在施加資本要求所規限。截至二零零七年十二月三十一日及二零零六年十二月三十一日止年度，有關目標、政策或程序並無變動。

本集團採用負債資本比率(即債務總值除權益總值)監控資本。本集團之政策為維持負債資本比率不超過100%。債務淨額包括計息借貸及可換股票據。於結算日，負債資本比率如下：

本集團

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40. Post Balance Sheet Events

Subsequent to the balance sheet date, on 18 January 2008, the outstanding aggregate principal amount of the convertible notes of HK\$170 million was fully converted, further details of which are set-out in note 28 to the financial statements.

41. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 24 April 2008.

40. 結算日後事項

於結算日後，於二零零八年一月十八日，未行使本金總額 170,000,000 港元之可換股票據已獲全數兌換，進一步詳情載於財務表附註 28。

41. 財務報表之批准

財務報表已於二零零八年四月二十四日經董事會批准及授權刊發。

Five Year Financial Summary 五年財務摘要

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

以下截列本集團之過去五年業績、資產、負債及少數股東權益概要，乃摘錄自己刊發之經審核財務報表，並已作出適用之重新分類：

		Year ended 31 December 截至十二月三十一日止年度				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
RESULTS	業績					
CONTINUING OPERATIONS	持續經營業務					
REVENUE	收益	8,549,239	6,901,705	5,541,136	4,523,857	3,337,938
Cost of sales	銷售成本	(6,058,011)	(5,062,200)	(4,285,082)	(3,559,383)	(2,489,154)
Gross profit	毛利	2,491,228	1,839,505	1,256,054	964,474	848,784
Other income and gains	其他收入及收益	34,521	42,960	10,614	10,115	6,869
Selling and distribution costs	銷售及分銷成本	(1,646,661)	(1,243,740)	(804,783)	(647,089)	(470,829)
Administrative expenses	行政費用	(527,071)	(401,679)	(265,121)	(146,918)	(134,707)
Other expenses	其他費用	(5,993)	(2,441)	(6,017)	—	(121)
Finance costs	融資成本	(24,068)	(11,109)	(16,162)	(6,145)	(14,480)
PROFIT BEFORE TAX	除稅前溢利	321,956	223,496	174,585	174,437	235,516
Tax	稅項	(96,259)	(39,710)	(22,999)	(20,209)	(49,273)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之年內溢利	225,697	183,786	151,586	154,228	186,243
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from a discontinued operation	已終止經營業務之年內溢利 / (虧損)	—	103,420	(479,068)	31,208	(21,783)
PROFIT/(LOSS) FOR THE YEAR	年內溢利 / (虧損)	225,697	287,206	(327,482)	185,436	164,460
Attributable to:	應佔：					
Equity holders of the parent	母公司股權持有人	172,131	262,349	(363,751)	147,367	153,566
Minority interests	少數股東權益	53,566	24,857	36,269	38,069	10,894
		225,697	287,206	(327,482)	185,436	164,460
ASSETS, LIABILITIES AND MINORITY INTERESTS	資產、負債及少數股東權益					
TOTAL ASSETS	資產總值	3,666,212	3,373,280	3,519,723	3,019,111	3,015,651
TOTAL LIABILITIES	負債總額	(2,724,088)	(2,574,713)	(2,410,301)	(1,975,235)	(2,175,887)
MINORITY INTERESTS	少數股東權益	(94,724)	(154,448)	(162,507)	(261,387)	(228,990)
		847,400	644,119	946,915	782,489	610,774



由精雅印刷有限公司承印, 於香港註冊。

用紙: 9Lives55 Silk, 在意大利製造。油墨含植物油。紙張成份包括: 45% 原纖維, 及55%再循環纖維(包括30% 車間損紙及25% 已脫墨之用後廢料)。紙張不含氯。

FSC標誌表示產品所含的木料及原纖維組源自良好管理森林, 該等森林已獲得Forest Stewardship Council的規例認證。

Printed by Elegance Printing Company Limited, Hong Kong.

Printed on 9Lives55 Silk Paper, made in Italy and using vegetable-oil based inks. The paper comprises 45% virgin fibre and 55% recycled fibre. The recycled fibre consists of 30% pre-consumer waste and 25% de-inked post-consumer waste. Pulps used are elemental chlorine free.

The FSC logo identifies products which contain wood and virgin fibre from well-managed forests certified in accordance with the rules of the Forest Stewardship Council.

